

Drinking Water State Revolving Fund Annual Intended Use Plan SFY 2020

State Of Connecticut
Department Of Public Health
Drinking Water Section



This page is intentionally blank

Table of Contents

- List of Acronyms Used in this Document
- I. Introduction
 - A. State of Connecticut’s Drinking Water State Revolving Fund
 - B. What’s New for SFY 2020
 - II. Structure of the DWSRF
 - A. Eligibility of Projects for Planning, Design, and Construction
 - B. Set-Asides
 - III. DWSRF Goals
 - A. Short-Term Goals
 - B. Long-Term Goals
 - IV. Criteria and Method for Distribution of Project Funds
 - A. Priority Ranking System
 - B. Capacity Assessments
 - C. Projects to be Funded
 - D. Small System Funding
 - E. Emergency Power Generator Program
 - F. Small Loan Program for Non-Construction Projects
 - G. Federal Subsidy Funds and Disadvantaged Community Assistance Program
 - H. State Subsidy Funds – Public Water System Improvement Program
 - I. Readiness to Proceed
 - J. Project Bypass Procedures
 - K. Other DWSRF Provisions
 - L. Connecticut Plan of Conservation and Development
 - V. DWSRF Policies and Requirements
 - A. Letter of Authorization to Award for Eligible Projects
 - B. Project Application Carryovers and Rollovers
 - C. Multi-Year Projects
 - D. Tie-Breaking Procedures
 - E. Pre-Review Policy (Construction Only)
 - F. Reimbursements
 - G. Refinancing Existing Loans
 - H. Withdrawal of Project from Funding Consideration
 - I. Use of Excess Project Funds
 - J. Replacement of Lead Service Lines when Replacing Water Main
 - VI. Financial Management
 - A. Rationale for Determining Amounts of Capitalization Grant Intended for Projects and Set-Aside Funds
 - B. Sources and Uses of Funds
 - C. The DWSRF Financing Plan and Issuance of Bonds for Leveraging
 - D. State Matching Requirements
 - E. Federal Cash Draw Proportionality
 - F. Financial Terms of Loans
 - G. Transfer of Capitalization Grant Funds between the DWSRF and CWSRF
 - H. Expected Loan Demand
 - I. Impact of Program on Long-Term Financial Status of the DWSRF

- VII. Set-Aside Activities
 - A. DWSRF Administrative Funds
 - B. State Program Management
 - C. Small Systems Technical Assistance
 - D. Local Assistance
- VIII. Audits and Reporting
- IX. Public Outreach and Comment
- X. Attachments
 - A. Sources and Uses for DWSRF Project Funds and Set-Aside Accounts
 - B. Priority Ranking System
 - C. SFY 2020 Comprehensive Project List – Alphabetical Order
 - D. SFY 2020 Comprehensive Project List – By Points
 - E. SFY 2020 Carryover List
 - F. SFY 2020 Fundable Project Priority List
 - G. Asset Management Plan Checklist
 - H. Fiscal Management Plan Checklist
 - I. Disadvantaged Community Assistance Program

Acronyms Used in This Document:

AIS	American Iron and Steel
AWIA	America's Water Infrastructure Act of 2018
CAT	Capacity Assessment Tool
C&D Plan	Connecticut Conservation and Development Policies Plan
CFR	Code of Federal Regulations
CGS	Connecticut General Statutes
CWF	Clean Water Fund
CWS	Community Water System
CWSRF	Clean Water State Revolving Fund
DCAP	Disadvantaged Community Assistance Program
DEEP	Department of Energy and Environmental Protection (CT)
DPH	Department of Public Health (CT)
DWF	Drinking Water Fund
DWINSNA	Drinking Water Infrastructure Needs Survey and Assessment
DWNIMS	Drinking Water National Information Management System
DWS	Drinking Water Section (within DPH)
DWSRF	Drinking Water State Revolving Fund
EPA	Environmental Protection Agency (Federal)
EPGP	Emergency Power Generator Program
ETT	Enforcement Targeting Tool
FFATA	Federal Funding Accountability and Transparency Act
FFY	Federal Fiscal Year
FR	Federal Register
GAO	Government Accountability Office (federal)
GIS	Geographic Information System
IUP	Intended Use Plan
MOU	Memorandum of Understanding
NEIWGCC	New England Interstate Water Pollution Control Commission
NEPA	National Environmental Policy Act
NTNC	Non-Transient Non-Community (Public Water System)
OA	Operating Agreement
OPM	Office of Policy and Management (CT)
OTT	Office of the State Treasurer (CT)
PBR	Project Benefits Reporting database
PER	Preliminary Engineering Report
PPL	Project Priority List
PRS	Priority Ranking System
PURA	Public Utility Regulating Authority (within CT DEEP)
PWS	Public Water System(s)
PWSID	Public Water System Identification Number
PWSS	Public Water System Supervision grant
RCSA	Regulations of Connecticut State Agencies
SBC	State Bond Commission
SDWA	Safe Drinking Water Act
SERP	State Environmental Review Process
SFY	State Fiscal Year
TNC	Transient Non-Community (Public Water System)
ULO	Unliquidated Obligations

USC	United States Code
WIFIA	Water Infrastructure Financing and Innovation Act

The remainder of this page is intentionally blank

I. INTRODUCTION

A. State of Connecticut's Drinking Water State Revolving Fund

In 1996, Congress passed amendments to the Safe Drinking Water Act (SDWA) establishing the Drinking Water State Revolving Fund (DWSRF). Section 1452 of the SDWA authorizes the Administrator of the United States Environmental Protection Agency (EPA) to award capitalization grants to states. The amount of each state's capitalization grant is determined as a percentage of the national congressional allocation of DWSRF funding. Each state's percentage is based on the outcome of a Drinking Water Infrastructure Needs Survey and Assessment (DWINSA) conducted by the EPA every 4 years. The most recent DWINSA conducted in 2015 identified a \$4,017.7 billion needed investment in Connecticut to maintain its existing drinking water infrastructure over the next 20 years. This was a 12.3% increase from the \$3,578.3 billion estimated need in 2011. Connecticut currently receives 1% of the national allocation and is eligible to receive \$11,004,000 from the \$1,126,088,000 appropriated by Congress for Federal Fiscal Year (FFY) 2019.

The Department of Public Health (DPH) is the primacy agency for Connecticut's drinking water program and the designated agency that is authorized to enter into capitalization grant agreements with the EPA, accept capitalization grant awards, and otherwise manage the DWSRF. This Intended Use Plan (IUP) is part of our application for the FFY 2019 Capitalization Grant. The SDWA requires that each State annually prepare an IUP to describe how the State intends to use DWSRF program funds to support the overall goals of the DWSRF program and meet the SDWA objectives. This IUP highlights the State of Connecticut's ongoing improvement of the DWSRF program and seeks to further maximize the program's resources. The DWSRF program is an essential component of Connecticut's efforts to protect public health and improve the quality and availability of water to all its citizens. The IUP communicates our plans to stakeholders who include: public water systems, the public, EPA and other state agencies.

The IUP discusses how DPH intends to utilize its allotment of FFY 2019 funds, state legislative funding authorizations, and unobligated project funds carried forward from previous IUPs during the State Fiscal Year (SFY) 2020 time period (July 1, 2019 – June 30, 2020). The available funding includes unliquidated obligations (ULO) from previous federal capitalization grants. The IUP details the short-term and long-term goals that the DPH has developed to support the overall objectives of the DWSRF program of ensuring public health protections, complying with the SDWA, ensuring affordable drinking water, and maintaining the long-term financial health of the DWSRF. The IUP also provides the financial status of the DWSRF. Finally, the IUP describes the criteria and methods that DPH will use to distribute the funds, including the ranking criteria under which the eligible projects were ranked and placed on the fundable Project Priority List and Comprehensive Project List and the procedures that allow DPH to bypass projects on the fundable Project Priority List.

During SFY 2020, the DPH will continue to focus on implementing the public health aspects of the SDWA and will work to ensure that funds move expeditiously and responsibly from the time the State of Connecticut is awarded the capitalization grant to the time the funds are awarded to projects. These efforts are instrumental in achieving the requirements of the SDWA. The DPH works closely together with other state and federal agencies to identify opportunities for funding specific projects and to coordinate funding efforts.

Connecticut has legislation enabling it to establish and operate a DWSRF program and to apply for and receive federal funds, which is contained in Connecticut General Statutes (CGS) Sections 22a-475 through 22a-483, inclusive. As the administrator of the DWSRF program for the State of

Connecticut, the DPH coordinates our activities with other state agencies, which are the Office of the State Treasurer (OTT), the Department of Energy and Environmental Protection (DEEP), and, within DEEP, the Public Utilities Regulatory Authority (PURA), with the charge of implementing certain aspects of and overseeing the DWSRF program. The DPH, DEEP, OTT, and PURA entered into a DWSRF Interagency Memorandum of Understanding (DWSRF Interagency MOU), which details the roles and responsibilities of each agency. The DWSRF Interagency MOU is an attachment to the Operating Agreement (OA) between the State of Connecticut and the EPA. The OA was filed with the EPA as part of the DPH's 1997 Capitalization Grant application and established the basic framework and procedures of the DWSRF program that are not expected to change annually.

The DPH is responsible for programmatic and fiscal administration of DWSRF projects and capitalization grant set-aside funds. The DPH processes General Obligation Bond allocation requests directly through the State Bond Commission (SBC) for any state funds used to subsidize DWSRF projects. The DPH provides the bi-annual capital budget request and the SBC Revenue Bond allocation requests for DWSRF projects to the DEEP for processing under the Clean Water Fund (CWF). The DEEP is responsible for administration of the CWF, of which the DWSRF is a sub-account. The PURA is responsible for programmatic and fiscal input for those water companies that it regulates who are requesting DWSRF funding. The OTT is responsible for the fiscal administration of all DWSRF project accounts, oversight of loans, oversight of the leveraging process through bond sales, administration of a DWSRF financial plan, and assessing the financial viability of borrowers.

Figure 1 on page 6 displays the role the IUP plays in the DWSRF funding process.

B. What's New for SFY 2020?

The DPH has worked to expand the projects that are eligible to receive state grant-in-aid from the Public Water System Improvement Program to include lead service line replacements and projects that address emerging contaminants. Refer to Section IV.H. for details.

Public Act 19-194 was signed by the Governor on July 9, 2019. This act amends RCSA Section 22a-483f to allow "for-profit" public water systems that are "public service companies" as defined in CGS Section 16-1 to be eligible to receive grants-in-aid from the Public Water System Improvement Program if they receive DWSRF funding for an eligible drinking water project and after DPH's consultation with PURA. Refer to Section IV.H. for details.

Public Act 19-118 was signed by the Governor on July 9, 2019. Section 2 of this act amends RCSA Section 22a-478(n) to allow the DPH Commissioner to provide a DWSRF loan for an eligible drinking water project without regard to the priority list of eligible drinking water projects if a water emergency exists including, but not limited to, an unanticipated infrastructure failure, a contamination of water or a shortage of water which requires that the eligible drinking water project be immediately undertaken to protect public health and safety. Refer to Section IV.J. for details.

The Drinking Water Section's (DWS) DWSRF website now has a webpage for its [Small Loan Program](#) for non-construction projects. The webpage provides additional details for this program including access to all of the applications, forms and guidelines. Please visit the webpage and refer to Section IV.F. for more details. This program was initially implemented in SFY 2019 with streamlined DWSRF requirements to make it easier for small PWS to access DWSRF funding for certain qualifying projects.

All projects that are eligible for federal subsidization will be eligible to receive the subsidization allowances contained in the IUP for the SFY in which they enter into a financial assistance agreement with DPH. Previously, projects were restricted to the subsidization provisions of the IUP for the SFY in which the project originally appeared on a Project Priority List. See Section IV.G. for details on federal subsidization.

Section V.G. of this IUP has been updated from prior years' to clarify the DPH's policy on refinance loans. In prior years, the DPH only considered loans to be reimbursement loans if the public water system was applying for the DWSRF loan to refinance an existing permanent loan obligation. After consulting with EPA Region 1 staff, DWSRF loans provided as a permanent loan obligation following a project's completion that will be used to pay off an interim financing obligation that a public water system received during the construction of a project were determined to meet the EPA's criteria for refinancing. As such, changes have been made to this section to differentiate the way in which the refinancing of permanent loan obligations and interim funding obligations are reviewed and ranked with respect to the DWSRF Priority Ranking System.

The federal American Water's Infrastructure Act of 2018 (AWIA) was signed into law on October 23, 2018 and among its provisions are amendments to the Safe Drinking Water Act §1452 (42 U.S.C. 300j-12) that provide changes to the DWSRF program. While EPA has not yet released formal implementation guidance on these new requirements or authorizations, the impacts to the DWSRF are summarized below:

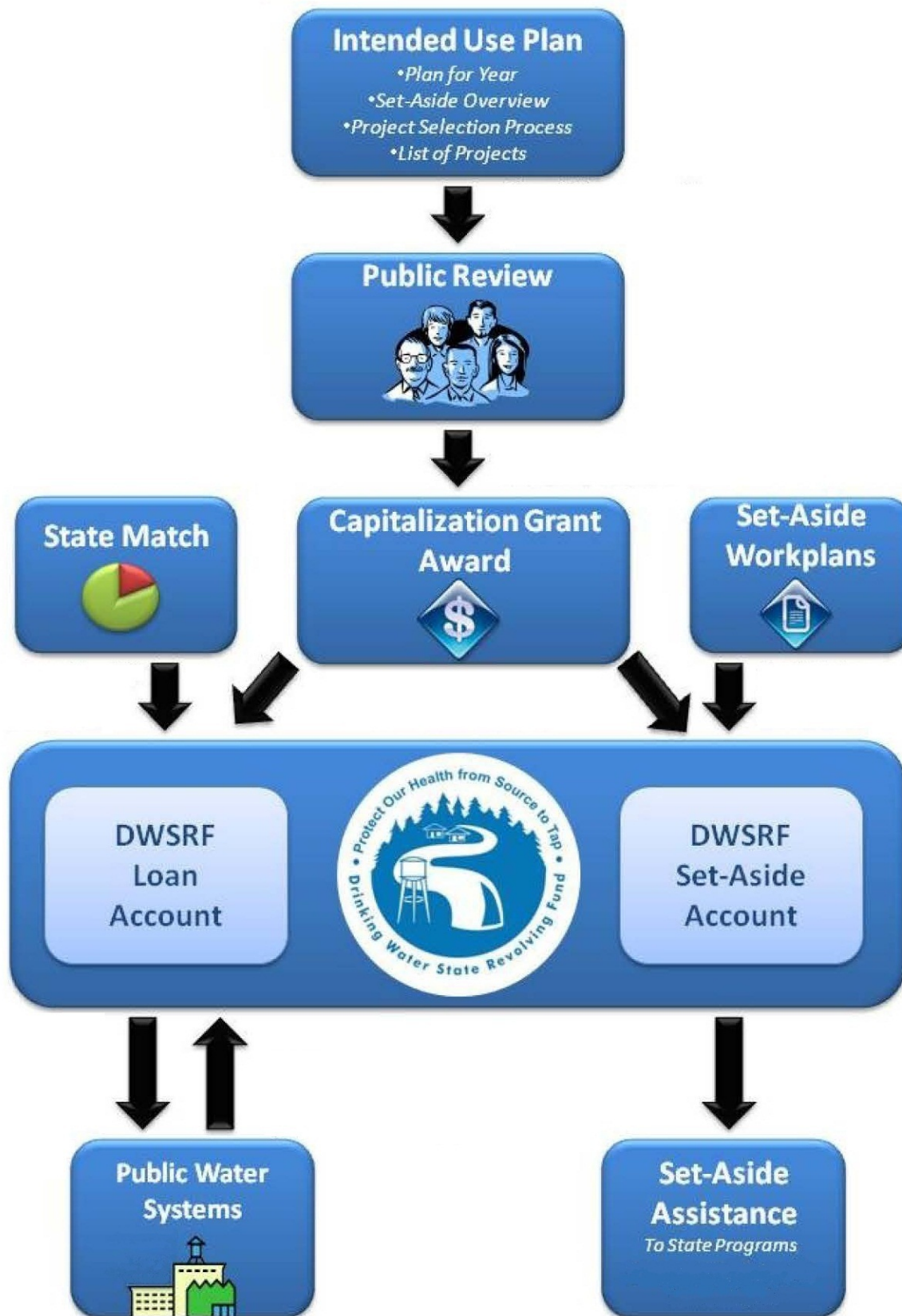
1. Adds "replacing or rehabilitating aging treatment, storage, or distribution facilities of public water systems" to the list of eligible DWSRF uses. While these projects were previously eligible for DWSRF funding this change explicitly clarifies this.
2. Requires states to use not more than 35% of its federal capitalization grant for disadvantaged community assistance and, to the extent that there are sufficient applications, not less than 6%. This change now requires all states to have a Disadvantaged Community Assistance Program (DCAP) in order to satisfy the new 6% minimum requirement. Prior to SFY 2020, the DPH did not implement a DCAP. The new DCAP is detailed in Attachment I to this IUP.
3. Requires that DWSRF loans be fully amortized not later than 30 years after project completion unless the state extends the term to 40 years for disadvantaged communities and the extension does not exceed the design life of the project. This change does not require states to extend the terms of DWSRF loans but allows them to do so if they choose to. CT's DWSRF program is leveraged through the issuance of revenue bonds. The proceeds of these bond sales are used by the OTT to make payments on DWSRF projects and the structure of these bond sales have been set up on amortized 20 year repayments on loans from borrowers. As a result, the DPH and OTT have determined that is not possible to extend loan terms beyond 20 years at this time with the following exception: the OTT will make \$50 million that is held outside of the DWSRF bond accounts available for extended loan terms for up to 40 years for disadvantaged communities during SFY 2020. Please refer to Section V of Attachment I for details on these limited extended loan terms.
4. Allows states to extend the commencement of repayment on a DWSRF loan from one year to 18 months after project completion. This change cannot be implemented in Connecticut because CGS Section 22a-477(s) requires that the repayment of a DWSRF loan commence not later than one year after the scheduled completion date of a project.

5. Extends the American Iron and Steel (AIS) provision for DWSRF funded projects through federal fiscal year 2023.
6. Includes new requirements for all federal Drinking Water Infrastructure Needs Survey and Assessments (DWNISA) conducted after October 23, 2018 to include an assessment of costs to replace all lead service lines and describe, separately, the costs associated with PWS-owned lines and the costs to replace any remaining portions, to the extent practicable. It is expected that EPA will be requesting this information for PWSs in Connecticut that are selected to participate in the 2019 DWINSAs, but has not yet released final guidance on the survey's documentation requirements for this item. Please see Section VI.H. for more information on this new requirement.
7. Authorizes states to fund delineation and assessment of source water protection areas, and to update existing source water protection assessments, using the 15 percent Local Assistance and Other State Programs set-aside. That authorization had previously expired with the 1997 capitalization grant funding. Further, states may use this set-aside to fund activities to implement source water protection more generally. At this time the DPH is considering the potential update to the SWAP assessments from 2003 and will evaluate the assessments completed under state law since 2006. It is anticipated that due to emerging contaminant threats, it is possible that these assessments will need to be updated. The set-aside budget will reflect this work.
8. Directs the EPA to conduct a best practices evaluation on the states' administration of DWSRF loan funds by October 23, 2021.
9. Directs the federal Government Accountability Office (GAO) to study whether state or local environmental cross-cutter laws "may be substantially equivalent" to those required by Congress and the EPA for DWSRF-funded infrastructure projects. Congress directs the GAO to work with the state drinking water primacy agencies and public water systems on this study and the report is due by October 23, 2019.
10. Authorizes \$100 million in supplemental DWSRF capitalization grants for states with community water systems serving an area for which the President issued a Stafford Act emergency declaration after January 1, 2017 or systems which can extend service to an "underserved area" that received Stafford Act disaster assistance. Actual appropriation levels will be at Congressional discretion.
11. Reauthorizes the DWSRF from federal fiscal years 2019 through 2021 at \$1,174,000,000 for fiscal year 2019, \$1,300,000,000 for fiscal year 2020 and \$1,950,000,000 for fiscal year 2021. Actual appropriation levels will be at Congressional discretion. The FFY2019 appropriation was \$1,126,088,000 which was less than the authorized amount.
12. Mandates that states include in their triennial capacity development reports a description of how the state primacy agency will encourage water systems to develop asset management plans, including the provision of technical assistance. It also mandates that the EPA review and, if appropriate, update technical assistance and best practice documents for asset management.

13. Provides states with the authority to mandate that a PWS undertake a consolidation assessment, assess the transfer of ownership of the PWS or impose other options if a PWS is unable or unwilling to come into compliance with SDWA requirements and such assessment or option is feasible. Also authorizes the use of the DWSRF to finance these assessments and any associated construction costs. EPA has until October 23, 2020 to promulgate regulations on this requirement.
14. Adds additional flexibilities for state DWSRF programs to utilize funding from the EPA's Water Infrastructure Finance and Innovation Act (WIFIA) program. EPA has not yet released guidance on this item. The DPH is unaware of any PWS in Connecticut that have applied for WIFIA funding since this program was initiated in 2014.

The DPH intends to share additional details on AWIA with PWSs and the public as they become available from the EPA. To view the entire AWIA text please click [here](#).

Figure 1 - The DWSRF Funding Process



II. STRUCTURE OF THE DWSRF

A. Eligibility for Projects for Planning, Design, and Construction

The DWSRF provides funding assistance for the planning, design, and construction of water infrastructure improvement projects to eligible PWSs, which include all community PWSs and non-profit, non-community PWSs. Projects must meet federal DWSRF eligibility requirements. Eligible projects include:

- Installation or upgrade of facilities to improve the quality of drinking water to comply with the SDWA and State drinking water regulations;
- Rehabilitation of wells or development of eligible sources to replace contaminated sources;
- Installation, rehabilitation or replacement of transmission and distribution pipes to improve water pressure to safe levels or to prevent contamination caused by leaks or breaks in the pipes;
- Installation or upgrade of eligible water storage facilities to prevent microbiological contaminants from entering a PWS;
- Interconnecting two or more PWSs;
- Creation of a new community PWS to serve homes with contaminated individual drinking water sources or to consolidate existing systems into a new regional system;
- Routine capital improvement projects for drinking water infrastructure that has exceeded or is nearing the end of its useful service life.

Federal DWSRF regulations specify that funding may not be used for projects that are primarily intended to serve growth. The focus of DWSRF assistance is to ensure safe drinking water for the current PWS's population. Eligible projects may be sized to accommodate for reasonable growth during the expected life of the infrastructure. However, the State of Connecticut will not fund projects intended to serve future growth outside of reasonable expectations and remains vigilant to ensure the limited DWSRF funds available are directed to serve the existing population.

Additionally, the DWSRF may not provide assistance to any system that has an Enforcement Targeting Tool (ETT) score of 11 or greater unless DPH determines that the system will return to compliance with such assistance and has an adequate level of technical, managerial and financial capability to maintain compliance.

Assistance provided to a PWS from the DWSRF may be used only for expenditures that will facilitate compliance with SDWA drinking water regulations or otherwise significantly further the public health protection objectives of the SDWA.

B. Set-Asides

The State of Connecticut will use its capitalization grant set-aside funds to provide additional support to the promotion and implementation of the State's safe drinking water efforts and for activities to assist water systems in developing enhanced capabilities for the future. Each of the set-asides is briefly explained below and additional information may be found in Section VII.

