

STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
DRINKING WATER STATE REVOLVING FUND
DRAFT INTENDED USE PLAN
FEDERAL FISCAL YEARS 2008 - 2009 & 2009 - 2010 CAPITALIZATION GRANTS

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I. INTRODUCTION

The 1996 Amendments to the Safe Drinking Water Act (SDWA) authorize the United States Environmental Protection Agency (EPA) to offer states capitalization grants to create Drinking Water State Revolving Fund (DWSRF) Programs. The SDWA provides for an annual congressional authorization of monies to the DWSRF. Connecticut's annual allocation is 1% of the national allotment. On October 30, 2009, Public Law 111-88 was enacted, which included the federal fiscal year (FFY) 2010 DWSRF appropriations. This law also added new requirements to the existing DWSRF program.

Each year the State of Connecticut (CT) is required to submit a capitalization grant application to EPA to capture its DWSRF allocation. The Intended Use Plan (IUP) is one of the documents the State must submit as part of its application. This IUP discusses how the State of Connecticut intends to utilize its allotment of FFY 2009 & FFY 2010 funds, which will be available after the State receives the grant award from the EPA.

Connecticut has legislation enabling it to establish and operate a DWSRF program and to apply for and receive federal funds. Connecticut General Statutes (CGS) Sections 22a-475 through 22a-483 inclusive designates the Connecticut Department of Public Health (DPH) as the lead agency for the DWSRF program. As the lead, DPH coordinates activities of four different state agencies with the charge of implementing certain aspects of and overseeing the DWSRF program. A Memorandum of Understanding (MOU), which details the roles and responsibilities of each agency, is an attachment to the Operating Agreement (OA) between the State of Connecticut and the EPA. The OA was filed with EPA as part of the State's 1997 Capitalization Grant application and established the basic framework and procedures of the DWSRF program that are not expected to change annually. In October 2009, after many years of reliance, the DPH transitioned many of the DWSRF administrative services previously performed by the Department of Environmental Protection's (DEP) Clean Water Program to the DPH Fiscal Office and DPH Grants and Contracts Management Section. The DPH has proposed several statute changes to reflect this transition and reduce DEPs requirements with regards to DWSRF loan agreements. It is anticipated that the changes will be approved by the legislature during the 2010 session. A new MOU has been drafted to reflect these statutory changes and the MOU will be placed into effect shortly after the statutory changes become effective. The DWSRF Program will continue to operate within the original DWSRF MOU until the new MOU is in place. The following is a brief overview of State agency participation in the DWSRF Program:

The DPH is responsible for programmatic and fiscal administration of DWSRF projects, programmatic and fiscal administration of set-aside projects and accounts, and administration of planning, design and construction projects. The DPH provides the bi-annual capital budget request and State Bond Commission authorization requests for DWSRF projects to the DEP for processing under the Clean Water Fund (CWF).

The DEP is responsible for jointly entering into DWSRF loan agreements with DPH and administration of the CWF, of which the DWSRF is a sub-account. The DEP processes DPH's bi-annual DWSRF capital budget request and processes DWSRF State Bond Commission authorization requests for projects as part of the CWF.

The Office of the State Treasurer (OTT) is responsible for the fiscal administration of all DWSRF accounts, oversight of loans, and administration of a DWSRF financial plan.

The Connecticut Department of Utility Control (DPUC) is responsible for programmatic and fiscal input on DWSRF projects for those privately-owned water companies that it regulates.

II. EXECUTIVE SUMMARY

The Intended Use Plan (IUP) covers the period October 1, 2009 to September 30, 2011 and is based on the use of anticipated Federal Fiscal Years 2009 & 2010 Capitalization Grant monies, a state match of 20% of the FFY 2009 and FFY 2010 Capitalization Grant awards and unobligated funds carried forward from previous IUPs. The DPH is requesting from the FFY 2009 & FFY 2010 allotments the following set-asides allowed under the Act: Administrative, State Program Management, Small Systems Technical Assistance, and Local Assistance and Other State Programs. The uses and amounts of these set-asides are described in Section III.B.

