STATE OF CONNECTICUT DEPARTMENT OF PUBLIC HEALTH

Raul Pino, M.D., M.P.H. Commissioner

Dannel P. Malloy Governor Nancy Wyman Lt. Governor

Drinking Water Section

DWS Circular Letter #2017-03

TO:	Community and Non-Profit Non-Community Public Water Systems
FROM:	Lori Mathieu, Public Health Section Chief, Drinking Water Section Hathieu
DATE:	February 14, 2017
RE:	Changes to the Priority Ranking System for the Drinking Water State Revolving Fund

The Drinking Water Section has made changes to the <u>Priority Ranking System</u> (PRS) which provides the basis for the Department of Public Health (DPH) to prioritize drinking water projects funded under the Drinking Water State Revolving Fund (DWSRF). The PRS was originally developed in 1997 and has had only minor updates incorporated since that time. Twenty years later, this document needed a thorough reevaluation to determine if it meets the current drinking water infrastructure challenges and priorities facing the State of Connecticut and our Public Water System clients. While the entire PRS was reevaluated, several key areas were focused on:

- Infrastructure Sustainability
- Infrastructure Resiliency
- Water Conservation
- Lead in Drinking Water
- Proactively addressing Unregulated and Emerging Contaminants

These key areas have recently become focal points faced by the drinking water industry. The revisions to the PRS remain consistent with the DPH's existing statutory priorities while recognizing the additional value of well-coordinated infrastructure sustainability and resiliency planning, the importance of water conservation and the additional risks that elevated lead levels place on our youngest population. Each of these areas and the related changes that were incorporated into the PRS are further explained below.

Infrastructure Sustainability

The intent of the DWSRF is to provide a low-cost financing alternative for improving the nation's existing drinking water infrastructure. It is expected that this infrastructure will be well managed and maintained to provide long-term high quality drinking water to Connecticut's residents and commercial customers. The PRS recognizes the critical role that asset management (AM) planning has in achieving a public water system's (PWS) long term sustainability. AM plans provide the foundation for preparing capital improvement plans, prioritizing capital improvement projects and establishing water rates that ensure revenues are sufficient to support undertaking these projects at the appropriate time. For several



Phone: (860) 509-7333 • Fax: (860) 509-7359 410 Capitol Avenue, P.O. Box 340308, MS#51WAT Hartford, Connecticut 06134-0308 www.ct.gov/dph/publicdrinkingwater Affirmative Action/Equal Opportunity Employer Circular Letter #2017-03 February 14, 2017 Page 2

years, this recognition was provided in the form of adding an additional 10 priority points to projects prioritized through AM planning or if a project was identified within a DPH required Water Supply Plan. The DPH believes that AM planning provides information that is essential in prioritizing capital improvement projects included in Water Supply Plans. The revised PRS continues to provide 10 priority points for projects prioritized through AM planning but only provides 5 points for projects identified only in Water Supply Plans.

The revised PRS also provides significant priority points to planning projects including AM and climate change planning due to their significance towards long term infrastructure sustainability.

Infrastructure Resiliency

The revised PRS includes a new category, Infrastructure Resiliency, which provides priority points for projects that increase a PWSs ability to withstand and recover from natural or man-made disasters including drought. This category includes regional interconnections which provides for the rapid transfer of water between PWSs during emergencies. It also includes priority points for projects involving the relocation or redundancy of critical and vulnerable infrastructure that are supported by climate change studies. As previously mentioned, the revised PRS also prioritizes climate change and asset management planning for their importance in helping water systems identify and prioritize future projects that address vulnerable and critical infrastructure. Points are also provided for security enhancements to infrastructure facilities.

Water Conservation

The revised PRS recognizes the importance of water conservation by providing additional priority points to projects that will result in significant "unaccounted for" or "non-revenue" water loss reductions. It also increases the point values for water metering projects which are critical to providing accurate monitoring of water supply and consumer water use. Priority points were also increased for water main rehabilitation or replacement projects to recognize the important role of these projects to reduce water main breaks and leaks. In addition, the revisions require that water audits be performed prior to receiving priority points for projects that are needed to increase the available supply of water due to consumer demands.

Lead in Drinking Water

The revised PRS increases the priority points awarded to projects that are necessary to resolve lead action level exceedances. It also provides priority points for projects that proactively reduce lead levels at public schools and other child care facilities when lead levels are approaching the action level. In 2016, the federal Environmental Protection Agency clarified that PWS customer service line replacements located on private property are eligible for DWSRF funding. With this clarification, priority points were added for projects that include complete lead service line replacements. Points were also added to projects that replace the internal piping of buildings owned by a PWS when such projects are part of a lead remediation strategy.

Proactively Addressing Unregulated and Emerging Contaminants

The old PRS did not provide any incentive, via priority points, for PWSs to undertake proactive projects that address unregulated contaminants or contaminants of emerging concern. These contaminants currently do not have Maximum Contaminant Levels established at the federal or state level and many of them are not currently mandated in Connecticut for water quality testing. The DPH believes that proactively reducing the public's exposure to these contaminants should be encouraged through the DWSRF and will reduce public health risk. The revised PRS added a category for "Advanced Surface

Circular Letter #2017-03 February 14, 2017 Page 3

Water Treatment". This category provides additional priority points to projects that incorporate changes in treatment technologies to proactively address the treatment of these contaminants in advance of anticipated future regulatory requirements.

Other Changes

- An "Exclusion" column was added to Appendix A of the PRS to clarify the process of DPH assigning priority points to a project. Where two or more activities in Appendix A have the potential to conflict, the conflicting activity will be shown for the lower point value activity in the Exclusion column. Where conflicts occur, points will be assigned for the higher point value activity.
- Under the old PRS, projects that received priority points under the Water Quality category did not receive an additional points for the project undertaken to correct the water quality impairment (such as points for treatment system upgrades). Under the revised PRS, projects receiving priority points under the Water Quality category will not be excluded from receiving additional priority points under other categories.

The revised PRS is available for viewing or download on our DWSRF webpage. It will be used to rank new DWSRF Eligibility Applications beginning in SFY2018. If you have any questions on these changes or the DWSRF Program please do not hesitate to contact Cameron Walden from our DWSRF Program at (860) 509-7333.