Administration - to support administrative and fiscal management of the DWSRF accounts and provide assistance to borrowers in preparing their loan applications and satisfying program requirements

Small system technical assistance - for assistance to small systems serving less than 10,000 people through state personnel or agreements with third party assistance providers

State program management – for Public Water System Supervision program support and implementation of the Operator Certification program

Local assistance and other state programs – for assistance for Capacity Development and for source water protection activities

III. DWSRF GOALS

The DPH has developed short-term and long-term goals to support the overall goals for the DWSRF program of ensuring public health protection, complying with the SDWA, ensuring affordable drinking water, and maintaining the long-term financial health of the DWSRF. The DPH is committed to continuous program improvement by assuring that program measures are tracked and achieved, fiscal oversight and coordination continues to improve, Connecticut's PWSs are continuously aware of DWSRF opportunities, the DPH's DWSRF program is adequately staffed, and the public drinking water infrastructure needs for the State of Connecticut are adequately addressed, documented and shared with the public to the greatest extent possible.

Maintaining an adequate staffing level has been identified as a critical factor in the success of the DWSRF program, and overall in the assistance and oversight provided to all PWS by the entire DWS.

The DWSRF short-term goals are focused on continued development and implementation of all facets of the DWSRF program, including moving eligible fundable projects through the loan process to ensure that all monies are committed in a timely manner. The short-term goals as indicated below are benchmarks for measuring overall success and effectiveness of the program.

A. Short-Term Goals

1. Apply for the capitalization grant as soon as possible following notification from EPA Region 1 that applications are being accepted. Upon award, comply with the capitalization grant's terms and conditions.
2. Enter into financial assistance agreements with PWSs for projects identified in this IUP with an overall goal of committing all available project funds during the IUP period and increasing the pace of the DWSRF program.
3. Continue to implement existing DWSRF elements, including re-evaluation and improvement of the following when necessary:
 - a. Effective and efficient fiscal management of DWSRF funds;
 - b. Routine procedures for entering into project funding agreements with recipients;
 - c. Effective and efficient communications between State agencies for all components of the DWSRF program;
 - d. Improve the efficiency of review of project submittals and execution of funding agreements, where possible;
 - e. Review of the Priority Ranking System (PRS), maintaining an emphasis on ready-to-proceed projects;
 - f. Responsibilities delineated in the DWSRF Interagency MOU;

- g. Routine procedures for monitoring oversight and contract compliance of DWSRF set-aside projects;
 - h. Procedures for evaluating technical and managerial capacity of DWSRF applicants and sustainability aspects of proposed projects.
4. Input project information into the DWSRF Project Benefits Reporting (PBR) and the Drinking Water National Information Management System (DWNIMS) on-line databases and continue to monitor program pace to meet or exceed national goals and measures for awarding funds in a timely manner.
5. Maintain a financing plan that secures the perpetuity of the DWSRF and meets loan demand.
6. Provide oversight, tracking, and continued implementation of the DPH's January 2013 Cash Management Plan, revision of January 2018.
7. Draw down federal capitalization grant funds as quickly as possible (project funds and set-asides) to achieve and maintain compliance with EPA's ULO Objectives.
8. Maintain a robust pipeline of projects through frequent interaction with PWSs.
9. Continue to work closely with DWSRF loan applicants to ensure well-coordinated regulatory reviews and loan preparation activities.
10. Continue using a 2-year loan demand planning period to help ensure sufficient DWSRF funds are appropriated in the biennial State of Connecticut capital budget.
11. Continue to allow new project eligibility applications to be submitted at any time during the year and update the Comprehensive Project List with these new projects in a timely manner.
12. Continue to implement improvements identified during the 2014 DWSRF LEAN process, including:
 - a. Revise the DWSRF Interagency MOU to reflect modifications made with respect to each agency's responsibilities to the DWSRF program to reflect the statutory changes approved in 2010.
 - b. Revise the OA to reflect revisions that have been made to the DWSRF program.
13. Continue to seek ways to make it easier for small systems to access DWSRF funding.
14. Continue to encourage small water systems to apply for funding for all phases of a project, such as: planning, including preparation of asset management plans, preliminary engineering reports, etc.; and design and construction, especially when the project is to correct a compliance concern, consolidate with a larger community PWS, or replace older hydropneumatic tanks.
15. Provide education and technical assistance to PWSs to improve the sustainable infrastructure and asset management programs of PWSs.
16. Continue transitioning into the Loans and Grants Tracking System (LGTS) database that will improve communication between State of Connecticut agencies and information sharing

with the EPA for projects funded through the DWSRF program. Convert the LGTS database to a web based platform to improve its performance, efficiency and functionality including the storage of electronic records for DWSRF projects, consolidation of federal reporting efforts and generation of various reports.

17. Utilize the information gathered as part of the 2015 DWINSA to work with the selected PWSs to submit projects for future DWSRF funding cycles.
18. Utilize funding from the capitalization grant's administrative set-aside to develop a DPH DWSRF communications strategy which will include preparation of DWSRF marketing materials, including an Annual DWSRF Construction Report, brochures, posters and other materials, to increase the awareness of the DWSRF among PWSs, legislators, local officials, consultants and other stakeholders.

B. Long-Term Goals

The DWSRF long-term goals express strategic principals for guiding the DWSRF program into the future. These long-term goals are:

1. Commit to monitor, track, and continue to maintain and improve the pace of the DWSRF program.
2. Meet or exceed EPA's ULO objectives for ULOs associated with capitalization grant awards received from the EPA.
3. Continue to reach out to State of Connecticut PWSs in an effort to educate and better promote the DWSRF Program, in order to maintain a pipeline of projects that are eligible to receive DWSRF funding.
4. Coordinate within the DPH, and continue to collaborate with other State agencies where possible and advantageous, to maximize the effectiveness of the program and meet the State of Connecticut's public health, water quality and water adequacy goals.
5. Use set-aside funds to effectively improve the State of Connecticut's aging drinking water infrastructure, drinking water regulatory compliance, the technical, managerial and financial capacity of PWSs and drinking water service to Connecticut's residents. Areas of concern include PWSs' sustainable infrastructure programs, long-term water supply planning, source water protection and small water systems.
6. Continue to improve on documenting the PWS infrastructure needs for the State of Connecticut through on-going participation and support for the EPA's Drinking Water Infrastructure Needs Survey and Assessment.
7. Offer a long-term low-interest financing program to eligible PWSs to undertake infrastructure improvement projects.
8. Commit to maintaining cash management policies, procedures and records for DWSRF funding.

9. Enhance the LGTS database to provide accessibility to DWSRF borrowers to monitor the status of their loan applications and allow for the submission of required program documents/records.

IV. CRITERIA AND METHOD FOR DISTRIBUTION OF PROJECT FUNDS

A. Priority Ranking System

A state's Priority Ranking System (PRS) is required to provide, to the extent practicable, priority to projects that: address the most serious risk to human health; are necessary to ensure compliance with the requirements of the SDWA; and assist systems most in need, on a per household basis, according to State affordability criteria. The DPH has statutory and regulatory jurisdiction over all statewide matters related to the purity and adequacy of drinking water. The DPH considers quantity as important as quality in the protection of public health. The PRS developed by the DPH for its DWSRF program specifies the criteria that the DPH uses to determine the distribution of funds and is found in Attachment B of this IUP. The primary objective of the PRS is to award the highest points to projects that protect public health through improvements designed to address PWS performance in the areas of water quality and water quantity. The DPH is also responsible for the timely distribution of available DWSRF funds and must take into consideration each project's "readiness to proceed" when preparing the Project Priority List (PPL).

The PRS places higher emphasis on projects that will achieve compliance with applicable drinking water quality requirements, while recognizing the importance of projects that will maintain compliance. As part of maintaining compliance, the PRS emphasizes sustainability and acknowledges the inherent value of asset management planning. A PWS's compliance with both state and federal drinking water quality requirements is closely monitored throughout the project review process. If a PWS has any outstanding significant violations or deficiencies or has received an ETT score of 11 or higher, a PWS must demonstrate a path to return to compliance before any formal commitment of funding is made by the State of Connecticut.

Within the parameters set by the PRS, the DPH intends to exercise considerable flexibility in the types of projects the DWSRF will fund with protection of public health and compliance with SDWA and State drinking water regulations as the predominate concerns. Exclusions for growth and other non-eligible elements, as described in the PRS, stand as limitations on project funding.

B. Capacity Assessments

The SDWA requires that a PWS applying for a DWSRF loan demonstrate that it has the technical, financial and managerial (TFM) capacity to ensure compliance. If a system does not have adequate TFM capacity, in whole or in part, assistance may only be provided if it will help the system to achieve adequate TFM capacity. The goal of this requirement is to ensure that DWSRF assistance is not used to create or support non-viable systems. DPH has developed and utilizes a capacity assessment tool to analyze the system capacity for small PWSs statewide. Known as the CAT, this tool is used to assess the capacity of small community PWSs. Three-hundred and thirty small community PWSs were initially evaluated using the CAT. These evaluations were provided to the individual PWSs and have been used in a variety of water planning activities. DPH is working on creating a mechanism to update the CAT to incorporate changes in the PWSs' technical, managerial and financial capacity as issues are addressed. PWSs serving 1,000 or more are required to develop and maintain a Water Supply Plan, which are reviewed and approved by the DPH.

Incentives for PWSs to improve their capacity have been built into the distribution of the required subsidy, as described in Section IV. G. Small PWSs must have or develop asset and fiscal management plans in order to be eligible for federal subsidization. Qualified applicants of all sizes that wish to qualify to receive state subsidy must also have asset and fiscal management plans. The criteria for these plans were developed by referencing EPA guidance. Checklists of required information for each plan were developed and are included as Attachments G and H. The criteria were chosen so that these plans would address all three areas of capacity.

In addition, legislation (Public Act 18-168, Section 61) was passed which requires that all community PWSs serving at least twenty-five, but not more than one thousand, year-round residents prepare fiscal and asset management plans no later than January 1, 2021. To help these systems, the DPH is renewing its effort to build small system capacity through training. Following the significant impact of storms on small community PWSs in 2011 and 2012, a “Three Storm Strategy” was developed to address emergency preparedness for community PWSs. This document will be updated on an ongoing basis as projects move forward and issues evolve over time.

While the DPH intends to fund a wide range of drinking water projects, it will do so only after careful consideration of an applicant’s technical, managerial and financial capabilities and readiness to proceed with their project. An assessment of an applicant’s overall capacity, including the long-term capacity to operate and maintain the water system and the infrastructure to be funded by the DWSRF, will be conducted before any funding commitment is made.

Technical Capacity

To demonstrate technical capacity, DWSRF applicants must show that their drinking water sources, treatment, distribution, pumping, and storage infrastructure are adequate. Personnel must have the technical knowledge to effectively operate and maintain the system, as well as any additional infrastructure funded by the DWSRF. All community and non-transient non-community PWS are required to have a Certified Operator responsible for the operation of the water system, in accordance with the DPH’s operator certification program. As part of reviewing an applicant’s technical capacity, the DPH will review the PWS’s regulatory compliance records and most recent sanitary survey report to assure that the system is being properly operated and maintained. The PWS must not have outstanding regulatory compliance problems unless the PWS is actively working to correct or resolve those problems. The engineering reports, plans and specifications for the proposed DWSRF-funded project will be evaluated during the loan application process.

Financial Capacity

To demonstrate financial capacity, the applicant must show that the PWS has sufficient revenues to cover necessary costs to operate and maintain their water system and repay their DWSRF loan. Applicants must also demonstrate credit worthiness and the existence of adequate fiscal controls. The OTT is responsible for reviewing the financial capacity of DWSRF borrowers, including a review of the project budget, annual financial reports, and other pertinent financial information.

Managerial Capacity

To demonstrate managerial capacity, the PWS must have personnel with expertise to manage the entire water system operation. Managerial capacity of a PWS is evaluated during routinely conducted sanitary surveys and when the PWS applies for a DWSRF loan. As part of reviewing a DWSRF applicant’s managerial capacity, the DPH will review the PWS’s regulatory compliance

records and the most recent sanitary survey report to assure that the PWS is being properly operated and maintained.

C. Projects Expected to be Funded

Projects on the Fundable PPL are expected to receive funding under this IUP. Funds will also be made available to projects carried forward from a prior IUP, but for which binding commitments (i.e. financial assistance agreements) with the DPH have not yet been executed. These projects are being carried over, in accordance with the procedure described in Section V, and are listed on the Carryover List (Attachment E). These carryover projects went through public comment and ranking during the year in which they appeared on a Fundable PPL and are not being re-ranked in this IUP.

It is the goal of the DPH to fund as many eligible projects as it can with the available DWSRF funding. The projects that are ultimately funded may differ from those outlined on the Fundable PPL for various reasons, which include:

- A project on the Fundable PPL receives full or partial funding from another source;
- A project on the Fundable PPL is bypassed, as described in the PRS and Section IV.J. of this document;
- An applicant is unable to comply with all applicable state and federal program requirements for DWSRF funding;
- An applicant withdraws its DWSRF funding application; or
- A project, or a portion of a project, is determined to be ineligible for DWSRF funds.

The DPH utilized the PRS and project readiness criteria to determine if a project can reasonably be expected to proceed during SFY 2020. The Fundable PPL identifies projects, or portions of projects, that can reasonably be expected to proceed during SFY 2020 based on project readiness information provided by the DWSRF applicants and the criteria in Section IV.I. of this IUP.

Funding for new projects is limited to eligible PWSs that submitted DWSRF Eligibility Applications which are included in the annual IUP and any amendments to the IUP made thereafter. This annual IUP includes those Eligibility Applications which were received prior to the initial drafting of the IUP, which was announced in the DPH's SFY 2020 Call for Projects. The DPH received 47 applications totaling approximately \$123.9 million, of which all are eligible. All project eligibility applications were reviewed and evaluated to ensure that the proposed projects meet the eligibility criteria and that the applicant is prioritizing projects based on their identified needs and addressing any applicable regulatory compliance concerns. All projects were awarded appropriate points based on the PRS. As in the past, the DPH put a significant emphasis on project readiness in development of the Fundable PPL.

The Comprehensive Project List includes all eligible projects submitted in response to the SFY 2020 Call for Projects, or those phases of projects from the Carryover List which have been determined to not be sufficiently ready to proceed. This Comprehensive Project List includes 71 projects for a total of approximately \$165.3 million.

Some applicants have requested funding for planning, design, and construction phases of a project; however, all phases may not necessarily receive funding. Projects which requested funding for multiple phases may appear on the Carryover List or Fundable PPL only for certain phases that have been determined to be ready to proceed. These phases are identified in parenthesis next to the project's name with the corresponding estimated DWSRF funding amounts to complete these

phases. The Comprehensive Project List shows the full amount of DWSRF funding requested to complete all phases of each project.

The Comprehensive Project List shows projects in alphabetical order by the town of the PWS (Attachment C). This list of projects is also shown in order of ranking points assigned (Attachment D). From this comprehensive list, the Fundable PPL (Attachment F) was developed based on the total amount of funding made available and the expected readiness of a project to proceed. Projects that are determined by the DPH as not ready to proceed during SFY 2020 were not considered in preparing the Fundable PPL regardless of the priority points that the project received or the amount of funding expected to be available. These projects will be maintained on the Comprehensive Project List and will be considered for funding during SFY 2020, if they subsequently become ready to proceed, according to the bypass procedure explained in Section IV.J., or if sufficient funding is available for them.

The Fundable PPL includes those projects, or phases of a project, expected to move forward during SFY 2020 ranked by priority points awarded, and for which sufficient funds are expected to be available. The Fundable PPL includes 51 projects totaling approximately \$71.4 million.

The DPH reserves the right to make changes to the Fundable PPL, using by-pass procedures explained in Section IV.J., to ensure that the available funds are committed in executed funding agreements to the maximum extent possible. Projects on the Comprehensive Project List may also be added to the Fundable PPL if there is a sufficient surplus of funding is available for them and they become ready to proceed during SFY 2020 following the finalization of the annual IUP. Priority in adding a project from the Comprehensive Project List to the Fundable PPL shall be given to the most ready to proceed project regardless of the project's ranking score. Where two or more projects on the Comprehensive Project List become equally ready to proceed, priority for funding shall be given to the project with the highest ranking score.

The DPH has and will continue to accept and review Eligibility Applications received after the initial drafting of this IUP. Following publication of the finalized annual IUP, the Comprehensive Project List may be amended periodically to include new projects for which Eligibility Applications were received. Any amendments to the Comprehensive Project List will be posted on the DPH DWS website for a 30-day comment period before being finalized and incorporated as an amendment into the annual IUP.

D. Small System Funding

The SDWA Amendments of 1996 require that, to the extent there are a sufficient number of eligible project applications, not less than 15% of the available funding be dedicated to small PWSs, which are PWSs that regularly serve less than or equal to a population of 10,000. In cases where an applicant owns more than one community PWS, the applicant's population will be determined on the combined population of all of its individually owned PWSs.

The Fundable PPL does not achieve the EPA goal of dedicating at least 15% of the available DWSRF funding, or approximately \$22.6 million, to small PWSs. This was due to a lack of sufficient funding requests for projects ready to proceed during SFY 2020. The Fundable PPL includes applications for 23 eligible small PWS projects, including 5 EPGP projects, totaling \$12,502,115 in eligible project costs. All were determined to be ready to proceed in SFY 2020.

The DPH continues to try to streamline and improve the funding process for small PWSs to make it easier for them to obtain DWSRF funding.

E. Emergency Power Generator Program

The EPGP was established in SFY 2012 in response to two extreme weather events that occurred in the late summer and fall of 2011. These events left many customers, in particular customers of small PWSs, throughout Connecticut without water service for extended periods of time due to power outages. During 2012 and 2013, two additional severe weather events occurred furthering the need to ensure that all PWSs have back-up power systems capable of providing continued water service to customers during prolonged power outages. The EPGP allows eligible PWSs with projects costing less than \$100,000 to obtain low-interest loans and subsidies to purchase and install back-up power systems to be used in the event of power outages.

The EPGP includes streamlined procurement procedures for projects costing less than \$100,000 in an effort to make it easier for small PWSs to proceed through the DWSRF process. PWSs that currently do not have back-up power systems for their drinking water facilities are eligible to receive up to 45% of the total cost of a system as subsidization, with a maximum amount of \$45,000 for each facility. PWSs that already have back-up power systems installed in their facilities are eligible to receive up to 25% of the total cost of their generator system as subsidization, with a maximum amount of \$25,000 per facility for replacement back-up power systems. These back-up power system projects are ranked along with all other projects in accordance with the PRS.

F. Small Loan Program for Non-Construction Projects

Similar to the EPGP, the DPH streamlined the procurement procedures for non-construction projects costing less than \$100,000 in an effort to make it easier for small PWSs with qualifying projects to proceed through the DWSRF process. This program is only available for the purchase and installation of equipment, or the replacement of equipment, installed within an existing facility that does not involve the construction, alteration or repair (including painting or decorating) of that facility. Typical projects that would be eligible to receive a loan under this program would include:

- Replacement of pumps or motors;
- Installation or replacement of diaphragm pressure tanks;
- Installation of water treatment equipment or modifications to existing water treatment systems for regulatory compliance (filters, chemical feed systems, etc.);
- Minor incidental plumbing and electrical work (including SCADA) required only to accommodate the installed or replaced equipment.

Low cost projects that would include new buildings, building additions, building alterations or heavy equipment operators for site work would be considered construction projects and would not be appropriate for consideration under this Small Loan Program.

G. Federal Subsidy Funds and Disadvantaged Community Assistance Program

The DPH has the statutory authority to provide subsidization in the form of grants, principal forgiveness, negative interest rates, or any combination thereof under CGS Section 22a-477(s)(2)(F). All federal subsidization that the DPH is authorized to provide to loan recipients from the DPH's federal capitalization grant will be provided in the form of loan principal forgiveness. The following subsections describe the federal subsidization funding that will be available for drinking

water projects during SFY 2020. A chart detailing the various levels of subsidy is provided below in subsection 3.

1. Federal Subsidy Funds – All Projects

The federal DWSRF appropriation for FFY 2019 requires that 20% of the capitalization grant amount be used by the State of Connecticut to provide additional subsidization to eligible recipients in the form of grants, principal forgiveness, or negative interest loans, or any combination thereof. The DPH is therefore required to provide approximately \$2,200,800 in subsidization to satisfy this requirement.

The DPH will use 20% of the capitalization grant to subsidize drinking water projects contained on the Fundable PPL as outlined below.

- a) Projects funded under the EPGP are eligible to receive up to 25% or 45% of the fixed contract cost of their generator system in subsidization, as described in Section IV.E.
- b) Small PWSs (those serving a population of 10,000 or under) and PWSs with more than one system, but whose largest system serves 10,000 or under, will be eligible to receive a subsidy of up to 25% of each fixed contract cost associated with the project, not to exceed a total of \$500,000 per project. Small PWSs which serve less than 1,000 people must have an Asset Management Plan in place, or agree to prepare and implement such a plan as part of their DWSRF financial assistance agreement to qualify for subsidization. Such small PWSs that receive subsidy will also be required to prepare and implement Fiscal Management Plans in the future. To assist small PWS with preparing an Asset Management Plan or Fiscal Management Plan, or both, checklists of required information for each plan were developed and are included as Attachments G and H. Each checklist includes references to EPA guidance documents.
- c) Large PWSs (those not meeting the criteria of a small PWS detailed in Section IV.D) will be eligible to receive a subsidy of up to 10% of each fixed contract cost associated with their project, not to exceed a total of \$300,000 per project. A large PWS will be eligible to increase the subsidy for specific types of projects as outlined below:
 - (1) Up to 15% of each fixed contract cost associated with the project, not to exceed a total of \$400,000 per project, if any of the PWS's current water sources have elevated levels of manganese approaching or exceeding the established DPH action level for manganese and their project is necessary to reduce manganese levels in their distribution system for public health protection; or
 - (2) up to 25% of each fixed contract cost associated with the project, not to exceed a total of \$500,000 per project, if their project:
 - (i) Includes the consolidation of one or more small community water systems; or
 - (ii) Includes an extension of water service to existing residential property owners served by private wells that have impaired water quality as a result of manmade or natural groundwater pollution, or an insufficient quantity of water from their private wells to meet their daily domestic household needs.

In such cases, adequate proof of impaired water quality or quantity must be provided for these impacted properties and it must be demonstrated that the extension of water service is the most cost effective form of remediation; or

- (iii) Is for the replacement of lead service lines to the PWS's customers or is a water main replacement or rehabilitation projects and includes the replacement of lead service lines.