On October 30, 2009, Public Law 111-88 was enacted, which included the FFY 2010 DWSRF appropriations. This law also added new requirements to the existing DWSRF program. These requirements included:

- A minimum of 30% of the 2010 capitalization grant to be used to subsidize projects funded through the DWSRF
- To the extent that there are sufficient applications for funding, a minimum Green Project Reserve (GPR) of 20% of the 2010 capitalization grant to be used for green infrastructure, water and energy efficiency, and other environmentally innovative activity
- Federal Davis-Bacon Act wage rate requirements for construction contracts

In 2010, the DPH is anticipating that approximately \$32,000,000 will be available to provide low interest loans with partial subsidization to PWSs for infrastructure improvements and \$8,104,550 will be used for set-aside activities. The DPH intends to blend the project funds from the FFYs 2009 and 2010 capitalization grants and spread the subsidization from the FFY 2010 capitalization grant to all projects that receive funding. Subsidization will be provided in the form of principal forgiveness. Projects that receive DWSRF funding will each receive a minimum subsidization of 20% of the eligible project cost.

On March 2, 2010 the DPH issued a Call for Projects that included a specific solicitation for projects qualifying under the GPR. The DPH received 83 eligibility applications for approximately \$142,000,000 from PWSs by the March 31, 2010 application deadline. The DPH utilizes a priority ranking system (Attachment B) to determine the FFY 2010 DWSRF Draft Project Priority List (PPL) (Attachment D). The PPL identifies all applicants who submitted eligibility applications in response to the Call for Projects.

Due to the limited amount of DWSRF funds available only the top 10 projects on the PPL are expected to receive funding in 2010. These projects appear above the DWSRF “funding line” and are shaded on the PPL. In addition, 8 carryover projects from previous PPLs are anticipated to be funded. These projects are identified on Attachments D.1. and D.2.

To the extent that there are sufficient eligible project applications, the DPH is required to reserve a minimum of 15% of the capitalization grant funds for projects undertaken by small PWSs serving fewer than 10,000 persons. Approximately 36% of the 2009 and 2010 capitalization grant funds are being made available to small PWSs in 2010 and these systems are identified on the PPL.

The PPL also identifies projects that qualified under the GPR and the dollar value for the qualifying green elements of the project. The total amount of funding expected to be contributed to qualifying green projects is \$9,274,000 and represents approximately 68% of the 2010 capitalization grant amount.

The Department will hold a Public Hearing on June 2, 2010 to address any questions regarding this IUP and the FFY 2010 PPL. The public hearing will be immediately followed by an Open Forum to answer questions and explain DWSRF program requirements to interested parties.

III. SOURCES AND USES OF FUNDS

A. RATIONALE FOR DETERMINING AMOUNTS OF CAPITALIZATION GRANT INTENDED FOR SET-ASIDE FUNDS

DPH uses set-aside funds to promote safe drinking water efforts integral to Connecticut's multiple barrier approach to protection of public drinking water supplies and public health. Additionally, DPH plans to 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.

Subsection B below provides an overview of how each set-aside will be used. Prior to requesting disbursement of these funds, DPH will submit work plans to EPA Region 1 as part of the 2009 and 2010 capitalization grant applications which provide specific detail for set-aside utilization.

Refer to Table 1 following Subsection B for estimated monetary amounts of sources and uses of DWSRF funds. For complete financial analysis of the DWSRF please refer to the DWSRF Annual Reports produced by OTT. Please refer to the attachments of this document for a description of the amounts appropriated and actual expenditures for set-aside monies from previous DWSRF capitalization grant awards.

In the FFY 2008 grant application, DPH chose to bank some funds for future use under the Administrative, Small System Technical Assistance, and State Program Management set-asides. These banked funds will be requested as part of the FFY 2009 Capitalization Grant application. Table 1 reflects the total amount of set-asides being applied for including these banked funds along with the FFY 2009 and FFY 2010 amounts.

B. DESCRIPTION OF SET-ASIDE ACTIVITIES AND PERCENTAGE OF FUNDS

1. DWSRF Administrative Funds – 4% of the Capitalization Grant

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 as well as providing assistance to borrowers in preparing their loan applications and satisfying program requirements. In addition, DPH intends to utilize funds from this set-aside for the development of a state specific project, financing, loan and accounting management system for the Connecticut DWSRF Program. This program will provide the following:

- An improved system for the management of project and financing information
- Identification and tracking of all necessary program elements as required for EPA, State and stakeholders reports.
- Information to be used in reports (i.e. Annual Report for the state legislature, EPA's National Information Management Systems)

2. State Program Management – 10% of the Capitalization Grant

Funding under this set-aside will be used primarily to support and administer the Public Water System Supervision (PWSS) grant activities, support implementation of the DPH capacity development strategy, and provide direct technical assistance to PWSs. DPH staff are funded under this set-aside to conduct activities directly related to State Program Management activities.