2. Federal Subsidy Funds - Disadvantaged Community Assistance Program

Section 2015 of the America's Water Infrastructure Act of 2018 (S. 3021) requires states to provide no less than 6% and no more than 35% of the capitalization grant funding to disadvantaged communities. This provision is required only to the extent that the DPH receives a sufficient number of DWSRF funding applications from eligible PWSs that qualify as a disadvantaged community to meet the 6% minimum requirement. This new requirement necessitated the DPH to develop and implement a formal Disadvantaged Community Assistance Program (DCAP) within the DWSRF for SFY 2020. The DCAP is provided as Attachment I to this annual IUP and establishes the criteria under which a PWS would qualify for additional subsidization under this program. The DPH intends to make 35% of the FFY 2019 capitalization grant, or approximately \$3,851,400, available to subsidize projects during SFY 2020 that qualify under the DCAP. The DPH intends to distribute these subsidization funds as described below:

- a. Small PWSs (those serving a population of 10,000 or under) and PWSs with more than one system, but whose largest system serves 10,000 or under, will be eligible to receive a subsidy of up to 25% of each fixed contract cost associated with the project, not to exceed a total of \$500,000 per project.
- b. Large PWSs (those not meeting the criteria of a small PWS detailed in Section IV.D.) will be eligible to receive a subsidy of up to 20% of each fixed contract cost associated with the project, not to exceed \$500,000 per project. A large PWS will be eligible to increase the subsidy up to 25% of each fixed contract cost associated with the project, not to exceed a total of \$500,000 per project, if their project:
 - (1) Includes the consolidation of one or more small community water systems; or
 - (2) Includes an extension of water service to existing residential property owners served by private wells that have impaired water quality as a result of manmade or natural groundwater pollution, or an insufficient quantity of water from their private wells to meet their daily domestic household needs. In such cases, adequate proof of impaired water quality or quantity must be provided for these impacted properties and it must be demonstrated that the extension of water service is the most cost effective form of remediation; or
 - (3) Is for the replacement of lead service lines to the PWS's customers or is a water main replacement or rehabilitation projects and includes the replacement of lead service lines.

3. Calculation and Distribution of Federal Subsidy Funds

The federal subsidization amount that any project receives shall be calculated as a percentage of the eligible contract costs (professional service and/or construction) that will be receiving DWSRF funding for the project. PWSs that qualify for federal subsidy under both Subsection 1 and 2 will be able to combine both subsidies as shown in the examples below; however, the project may not receive more than a combined 50% subsidy on any eligible contract. The chart below identifies the various subsidy categories by maximum percentage and amount.

Subsidy Category	All Projects %	All Projects Maximum Cap	DCAP %	DCAP Maximum Cap	Combined Total %	Combined Maximum Cap
EPGP - Replacement	25%	\$25,000	0%	N/A	25%	\$25,000
EPGP - Replacement + DCAP (25%)	25%	\$25,000	25%	\$25,000	50%	\$50,000
EPGP - New	45%	\$45,000	0%	N/A	45%	\$45,000
EPGP - New + DCAP (effectively 5%)	45%	\$45,000	5%	\$5,000	50%	\$50,000
Small - All Projects	25%	\$500,000	0%	N/A	25%	\$500,000
Small - All Projects + DCAP (25%)	25%	\$500,000	25%	\$500,000	50%	\$1,000,000
Large - All Projects	10%	\$300,000	0%	N/A	10%	\$300,000
Large - All Projects + DCAP (20%)	10%	\$300,000	20%	\$500,000	30%	\$800,000
Large - All Projects - Manganese treatment	15%	\$400,000	0%	N/A	15%	\$400,000
Large - All Projects - Manganese treatment + DCAP (20%)	15%	\$400,000	20%	\$500,000	35%	\$900,000
Large - Consolidation/Extension/LSL	25%	\$500,000	0%	N/A	25%	\$500,000
Large - Consolidation/Extension/LSL + DCAP (25%)	25%	\$500,000	25%	\$500,000	50%	\$1,000,000

Example 1: If a \$1,000,000 contract for a small PWS is eligible for federal subsidy under Subsection 1.b. and Subsection 2 the total subsidy will be calculated as follows:

Subsection 1.b. = \$1,000,000 x 0.25 = \$250,000 (does not exceed \$500,000 cap)
 Subsection 2 = \$1,000,000 x 0.25 = \$250,000 (does not exceed \$500,000 cap)
 Total Federal Subsidy = \$250,000 + \$250,000 = \$500,000

Example 2: If a \$5,000,000 contract for a large PWS is eligible for federal subsidy under Subsection 1.c. and it **does not** incorporate the consolidation of a small PWS or include the extension of water service to residential private well owner with impaired water quality or quantity then the total subsidy will be calculated as follows:

Subsection 1.b. = \$5,000,000 x 0.10 = ~~\$500,000~~ (exceeds cap limit of \$300,000)
 Subsection 2 = \$5,000,000 x 0.25 = \$500,000 (does not exceed \$500,000 cap)
 Total Federal Subsidy = \$300,000 + \$500,000 = \$800,000

Federal subsidy will be reserved for contracts on a first-come, first-served basis, as determined by the date an eligible contract is authorized to be executed by the DPH Commissioner, until all the available federal subsidy funding is accounted for. Due to the limited availability of federal subsidy funds there is no guarantee every contract that is eligible for subsidy will actually receive subsidy. In cases where two or more eligible contracts are ready to be authorized by the DPH Commissioner on or about the same time, and there is insufficient remaining subsidy to provide to all of those contracts, the DPH reserves the right to give subsidization preference to contracts in the following priority order:

- a. contracts for Small PWS that meet DCAP criteria
- b. contracts for Small PWS that do not meet the DCAP criteria
- c. contracts for Large PWS that meet the DCAP criteria
- d. contracts for projects that have the highest priority ranking score
- e. contracts that will benefit the largest population

The EPA's expectation is that the required federal subsidy funding that is available for SFY 2020 will be committed in an executed financial assistance agreement no later than September 30, 2020. Applicants that are eligible for subsidy and have projects that involve multiple contracts should plan accordingly.

The actual amount of subsidization a project receives will be determined at the time the financial assistance agreement for each qualifying individual project is drafted and may differ from the percentages and amounts outlined above. The DWS may reevaluate subsidization levels based on the available project cost and readiness information, if necessary. Projects which are eligible to receive federal subsidization are identified on the Comprehensive Project List.

4. Prior Years' Federal Subsidization

EPA Region 1 requested that the status of prior years' federal subsidization be addressed by the DPH in the IUP for the FFY 2019 capitalization grant. The State of Connecticut has met the requirements for FFY 2010, 2011, 2012, 2013, and 2015. The status of the commitment and disbursement for the FFY 2014, 2016, 2017, and 2018 grants are individually identified below, along with a table summarizing the amounts. The actual projects and individual subsidy amounts as of June 30, 2019, will be identified in the 2019 Annual Report, along with the status of meeting the disbursement requirement.

FFY 2014

The minimum required subsidization has been committed for FFY 2014. As of June 30, 2019, \$1,950,370 has been committed and \$1,773,027 has been disbursed under executed funding agreements. It is expected that the minimum required disbursement will be achieved by September 30, 2019. Several factors had contributed towards the delay in committing, and subsequent disbursement of, subsidy funds for this year. These included project scheduling delays and uncertainty of the state subsidy.

FFY 2016

The required subsidization has been committed for FFY 2016. As of June 30, 2019, \$1,684,600 has been committed and \$807,215 has been disbursed under executed funding agreements. It is expected that the required disbursement will be achieved by December 31, 2020.

FFY 2017

The required subsidization has not yet been committed for FFY 2017. As of June 30, 2019, \$750,577 has been committed under executed funding agreements. The funding agreements that will commit the remaining required funds are pending, with the goal for them to be executed by January 31, 2020, and complete all disbursements by March 31, 2022.

FFY 2018

The required subsidization has not yet been committed for FFY 2018. As of June 30, 2019, none of the federal subsidy has been committed under executed funding agreements. The funding agreements that will commit the required funds are pending, with the goal for them to be executed by December 31, 2020, and complete all disbursements by December 31, 2022.

The following table summarizes the federal subsidies from previous years' capitalization grants:

Cap Grant FFY	Minimum Amount of Federal Subsidy to Disburse	Maximum Amount of Federal Subsidy to Disburse	Total Federal Subsidy Amount Committed as of June 30, 2019	Additional Federal Subsidy Expected to be Committed	Federal Subsidy Amount Disbursed as of June 30, 2019	Remaining Federal Subsidy Amount Expected to be Disbursed	Estimated Month for Committal of Minimum Subsidy	Estimated Month for Disbursement of Minimum Federal Subsidy	Estimated Month for Full Disbursement of Federal Subsidy
2010	\$4,071,900	N/A	\$4,723,405	\$0	\$4,723,405	\$0	Achieved	Achieved	Achieved
2011	\$2,825,400	N/A	\$2,990,646	\$0	\$2,990,646	\$0	Achieved	Achieved	Achieved
2012	\$1,795,000	\$2,692,500	\$2,203,031	\$0	\$2,203,031	\$0	Achieved	Achieved	Achieved
2013	\$1,684,200	\$2,526,300	\$1,829,072	\$0	\$1,720,424	\$0	Achieved	Achieved	Achieved
2014	\$1,792,400	\$2,688,600	\$1,950,370	\$0	\$1,773,027	\$177,343	Achieved	September 2019	June 2020
2015	\$1,778,600	\$2,667,900	\$1,926,939	\$0	\$1,926,939	\$0	Achieved	Achieved	Achieved
2016	\$1,684,600	\$1,684,600	\$1,684,600	\$0	\$807,215	\$877,385	Achieved	December 2020	December 2020
2017	\$1,670,200	\$1,670,200	\$750,577	\$919,623	\$0	\$1,670,200	January 2020	March 2022	March 2022
2018	\$2,221,400	\$2,221,400	\$0	\$2,221,400	\$0	\$2,221,400	September 2020	June 2022	June 2022

H. State Subsidy Funds – Public Water System Improvement Program

On May 22, 2014, [Public Act 14-98](#) (PA 14-98) was signed into law, which under Section 46 provides the SBC the power to authorize bonds up to an aggregate of \$50 million to be used by the DPH to implement a public water system improvement program. On June 4, 2016, [Special Session PA 16-4](#) was signed into law, which reduced the amount to \$20 million. This PWS Improvement Program, which is codified in CGS 22a-483f, provides grants-in-aid, in the form of loan principal forgiveness, to certain eligible PWSs for DWSRF projects. A project which is eligible for any subsidy from the DWSRF must execute a loan for the remaining amount of principal in order to receive the grants-in-aid. Currently the entire \$20 million available funding under this program has been allocated by the SBC to projects for Groton Utilities and Norwich Public Utilities.

Eligibility criteria for the supplemental grants-in-aid under CGS 22a-483f includes the same eligibility criteria for DWSRF loans with the following exceptions, which are explicitly contained within CGS 22a-483f. Public Act 19-194 amended this statute to allow public service companies, as defined in Section 16-1 of the CGS, to be eligible for these grants-in-aid, effective October 1, 2019.

- A for-profit company that is not a public service company **is not** eligible for grants-in-aid.
- Grants-in-aid may only be provided to eligible PWSs for eligible drinking water projects for which a DWSRF project funding agreement is executed after July 1, 2014.

CGS 22a-483f also requires eligible PWSs to submit an Asset and Fiscal Management Plan with their DWSRF application. The DWS will review these plans and determine if they are satisfactory before a PWS may receive any grants-in-aid funding. The DPH has prepared Asset and Fiscal Management Plan Checklists (Attachments G and H respectively) to assist borrowers in preparing these plans if they need to.

These limited state subsidy funds will be used to further the public health goals for the State of Connecticut through the regionalization of public drinking water and reduction of public exposure to harmful contaminants in drinking water. DPH intends to use these grant-in-aid funds to subsidize community PWS consolidation projects, interconnection projects, projects that address emerging contaminants or lead service line replacements that meet the criteria as outlined below:

1. Consolidation Projects

- Project will result in the consolidation of one or more community PWSs, or one or more public schools that are PWSs, by another community PWS that has the technical, financial and managerial capacity to serve them;
- A legally binding consolidation agreement must be in place between the affected PWSs prior to the commitment of grant-in-aid funding in a DWSRF financial assistance agreement;
- The project is consistent with a Water Utility Coordinating Committee Coordinated Water System Plan (pursuant to CGS 25-33h) and an Individual Water Supply Plan (pursuant to CGS 25-32d), both approved by the Commissioner of DPH;
- The project is consistent with the State or local Plan of Conservation and Development;
- The project is not intended primarily for future growth consistent with existing DWSRF EPA requirements;
- The absorbed PWS and the community PWS which absorbed it are eligible to receive grants-in-aid for each system's respective portion of the project as outlined below:
 - A PWS that will be absorbed will be eligible for:
 - the water main extension;
 - improvements to their existing drinking water infrastructure that the water main extension will connect to, if those improvements are necessary to achieve long-term drinking water infrastructure sustainability, and that are identified in a Preliminary Engineering Report (PER) that has been approved by the DPH, including but not limited to:
 - improvement or replacement of water distribution system components (water mains, pumping facilities, storage tanks);
 - the decommissioning or demolition of infrastructure that will be obsolete after the project is completed (must be part of the DWSRF-funded project);
 - improvement or replacement of drinking water sources (well).
 - The community PWS that will absorb the other PWS will be eligible for:
 - any infrastructure upgrades directly related to providing the capacity to consolidate that are identified in a PER that has been approved by the DPH, including but not limited to:
 - the water main extension;
 - increased storage capacity;

- increased distribution system capacity;
- increased water treatment plant capacity and/or optimized water treatment plant performance;
- new or upgraded drinking water sources of supply.

2. **Interconnection Projects**

- Project will result in the interconnection of two (or more) community PWSs, all of whom will remain regulated by the DPH upon completion of the project, and the following criteria are met:
 - One or more of the interconnected PWSs does not have a sufficient margin of safety in water supply to support their existing customer demands over a 20 year planning period, the other system(s) has an adequate margin of safety over the same 20 year planning period to supply the deficit demands and the project is identified as the recommended alternative in a PER that has been approved by the DPH; or
 - One or more of the interconnected PWSs does not have the ability to maintain customer service with the loss of their largest drinking water source out of service for a prolonged period and the project is identified as the recommended alternative in a PER that has been approved by the DPH; or
 - The project is consistent with, or specifically identified within, a statewide drinking water resiliency plan recognized and accepted by the DPH; or
 - The project is consistent with a Water Utility Coordinating Committee Coordinated Water System Plan (pursuant to CGS 25-33h) and Individual Water Supply Plan (pursuant to CGS 25-32d), both approved by the Commissioner of DPH; and
 - The project is consistent with the State or local Plan(s) of Conversation and Development; and
 - The project is not intended primarily for future growth consistent with existing EPA requirements for the DWSRF.
- A legally binding interconnection agreement must be executed between the affected community PWSs and a Sale of Excess Water permit from the DPH must be obtained prior to the commitment of grant-in-aid funding in a DWSRF financial assistance agreement.

3. **Emerging Contaminants**

- The primary purpose of the project is to proactively address the elimination, reduction or treatment of unregulated contaminants that have been determined by the DPH Commissioner to present an unacceptable public health risk, or are listed in the EPA's Unregulated Contaminant Monitoring Rule;
- The grants-in-aid funding may be used for the planning, design or construction phase of the project;
- The grants-in-aid funding may be used to cover the necessary cost to successfully interconnect/consolidate public water systems that have elevated levels of these emerging contaminants with a distribution main owned by a municipality.

4. **Lead Service Line Replacements**

- The primary purpose of the project is to replace lead service lines and/or replace partial lead service lines to the PWS's customers to reduce harmful exposure to lead in their drinking water;
- The project must be part of a comprehensive lead service line replacement plan to eliminate lead service lines in the PWS's distribution system. Grants-in-aid funding may be used for the preparation of such plan;
- The comprehensive lead service line replacement plan must, at a minimum, include:

- An inventory of all confirmed or suspected full and partial lead service lines in the distribution system;
 - A consumer education program to provide customers with information on the health risks of lead exposure and steps they can take to reduce these risks;
 - A description of the methods the PWS will use to obtain customer consent to replace their lead service line and a description of any additional customer outreach efforts that the PWS will undertake if a customer refuses to allow the PWS to replace their lead service line;
 - If the project will not include the replacement of all lead service lines at the same time; the methods the PWS will use to prioritize each phase of the plan and an associated construction schedule for each phase;
 - The estimated cost to implement the plan and, if the plan is to be implemented in phases, the estimated cost of each phase;
 - A description of the community engagement activities that were undertaken by the PWS in developing the plan; and
 - If the PWS will be requiring customers to provide a monetary contribution to have their lead service line replaced; a detailed description of the required contribution, the method of collection and the affordability factors taken into consideration for low-income customers;
- The replacement of each lead service line must result in the complete removal of all lead components from the water main on the street to the customer's water meter or other connection point to the customer's premise plumbing;
 - No partial lead service line replacements are allowed;
 - Upon project completion the PWS shall retain and furnish the DPH with a list of all customer addresses where lead service lines were replaced and a list of all consumer addresses that refused to allow their lead service line to be replaced.

Eligible PWSs that serve 10,000 or fewer persons may receive up to 50% grant-in-aid for project costs that qualify for funding through the DWSRF. Eligible PWSs that serve more than 10,000 persons may receive up to 30% grant-in aid for project costs that qualify for funding through the DWSRF. If a project includes one PWS serving 10,000 or fewer and one PWS which serves greater than 10,000 persons, the determination of maximum subsidy percentage will be based upon the specific benefits of the project to each PWS and reviewed on a case-by-case basis. The benefits and necessity of all aspects of the project for each PWS must be clearly explained and included in any PER or similar engineering report.

Certain PWSs may be eligible to receive both Federal and State subsidies for a particular project. In these cases, the project may not receive more than a combined 50% subsidy on any eligible contract.

Should any additional funding be made available, or if the above projects do not utilize all of the allocated funding, any additional or remaining funds are expected to be distributed on a first come, first served basis to other eligible projects. The DPH intends to seek legislative approval for additional funding for this program.

I. Readiness-To-Proceed

Only those elements (planning, design, construction) of eligible projects that are expected to result in executed contracts and DWSRF loan agreements within SFY 2020 are considered for inclusion on the Fundable PPL. Elements of eligible projects that are not expected to result in executed contracts

and DWSRF loan agreements may be eligible to receive DWSRF funding in a future SFY as explained in the rollover procedure in Section V.B. The Fundable PPL was generated based on the readiness of one or more elements of a project to proceed to a loan agreement during SFY 2020, and its number of priority points.

The DPH has developed objective readiness criteria that are used to determine those elements of projects for which a funding agreement can reasonably be expected to be executed during SFY 2020. This readiness determination process is necessary to ensure that available DWSRF funds will be obligated in a timely fashion. The factors in these criteria are:

- Local funding resolutions and any other necessary approvals have been identified and will be secured;
- Required local permits or approvals have been identified and will be secured;
- Required State permits or approvals have been identified and will be secured;
- Project is generally consistent with the State of Connecticut Plan of Conservation and Development
- (For Planning/Design Projects) professional services qualification-based selection process is followed and will be completed, with the exception of actual award of the contract, pending DPH authorization to award the contract;
- (For Planning/Design Projects) Consultant is scheduled to be under contract during the current SFY;
- (For Construction Projects) Status of final design;
- (For Construction Projects) Status of bid specifications;
- (For Construction Projects) All necessary sites, easements and rights-of-way have been identified and will be secured;
- (For Construction Projects) Construction is scheduled to begin during the current SFY.

The information that the DPH uses to make a determination on project readiness is based on updated project schedules received from applicants in response to requests from the DPH. If for some reason a project is not ready to proceed in a timely fashion, the DPH may bypass that project and select the next highest-ranked project that is ready-to-proceed for funding based on that PWS's ability to initiate the project during the current SFY.

J. Project Bypass Procedures

Bypass for Readiness-to-Proceed, etc.

The DPH utilizes procedures to bypass projects that are not progressing at a rate that will ensure the timely execution of a loan agreement and distribution of available DWSRF funds. Funds previously designated for a bypassed project will be made available to another project or may be used for cost increases on other projects previously approved.

If for some reason a project on the SFY 2020 Fundable PPL is not progressing in a timely fashion, the DPH may bypass that project and replace it with the next-highest-ranked project on the Comprehensive Project List that is ready-to-proceed. A project will also be bypassed if the applicant has withdrawn its DWSRF application. This bypass process is necessary to help ensure that available DWSRF funds will be disbursed in a timely fashion.

Emergency Bypass

The DPH Commissioner previously had the authority to make a project loan or loans with respect to an eligible drinking water project without regard to the priority list of eligible drinking water projects if a public drinking water supply emergency exists, pursuant to CGS Sec 25-32b, which requires that the eligible drinking water project be undertaken to protect the public's health and safety. Section 2 of Public Act 19-118 amended this criteria under which the Commissioner may now exercise this authority. Effective July 1, 2019, the DPH Commissioner may make a project loan or loans with respect to an eligible drinking water project without regard to the priority list of eligible drinking water projects if a water emergency exists including, but not limited to, an unanticipated infrastructure failure, a contamination of water or a shortage of water which requires that the eligible drinking water project be immediately undertaken to protect the public health and safety. In such cases there may be a need to by-pass projects on the Fundable PPL.

K. Other DWSRF Provisions

Davis-Bacon Prevailing Wage Requirements

The FFY 2013 DWSRF appropriation made the application of Section 1450(e) of the Safe Drinking Water Act (42 U.S.C. 300j-9(e)) a permanent provision for all future federal DWSRF appropriations. Congress mandated that the requirements of this section apply to any construction project carried out in whole or in part with assistance made available by the DWSRF. Section 1450(e) of the SDWA requires compliance with federal labor laws regarding prevailing wages, hours of work, and rates of pay. These requirements are collectively known as the Davis-Bacon Act.

Federal Cross-Cutting Authorities, Equivalency Projects, and Environmental Reviews

A number of Federal laws, executive orders and government-wide policies apply by their own terms to projects and activities receiving federal financial assistance, regardless of whether the statute authorizing the assistance makes them applicable (cross-cutters). All projects for which the DPH provides DWSRF assistance in amounts up to the amounts of the capitalization grant deposited into the DWSRF (i.e. equivalency) are required to comply with these requirements. The DPH is responsible for ensuring that DWSRF assistance recipients comply with the requirements of cross-cutters, including initiating any required consultations with state or federal agencies responsible for individual cross-cutters.

The DPH is required to identify projects that will be used to satisfy federal equivalency requirements. The DPH has elected to impose federal equivalency requirements to all projects and activities for which the DPH provides DWSRF assistance. The only exception to this is for federal Disadvantage Business Enterprise (DBE) requirements, which the DPH will only apply to PWS infrastructure projects costing \$100,000 or more and DPH will only report to EPA on DBE compliance in an amount equivalent to the federal capitalization grant.

All PWS infrastructure projects funded by the DWSRF are reviewed under a State Environmental Review Process (SERP) administered by the DPH and considered by the EPA to be equivalent to a National Environmental Policy Act (NEPA) review.

For the purposes of satisfying capitalization grant reporting requirements under the Federal Financial Accountability and Transparency Act (FFATA), the DPH will only report on DWSRF projects in an equivalent amount of each capitalization grant as requested by EPA. A list of projects

that may be used to satisfy the FFATA reporting requirements is shown below. The actual projects reported under FFATA will be stated in the DWSRF annual report. Any contracts over \$25,000 utilizing set-aside funds will also be reported under FFATA.

SFY 2020 Potential Projects to be Used for FFATA Reporting

Project #	PWSID	PWS	Town of PWS	Project Name	Amount Requested
SFY 20-11	CT0640011	Metropolitan District Commission	Hartford	Water Main Replacement - Saybrooke & Bonner St. Area - Hartford	\$9,500,000
SFY 20-12	CT0640011	Metropolitan District Commission	Hartford	Water Main Replacement - Webster Hill Area - West Hartford	\$10,000,000
SFY 20-10	CT0640011	Metropolitan District Commission	Hartford	Water Main Replacement - Church & Nott St. Area- Wethersfield	\$2,550,000
SFY 20-17	CT0770021	Manchester Water Department	Manchester	Water Main Replacement - Chestnut St. Area	\$1,500,000
SFY 20-18	CT0770021	Manchester Water Department	Manchester	Water Main Replacement - Thompson Road Area	\$1,500,000
SFY 20-23	CT0890011	New Britain Water Department	New Britain	Batterson Park Rd. Area Water Main Replacement	\$1,380,000
SFY 20-25	CT0930011	Regional Water Authority	New Haven	Advanced Metering Infrastructure (AMI)- Stage 4	\$8,000,000
SFY 19-09	CT0930011	Regional Water Authority	New Haven	Ansonia Derby Atmospheric Storage Tank	\$2,800,527
SFY 19-05	CT0930011	Regional Water Authority	New Haven	System-Wide Radio Telemetry Unit and Hardware Upgrade	\$1,728,498
SFY 20-33	CT1030011	Norwalk First Taxing District	Norwalk	Kellogg-Deering Wellfield Treatment - Manganese and PFAS (Planning and Design)	\$1,400,000
SFY 20-32	CT1030011	Norwalk First Taxing District	Norwalk	Advanced Metering Infrastructure (AMI) - Phase 2	\$2,000,000

Use of American Iron and Steel

On January 17, 2014, federal Public Law 113-76 was enacted, which added a new federal Use of American Iron and Steel (AIS) requirement in Section 436. Subsequent annual appropriations have continued this requirement. The AWIA requires that DWSRF assistance recipients use iron and steel products produced in the United States for the construction, alteration, maintenance or repair of a public water system or treatment works if the project is funded through an assistance agreement executed through the end of FFY 2023 (September 30, 2023). The EPA has issued guidance on the implementation of this provision and has a [State Revolving Fund American Iron and Steel Requirement website](#). The DPH also has a [Use of American Iron and Steel](#) webpage to assist DWSRF applicants in understanding and complying with AIS requirements.

Federal Single Audit

Any sub-recipient which receives a total amount of \$750,000 or more from any federal source, including the DWSRF, in a single federal fiscal year is required to conduct a federal single audit according to the Single Audit Act Amendments of 1996. This requirement is included as a term in all project funding agreements.

L. Connecticut Plan of Conservation and Development

CGS Section 16a-31(e) requires that whenever a state agency is required by state or federal law to prepare a plan, it shall consider the Plan of Conservation and Development (C&D Plan) in the preparation of such plan. The DPH has considered the C&D Plan in the preparation of this IUP and submitted the IUP to the Secretary of the Office of Policy and Management (OPM) for an advisory report commenting on the extent to which the proposed plan conforms to the C&D Plan.

The advisory report on the IUP's conformance with the C&D Plan is important because CGS Section 16a-31(c) also requires the OPM to advise the SBC prior to the allocation of funding to the DPH for these DWSRF projects. Finally, CGS Section 16a-31(a)(3) requires the DPH to determine the consistency with the C&D Plan of individual actions regarding the acquisition, development, or improvement of real property, it undertakes using state or federal funds, such as the drinking water infrastructure improvement projects contained in the DPH's annual IUP, when those costs are in excess of two hundred thousand dollars.

V. DWSRF POLICIES and REQUIREMENTS

A. Letter of Authorization to Award for Eligible Projects

The DPH may issue a letter authorizing the PWS to award a contract for a project if sufficient information has been submitted. Typically, this letter indicates to the applicant that the materials that they have submitted to the DPH satisfy the rules and regulations for the DWSRF program. Pursuant to the regulations, the applicant must submit a request for authorization to award a contract to the DPH and receive such authorization prior to any contract execution. The applicant may award the contract(s) subject to conditions set forth in the letter. The authorization letter does not constitute a commitment by the DPH to make a project loan under the DWSRF program.

B. Project Application Carryovers and Rollovers

Project Progressing Towards a Loan Agreement (Carryover)

Funding for a project that has been identified on the Fundable PPL in a previous annual IUP may be carried over to the subsequent IUP period if the applicant is actively progressing toward a DWSRF financial assistance agreement. Projects in this category are considered to have already gone through the public hearing process and will not be re-ranked in the subsequent IUP period. Projects meeting this criterion are identified on the Carryover List.

The DPH reserves the right to move a project from the Carryover List to the Comprehensive Project List, if that project is not progressing due to unforeseen circumstances that occurred after the project was originally placed on the Carryover List. A project so moved is no longer reserved any DWSRF funding.

Project on the PPL, but not Progressing Towards a Loan Agreement (Rollover)

A project that has not been withdrawn, but which is not progressing towards a loan agreement during the IUP period/funding cycle, may be rolled over for consideration in the subsequent IUP period/funding cycle upon request to the DPH by the applicant. Any PWS seeking to rollover a project is required to update its DWSRF application upon request by the DPH. These projects will be ranked with all new applications received for the fiscal year into which the project is being rolled

over and in accordance the then-current PRS. Any project that is rolled over must continue to comply with all requirements of the DWSRF program.

C. Multi-Year Projects on the Fundable Portion of the Priority List

The construction of some drinking water projects may take place over multiple years. For such multi-year projects, the DPH reserves the right to require the applicant to break the project into phases. This process will limit the amount of funding reserved for the project on the Fundable PPL to the amount of funds the PWS reasonably expects it will need for the phase to be designed and/or constructed during the SFY of the Fundable PPL. This allows the timely access to DWSRF funds by other DWSRF applicants that are ready to use them. Subsequent phases of these multi-year projects will automatically be rolled over to the following year's IUP and will retain its assigned ranking points, subject to changes in the "Affordability" criteria. These subsequent phases will not automatically receive DWSRF funding in the next annual IUP period and will be ranked with all new and rolled-over applications received during the IUP period when each subsequent phase is ready-to-proceed.

D. Tie-Breaking Procedures

The total numeric score for a project is determined by summing the points awarded based on the PRS and detailed in the DWSRF Eligibility Application. In circumstances where more than one project has an equivalent ranking score, the following tiered approach will be implemented to break the tie:

1. The size of the population served by the project; the project with the larger population served will be given preference.
2. The percentage of total PWS population served by the project; the project serving a higher percentage of the overall PWS population will be given preference.
3. The size of the total population served by the PWS; the PWS with the larger population will be given preference.

If two or more projects remained tied after implementation of tie-breaker #1, then #2 will be applied. If two or more projects remain tied after implementation of tie-breakers #1 & #2, then #3 will be applied.

E. Pre-Review Policy (Construction Only)

The DWSRF Program operates on a SFY basis from July 1 to June 30, and cannot provide funding prior to the start of a specific SFY for that year's Fundable PPL. The DPH recognizes that the construction season in Connecticut generally begins in the spring and lasts through the end of the calendar year. The DPH has determined that it is not in the best interest of the Program to delay project schedules to begin construction after the start of the SFY for which a project has submitted an Eligibility Application and requested funding, which is several months into the construction season. As a result, certain projects may begin construction before the start of the SFY and remain eligible for DWSRF funding after the start of the SFY. The DWS may provide DWSRF financing for these projects provided that all of the following conditions are met:

- The PWS has submitted a DWSRF Eligibility Application to the DPH
- The project is eligible for DWSRF funding

- The funding agreement will be drafted during the SFY under which the project is listed on the Comprehensive Project List
- The project will not begin and be completed prior to the start of the SFY
- The project is consistent with the statewide C&D Plan
- The DPH has completed its environmental review of the project under the Connecticut Environmental Policy Act or issued a categorical exclusion under NEPA prior to the start of construction
- The project has satisfied all other state and federal DWSRF requirements prior to placing the construction contract out to bid
- The project has received written authorization from the DPH to award a construction contract prior to the execution of the contract
- The project continues to adhere to all state and federal DWSRF requirements during construction
- Sufficient DWSRF funding is available for the project

Before the DWSRF provides financing for such a project, it will be ranked as outlined in this IUP and included on the Comprehensive Project List. Any project that meets the above conditions and elects to start construction prior to the SFY shall understand that:

- The DPH provides no guarantee of DWSRF funding for their project
- The PWS shall be responsible for paying all costs associated with their project and will only be eligible for reimbursement from the DWSRF if:
 - The project is listed on the Fundable PPL, or;
 - The project is on the Comprehensive Projects List and sufficient excess funding is available, or;
 - The project bypasses a higher-ranked project on the Fundable PPL, if that higher-ranked project is not sufficiently ready to proceed, per the procedures outlined in Section IV.I of this IUP.
- A DWSRF funding agreement cannot be executed until after the IUP for the SFY is finalized

F. Reimbursement

The DPH implements the EPA policy on eligibility of reimbursement of incurred costs for approved projects (Eligibility of Reimbursement of Incurred Cost for Approved Projects 64 F.R. 1802 (Jan. 12, 1999)). Consistent with this policy, an eligible PWS must receive written authorization from the DPH prior to commencement of construction in order to be eligible to receive reimbursement at the financial assistance agreement closing for any construction costs incurred prior to the loan closing.

G. Refinance Existing Loans

1. Permanent Debt Obligations

The DWSRF may be used to buy or refinance permanent debt obligations for DWSRF projects, if the DPH determines the refinance is in the best interest of public health. The SDWA and DWSRF regulations only permit use of the DWSRF for refinancing for municipal projects incurring debt and initiating construction after June 30, 1993. Projects will still have to be eligible for DWSRF funding and meet all applicable DWSRF requirements at the time of the DWSRF loan, including an environmental review, and must have received advance written authorization from the DPH prior to the award of any contracts included in the refinancing loan. Private systems are not eligible for refinancing. The project must adhere to all state and federal applicable DWSRF requirements during construction. Consideration for refinance applications of permanent debt

obligations will be entertained only after projects addressing public health protection and compliance have been funded.

Such projects will be ranked below any projects that are not for refinance according to the PRS. If it is determined after the initial eligibility review that a project is seeking DWSRF funds solely for refinance, the DPH reserves the right to adjust the ranking accordingly. A refinance project may be able to bypass a higher-ranked project, if that higher-ranked project is not sufficiently ready to proceed, per the procedures outlined in this IUP.

2. Interim Debt Obligations

The DWSRF may be used to buy or refinance interim debt obligations that are incurred prior to a project's completion. Such projects are subject to the same requirements associated with the refinancing of permanent loan obligations with the exception that the project will be reviewed by the DPH and ranked according the PRS and retain the same considerations for DWSRF funding as other projects that receive DWSRF interim loans so long as:

- The DPH receives a DWSRF Eligibility Application in advance of the PWS entering into any interim debt obligations for the project, and;
- The refinancing DWSRF loan is executed within six months of completion of the project, and;
- No permanent loan obligations for the project have been executed.

H. Withdrawal of Project from Funding Consideration

If a PWS chooses not to pursue funding of a project through the DWSRF, or chooses to not go forward with the implementation of a project, the PWS shall be requested to submit a letter to the DPH indicating the withdrawal of the project. The letter should include a statement as to why the project was withdrawn. Upon receipt, the project will be removed from the Fundable PPL and Comprehensive Project List, or the Carryover List, as appropriate, and no longer considered for funding. Withdrawal of a project will not preclude a PWS from continuing to pursue funding for other projects or from submitting the same project for consideration during a subsequent DWSRF funding cycle. If a PWS does not submit a letter as requested, the DPH may withdraw the project based on the initial notification.

Projects for which an Eligibility Application was received and the project is placed on the SFY 2020 Fundable PPL, but for which the DPH does not receive a Financial Assistance Application by the established deadline, may be bypassed or withdrawn.

The DPH reserves the right to withdraw and remove any project from the Fundable PPL and Comprehensive Project List, or the Carryover List, if the applicant becomes nonresponsive to the DPH. Any applicant whose project is withdrawn by the DPH for any reason will be notified in writing and required to resubmit a new DWSRF Eligibility Application if they desire to further pursue DWSRF funding for that project.

I. Use of Excess Project Funds

The amount of funding in a DWSRF loan agreement is generally based upon known fixed costs, and may also include a reasonable or adequately justified amount of contingency for unexpected costs that may occur during the project. If a recipient does not utilize all available funds upon completion of the original project, they may submit a request to the DPH to utilize those excess funds for

additional work related to the scope and use of the original project. The additional work must enhance or provide additional public health value to the original project. This additional work will be reviewed and required to follow all applicable requirements in the same manner as all projects.

J. Replacement of Lead Service Lines when Replacing Water Main

During the replacement or rehabilitation of a distribution system water main as part of a DWSRF eligible project, any lead service lines or partial lead service lines that are known to exist or that are encountered during such replacement or rehabilitation must be replaced in order for the water main project to remain eligible for DWSRF funds. This requirement is conditioned on the DWSRF applicant obtaining the consent of the individual property owner to replace the full lead service line. If such consent is obtained, the full lead service line replacement may be undertaken by the DWSRF applicant or individual property owner. If undertaken by the individual property owner, the DWSRF applicant shall verify all lead materials have been removed and that no new lead replacement materials have been installed. When lead service lines are encountered, the DWSRF applicant shall, at a minimum:

- Provide the individual property owner with information about the risks of lead exposure and information about the applicant's Lead Service Line Replacement Program;
- Engage in meaningful discussion with the individual property owner about sharing appropriately in fully removing their lead service line; and
- Offer to collect a tap water sample from the individual property owner's residence or building for lead analysis at a DPH approved laboratory. If such offer is accepted, the applicant shall promptly collect the sample(s) and provide and explain the test results to the individual property owner promptly after they have been obtained from the laboratory.

If the property owner does not consent to replacing their lead service line the following additional actions shall be undertaken by the DWSRF applicant:

- Notify the DPH of the property address of the lead service line and the refusal of the property owner to allow or undertake its replacement;
- Evaluate the applicant's Lead and Copper Rule sampling site plan, if the lead service line was not previously known to exist, to determine if appropriate changes need to be made based on this information; and
- Maintain records of items 1-5 above.

The replacement of the service line must result in the complete removal of all lead components from the water main to the water meter or other connection point to the premise plumbing. The replacement of the lead service line is eligible for DWSRF funding if such costs are not covered by the individual property owner; however, DWSRF funding shall be subject to the availability of DWSRF funds to cover these additional costs.

VI. FINANCIAL MANAGEMENT

A. Rationale for Determining Amounts of Capitalization Grant Intended for Project and Set-Aside Funds

Section 1452 of the SDWA authorizes states to use a portion of the capitalization grant to support various drinking water programs through set-aside funds. The DPH has chosen to take the maximum amount allowable and expects to use these set-aside funds to promote and implement

safe drinking water efforts integral to Connecticut's multiple barrier approach to protection of public drinking water supplies and public health. Additionally, the DPH will use these funds to foster greater appreciation of drinking water among the general public and the regulated community. Both of these intended uses address proactive and preventive measures endorsed by Congress in its authorization of the SDWA.

Section VII provides an overview of how the DPH intends to use the funds allocated for each set-aside.

B. Sources and Uses of DWSRF Funds

Sources

The total DWSRF funding available for direct loans and subsidization to PWSs during SFY 2020 is expected to be approximately \$175,085,877. Attachment A provides a breakdown of the sources of these funds. These sources include carry-over revenue bond authorizations from previous IUPs that were not allocated to projects. The total amount that may be used to fund drinking water projects is limited to the total bond authorization by the state legislature as part of the state capital budget and state matching contributions.

Attachment A also identifies the amount of set-asides from DWSRF capitalization grants and state match amounts. The Federal capitalization grant, principal repayments, interest repayments, and funds earned through leveraging are used to support our overall bond authorization and, as such, are not individually identified.

The breakdown of sources and uses reflects the total amounts projected for the DWSRF project fund and set-aside accounts that will be made available to the DPH upon EPA approval of the DPH's FFY 2019 capitalization grant application.

Uses

Projects that are currently anticipated to be funded during SFY 2020 include all projects that are being carried forward from the previous IUP and projects appearing on the SFY 2020 Fundable PPL. The Carryover Project List identifies 13 projects for a total of \$24,217,505. The SFY 2020 Fundable PPL identifies 51 projects for a total of \$71,440,423. The Comprehensive Project List identifies all eligible projects which are seeking funding, including those on the PPL, as described in Section V.

As shown on Attachment A, the total amount of funding available for new projects during SFY 2020 is anticipated to be approximately \$150.8 million. This is approximately \$79.4 million more in available funding than project costs shown on the SFY 2020 Fundable PPL. These additional funds will be used for unanticipated increases in the cost of projects expected to receive funding, or for additional projects from the Comprehensive Project List that may become ready to proceed in SFY 2020 after the finalization of this IUP.

The ULO balance of capitalization grant funds designated for DWSRF projects is \$5,238,814 as of June 30, 2019. Due to program requirements, all monies provided as federal subsidy must come directly from the federal capitalization grant. As a result, a balance of project ULOs must be maintained in an amount sufficient to make federal subsidy payments for qualifying projects. The ULO set-aside balance is \$1,873,801. EPA has established national objectives for states to fully expend their capitalization grants within two years of their award date and have only two open capitalization grants at any one time.

The uses of the set-aside portion of the capitalization grants are described in Section VII. The State of Connecticut provides in-kind matching funds to obtain our federal EPA grants; however, non-matching state contributions for these activities have diminished in recent years and are not expected to increase in the foreseeable future due to current State budget deficit projections. The DPH has been carrying over unspent set-asides from prior years' capitalization grants to sustain these programs. The DPH has accelerated the rate of spending these carryover funds to reduce ULOs, but is obligated to manage those funds in a manner that minimizes the risk of diminishing the important services provided by the programs until alternative sources of new funding are obtained.

For several years the DPH has proposed legislation to enact fees to provide long term support for these programs and reduce our dependence on the capitalization grant carryovers. Original legislation was enacted in section 676 of Public Act 17-2 of the June special session of the Connecticut General Assembly (PA 17-2), covering the period from July 1, 2018, to June 30, 2019. Changes to this legislation were enacted in Section 75 of Public Act 19-117. Pursuant to PA 19-117, for fiscal years ending June 30, 2019 and June 30, 2020, inclusive, each water company that owns a community or non-transient non-community PWS is required to pay to the DPH a safe drinking water primacy assessment to support the DPH's ability to maintain primacy under the SDWA.

C. The DWSRF Financing Plan and Issuance of Bonds for Leveraging

States may choose to issue bonds in conjunction with their federal capitalization grants to provide for more funding within their programs. Leveraging is a useful financing option available to states with a high demand of projects which are ready to proceed for immediate DWSRF funding. Consistent with Connecticut's financing strategy for the CWF, the DWSRF includes leveraging. Since 2001, a total of \$206.1 million in bonds have been issued to fund DWSRF projects. Leveraged financing allows the DWSRF to maximize available project funding by combining revenue bond proceeds, capitalization grants and state match contributions. This in turn provides more loans with favorable terms to more PWS applicants.

A more detailed financial analysis of the DWSRF program can be found in the DWSRF Annual Reports, available on the OTT's website at: http://www.ott.ct.gov/debt_drinkingwaterfund.html.

The leveraging process has been successful because it has allowed the State of Connecticut to fund projects that would not normally be funded using capitalization grant funds alone. Examples include:

- The \$55 million New Britain Water Treatment project, which was built using \$36.6 million in DWSRF funds. This project, which replaced an antiquated system, provides excellent quality water to its over 90,000 customers, and keeps the water rates relatively low.
- The \$29 million water treatment plant upgrade for the South Norwalk Electric and Water utility was built using \$24.7 million in DWSRF funds to replace an antiquated water treatment plant that was badly in need of upgrades.
- Meriden Water Division secured over \$21 million in DWSRF funds for the design and construction of major improvements to its Broad Brook Water Treatment Plant and Pumping Station to maintain purity and adequacy of water to its 60,000 customers.
- Groton Utilities secured \$54 million for its Water Treatment Plant upgrade. Groton is currently making significant improvements to its plant to address water quality issues. The majority of the existing components are antiquated (originally constructed in 1938), and improvements to the facility are crucial for infrastructure sustainability.

Without leveraging, the DPH would not be able to fund larger projects like these. The last DWSRF bond issuance occurred in June 2017. The OTT is in the process of a bond sale which is expecting to close during July 2019.

D. State Matching Requirement

The required 20% state match for the FFY 2019 capitalization grant is \$2,200,800. These funds are required to be in place prior to drawing down the award. The State of Connecticut will have the required state match amount deposited into the DWSRF prior to the expenditure of any federal FFY 2019 capitalization grant dollars. The state match is provided through the proceeds of state General Obligation Bonds issued prior to 2001 and cash contributions from the state. Since 2007, additional state match has been provided by the contribution of principal and interest payments collected from the State of Connecticut on General Obligation Bonds issued to provide interest subsidy for the CWF and held outside the CWF until payments are received by Connecticut. These funds are no longer needed by the CWF for debt service because of the issuance of lower cost refunding bonds and additional contributions by Connecticut. These payments are held and deposited as cash contributions for the DWSRF state match. As of November 30, 2019, the DWSRF has received and deposited approximately \$48.7 million for the required match since the inception of the program, including those for the FFY 2019 capitalization grant.

E. Federal Cash Draw Proportionality

The DPH must draw down project funds from the federal capitalization grant award at a proportional rate not to exceed the rate of use for the state matching funds that will be used to secure the grant. The DPH intends to use all of the state match funds prior to drawing down the federal capitalization grant funds. This approach will ensure compliance with the proportionality requirement.

F. Financial Terms of Loans

Connecticut has instituted a tiered schedule of interest rates for DWSRF loans derived from the market costs of debt financing for the DWSRF program. The tier applicable to a specific project will be based on the financial and legal status of the recipient as well as on the type of project. CGS Sections 22a-475 through 22a-483, inclusive, allows for amortization to begin one year from the project's scheduled completion date and provides a formula, based on Connecticut's prevailing taxable or tax-exempt bond market rates, for setting interest rates. Connecticut may adjust these terms based on the financial viability of the borrower.

CGS Sections 22a-475 through 22a-483, inclusive, also allows Connecticut to offer project loans with reduced interest rates or an extended term, if permitted by Federal law, to eligible PWSs that qualify as disadvantaged communities. Attachment I to this IUP provides the details of DPH's Disadvantaged Community Assistance Program.

Within the provisions of CGS Sections 22a-475 through 22a-483, inclusive, Connecticut will consider appropriate financial terms for refinancing and the acquisition of land and sanitary easements on a case-by-case basis. The DPH policy for refinancing is discussed in Section V. Additional lending policies pertaining to the DWSRF program are found in Attachment 6 (last revised April 1999) to the OA.

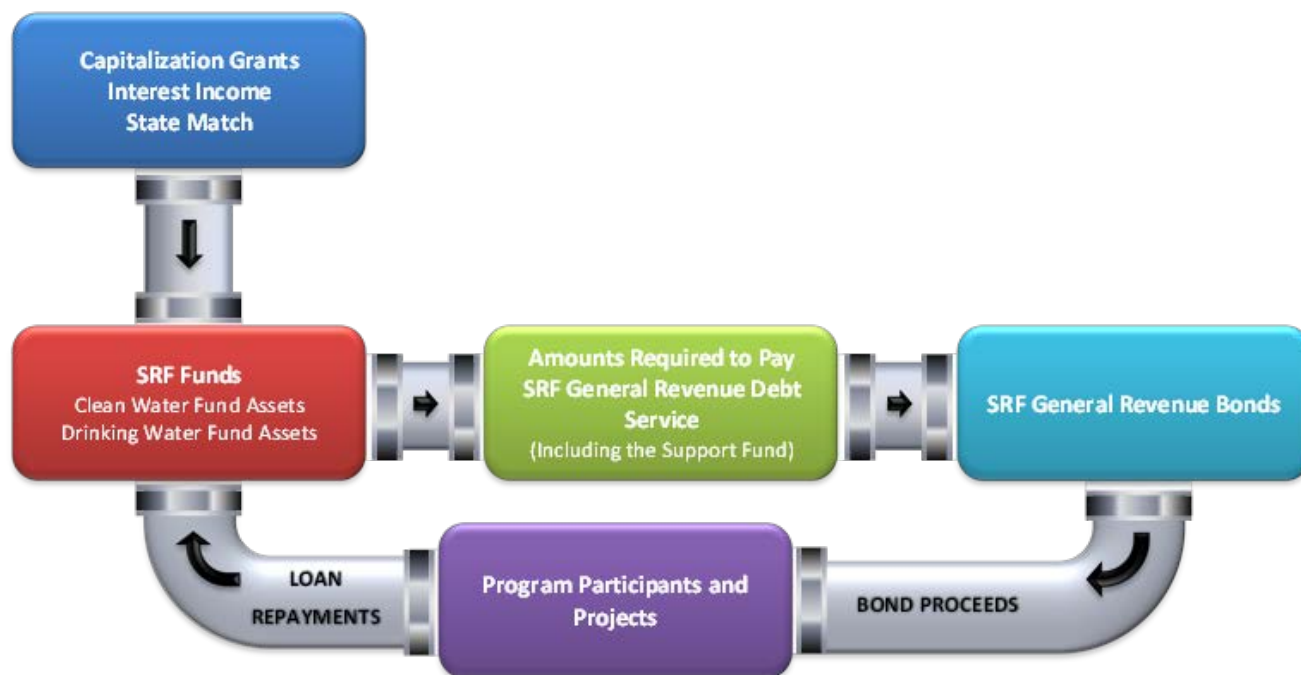
The term of a loan (in years) may not exceed the useful service life of the primary infrastructure component(s) that are being financed through the DWSRF. Maximum loan terms may also be

restricted based on the dollar amount of the loan (not including any subsidy) as outlined in the table below.

Loan amount	Maximum loan repayment term
up to \$10,000	3 years
\$10,000 - \$25,000	5 years
\$25,000 - \$100,000	10 years
More than \$100,000	20 years

Projects with loans of \$100,000 or less may be treated as reimbursement only. The borrower may be expected to pay their contractors with their own funds as necessary to complete the project. The financing agreement with DPH will allow PWSs to be reimbursed for those eligible expenses once the DPH receives a reimbursement payment request from the PWS along with all of the contractor’s invoicing.

Figure 2 – The Revolving Flow of Funds



G. Transfer of Capitalization Grant Funds between the DWSRF and CWSRF

The DPH has not transferred funds between the DWSRF and the CWSRF programs. While such a transfer is permitted under the SDWA, the DPH does not anticipate making such a transfer under the current IUP, but reserves the right to do so if necessary.

H. Expected Loan Demand

The State of Connecticut’s participation in the EPA-sponsored DWINSAs for 1999, 2003, 2007, 2011, and 2015 evidenced that a significant need continues to exist throughout the state for funding capital improvements. The results of these surveys are used by the EPA to determine the percentage of the DWSRF appropriation that each state will receive each year for the 4-year period interval following release of each survey’s report.

The 2015 DWINSA assessed the cost and types of drinking water needs throughout the nation for the period January 1, 2015 to December 31, 2034. The results of the survey were used to determine the DWSRF allocation for FFYs 2018 through 2021. The results of the 2015 survey, which were released in April 2018, showed that the State of Connecticut’s estimated need had grown from \$1.394 billion in 2007 and \$3.587 billion in 2011 to \$4.018 billion in 2015. The breakdown was as follows:

Transmission and Distribution	\$2.542 billion
Treatment	\$770.4 million
Storage	\$400.9 million
Source	\$187.6 million
Other	\$116.7 million

As the cost and need for infrastructure projects continue to increase, the demand for low-cost loans will most likely also increase. The availability of federal subsidization since 2009 for DWSRF projects has also increased the demand for loans.

The DPH expects to continue to fully participate in the 2020 DWINSA, in the on-going effort to identify the drinking water needs in Connecticut. The AWIA included a new requirement that the DWINSA include an assessment of costs to replace all lead service lines and describe, separately, the costs associated with PWS-owned lines and those to replace any remaining portions, to the extent practicable. The methodology for including this information in the 2020 survey is still under development.

I. Impact of Program on Long-Term Financial Status of the DWSRF

The main features of the DWSRF program – the PRS, the leveraging plan and the maximization of set-aside monies – will continue to be implemented and managed in a prudent and responsible manner. This will allow the DPH to meet the public health and compliance goals of the DWSRF, while simultaneously preserving the integrity and perpetuity of the DWSRF itself. Loan terms will be attractive, while lending procedures will include safeguards structured to minimize unforeseen losses to the fund. The use of federally-allowed subsidization from the capitalization grants will be managed to ensure that these non-repayment funds enhance the program rather than result in detrimental long term consequences.

The DWSRF also produces numerous opportunities for strengthening water supply mechanisms (i.e., source protection, Public Water System Supervision grant (PWSS) program) that will ultimately result in improvements to safe and adequate supplies of drinking water for Connecticut residents. Additionally, the placement of the DWSRF within the financial structure of Connecticut’s CWF guarantees that the DWSRF will benefit in the long term from the same management and financial planning mechanisms that have marked the success of Connecticut’s CWF Program.

VII. SET-ASIDE ACTIVITIES

Taken together, 31% of a Connecticut’s DWSRF capitalization grant is expected to be used for set aside activities. The DPH receives funds under four set-asides to support various drinking water and DWSRF program activities. These include the Administration, State Program Management, Small Systems Technical Assistance, and Local Assistance set-aside funds. The set-aside activities for SFY 2020 are described below. Prior to requesting disbursement of these funds, the DPH submits work plans to EPA Region 1 with the capitalization grant application, which provides specific details for use of each set-aside fund. If a workplan modification becomes necessary during the SFY, the DPH shall amend the grant application and seek EPA’s approval. The DPH will satisfy all set-aside reporting requirements as detailed in the capitalization grant award conditions.

A. DWSRF Administrative Funds

Maximum Percentage Allowed: 4% of the Capitalization Grant
Taking from FFY 2019 Grant: (4%) \$440,160

The DPH intends to use funds in the Administrative set-aside to support existing staff at DPH and OTT dedicated to administrative and fiscal management of the DWSRF accounts and oversight and tracking of the DPH’s Cash Management Plan, as well as providing assistance to borrowers in preparing their loan applications and satisfying program requirements. In addition, the DPH intends to utilize funds from this set-aside for the development and use of a state specific project financing, loan and accounting management system for the DWSRF program. The DPH may also utilize funding from the capitalization grant’s administrative set-aside to prepare DWSRF marketing materials including an Annual DWSRF Construction Report, brochures, posters and other materials to increase the awareness of the DWSRF among PWSs, legislators, local officials, consultants and other stakeholders.

B. State Program Management

Maximum Percentage Allowed: 10% of the Capitalization Grant
Taking from FFY 2019 Grant: (10%) \$1,100,400

Funding under this set-aside will be used primarily to support and administer the PWSS program, which includes administering and providing technical assistance to PWSs in the State of Connecticut. Staff supported by this fund also perform the following in support of both the PWSS and DWSRF programs:

- Coordinate DWS grant administration, applications and reporting
- Coordinate and attend monthly DWSRF fiscal meetings
- Prepare guidance documents, work plans and long-term strategies for DWSRF program management and EPA required program management reports (i.e. QAPP, PPA)
- Provide direct technical assistance to PWSs regarding the required reporting of water quality and inventory and facility data utilizing the Safe Drinking Water Information System and electronic data interchange
- Provide information and educational opportunities to PWSs via internet postings
- Provide legal assistance to the DWS regarding the DWSRF program
- Continuously update and maintain DWS’s Geographic Information System (GIS) data layers in the DWS GIS system
- Assist in providing training to operators and to seasonal PWS owners
- Review and process operator certification renewal applications
- Review cross connection survey reports and exemption verification forms
- Assist with scheduling and processing operator certification exam materials

- Assist in reviewing and approving training courses
- Assist in Operator Certification and Cross Connection Program tasks, including, but not limited to, development of revised regulations, database maintenance for compliance, and development of webpage information
- Conduct DWSRF Financial Assistance Application reviews
- Attend workshops and trainings to improve the efficiency of the DWSRF program
- Continue Memorandum of Agreements between DPH and UCONN that allows UCONN students to intern with the DWS
- Coordinate the preparation of DWSRF loan agreements with the DPH Fiscal Office and Office of Grants and Contracts and the Connecticut Office of the State Treasurer

C. Small Systems Technical Assistance

Maximum Percentage Allowed:	2% of the Capitalization Grant
Taking from FFY 2019 Grant:	2% (\$220,080)

Activities performed under this set-aside include providing technical assistance to small PWSs serving up to 10,000 consumers and contracting with a service provider to offer technical assistance to such small PWSs. Technical assistance efforts include:

- Conducting sanitary surveys of community, non-transient non-community and transient non-community PWSs serving fewer than 10,000 persons (small PWSs)
- Assessing existing small PWSs' technical, financial and managerial capacity during sanitary surveys
- Educating and assisting small PWSs in applying for DWSRF loans for infrastructure projects
- Conducting regulatory compliance reviews of engineering plans and specifications for existing small PWS infrastructure improvements, including projects funded under the DWSRF

D. Local Assistance

Maximum Percentage Allowed:	15% of the Capitalization Grant
Taking from FFY 2019 Grant:	5% (\$550,200) – Wellhead Protection 10% (\$1,100,400) – Capacity Development

The DPH uses this set-aside for wellhead protection and capacity development activities. The Wellhead Protection Program will use 5% of the set-aside funds and the Capacity Development Program will use the remaining 10%. Each program is described below.

a) Wellhead Protection

Program elements include coordination, management, and regulation of source protection through the proactive enhancement and oversight of existing source protection laws and regulations, integration with water supply planning, education of local land use officials, and involvement with stakeholders on a continuous basis. Efforts under this set-aside include:

- Implementation of revised statutes and regulations for source water protection, including the provisions of the federal Groundwater Rule
- Reviewing and approving/denying of all proposed sources of public water supply
- Permitting of proposed sales or changes to water company owned land (i.e. land owned by PWSs that are within source water protection areas)
- Permitting of monitored recreational activities on water company land
- Coordinating of the process of conducting annual watershed inspections and annual submission of Watershed Survey Reports

- Active and committed involvement with the improvement of the GIS application and database, which is critical for adequate source assessment and protection
- Linking the protection of public water supplies with subsurface sewage disposal system approval, maintenance, training, and repair
- Linking the Clean Water Act to the SDWA through working with EPA, DEEP, and other stakeholders
- Continually working with local, regional and state partnerships on Environmental Reviews for projects that could potentially impact drinking water quality
- Collaborating with stakeholders at the community and state level to implement source water protection concepts and best management practices to enhance drinking water source protection
- Working toward development of a collaborative group to focus on public health protection and source water protection
- Working with many diverse groups to enhance drinking water source protection and provide useful educational materials
- Provide contractual administrative and support services to the DWS on various public drinking water supply topics
- Working to develop and utilize consistent policies for the use of pesticides and herbicides in public drinking water sources of supply

b) Capacity Development

The DPH will use 10% of the Local Assistance set-aside allocation for capacity development initiatives that are consistent with the DWS's EPA-approved Capacity Development Strategy and to help to improve the technical, financial and managerial capacity of PWSs. The DPH's strategies account for both immediate and long-term sustainability initiatives, including education, technical assistance, enforcement, consolidation, DWSRF assistance, and water system restructuring.

These funds will be used primarily to support staff within the DWS that:

- Conduct sanitary surveys of community, non-transient non-community and transient non-community PWSs
- Provide technical assistance to PWSs on violations and deficiencies noted during sanitary surveys
- Perform technical, financial and managerial capacity assessments of PWSs during sanitary surveys
- Provide technical assistance and enforcement referral to local health departments for maximum contaminant level violations, source water construction violations and cross-connections identified at non-transient non-community and transient non-community PWSs' food service establishments
- Conduct reviews of water quality and quantity of newly-developed drinking water sources and review engineering plans and specifications for new water system designs in accordance with CGS Section 16-262m and Section 19-13-B102 of the Regulations of Connecticut State Agencies (RCSA)
- Assist with the maintenance of the DWS Compliance Assistance Database (DWSCAD), which provides support to all DWS Programs to, among other things, implement drinking water rules and track engineering project reviews, water supply plan reviews, sanitary surveys, DWSRF projects, cross-connection control program requirements, certificate projects, and watershed surveys
- Support the DWSRF program by:
 - Soliciting for DWSRF projects

- Providing technical assistance to DWSRF applicants and their consultants on program requirements
- Determining project eligibility and reviewing and ranking project eligibility applications
- Reviewing project plans and specifications
- Tracking projects through completion, including conducting site visits;
- Reviewing and approving DWSRF payment requests from loan recipients
- Entering and maintaining data in the federal DWSRF Project Benefits Reporting (PBR) system and Loan and Grants Tracking System (LGTS)
- Attending the Public Hearing on the IUP and PPLs
- Meeting with stakeholders and applicants as needed
- Attending workshops and trainings to improve the efficiency of the DWSRF Program
- Provide technical assistance to PWSs that receive a significant violation as a result of a site inspection or as noted in a sanitary survey report
- Participate as necessary in training programs related to the technical, managerial and financial capacity of PWSs for PWS operators and public health officials
- Work with the Connecticut drinking water industry, the Association of State Drinking Water Administrators, and the EPA with a goal of achieving optimization of existing surface water treatment plants

VIII. AUDITS and REPORTING

To ensure transparency and accountability, all program materials are posted on our website at www.ct.gov/dph/dwsrf. DWSRF Annual Reports are posted on the OTT website at http://www.ott.ct.gov/debt_drinkingwaterfund.html. Financial audits are conducted annually by the OTT and included with the Annual Report.

DPH enters project and benefits data into the DWNIMS and PBR databases to evaluate the benefits of the State of Connecticut's DWSRF program. Among other parameters, the DWNIMS and PBR databases will evaluate the number of DWSRF projects that provide public health benefits, including those that achieve compliance with the SDWA, those that maintain compliance with the SDWA and those that are intended to meet future requirements of the SDWA.

Project benefits information is entered into PBR as soon as possible following execution of a funding agreement, preferably within two weeks. Updates to PBR following completion of the project and closing of the permanent loan are also made as soon as possible. If a project contains "green" components, DPH reports on the "green" projects and/or "green" portion of projects in PBR.

IX. PUBLIC OUTREACH and COMMENT

The DPH engages in a determined effort to prepare and provide accurate and understandable information on the DWSRF to potential loan applicants and other interested persons. The DWSRF loan applicant pool in Connecticut consists of approximately 750 PWSs. This pool includes all community PWSs and all public schools that are non-transient non-community PWSs. Outreach to these PWSs, as well as to other interested persons, has and will continue to occur simultaneously with the implementation of the DWSRF program. Outreach is accomplished through posting information on the DWS website, meeting with applicants, sending targeted electronic mailings, distributing program marketing information, and participating in various water-related forums. In addition, engineering staff from the DPH reach out to PWSs during on-site sanitary surveys and encourage them to consider the DWSRF program for their infrastructure financing needs.

In conformance with 40 CFR 35.3555(b), the DPH sought meaningful public review and comment on the Draft SFY 2020 IUP, which includes the Fundable PPL. In addition, RCSA Section 22a-482-1(c)(4) requires that a public hearing be held to allow for the opportunity to comment on the draft Fundable PPL. A Notice of Hearing announcing the availability of the Draft IUP for public review and comment and a public hearing the DPH held on December 5, 2019 was formally published in the Hartford Courant, New Haven Register, Waterbury Republican-American on November 1, 2019, , The Inquiring News on November 6, 2019, and La Voz Hispana on November 7, 2019. Such notice was also posted on the DPH's website and on the Connecticut Secretary of State's Public Meeting Calendar. Additionally, the Draft IUP and Notice of Hearing was sent to all eligible PWSs, which includes all DWSRF applicants with projects appearing on the Comprehensive Project List. Interested persons were invited to attend and provide oral or written testimony at the public hearing or to submit written comments.

The public hearing was held on December 5, 2019, at DPH in Hartford, CT. The hearing was followed by an Open Forum where attendees had an opportunity to meet directly with DWSRF program staff to answer questions and learn more about the loan program. All testimony provided during the public comment period and the hearing was reviewed and considered by the DPH Commissioner prior to finalizing this IUP.

X. ATTACHMENTS

- A. Sources and Uses of Estimated Amounts of DWSRF Funds
- B. Priority Ranking System
- C. SFY 2020 Comprehensive Project List – Alphabetical Order
- D. SFY 2020 Comprehensive Project List – By Points
- E. SFY 2020 Carryover Project List
- F. SFY 2020 Fundable Project Priority List
- G. Asset Management Plan Checklist
- H. Fiscal Management Plan Checklist
- I. Disadvantaged Community Assistance Program

**Attachment A
Sources and Uses of DWSRF Funds**

	Cumulative Total through 6/30/2019 (updated to 12/5/2019)⁴	Total 7/1/2019 (updated from 12/5/19) - 6/30/2020⁴	Cumulative Total Through 6/30/2020
<u>SOURCES</u>			
Funds Transferred From (to) CWSRF	\$ -	\$ -	\$ -
Federal Capitalization Grant Set-Asides	\$ 65,292,799	\$ 3,411,240	\$ 68,704,039
Previous Bond Authorization Committed to Projects ¹	\$ 230,359,121	\$ -	\$ 230,359,121
Previous Bond Authorization Available for Projects ²		\$ 175,085,878	\$ 175,085,878
PWS Improvement Program Authorized by CGS 22a-483f	\$ 19,503,561	\$ -	\$ 19,503,561
PWS Improvement Program Authorized by CGS 22a-483f Available for Projects	\$ -	\$ 496,439	\$ 496,439
Sources Total	\$ 315,155,480	\$ 178,993,557	\$ 494,149,038
<u>USES</u>			
Funds Transferred From (to) CWSRF	\$ -	\$ -	\$ -
<u>Set-Asides</u>			
Administrative	\$ 8,791,036	\$ 440,160	\$ 9,231,196
State Program Management	\$ 21,009,610	\$ 1,100,400	\$ 22,110,010
Small System Technical Assistance	\$ 5,023,118	\$ 220,080	\$ 5,243,198
Local Assistance / Other State Programs	\$ 30,469,035	\$ 1,650,600	\$ 32,119,635
<u>Projects</u>			
Previous Bond Authorization Committed to Projects ¹	\$ 230,359,121		\$ 230,359,121
Previous Bond Authorization Used for Carryover Projects		\$ 24,217,505	\$ 24,217,505
Previous Bond Authorization Used for Project Priority List		\$ 71,440,423	\$ 71,440,423
Previous Bond Authorization Available for Additional Projects ³		\$ 79,427,950	\$ 79,427,950
PWS Improvement Program Authorized by CGS 22a-483f	\$ 19,503,561	\$ -	\$ 19,503,561
PWS Improvement Program Authorized by CGS 22a-483f and Used for Projects	\$ -	\$ 496,439	\$ 496,439
Uses Total	\$ 315,155,480	\$ 178,993,557	\$ 494,149,038

Footnotes:

1 - The capitalization grant project funds and state match amounts are included in the amount of bond authorization. This amount also includes proceeds generated by leveraging, interest earnings, and principal repayments, but these do not increase the total authorization. Refer to the text of the IUP for an explanation. Funds have been committed to projects.

2 - Funds from previous bond authorization that have not been committed to projects

3 - These funds are available for projects with actual costs higher than original estimates and/or for projects appearing on the Comprehensive List, but not on the Fundable PPL.

4 - These amounts have been updated to reflect project activity through 12/5/2019.

Attachment B

Connecticut Department of Public Health - Drinking Water Section
Drinking Water State Revolving Fund
Priority Ranking System
(Revision 1/31/17)

A. Introduction:

Connecticut General Statute (CGS) Section 22a-478(a) requires the Commissioner of the Department of Public Health (DPH) to establish and maintain a priority list of eligible drinking water projects and to establish a system setting the priority for making loans to eligible public water systems (PWS) under the Drinking Water State Revolving Fund (DWSRF). In establishing such priority list and ranking system the Commissioner shall consider all factors that are deemed relevant including, but not limited to, the following:

1. Public Health and Safety
2. Protection of environmental resources
3. Population affected
4. Risk to human health
5. PWSs most in need on a per household basis according to the applicable state affordability criteria
6. Compliance with the applicable requirements of the federal Safe Drinking Water Act (SDWA)
7. Applicable state and federal regulations
8. Consistency with the plan of conservation and development
9. Consistency with the coordinated water system plan in accordance with subsection (f) of CGS Section 25-33d

The DPH annually receives a federal capitalization grant from the United State Environmental Protection Agency (EPA). A minimum of 69% of these grant funds are used to make long term low interest loans available to PWSs for drinking water infrastructure projects through the DWSRF. A maximum of 31% of the capitalization grant is available to be used for eligible set-aside activities implemented by the DPH. The portion of the capitalization grant that is used for loans is leveraged through the Clean Water Fund Revenue Bond Program by the Office of the State Treasurer. The proceeds from the sale of revenue bonds along with other revolving funds from prior loan repayments are used to provide new loans to PWSs. This leveraging program increases the amount of funding available for loans each year beyond what is provided for in the capitalization grant alone. Each year, the DPH is limited in the amount of loans it can provide to PWSs through the Revenue Bond Program based on the legislative revenue bond authorization it receives in the State capital budget. Under the terms of the capitalization grant, the DPH is also required to contribute state matching funds equal to 20% of the capitalization grant to the loan program as additional funding.

Often, loan demand is higher than the amount of DWSRF funding that is available. The Priority Ranking System described in this document is used to prepare a Project Priority List (PPL), which is included in an annual Intended Use Plan (IUP). The PPL identifies the projects that are expected to receive the available funding during that year. Projects that are not listed on a PPL remain eligible to receive loans if additional funding becomes available or if a PPL project is by-passed by DPH or withdrawn by the applicant.

Attachment B

B. Eligibility for DWSRF Loans

The DWSRF is intended to provide PWSs with a long-term low-cost financing alternative to improve and maintain their existing drinking water infrastructure in perpetuity. In order to receive a loan, a borrower and their project must both be deemed eligible for the DWSRF.

Eligible borrowers include all community public water systems and non-profit non-community public water systems. In addition, these borrowers:

1. Must have adequate technical, financial and managerial capacity to ensure compliance with the requirements of the SDWA unless the use of the DWSRF will ensure compliance and the owner(s) and/or operator(s) of the systems agree to undertake feasible and appropriate changes in operations to ensure compliance over the long term
2. Must not be in significant non-compliance with any national primary drinking water regulation, state drinking water regulation or variance unless;
 - a. their eligible drinking water project will adequately address long-term compliance, or;
 - b. the purpose of the assistance is unrelated to the cause of the significant noncompliance and the systems are on enforcement schedules (for maximum contaminant level and treatment technique violations) or have compliance plans (for monitoring and reporting violations) to return to compliance.
3. Must not be federally owned

Six categories of projects are eligible to receive DWSRF assistance. These categories and examples of projects within them are:

1. **Treatment** - projects to install or upgrade facilities to improve drinking water quality to comply with SDWA regulations
2. **Transmission and distribution** - rehabilitation, replacement, or installation of pipes or pump stations to improve water pressure to safe levels or to prevent contamination caused by leaky or broken pipes
3. **Source** - rehabilitation of groundwater wells or development of new groundwater wells to replace contaminated sources
4. **Storage** - installation of new or upgrades to existing finished water storage tanks to prevent microbiological contamination from entering the distribution system
5. **Consolidation** - interconnecting two or more water systems
6. **Creation of new systems** - construct a new system to serve homes with contaminated individual wells (i.e. private wells) or to consolidate two or more existing PWSs into a new regional water system

The following projects and costs are **not eligible** for assistance:

1. Dams or rehabilitation of dams
2. Water rights, except if the water rights are owned by a system that is being purchased through consolidation as part of a capacity development strategy
3. Reservoirs or rehabilitation of reservoirs, except for finished water reservoirs and those reservoirs that are part of the treatment process and are located on the property where the treatment facility is located
4. Projects needed primarily for fire protection
5. Projects needed primarily to serve future growth

Attachment B

6. Projects that have received assistance under the national set-aside for Indian Tribes and Alaska Native Villages pursuant to section 1452(i) of the SDWA
7. Laboratory fees for routine monitoring
8. Operation and maintenance expenses
9. Partial lead service line replacements (see Section F.7)

The DWSRF may be used to finance the planning, design or construction phase of an eligible drinking water project.

C. Call for Projects

The Call for Projects is on-going and Eligibility Applications are accepted at any time. For a project to be considered for funding on the PPL in an annual IUP, an Eligibility Application must be received by the date announced by the DPH. It is expected that this date will be same each year. This announcement is issued via e-mail to all PWSs that are eligible to receive DWSRF loans, municipal Chief Elected Officials and local Directors of Health, as well as posted on the DPH Drinking Water Section's (DWS) website. This announcement will be made approximately 60-90 days prior to the due date.

Eligibility Applications received after the announced due date will be reviewed as they are received and the IUP updated as explained further in Section H of this document.

PWSs that desire DWSRF loans must submit a DWSRF Eligibility Application to the DPH in order for that project to be considered for a loan. The DPH reserves the right to issue new solicitations for additional infrastructure projects for DWSRF funding at any time.

D. Small System Reserve

The SDWA requires that, to the extent that there are sufficient number of eligible project applications, not less than 15% of the available funding shall be dedicated to small systems serving less than or equal to a population of 10,000. The DPH shall use the population it currently has on record at the time a PWS applies for funding to determine if it meets the small system criteria. In cases where an applicant owns more than one community PWS, the applicant's population will be determined on the combined population of all of its individually owned community PWSs.

E. Green Project Reserve (GPR)

Green projects include those that promote green infrastructure and energy or water efficiency, as well as projects that demonstrate new or innovative ways to manage water resources in a sustainable way. To the extent required by Federal law, which may change from year to year, priority may be given to eligible projects where sufficient documentation has demonstrated to the satisfaction of DPH that the project achieves identifiable and substantial benefits that qualify as green project benefits. Specific GPR amounts available each year will be identified in the DPH's IUP.

F. Priority Point Assignment

Connecticut's DWSRF priority ranking system assigns points to each project deemed eligible for funding. In developing the ranking system, the point structure is weighted towards projects that will provide the greatest public health benefits and to PWSs that are most in need of low cost financing. This approach is consistent with the SDWA requirement for States to prioritize the use of funds for projects that:

1. Addresses the most serious risk to human health
2. Are necessary to ensure compliance with the requirements of the SDWA

Attachment B

3. Assist systems most in need according to state affordability criteria

The nine major point categories are as follows:

1. **Water Quality:** Within this category points are awarded for projects that address water quality regulatory violations or impaired water quality. Supporting evidence of impaired water quality and the need for corrective action shall be provided to support the award of points. This category is divided into five subcategories:
 - a. **Immediate Action:** Water quality violations requiring immediate action include surface water treatment rule violations and acute microbiological and inorganic chemical Maximum Contaminant Level (MCL) violations as well as lead Action Level exceedances. These violations pose health risks which must be brought into compliance expeditiously. High levels of other contaminants in subcategories b. and c. that are determined by DPH to present immediate acute health risks may be elevated to subcategory a. and awarded additional priority points based on DPH's determination.
 - b. **Non-Acute MCL Violations:** MCL violations for contaminants which have health risk ramifications over extended periods of time include the following subcategories: non-acute inorganic chemical, pesticides, herbicides, PCB's, organic chemicals, disinfection by-products and radioactivity.
 - c. **Other Contaminants of Health Concern:** Includes drinking water contaminants for which DPH or EPA has determined a health risk exists even though the contaminant does not have an established MCL. These may include regulated or unregulated contaminants that DPH or EPA has set formal action levels or health advisory limits for prior to establishment of a federal or state MCL. This subcategory also awards points for projects which address proactive steps taken to reduce elevated levels of contaminants that exceed 50% of their established MCL or the State notification level for Sodium.
 - d. **Physical/EPA Secondary MCLs:** This subcategory allows points for parameters that are primarily deemed aesthetic rather than having significant health ramifications. These contaminants or physical properties of water may make the water unsuitable for drinking rather than posing any significant known health risk.
 - e. **Private Wells:** Properties that are currently not being served by a PWS yet are experiencing private well contamination which may cause the private well to exceed an MCL contained in RCSA Section 19-13-B101 or exceed a private well [Action Level](#) established by the DPH, can be assigned ranking points, if the project involves the extension of water service to the affected wells and the applicant is eligible to receive a DWSRF loan. Where water main extensions are not feasible, points may be awarded for creation of a new PWS to serve these properties.
2. **Advanced Surface Water Treatment:** Points are awarded for projects that involve changes in treatment technologies or unit processes at surface water treatment plants to address the treatment of emerging contaminants or comply with a known future SDWA regulatory requirement. The treatment of unregulated contaminants that would be considered under this category include:
 - Contaminants identified in EPA's latest Unregulated Contaminant Monitoring Rule
 - Contaminants identified in EPA's latest Contaminant Candidate List
 - Contaminants identified by EPA as contaminants of emerging concern
 - Contaminants discovered by the PWS during water testing that have been determined by DPH

Attachment B

to present or have the strong possibility of presenting a public health risk

3. **Water Supply/Conservation:** Inadequate quantity of water supply has many public health implications. Supply shortages can translate to poor or inadequate pressure which can lead to back siphonage and potential contamination of the water distribution. Even with active cross connection programs, lack of pressure may result in accidental contamination events. Customers of public water systems also need adequate water service for basic sanitation needs within their homes and businesses. Within this category, points are awarded for projects that address inadequate water supply under normal operating conditions. Points are also awarded for proactive improvements that maintain the adequacy of source waters or contribute to the water conservation efforts of public water systems. This category includes:
 - a. **Source Water Deficits:** New groundwater well development projects or interconnection projects with other PWSs that are necessary to comply with RCSA Section 19-13-B102(o). This may include demonstration of diminishing safe yield that reveals an imminent threat to maintaining the minimum required margin of safety of 1.15. A recent water audit will be required to be evaluated in the Preliminary Engineering Report.
 - b. **System Capacity Deficits:** Projects that include capacity upgrades to water treatment plants, pump stations, storage facilities or transmission/distribution piping to comply with RCSA Section 19-13-B102(p). A recent water audit will be required to be evaluated in the Preliminary Engineering Report.
 - c. **Source Development:** Projects that include the development of new groundwater sources or the rehabilitation of existing groundwater sources necessary to maintain, augment or replace existing sources that do not qualify for points under sub-category a.
 - d. **Conservation/Water Loss Reduction:** This subcategory recognizes the important role that accurate metering, real-time water use monitoring, pipe replacement/rehabilitation programs and other water loss reduction projects play in a PWS's water conservation efforts. Additional points will be awarded to metering projects that incorporate Advanced Metering Infrastructure (AMI) technology to recognize the additional conservation benefits this technology provides. Also includes projects that involve the timely replacement or rehabilitation of water transmission or distribution system piping to reduce water loss due to leaks in existing piping and also increase flows and pressure to customers.
 - e. **Private Wells:** Projects that involve extending water service to existing residential properties served by private wells that have gone dry or have experienced yield reductions that render the well incapable of sustaining the water supply necessary for basic sanitary needs.
4. **Infrastructure Violations/Deficiencies/Safety Hazards/Failures:** Points are awarded to projects that address infrastructure regulatory violations that are not covered in Category 3. Points are also awarded to projects that correct significant deficiencies under the Ground Water Rule. Other infrastructure deficiencies, safety hazards or failures identified by DPH in a sanitary survey report or documented by the PWS with supporting evidence included in the DWSRF Eligibility Application would be eligible for points in this category. Hydropneumatic storage tanks that are greater than 30 years old may pose a safety risk as evidenced by a tank explosion in 2015 in North Stonington, CT that completely destroyed a pump station. Tank industry construction standards for these tanks improved in the early 1980's which has eliminated much of this risk with more modern tanks. For this reason, projects for the replacement or elimination of hydropneumatic storage tanks meeting one or more of the following criteria are also included in this category:

Attachment B

- Tanks greater than 30 years old
- Tanks recommended for replacement by DWS in a sanitary survey report
- Tanks recommended for replacement in a professional independent tank inspection report

Replacement of hydropneumatic storage tanks may include replacement of the existing fixed rate booster pumps with variable frequency drive (VFD) pumps and/or control system including the power supply upgrade.

5. **Consolidation:** Points are awarded to projects that consolidate two or more public water systems through water main interconnection or consecutive system. Small systems can benefit from the economies of scale achieved by being absorbed into, or served by, a larger community water system and, in many cases, benefit through an increased level of technical, financial and managerial (TFM) capacity. Small system to small system consolidations also offer opportunities for these small systems to share resources, increase TFM capacity by restructuring water system management and achieve greater economies of scale.
6. **Resiliency/Security:** Points within this category are awarded to projects that will increase a PWS's ability to withstand and recover from natural or man-made disasters and includes climate change adaptation and drought. This category provides points for climate change or asset management planning projects. Points are also awarded to projects that already have, or incorporate, appropriate security elements relative to that project or for stand-alone security projects appropriate for an existing facility such as security fencing, alarms and surveillance cameras. To qualify for climate change or resiliency points, projects will need to be supported by appropriate studies. To receive points, projects must not be inconsistent with State or Federal climate change studies or statewide resiliency planning documents recognized and supported by DPH. Points will also be awarded to projects for stand-by emergency power generator systems (new, replacement, or upgrade to existing) for existing critical facilities that need to be powered during a loss of normal electrical grid power. Additionally, this category provides points to encourage PWS's to invest in asset management and climate change planning if they have not already done so. Planning points will only be awarded for the creation of an initial plan. The DPH anticipates that these plans may result in future infrastructure projects that would qualify for DWSRF funding. Although these planning projects will be ranked independently, they may be combined with another eligible drinking water project into a single DWSRF loan agreement if both projects are included on the PPL and are undertaken simultaneously.
7. **Other Capital Improvements:** Points within this category are awarded for general proactive infrastructure projects that may not qualify for points within categories 1, 2, 3 or 4. These projects help achieve long term infrastructure sustainability so that health risks from infrastructure failure are averted. This category includes the replacement of lead service lines to individual customers including any portion located on a customer's private property. A lead service line would include any service line that has **any** lead piping. In order to receive DWSRF funding for lead service line replacements, the **entire** portion of the service line (starting at the water main on the street and terminating where the premise plumbing begins) that contains lead must be replaced. Partial lead service line replacements will not be funded due to health concerns associated with the possibility of increasing a customer's lead exposure by disturbing the remaining lead-containing piping. To receive priority points for complete lead service line replacements, all lead service lines associated with the project must be identified in advance of submitting a DWSRF Eligibility Application and all

Attachment B

lead service lines for which customer's consent (if applicable) has been obtained must be replaced as part of the project. This category also includes the replacement of internal building piping of buildings owned and served by an eligible PWS that is part of a remediation strategy to address lead or copper levels that exceed the Action Level.

8. **Sustainability/Statewide Planning Recognition:** Points within this category are awarded to eligible projects undertaken by a PWS directly related to an acquisition or transfer of a PWS with inadequate financial, managerial or technical capacity to another PWS as reviewed and ordered pursuant to CGS Section 16-262n & 16-262o. Points are also awarded to eligible projects undertaken by a PWS that actively implements an asset management program and their project is supported by that plan. Additionally, points are awarded for projects that are identified within a statewide or regional water supply planning document under the oversight of DPH including, but not limited to, the Coordinated Water System Plan of a Water Utility Coordinating Committee under CGS Section 25-33h or statewide or regional public drinking water resiliency plans. This category is intended to recognize and support the planning efforts of PWSs to achieve long term sustainability, assist other PWSs in need and support the State's long term planning efforts for public water supply.
9. **Affordability:** This category awards additional points to projects undertaken by a PWS in a town that has been identified by the Connecticut Department of Economic and Community Development as a "distressed municipality".

The activities which qualify for points under each category along with the numerical value of points assigned to each activity are detailed in Appendix A.

The DPH reserves the right to determine if project identified in a DWSRF Eligibility Application contains more than one independent project. In such cases, the DPH may split the application into multiple independent applications, request that the applicant resubmit independent Eligibility Applications for each independent activity or request the applicant to submit additional information to support the interrelationship between those activities identified in the original Eligibility Application prior to assignment of a ranking score. This right is exercised to prevent manipulation of the point ranking system by blending independent projects to gain an overall point ranking advantage.

G. Readiness to Proceed

It is the DPH's intention, as well as the expectation of EPA, that the DPH will commit the available DWSRF funding each year to projects listed on the PPL. Similarly, it is expected that the committed funds will be disbursed in a timely manner. Accordingly, these commitments (in the form of executed DWSRF loan agreements) are not made until a project is ready to proceed and start spending money on their project.

Regardless of the priority ranking score a project receives, only those phases (planning, design, construction) of eligible projects that can reasonably be expected to result in executed contracts (professional service and/or construction contracts) and DWSRF loan agreements within a specific SFY will be considered for inclusion on that year's PPL. Any phases not included on a PPL will be included on the Comprehensive Project List (CPL) and remain eligible for future funding. The criteria that DPH uses to assess readiness is included in the DWSRF Eligibility Application and explained in the annual IUP. The DPH may request updated readiness information for a project during development of the PPL if necessary.

Attachment B

H. Project Priority List and Comprehensive Project List

The State of Connecticut's capital budget is prepared on a biennial basis and State Fiscal Years run from July 1 through June 30. Annually the DPH will prepare an Intended Use Plan (IUP) that identifies how the State intends to use available DWSRF funds. The IUP will be submitted to the U.S. Environmental Protection Agency (EPA) as part of the DPH's annual capitalization grant application for federal DWSRF funds. The IUP will include a CPL of drinking water projects which have applied for DWSRF loans. The IUP will also identify which projects are expected to receive funding during that SFY on a Project Priority List (PPL).

Following publication of the finalized annual IUP, the CPL may be updated periodically to include new eligibility applications that were received after the initial drafting of the annual IUP. If any changes were made to the CPL, an amended IUP will be posted on the DPH DWS website for a 30-day comment period. Once an amended IUP has been finalized, any project on the CPL will be considered for funding according to the bypass procedures in the IUP.

Projects on the CPL that are not included on a PPL will remain eligible for DWSRF funding in the future. Projects on the CPL may be subsequently added to a PPL if additional funding becomes available, other PPL projects are withdrawn by the applicant or a PPL project is by-passed by DPH.

There will be 4 factors taken into consideration when drafting a PPL . Those factors are:

1. The total numerical points assigned to a project which is arrived at by tallying points from each of the 9 priority point categories.
2. A PWS's readiness to proceed with the activities they have requested funding for.
3. To the extent that there are sufficient eligible small systems projects that are ready to proceed, not less than 15% of the available funding shall be dedicated to them.
4. To the extent required by federal law, a portion of DPH's capitalization grant shall be dedicated to projects that address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities.

The DPH will publish the draft PPLs for a 30 day public comment period followed by a public hearing. Written comments and oral testimony provided on the PPLs during this public participation process will be considered before the PPLs are finalized.

I. Tie-Breaking Procedure

Following the implementation of factors 1-4 in Section H, in circumstances where more than one project has an equivalent ranking score, the following tiered approach will be implemented to break the tie:

1. The size of the population served by the project; the project with the larger population served will be given preference.
2. The percentage of total system population served by the project; the project serving a higher percentage of the overall system population will be given preference.
3. The size of the total population served by the system applicant; the system with the larger population will be given preference.

Attachment B

If two or more projects remained tied after implementation of tie-breaker #1, then #2 will be applied. If two or more projects remain tied after implementation of tie-breakers #1 & #2, then #3 will be applied. This tie-breaking method shall apply to projects listed on both the PPL and CPL.

J. Project Priority List By-Pass Procedures

If for some reason an applicant listed on a PPL encounters significant delays in their project schedule, the DPH reserves the right to by-pass that project and offer those funds to the next highest ranked project on the CPL that is ready to proceed. In these cases, the by-passed project will remain on the CPL and remain eligible for future funding. This by-pass process is necessary to help ensure that the available DWSRF funds will be committed and disbursed in a timely fashion.

The DPH Commissioner may make a project loan or loans with respect to an eligible drinking water project without regard to the priority list of eligible drinking water projects if a public drinking water supply emergency exists, pursuant to CGS Section 25-32b, which requires that the eligible drinking water project be undertaken to protect the public health and safety. In such cases of unexpected public drinking water supply emergencies there may be a need to by-pass projects on the PPL.

Attachment B

APPENDIX A – PRIORITY POINT ACTIVITIES AND VALUES

Category 1: Water Quality

Activity #	a. Immediate Action	Points	Exclusions ¹
1	Surface Water Treatment Rule Violation	50	None
2	Microbiological MCL Violation (E. Coli)	50	1
3	Nitrate MCL Violation	50	None
4	Nitrite MCL Violation	50	None
5	Lead Action Level Exceedance ²	50	None
6	DPH Determination of Acute Health Risk for Other Contaminants	50	None
7	Arsenic	40	None
Activity #	b. Non-Acute MCL Violations	Points	Exclusions ¹
8	Radioactivity MCL Violations	30	None
9	Inorganic Chemical MCL Violations	30	3-7
10	Organic Chemical MCL Violations (excluding total trihalomethanes)	30	None
11	Pesticides, Herbicides and PCBs MCL Violations	30	None
12	Disinfection By-Product MCL Violations	30	None
Activity #	c. Other Contaminants of Health Concern	Points	Exclusions ¹
13	DPH Action Level Exceedance (excluding lead and copper)	25	5
14	Contaminant Exceeds 50% of MCL	20	1-12
15	Copper Action Level Exceedance	20	5,13
16	Sodium Notification Level Exceedance	5	9
Activity #	d. Physical/EPA Secondary MCL Exceedances	Points	Exclusions ¹
17	Turbidity Limit Exceedance	10	1
18	Odor Limit Exceedance	10	None
19	Color Limit Exceedance	10	None
20	pH Outside Range of 6.4 - 10	10	None
21	EPA Secondary MCL Exceedance	10	9,13,14,18-20
Activity #	e. Private Wells	Points	Exclusions ¹
22	Water Main Extension to Serve Private Wells with MCL Violations or Action Level Exceedances	30	1-21, 23
23	Creation of New PWS to Serve Private Wells with MCL Violations	30	1-22

¹ Exclusion column indicates activity #'s that would be ineligible for additional points if the activities associated with those points are the same. Where 2 or more activities conflict the higher point activity shall be assigned to the project. These potential exclusions are typically displayed with the lower point value activity.

² Eligible schools and child care facilities with lead levels at or above 75% of the lead action level would qualify for this activity.

Attachment B

Category 2: Advanced Surface Water Treatment (Maximum 15 pts from this category)

Activity #	Elements	Points	Exclusions ¹
24	Treatment Plant Upgrades to Address Future Known SDWA Rule or Requirement	15	None
25	Treatment Plant Upgrades to Address Emerging Contaminants	10	None

Category 3: Water Supply /Conservation

Activity #	a. Source Water Deficits (Maximum 40 pts from this subcategory)	Points	Exclusions ¹
26	New Groundwater Well Development	40	None
27	Rehabilitation of Existing Groundwater Wells	40	None
28	Interconnection to Purchase Water from Another Community PWS	40	None
Activity #	b. System Capacity Deficits	Points	Exclusions ¹
29	System Capacity Deficit	20	None
Activity #	c. Source Development (Maximum 10 pts from this subcategory)	Points	Exclusions ¹
30	New Groundwater Well Development	10	26
31	Rehabilitation of Existing Groundwater Wells	10	27
Activity #	d. Conservation/Water Loss Reduction	Points	Exclusions ¹
32	Installation of Source Water Meters (previously unmetered) ³	25	26-28, 30,31
33	Installation of Distribution Meters (previously unmetered) ³	25	None
34	Replacement of Source or Distribution Meters ³	15	None
35	Incorporation of Advanced Metering Infrastructure (AMI) technology (real-time metering)	10	None
36	Water Transmission Main Rehabilitation or Replacement	15	None
37	Water Distribution Main Rehabilitation or Replacement	10	None
38	Project Will Significantly Reduce Water Loss (i.e. Unaccounted-for or Non-Revenue Losses)	10	32-35
Activity #	e. Water Main Extension to Replace Private Wells with Inadequate Supply	Points	Exclusions ¹
39	Water Main Extension	30	1-21, 23

³ The primary purpose of the project must be for the installation or replacement of meters to qualify for these points.

Attachment B

Category 4: Infrastructure Violations/Deficiencies/Safety Hazards/Failures

Activity #	Elements	Points	Exclusions ¹
40	Infrastructure Violation/Deficiency/Safety Hazard/Failure (Source to Curb Stop)	10	32
41	Hydropneumatic Storage Tank Replacement/Elimination	50	None

Category 5: Consolidation (Maximum 20 pts from Activities 43 and 44 combined)

Activity #	Elements	Points	Exclusions ¹
42	Consolidation of a Community PWS	15 each	None
43	Consolidation of a Non-Transient Non-Community PWS	10 each	None
44	Consolidation of a Transient Non-Community PWS	5 each	None

Category 6: Resiliency/Security

Activity #	a. Resiliency	Points	Exclusions ¹
45	Regional Interconnection with Another Community PWS	15	28
46	Relocation of Critical Facilities ⁴	10	None
47	Redundancy of Critical Facilities ⁴	10	None
Activity #	b. Planning (Maximum 50 pts from this subcategory) ⁵	Points	Exclusions ¹
48	Climate Change/Drought Planning	50	1-47, 49-64
49	Asset Management Planning	50	1-48, 50-64
Activity #	c. Security ⁶	Points	Exclusions ¹
50	Security Fencing, Alarms, Surveillance Systems or Other Security Measures	5	None
Activity #	d. Emergency Power Provisions for Existing Critical Facilities	Points	Exclusions ¹
51	New (does not currently exist) ⁷	50	1-50, 52-64
52	Replacement or Upgrades ⁷	20	1-51, 53-64
53	Included as Part of a Larger Project	5	None

⁴ Project must be supported by a formal resiliency or climate change plan to qualify for these points.

⁵ Points are only awarded for the creation of an initial plan.

⁶ Security points may awarded to projects with existing security provisions or for the installation of new security provisions.

⁷ Project must be only an emergency power project to qualify for these points.

Attachment B

Category 7: Other Capital Improvements

Activity #	Elements	Points	Exclusions ¹
54	Treatment Facilities	10	None
55	Pumping Facilities	5	None
56	Storage Facilities	5	41
57	Transmission or Distribution System	5	36-37
58	Facility Automation (SCADA)	5	None
59	Complete Lead Service Line Replacement	10	None
60	Internal Building Piping Replacement (as part of Lead or Copper remediation)	10	None

Category 8: Sustainability/Statewide Planning Recognition

Activity #	Elements	Points	Exclusions ¹
61	Acquisition/Transfer of a Community PWS	10	None
62	Project is supported by an on-going Asset Management Program	10	63
63	Project is supported in a PWS's Water Supply Plan pursuant to RCSA Section 25-32d-3	5	62
64	Project Identified in a Statewide or Regional Water Planning Document under DPH oversight	10	None

Category 9: Affordability

Activity #	Elements	Points	Exclusions ¹
65	Distressed Community	10	None

Attachment C
Comprehensive Project List

Project #	PWSID	Public Water System	Town of PWS	Project Name	Points	Amount Requested	Project Serves a Dis-advantaged Community	Small System	Population Served by Project
SFY 20-35	CT0070011	Kensington Fire District	Berlin	Water Main Cole Lane and Condon Street area	30	\$205,000	No	Yes	28
SFY 20-01	CT0090011	Bethel Water Department	Bethel	Emergency Power Generator Program - Briar Cliff Pump Station	50	\$27,084	No	Yes	138
SFY 20-02	CT0090011	Bethel Water Department	Bethel	Emergency Power Generator Program - Eureka WTP	20	\$38,626	No	Yes	9,507
SFY18-15	CT0090011	Bethel Water Department	Bethel	Bergstrom Well Field	65	\$3,608,000	No	Yes	9,237
SFY18-11	CT0090011	Bethel Water Department	Bethel	Chestnut Ridge Zone Water Storage Tank	55	\$1,692,000	No	Yes	9,237
SFY19-15	CT0090011	Bethel Water Department	Bethel	2019 Water Main Replacements - Various Areas	20	\$998,000	No	Yes	198
SFY 20-03	CT0181122	Huckleberry Hill Elementary School	Brookfield	Consolidation with Aquarion Water Co. and Interconnection of Homes Served by Private Wells with High Chloride Levels	40	\$1,252,800	No	Yes	830
2015-0034	CT0279044	Indian River Recreational Complex (Town of Clinton)	Clinton	Rocky Ledge Area Water Main Extension	30	\$3,000,000	No	Yes	304
SFY19-08	CT0380041	Yeshiva of Waterbury - Durham Campus	Durham	Emergency Power Generator Program	50	\$62,470	No	Yes	95
SFY 20-50	CT0450011	East Lyme Water & Sewer	East Lyme	Well 2A Treatment	40	\$1,060,000	No	No	15,000
SFY 20-37	CT0540074	Town of Glastonbury (JB Williams Park)	Glastonbury	Interconnection of Homes Served by Private Wells with High Uranium Levels (Planning)	30	\$250,000	No	Yes	2,700
SFY 20-07	CT0580051	Jewett City Water Co - S&W System	Griswold	Booster Station Upgrades	65	\$99,600	Yes	Yes	320
SFY 20-47	CT0580051	Jewett City Water Co - S&W System	Griswold	SCADA and Electrical Upgrades	25	\$92,500	Yes	Yes	320
SFY 20-08	CT0600011	Quonnipaug Hills - Main System	Guilford	Water Treatment System Installation - Iron Sequestering	30	\$35,000	No	Yes	564
SFY 20-09	CT0600011	Quonnipaug Hills - Main System	Guilford	Emergency Power Generator Program	50	\$24,215	No	Yes	27
SFY 20-10	CT0640011	Metropolitan District Commission	Hartford	Water Main Replacement - Church & Nott St. Area - Wethersfield	15	\$2,550,000	No	No	160
SFY 20-11	CT0640011	Metropolitan District Commission	Hartford	Water Main Replacement - Saybrooke & Bonner St. Area - Hartford	25	\$9,500,000	Yes	No	1,176
SFY 20-12	CT0640011	Metropolitan District Commission	Hartford	Water Main Replacement - Webster Hill Area - West Hartford	15	\$10,000,000	No	No	305
SFY18-28	CT0640011	Metropolitan District Commission	Hartford	Orchard St. Pump Station Rehabilitation - Glastonbury	55	\$2,680,000	No	No	4,956
SFY18-26	CT0640011	Metropolitan District Commission	Hartford	Church St. Water Main Replacement Phase 1 - Hartford	40	\$4,700,000	Yes	No	384
SFY 20-13	CT0671021	Wellswood Estates Foundation, Inc.	Hebron	Emergency Power Generator Program	50	\$25,000	No	Yes	84
SFY 20-14	CT0671021	Wellswood Estates Foundation, Inc.	Hebron	Small Loan Program - Booster Pumps/Hydro Tank Elimination	50	\$50,000	No	Yes	84
SFY 20-15	CT0720041	Southeastern CT Water Authority - Tower-Ferry View	Ledyard	Replacement Pump Station and Storage Facilities	70	\$716,000	No	No	2,555
SFY18-30	CT0720313	Southeastern CT Water Authority - Ledyard Center Div	Ledyard	Water Main Interconnection with Town of Ledyard	30	\$265,700	No	Yes	196
SFY 20-16	CT0730021	Jewett City Water Co - Hill-n-Dale	Lisbon	Booster Station Tank Replacement	15	\$120,000	No	Yes	146

Attachment C
Comprehensive Project List

Project #	PWSID	Public Water System	Town of PWS	Project Name	Points	Amount Requested	Project Serves a Dis-advantaged Community	Small System	Population Served by Project
SFY 20-17	CT0770021	Manchester Water Department	Manchester	Water Main Replacement - Chestnut St. Area	15	\$1,500,000	No	No	440
SFY 20-18	CT0770021	Manchester Water Department	Manchester	Water Main Replacement - Thompson Road Area	15	\$1,500,000	No	No	344
SFY 20-19	CT0770021	Manchester Water Department	Manchester	Well #5 Love Lane - Water Treatment Station	10	\$1,520,000	No	No	15,000
SFY 20-20	CT0770021	Manchester Water Department	Manchester	Well #6 Replacement	10	\$300,000	No	No	15,000
SFY 20-21	CT0770021	Manchester Water Department	Manchester	Well #10 Water Treatment Station	10	\$1,520,000	No	No	15,000
SFY19-10	CT0770021	Manchester Water Department	Manchester	Glastonbury Water Main Extension - Uranium in Private Wells	30	\$150,000	No	No	39
SFY18-33	CT0800011	Meriden Water Division	Meriden	Fleming Road Storage Tank Design	25	\$200,000	Yes	No	60,000
SFY18-05	CT0820501	Old Indian Trail PWS	Middlefield	Emergency Power Generator Program	50	\$20,000	No	Yes	32
SFY 20-22	CT0860171	Oakridge Gardens, LLC	Montville	Distribution, Storage and Back-up Power Improvements	40	\$47,000	Yes	Yes	70
SFY 20-23	CT0890011	New Britain Water Department	New Britain	Batterson Park Rd. Area Water Main	20	\$1,380,000	Yes	No	4,100
SFY 20-24	CT0890011	New Britain Water Department	New Britain	White Bridge Facilities Upgrades	85	\$7,350,000	Yes	No	74,400
SFY 20-48	CT0890011	New Britain Water Department	New Britain	Water Treatment Plant SCADA Upgrades	25	\$980,000	Yes	No	74,400
SFY 20-25	CT0930011	Regional Water Authority	New Haven	Advanced Metering Infrastructure (AMI)- Stage 4	45	\$8,000,000	Yes	No	143,500
SFY 20-26	CT0930011	Regional Water Authority	New Haven	Burwell Hill Pump Station Improvements	25	\$1,772,000	Yes	No	32,668
SFY 20-27	CT0930011	Regional Water Authority	New Haven	Lake Gaillard WTP Electrical Improvements	35	\$2,660,000	Yes	No	265,453
SFY 20-28	CT0930011	Regional Water Authority	New Haven	Lake Saltonstall WTP Electrical Improvements	30	\$1,700,000	Yes	No	48,225
SFY 20-29	CT0930011	Regional Water Authority	New Haven	North Branford Tank Structural Improvements	15	\$1,005,700	No	No	8,000
SFY 20-30	CT0930011	Regional Water Authority	New Haven	West River WTP Dissolved Air Flotation	50	\$8,980,000	Yes	No	44,811
SFY18-37	CT0930011	Regional Water Authority	New Haven	Brushy Plains Water System Improvements	55	\$1,000,000	Yes	No	2,427
SFY19-04	CT0930011	Regional Water Authority	New Haven	Seymour Backup Well No. 4B	40	\$1,027,583	Yes	No	8,000
SFY19-05	CT0930011	Regional Water Authority	New Haven	System-Wide Radio Telemetry Unit and Hardware Upgrade	30	\$1,728,498	Yes	No	427,798
SFY19-09	CT0930011	Regional Water Authority	New Haven	Ansonia Derby Atmospheric Storage Tank	35	\$2,800,527	Yes	No	13,000
SFY 20-31	CT0950011	New London Water Department	New London	System-wide Lead Service Line Replacement (Planning and Design)	30	\$1,500,000	Yes	No	26,000
SFY 20-31	CT0950011	New London Water Department	New London	System-wide Lead Service Line Replacement (Construction)	30	\$27,479,500	Yes	No	26,000
SFY 20-32	CT1030011	Norwalk First Taxing District	Norwalk	Advanced Metering Infrastructure (AMI) - Phase 2	30	\$2,000,000	No	No	14,000
SFY 20-33	CT1030011	Norwalk First Taxing District	Norwalk	Kellogg-Deering Wellfield Treatment - Manganese and PFAS (Planning and Design)	40	\$1,400,000	No	No	20,000
SFY 20-33	CT1030011	Norwalk First Taxing District	Norwalk	Kellogg-Deering Wellfield Treatment - Manganese and PFAS (Construction)	40	\$15,100,000	No	No	20,000
SFY 20-34	CT1040011	Norwich Public Utilities	Norwich	Countryside Drive Assoc. Consolidation	25	\$600,000	Yes	No	96
SFY18-41	CT1040011	Norwich Public Utilities	Norwich	Deep River Sedimentation Basin Rehabilitation	60	\$3,900,000	Yes	No	42,000
SFY18-42	CT1050031	CT Water Company - Hawks Nest 3	Old Lyme	Water Main Replacement and Interconnection of Homes served by Private Wells with Impaired Water Quality	30	\$5,945,399	No	No	250

Attachment C
Comprehensive Project List

Project #	PWSID	Public Water System	Town of PWS	Project Name	Points	Amount Requested	Project Serves a Dis-advantaged Community	Small System	Population Served by Project
SFY18-43	CT1050732	CT Water Company - Sound View	Old Lyme	Water Main Replacement and Interconnection of Homes served by Private Wells with Impaired Water Quality	30	\$3,593,616	No	No	170
SFY 20-36	CT1250011	Sharon Ridge Apartments	Sharon	Small Loan Program - Conversion to VFD pumps to Eliminate Hydropneumatic Tank	50	\$97,000	No	Yes	138
SFY18-44	CT1310011	Southington Water Dept	Southington	Advanced Metering Infrastructure	25	\$3,000,000	No	No	35,315
SFY18-47	CT1310011	Southington Water Dept	Southington	Water Treatment Plant Upgrades	25	\$1,500,000	No	No	35,315
SFY18-46	CT1310011	Southington Water Dept	Southington	Reservoir 3 Intake Study Improvements	20	\$100,000	No	No	35,315
SFY 20-38	CT1510011	Waterbury Water Department	Waterbury	Hitchcock Road Standpipe Tank Repair and Recoating	35	\$1,000,000	Yes	No	10,000
SFY 20-39	CT1510011	Waterbury Water Department	Waterbury	Variable Frequency Drive Pump Upgrade	30	\$1,000,000	Yes	No	109,676
SFY 20-40	CT1510011	Waterbury Water Department	Waterbury	Water Main Rehabilitation and Replacement Westridge Dr., Eastridge Dr. and Southridge Dr. Area	40	\$750,000	Yes	No	10,000
SFY 20-41	CT1520071	Waterford WPCA	Waterford	Fargo Road Tank Recoating Project	10	\$1,000,000	No	No	16,578
SFY 20-49	CT1570112	Weston Field Club - Well #1	Weston	Corrosion Control Treatment (Lead and Copper Rule)	60	\$84,795	No	Yes	366
SFY 20-42	CT1600081	Cedar Ridge Apartments	Willington	Consolidation with CT Water Company	95	\$600,000	No	Yes	300
SFY 20-43	CT1620011	Winsted Water Works	Winchester	Crystal Lake Tank and Plant Upgrades	90	\$1,126,850	Yes	Yes	7,784
SFY 20-44	CT1620011	Winsted Water Works	Winchester	Water Main Replacements - Case, Center and Holabird Area	50	\$757,175	Yes	Yes	350
SFY 20-45	CT1620011	Winsted Water Works	Winchester	Wallens Hill Storage Tank	90	\$1,209,000	Yes	Yes	7,784
SFY19-11	CT1630011	Windham Water Works	Windham	Repairs and Improvements to Raw Water Intake Structures & Emergency Power Upgrades	30	\$1,450,000	Yes	No	21,214
2020 Comprehensive list						\$165,386,638			

Attachment D
Comprehensive Project List

Project #	PWSID	Public Water System	Town of PWS	Project Name	Points	Amount Requested	Project Serves a Dis-advantaged Community	Small System	Population Served by Project
SFY 20-42	CT1600081	Cedar Ridge Apartments	Willington	Consolidation with CT Water Company	95	\$600,000	No	Yes	300
SFY 20-43	CT1620011	Winsted Water Works	Winchester	Crystal Lake Tank and Plant Upgrades	90	\$1,126,850	Yes	Yes	7,784
SFY 20-45	CT1620011	Winsted Water Works	Winchester	Wallens Hill Storage Tank	90	\$1,209,000	Yes	Yes	7,784
SFY 20-24	CT0890011	New Britain Water Department	New Britain	White Bridge Facilities Upgrades	85	\$7,350,000	Yes	No	74,400
SFY 20-15	CT0720041	Southeastern CT Water Authority - Tower-Ferry View	Ledyard	Replacement Pump Station and Storage Facilities	70	\$716,000	No	No	2,555
SFY18-15	CT0090011	Bethel Water Department	Bethel	Bergstrom Well Field	65	\$3,608,000	No	Yes	9,237
SFY 20-07	CT0580051	Jewett City Water Co - S&W System	Griswold	Booster Station Upgrades	65	\$99,600	Yes	Yes	320
SFY18-41	CT1040011	Norwich Public Utilities	Norwich	Deep River Sedimentation Basin Rehabilitation	60	\$3,900,000	Yes	No	42,000
SFY 20-49	CT1570112	Weston Field Club - Well #1	Weston	Corrosion Control Treatment (Lead and Copper Rule)	60	\$84,795	No	Yes	366
SFY18-11	CT0090011	Bethel Water Department	Bethel	Chestnut Ridge Zone Water Storage Tank	55	\$1,692,000	No	Yes	9,237
SFY18-28	CT0640011	Metropolitan District Commission	Hartford	Orchard St. Pump Station Rehabilitation - Glastonbury	55	\$2,680,000	No	No	4,956
SFY18-37	CT0930011	Regional Water Authority	New Haven	Brushy Plains Water System Improvements	55	\$1,000,000	Yes	No	2,427
SFY 20-30	CT0930011	Regional Water Authority	New Haven	West River WTP Dissolved Air Flotation	50	\$8,980,000	Yes	No	44,811
SFY 20-44	CT1620011	Winsted Water Works	Winchester	Water Main Replacements - Case, Center and Holabird Area	50	\$757,175	Yes	Yes	350
SFY 20-01	CT0090011	Bethel Water Department	Bethel	Emergency Power Generator Program - Briar Cliff Pump Station	50	\$27,084	No	Yes	138
SFY 20-36	CT1250011	Sharon Ridge Apartments	Sharon	Small Loan Program - Conversion to VFD pumps to Eliminate Hydropneumatic Tank	50	\$97,000	No	Yes	138
SFY19-08	CT0380041	Yeshiva of Waterbury - Durham Campus	Durham	Emergency Power Generator Program	50	\$62,470	No	Yes	95
SFY 20-13	CT0671021	Wellswood Estates Foundation, Inc.	Hebron	Emergency Power Generator Program	50	\$25,000	No	Yes	84
SFY 20-14	CT0671021	Wellswood Estates Foundation, Inc.	Hebron	Small Loan Program - Booster Pumps/Hydro Tank Elimination	50	\$50,000	No	Yes	84
SFY18-05	CT0820501	Old Indian Trail PWS	Middlefield	Emergency Power Generator Program	50	\$20,000	No	Yes	32
SFY 20-09	CT0600011	Quonnipaug Hills - Main System	Guilford	Emergency Power Generator Program	50	\$24,215	No	Yes	27
SFY 20-25	CT0930011	Regional Water Authority	New Haven	Advanced Metering Infrastructure (AMI)- Stage 4	45	\$8,000,000	Yes	No	143,500
SFY 20-33	CT1030011	Norwalk First Taxing District	Norwalk	Kellogg-Deering Wellfield Treatment - Manganese and PFAS (Planning and Design)	40	\$1,400,000	No	No	20,000
SFY 20-33	CT1030011	Norwalk First Taxing District	Norwalk	Kellogg-Deering Wellfield Treatment - Manganese and PFAS (Construction)	40	\$15,100,000	No	No	20,000
SFY 20-50	CT0450011	East Lyme Water & Sewer	East Lyme	Well 2A Treatment	40	\$1,060,000	No	No	15,000
SFY 20-40	CT1510011	Waterbury Water Department	Waterbury	Water Main Rehabilitation and Replacement Westridge Dr., Eastridge Dr. and Southridge Dr. Area	40	\$750,000	Yes	No	10,000
SFY19-04	CT0930011	Regional Water Authority	New Haven	Seymour Backup Well No. 4B	40	\$1,027,583	Yes	No	8,000

Attachment D
Comprehensive Project List

Project #	PWSID	Public Water System	Town of PWS	Project Name	Points	Amount Requested	Project Serves a Dis-advantaged Community	Small System	Population Served by Project
SFY 20-03	CT0181122	Huckleberry Hill Elementary School	Brookfield	Consolidation with Aquarion Water Co. and Interconnection of Homes Served by Private Wells with High Chloride Levels	40	\$1,252,800	No	Yes	830
SFY18-26	CT0640011	Metropolitan District Commission	Hartford	Church St. Water Main Replacement Phase 1 - Hartford	40	\$4,700,000	Yes	No	384
SFY 20-22	CT0860171	Oakridge Gardens, LLC	Montville	Distribution, Storage and Back-up Power Improvements	40	\$47,000	Yes	Yes	70
SFY 20-27	CT0930011	Regional Water Authority	New Haven	Lake Gaillard WTP Electrical Improvements	35	\$2,660,000	Yes	No	265,453
SFY19-09	CT0930011	Regional Water Authority	New Haven	Ansonia Derby Atmospheric Storage Tank	35	\$2,800,527	Yes	No	13,000
SFY 20-38	CT1510011	Waterbury Water Department	Waterbury	Hitchcock Road Standpipe Tank Repair and Recoating	35	\$1,000,000	Yes	No	10,000
SFY19-05	CT0930011	Regional Water Authority	New Haven	System-Wide Radio Telemetry Unit and Hardware Upgrade	30	\$1,728,498	Yes	No	427,798
SFY 20-39	CT1510011	Waterbury Water Department	Waterbury	Variable Frequency Drive Pump Upgrade	30	\$1,000,000	Yes	No	109,676
SFY 20-28	CT0930011	Regional Water Authority	New Haven	Lake Saltonstall WTP Electrical Improvements	30	\$1,700,000	Yes	No	48,225
SFY 20-31	CT0950011	New London Water Department	New London	System-wide Lead Service Line Replacement (Planning and Design)	30	\$1,500,000	Yes	No	26,000
	CT0950011	New London Water Department	New London	System-wide Lead Service Line Replacement (Construction)	30	\$27,479,500	Yes	No	26,000
SFY19-11	CT1630011	Windham Water Works	Windham	Repairs and Improvements to Raw Water Intake Structures & Emergency Power Upgrades	30	\$1,450,000	Yes	No	21,214
SFY 20-32	CT1030011	Norwalk First Taxing District	Norwalk	Advanced Metering Infrastructure (AMI) - Phase 2	30	\$2,000,000	No	No	14,000
SFY 20-37	CT0540074	Town of Glastonbury (JB Williams Park)	Glastonbury	Interconnection of Homes Served by Private Wells with High Uranium Levels (Planning)	30	\$250,000	No	Yes	2,700
SFY 20-08	CT0600011	Quonnapaug Hills - Main System	Guilford	Water Treatment System Installation - Iron Sequestering	30	\$35,000	No	Yes	564
2015-0034	CT0279044	Indian River Recreational Complex (Town of Clinton)	Clinton	Rocky Ledge Area Water Main Extension	30	\$3,000,000	No	Yes	304
SFY18-42	CT1050031	CT Water Company - Hawks Nest 3	Old Lyme	Water Main Replacement and Interconnection of Homes served by Private Wells with Impaired Water Quality	30	\$5,945,399	No	No	250
SFY18-30	CT0720313	Southeastern CT Water Authority - Ledyard Center Div	Ledyard	Water Main Interconnection with Town of Ledyard	30	\$265,700	No	Yes	196
SFY18-43	CT1050732	CT Water Company - Sound View	Old Lyme	Water Main Replacement and Interconnection of Homes served by Private Wells with Impaired Water Quality	30	\$3,593,616	No	No	170
SFY19-10	CT0770021	Manchester Water Department	Manchester	Glastonbury Water Main Extension - Uranium in Private Wells	30	\$150,000	No	No	39
SFY 20-35	CT0070011	Kensington Fire District	Berlin	Water Main Cole Lane and Condon Street area	30	\$205,000	No	Yes	28
SFY 20-48	CT0890011	New Britain Water Department	New Britain	Water Treatment Plant SCADA Upgrades	25	\$980,000	Yes	No	74,400
SFY18-33	CT0800011	Meriden Water Division	Meriden	Fleming Road Storage Tank Design	25	\$200,000	Yes	No	60,000

Attachment D
Comprehensive Project List

Project #	PWSID	Public Water System	Town of PWS	Project Name	Points	Amount Requested	Project Serves a Dis-advantaged Community	Small System	Population Served by Project
SFY18-44	CT1310011	Southington Water Dept	Southington	Advanced Metering Infrastructure	25	\$3,000,000	No	No	35,315
SFY18-47	CT1310011	Southington Water Dept	Southington	Water Treatment Plant Upgrades	25	\$1,500,000	No	No	35,315
SFY 20-26	CT0930011	Regional Water Authority	New Haven	Burwell Hill Pump Station Improvements	25	\$1,772,000	Yes	No	32,668
SFY 20-11	CT0640011	Metropolitan District Commission	Hartford	Water Main Replacement - Saybrooke & Bonner St. Area - Hartford	25	\$9,500,000	Yes	No	1,176
SFY 20-47	CT0580051	Jewett City Water Co - S&W System	Griswold	SCADA and Electrical Upgrades	25	\$92,500	Yes	Yes	320
SFY 20-34	CT1040011	Norwich Public Utilities	Norwich	Countryside Drive Assoc. Consolidation	25	\$600,000	Yes	No	96
SFY18-46	CT1310011	Southington Water Dept	Southington	Reservoir 3 Intake Study Improvements	20	\$100,000	No	No	35,315
SFY 20-02	CT0090011	Bethel Water Department	Bethel	Emergency Power Generator Program - Eureka WTP	20	\$38,626	No	Yes	9,507
SFY 20-23	CT0890011	New Britain Water Department	New Britain	Batterson Park Rd. Area Water Main	20	\$1,380,000	Yes	No	4,100
SFY19-15	CT0090011	Bethel Water Department	Bethel	2019 Water Main Replacements - Various Areas	20	\$998,000	No	Yes	198
SFY 20-29	CT0930011	Regional Water Authority	New Haven	North Branford Tank Structural Improvements	15	\$1,005,700	No	No	8,000
SFY 20-17	CT0770021	Manchester Water Department	Manchester	Water Main Replacement - Chestnut St. Area	15	\$1,500,000	No	No	440
SFY 20-18	CT0770021	Manchester Water Department	Manchester	Water Main Replacement - Thompson Road Area	15	\$1,500,000	No	No	344
SFY 20-12	CT0640011	Metropolitan District Commission	Hartford	Water Main Replacement - Webster Hill Area - West Hartford	15	\$10,000,000	No	No	305
SFY 20-10	CT0640011	Metropolitan District Commission	Hartford	Water Main Replacement - Church & Nott St. Area - Wethersfield	15	\$2,550,000	No	No	160
SFY 20-16	CT0730021	Jewett City Water Co - Hill-n-Dale	Lisbon	Booster Station Tank Replacement	15	\$120,000	No	Yes	146
SFY 20-41	CT1520071	Waterford WPCA	Waterford	Fargo Road Tank Recoating Project	10	\$1,000,000	No	No	16,578
SFY 20-19	CT0770021	Manchester Water Department	Manchester	Well #5 Love Lane - Water Treatment Station	10	\$1,520,000	No	No	15,000
SFY 20-20	CT0770021	Manchester Water Department	Manchester	Well #6 Replacement	10	\$300,000	No	No	15,000
SFY 20-21	CT0770021	Manchester Water Department	Manchester	Well #10 Water Treatment Station	10	\$1,520,000	No	No	15,000
2020 Comprehensive list						\$165,386,638			

PWSID	PWS Name	Town of PWS	Project Name	Amount requested
CT0090011	Bethel Water Dept	Bethel	SCADA Upgrades	\$403,800
CT0121051	166 & 180 Boston Turnpike	Bolton	Corrosion Control Treatment (Lead and Copper Rule)	\$31,262
CT0189971	39 Hop Brook Road - Apt. Complex	Brookfield	New Well Water Supply	\$19,300
CT0189971	39 Hop Brook Road - Apt. Complex	Brookfield	Emergency Power Generator Program	\$36,144
CT0450011	East Lyme Water & Sewer Commission	East Lyme	Greensand Filtration - Well 1A (Construction)	\$2,671,305
CT0640011	Metropolitan District Commission	Hartford	Madison Ave. Water Main Replacement - Hartford	\$2,704,644
CT0640011	Metropolitan District Commission	Hartford	Buckingham St. Area Water Main Replacement - Hartford	\$7,150,000
CT0770021	Manchester Water Department	Manchester	Stove Pipe Replacements - Misc. Areas	\$1,200,000
CT0820501	Old Indian Trail	Middlefield	Emergency Power Generator Program	\$20,000
CT0860011	Southeastern CT Water Authority - Montville Div	Montville	Interconnection with SCWA - Seven Oaks Division	\$369,050
CT1030011	Norwalk First Taxing District	Norwalk	Advanced Metering Infrastructure - Phase 1	\$2,000,000
CT1030011	Norwalk First Taxing District	Norwalk	West Rocks High Service Area Water Service Reliability Project	\$6,800,000
CT1050732	Connecticut Water Company- Shoreline Region - Sound View	Old Lyme	Old Lyme Beach Shores Association Water Main Replacement	\$812,000

Amount of Carryover Projects:	\$24,217,505
-------------------------------	--------------

Attachment F
Fundable Project Priority List

Rank	Project #	PWSID	Public Water System	Town of PWS	Project Name	Points	Amount Requested	Project Serves a Dis-advantaged Community	Small System	Population Served by Project
1	SFY 20-42	CT1600081	Cedar Ridge Apartments	Willington	Consolidation with CT Water Company	95	\$600,000	No	Yes	300
2	SFY 20-43	CT1620011	Winsted Water Works	Winchester	Crystal Lake Tank and Plant Upgrades	90	\$1,126,850	Yes	Yes	7,784
3	SFY 20-45	CT1620011	Winsted Water Works	Winchester	Wallens Hill Storage Tank	90	\$1,209,000	Yes	Yes	7,784
4	SFY 20-15	CT0720041	Southeastern CT Water Authority - Tower-Ferry View	Ledyard	Replacement Pump Station and Storage Facilities	70	\$716,000	No	No	2,555
5	SFY18-15	CT0090011	Bethel Water Department	Bethel	Bergstrom Well Field	65	\$3,608,000	No	Yes	9,237
6	SFY 20-07	CT0580051	Jewett City Water Co - S&W System	Griswold	Booster Station Upgrades	65	\$99,600	Yes	Yes	320
7	SFY 20-49	CT1570112	Weston Field Club - Well #1	Weston	Corrosion Control Treatment (Lead and Copper Rule)	60	\$84,795	No	Yes	366
8	SFY18-11	CT0090011	Bethel Water Department	Bethel	Chestnut Ridge Zone Water Storage Tank	55	\$1,692,000	No	Yes	9,237
9	SFY18-37	CT0930011	Regional Water Authority	New Haven	Brushy Plains Water System Improvements	55	\$1,000,000	Yes	No	2,427
10	SFY 20-44	CT1620011	Winsted Water Works	Winchester	Water Main Replacements - Case, Center and Holabird area	50	\$757,175	Yes	Yes	350
11	SFY 20-01	CT0090011	Bethel Water Department	Bethel	Emergency Power Generator Program - Briar Cliff Pump Station	50	\$27,084	No	Yes	138
12	SFY 20-36	CT1250011	Sharon Ridge Apartments	Sharon	Small Loan Program - Conversion to VFD pumps to Eliminate Hydropneumatic Tank	50	\$97,000	No	Yes	138
13	SFY19-08	CT0380041	Yeshiva of Waterbury - Durham Campus	Durham	Emergency Power Generator Program	50	\$62,470	No	Yes	95
14	SFY 20-13	CT0671021	Wellswood Estates Foundation, Inc.	Hebron	Emergency Power Generator Program	50	\$25,000	No	Yes	84
15	SFY 20-14	CT0671021	Wellswood Estates Foundation, Inc.	Hebron	Small Loan Program - Booster Pumps/Hydro Tank Elimination	50	\$50,000	No	Yes	84
16	SFY 20-09	CT0600011	Quonnipaug Hills - Main System	Guilford	Emergency Power Generator Program	50	\$24,215	No	Yes	27
17	SFY 20-25	CT0930011	Regional Water Authority	New Haven	Advanced Metering Infrastructure (AMI)- Stage 4	45	\$8,000,000	Yes	No	143,500
18	SFY 20-33	CT1030011	Norwalk First Taxing District	Norwalk	Kellogg-Deering Wellfield Treatment - Manganese and PFAS (Planning and Design)	40	\$1,400,000	No	No	20,000
19	SFY 20-40	CT1510011	Waterbury Water Department	Waterbury	Water Main Rehabilitation and Replacement Westridge Dr., Eastridge Dr. and Southridge Dr. Area	40	\$750,000	Yes	No	10,000
20	SFY 20-50	CT0450011	East Lyme Water & Sewer	East Lyme	Well 2A Treatment	40	\$1,060,000	No	No	15,000
21	SFY19-04	CT0930011	Regional Water Authority	New Haven	Seymour Backup Well No. 4B	40	\$1,027,583	Yes	No	8,000

Attachment F
Fundable Project Priority List

Rank	Project #	PWSID	Public Water System	Town of PWS	Project Name	Points	Amount Requested	Project Serves a Dis-advantaged Community	Small System	Population Served by Project
22	SFY 20-03	CT0181122	Huckleberry Hill Elementary School	Brookfield	Consolidation with Aquarion Water Co. and Interconnection of Homes Served by Private Wells with High Chloride Levels	40	\$1,252,800	No	Yes	830
23	SFY 20-22	CT0860171	Oakridge Gardens, LLC	Montville	Distribution, Storage and Back-up Power Improvements	40	\$47,000	Yes	Yes	70
24	SFY19-09	CT0930011	Regional Water Authority	New Haven	Ansonia Derby Atmospheric Storage Tank	35	\$2,800,527	Yes	No	13,000
25	SFY 20-38	CT1510011	Waterbury Water Department	Waterbury	Hitchcock Road Standpipe Tank Repair and Recoating	35	\$1,000,000	Yes	No	10,000
26	SFY19-05	CT0930011	Regional Water Authority	New Haven	System-Wide Radio Telemetry Unit and Hardware Upgrade	30	\$1,728,498	Yes	No	427,798
27	SFY 20-39	CT1510011	Waterbury Water Department	Waterbury	Variable Frequency Drive Pump Upgrade	30	\$1,000,000	Yes	No	109,676
28	SFY 20-31	CT0950011	New London Water Department	New London	System-wide Lead Service Line Replacement (Planning and Design)	30	\$1,500,000	Yes	No	26,000
29	SFY19-11	CT1630011	Windham Water Works	Windham	Repairs and Improvements to Raw Water Intake Structures & Emergency Power Upgrades	30	\$1,450,000	Yes	No	21,214
30	SFY 20-32	CT1030011	Norwalk First Taxing District	Norwalk	Advanced Metering Infrastructure (AMI) - Phase 2	30	\$2,000,000	No	No	14,000
31	SFY 20-37	CT0540074	Town of Glastonbury (JB Williams Park)	Glastonbury	Interconnection of Homes Served by Private Wells with High Uranium Levels (Planning)	30	\$250,000	No	Yes	2,700
32	SFY 20-08	CT0600011	Quonnapaug Hills - Main System	Guilford	Water Treatment System Installation - Iron Sequestering	30	\$35,000	No	Yes	564
33	SFY19-10	CT0770021	Manchester Water Department	Manchester	Glastonbury Water Main Extension - Uranium in Private Wells	30	\$150,000	No	No	39
34	SFY 20-35	CT0070011	Kensington Fire District	Berlin	Water Main Cole Lane and Condon Street area	30	\$205,000	No	Yes	28
35	SFY 20-48	CT0890011	New Britain Water Department	New Britain	Water Treatment Plant SCADA Upgrades	25	\$980,000	Yes	No	74,400
36	SFY 20-11	CT0640011	Metropolitan District Commission	Hartford	Water Main Replacement - Saybrooke & Bonner St. Area - Hartford	25	\$9,500,000	Yes	No	1,176
37	SFY 20-47	CT0580051	Jewett City Water Co - S&W System	Griswold	SCADA and Electrical Upgrades	25	\$92,500	Yes	Yes	320
38	SFY 20-34	CT1040011	Norwich Public Utilities	Norwich	Countryside Drive Assoc. Consolidation	25	\$600,000	Yes	No	96
39	SFY 20-02	CT0090011	Bethel Water Department	Bethel	Emergency Power Generator Program - Eureka WTP	20	\$38,626	No	Yes	9,507
40	SFY19-15	CT0090011	Bethel Water Dept	Bethel	2019 Water Main Replacements - Various Areas	20	\$998,000	No	Yes	7,500
41	SFY 20-23	CT0890011	New Britain Water Department	New Britain	Batterson Park Rd. Area Water Main	20	\$1,380,000	Yes	No	4,100
42	SFY 20-29	CT0930011	Regional Water Authority	New Haven	North Branford Tank Structural Improvements	15	\$1,005,700	No	No	8,000
43	SFY 20-17	CT0770021	Manchester Water Department	Manchester	Water Main Replacement - Chestnut St. Area	15	\$1,500,000	No	No	440
44	SFY 20-18	CT0770021	Manchester Water Department	Manchester	Water Main Replacement - Thompson Road Area	15	\$1,500,000	No	No	344

Attachment F
Fundable Project Priority List

Rank	Project #	PWSID	Public Water System	Town of PWS	Project Name	Points	Amount Requested	Project Serves a Dis-advantaged Community	Small System	Population Served by Project
45	SFY 20-12	CT0640011	Metropolitan District Commission	Hartford	Water Main Replacement - Webster Hill Area - West Hartford	15	\$10,000,000	No	No	305
46	SFY 20-10	CT0640011	Metropolitan District Commission	Hartford	Water Main Replacement - Church & Nott St. Area- Wethersfield	15	\$2,550,000	No	No	160
47	SFY 20-16	CT0730021	Jewett City Water Co - Hill-n-Dale	Lisbon	Booster Station Tank Replacement	15	\$120,000	No	Yes	146
48	SFY 20-41	CT1520071	Waterford WPCA	Waterford	Fargo Road Tank Recoating Project	10	\$1,000,000	No	No	16,578
49	SFY 20-19	CT0770021	Manchester Water Department	Manchester	Well #5 Love Lane - Water Treatment Station	10	\$1,520,000	No	No	15,000
50	SFY 20-20	CT0770021	Manchester Water Department	Manchester	Well #6 Replacement	10	\$300,000	No	No	15,000
51	SFY 20-21	CT0770021	Manchester Water Department	Manchester	Well #10 Water Treatment Station	10	\$1,520,000	No	No	15,000

2020 Fundable PPL: \$71,440,423

**State of Connecticut – Department of Public Health
Drinking Water State Revolving Fund (DWSRF)
Asset Management Plan Checklist**

Public Water System: _____
Town: _____ PWSID: _____

PWS FM Contact Person: _____ Relationship to PWS: _____
Address: _____ City: _____ State: _____ Zip: _____
Email: _____ Phone: _____

A copy of the **Asset Management (AM) Plan** must be attached to this checklist. Should this form be used in conjunction with any SRF funding requirements, a signed request for review on utility letterhead must accompany this checklist.

It must have been updated within the past 3 years.

The AM Plan should contain, at a minimum, the following information:
(check off each item that is included in the Plan)

EPA Guidance (Click to Download)
[Reference Guide for Asset Management Tools CUPSS](#)

1	Discussion of when plan was first created, how it gets updated, and date of most recent update	Strategic Planning STEP
2	List of all the drinking water supply assets of the public water system including the item, location, manufacturer, model, size (if applicable), and expected useful service life	Taking Stock STEP Asset Management STEP Asset Management Best Practices Guide
3	Description of the state of each asset, including age and condition, and any conditions that may affect the life of the asset	Taking Stock STEP Asset Management STEP
4	A description of the service history of each asset including routine maintenance, repairs and rehabilitations	Taking Stock STEP Asset Management STEP Distribution Systems Best Practices Guide
5	The adjusted useful service life and remaining useful service life of each asset	Taking Stock STEP Asset Management STEP
6	Description of the intended Level of Service to be provided to customers/consumers	Taking Stock STEP Asset Management STEP Asset Management Best Practices Guide Asset Management for Local Officials
7	Evaluation of the operation of the system, including available supply vs. demand	Strategic Planning STEP Distribution Systems Best Practices Guide Water System Operator Best Practices Guide
8	Identification of critical assets, including discussion of how they were determined	Asset Management STEP Taking Stock STEP
9	Ranking of each asset in terms of priority, taking into consideration the remaining useful service life, redundancy, and the importance of the asset to the operation of the water system and protection of public health	Asset Management STEP Taking Stock STEP
10	List of capital improvements needed over the next five years (i.e. Capital Improvement Plan), including expected costs for each improvement.	Asset Management STEP Taking Stock STEP Asset Management Best Practices Guide
11	Explanation of how decisions for water system maintenance and repairs are made	Water System Operator Best Practices Guide Distribution Systems Best Practices Guide
12	Description of the water system maintenance plan	Strategic Planning STEP Distribution Systems Best Practices Guide
13	Discussion of members of the Asset Management Team, including responsibilities with respect to oversight of the AM Plan, reviewing and updating	Strategic Planning STEP Building an Asset Management Team Water System Operator Best Practices Guide

This form and relevant attachments must be submitted to the Drinking Water Section for review and be approved in order for the PWS to be eligible to receive any grant-in-aid pursuant to Public Act 14-98.

**State of Connecticut – Department of Public Health
Drinking Water State Revolving Fund (DWSRF)
Fiscal Management Plan Checklist**

Public Water System: _____
Town: _____ PWSID: _____

PWS FM Contact Person: _____ Relationship to PWS: _____
Address: _____ City: _____ State: _____ Zip: _____
Email: _____ Phone: _____

A copy of the **Fiscal Management (FM) Plan** must also be attached to this checklist. Should this form be used in conjunction with any SRF funding requirements, a signed request for review on utility letterhead must accompany this checklist.

The FM Plan should contain, at a minimum, the following information:

EPA Guidance (Click to Download)

[Reference Guide for Asset Management Tools](#)

1	Discussion of when plan was first created, how it gets updated, and date of most recent update	Strategic Planning STEP
2	Discussion of how the water system budget is determined and funded; including a copy of the current budget	Water System Owner Best Practices Guide Talking to Your Decision Makers Best Practices Guide Asset Management for Local Officials Asset Management Best Practices Guide Setting Small System Rates for a Sustainable Future STEP Asset Management STEP
3	Discussion of how customers are charged for water, including billing practices and how unpaid accounts are resolved	Setting Small System Rates for a Sustainable Future STEP Asset Management STEP Rural and Small System Guide to Sustainable Utility Management
4	Discussion of how the funding for capital improvement funding needs (based on the Asset Management Plan) of the water system are budgeted	Setting Small System Rates for a Sustainable Future STEP Asset Management STEP Taking Stock STEP
5	Discussion of any reserve fund for water system capital improvements and how it is funded and used, and how often funds are added to the account	Setting Small System Rates for a Sustainable Future STEP Asset Management STEP
6	How often are the water system revenues and expenses reviewed?	Setting Small System Rates for a Sustainable Future STEP Asset Management STEP
7	Are the water system revenues sufficient to meet expenses, including reserving funds for needed future capital improvements and other expenses?	Setting Small System Rates for a Sustainable Future STEP Asset Management STEP Water System Owner Best Practices Guide Talking to Your Decision Makers Best Practices Guide
8	Discussion of the fiscal controls in place	

This form and relevant attachments must be submitted to the Drinking Water Section for review and be approved in order for the PWS to be eligible to receive any grant-in-aid pursuant to Public Act 14-98.

Attachment I

Connecticut Department of Public Health Drinking Water Section Drinking Water State Revolving Fund

Disadvantaged Community Assistance Program

- I. Purpose: Under the federal America's Water Infrastructure Act of 2018 (AWIA) States are required to provide a minimum of 6% up to a maximum of 35% of their annual Drinking Water State Revolving Fund (DWSRF) capitalization grant as additional subsidy to disadvantaged communities. This requirement is contingent on the Department of Public Health (DPH) receiving a sufficient number of disadvantaged community loan applications to satisfy the minimum additional subsidy requirement.

- II. Definitions:
 - A. **"Disadvantaged Community"** means the service area of community public water system (PWS) meeting the affordability criteria contained in Section III.
 - B. **"Distressed Municipality"** means a distressed municipality as defined in Connecticut General Statute 32-9p(b)
 - C. **"Service Area"** means the geographical area served by a PWS that will be impacted by the water system improvement that is proposed to be financed with Drinking Water State Revolving Fund (DWSRF) funding.
 - D. **"Water System Improvement"** means a planning, design or construction project, or group of interrelated projects which meets all of the eligibility requirements for DWSRF funding.

- III. Affordability Criteria: A community PWS shall be eligible for loan subsidization under this Disadvantaged Community Assistance Program (DCAP) if one of the following conditions are satisfied:
 - A. The PWS's project will benefit one or more distressed municipalities. The DPH shall utilize the Department of Economic and Community Development's (DECD) "distressed municipality" list when assigning a project a "disadvantaged community" designation. Such designation shall be applied to the project if it serves one or more qualifying communities during the year in which they receive a DWSRF loan for that project or at any point within the 3 years prior.

 - B. If the PWS serves less than 1000 people and it does not meet the affordability criteria in subsection A, an income survey may be conducted to include each residential rate payer for the purpose of determining the Median Household Income (MHI) of residential rate payers. The PWS will qualify as a disadvantaged community if:
 1. the outcome of the survey shows that the rate payers' MHI is less than 80% of the Connecticut statewide MHI as determined by the results of the US Census Bureau's latest American Community Survey, and;
 2. the average annual residential rate payers' water bill equals or exceeds one percent of the rate payers' MHI or, if the PWS also provides sewer service to their residential customers, the average annual combined water and wastewater bill equals or exceeds one and one half percent of the rate payers' MHI.

All income surveys shall be coordinated with and approved by the DPH in advance in order to be considered valid. These surveys must also be conducted by a qualified independent third party with no vested interest in the survey's outcome. A previously conducted survey that has been accepted by another state or federal agency for the purpose of qualifying for a grant or

Attachment I

subsidization under a similar disadvantaged community program may be considered valid if sufficient documentation is provided and determined to be acceptable to the DPH. All income surveys and MHI data shall be considered valid for a period not to exceed 60 months and the income survey shall include not less than 80% participation by all residential rate payers.

- IV. Amount and Form of Subsidization: To the extent that sufficient DWSRF funding applications are received from qualifying disadvantaged communities, the DPH shall utilize no less than 6% and up to 35% of its annual capitalization grant to subsidize loans to these communities for eligible DWSRF projects. The actual subsidization percentage that the DPH will make available under this DCAP shall be determined annually and detailed in the annual DWSRF Intended Use Plan (IUP).

Connecticut General Statute (CGS) Section 22a-477(t)(2) authorizes the DPH Commissioner to provide additional forms of subsidization, including grants, principal forgiveness or negative forgiveness loans or any combination thereof to recipients in a manner provided under the federal Safe Drinking Water Act in the amounts and in the manner set forth in a project funding agreement. The federal AWIA restricts the form of subsidization states can use under their DCAP to principal forgiveness or negative interest rate loans. To the maximum practical extent, the DPH will provide the subsidy in the form of loan principal forgiveness.

Subsidization under the DCAP will be provided "in addition to" any other subsidy that a community PWS may be eligible for under the DWSRF. All subsidization programs under the DWSRF shall be detailed in the annual DWSRF IUP.

- V. Extended Loan Terms: The DPH shall initially make \$50 million in DWSRF loan funds available to disadvantaged communities for loans with extended loan terms in excess of 20 years. Such loan terms may be extended up to 40 years and shall be given out on a first-come first-served basis. Loan terms cannot exceed the useful service life of the infrastructure improvement that is being financed. Maximum extended loan terms shall be based on the DWSRF loan amount provided to a project as indicated in Table 1.

Table 1

DWSRF Loan Amount	Maximum Loan Term
less than \$5,000,000	25 years
\$5,000,000 - \$10,000,000	30 years
Greater than \$10,000,000	40 years

Large PWS that serve greater than one hundred thousand persons shall not receive more than \$10 million dollars in loans with extended loan terms from the initial \$50 million dollars that is being made available.

Annually, the DPH in consultation with the Office of the State Treasurer (OTT) may make additional funding available for extended loan terms under this Section. Any additional funding made available under this Section will be described in the DPH's annual DWSRF IUP.