Highlighted activities performed under this set-aside include:

- Prepare guidance documents, workplans, and long-term strategies for DWSRF program management and EPA required program management reports (i.e. Quality Assurance Project Plan, Performance Partnership Agreement),
- Provide direct technical assistance to PWSs regarding the required reporting of water quality and inventory/facility data utilized in Safe Drinking Water Information System and electronic data interchange; provide information and educational opportunities to PWSs via internet postings.
- Prepare capacity development guidance documents, work plans, standard operating procedures, long-term strategies, training events and direct technical assistance to PWSs
- Conduct outreach programs to educate PWS staff, certified operators, the general public and other stakeholders on capacity development and state drinking water program administration elements
- Provide support for Drinking Water Section activities by performing a wide variety of general office support functions.
- Provide legal assistance to the DWS regarding the DWSRF program and other public water system supervision activities

3. Small System Technical Assistance – 2% of the Capitalization Grant

Activities performed under this set-aside are aimed at helping small PWSs serving fewer than 10,000 persons achieve long term sustainability through direct technical assistance to PWSs. Technical assistance efforts include assisting small PWS in developing asset management programs, on-site small water system infrastructure evaluations, sanitary surveys and DWSRF assistance.

4. Local Assistance and Other State Programs - 15% of the Capitalization Grant

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

a. Source Water Assessment Program (SWAP) and Wellhead Protection.

Connecticut secured the full 10% Local Assistance SWAP set-aside for FFY 1997 and has secured 5% for wellhead protection set-aside each FFY since 1997. Following the completion of Connecticut's SWAP assessment report on April 28, 2003, a drinking water Source Water Protection (SWP) Program was developed in order to utilize assessment information to further public health protection.

Funding will be used for activities necessary to complete the 5-year SWP Strategic Plan. Topics include, but are not limited to: drinking water source protection, public health, septic systems, drinking water initiatives, linking the Clean Water Act to the SDWA, water conservation, drinking water system security, risk communications, public water supply management planning, community relations, water supply planning including emergency contingency planning, and drinking water quality.

One Full Time Equivalent (FTE) staff will be used to support the implementation of drinking water source protection by linking the protection of public water supplies with subsurface sewage disposal system approval, maintenance, training, and repair.

b. Capacity Development Program

The DPH utilizes 10% of the Local Assistance set-aside for capacity development initiatives to improve the technical, financial and managerial capacity of PWSs. DPHs strategies account for both immediate and long-term sustainability initiatives including education, technical assistance, enforcement, consolidation, DWSRF assistance, and water system restructuring. DPH has promoted the consolidation of small public water systems for many years as one method of improving small system compliance problems while also providing better long-term economies of scale to small system rate payers.

Staff funded under this set-aside conduct activities directly related to implementing the capacity development strategy.

Highlighted activities performed under this set-aside include:

- Incorporating technical and managerial capacity development assessments into sanitary surveys including comprehensive water system infrastructure analysis, SDWA/State regulatory compliance reviews, identification and recommendation of basic infrastructure repair and replacement program needs, technical assistance to small CWSs of SDWA regulations, identification of water systems that would most benefit from collaboration or regionalization and guidance on sustainability initiatives including asset management, capitol improvement, planning, budgeting and rate setting.
- 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 (NTNC) and Transient Non Community (TNC) food service establishments.
- Participate in training programs related to the technical, managerial and financial capacity for PWS operators and local health officials.
- Evaluate the adequacy and protection of the water distribution networks with emphasis on viability of the systems' cross connection programs.
- Screen local land use development projects for creation of new water companies and refer appropriate water company projects to the DPH and DPUC for a Certificate of Public Convenience and Necessity
- Evaluate Water Company Land classifications
- Assist in various aspects of water supply planning including technical assistance to PWSs regarding capacity development topics
- Monitor state legislation for matters related to public drinking water
- Assist in preparing annual capitalization grant applications, budgets, financial status reports and other associated DWSRF reports and IUPs
- Coordinate the preparation of DWSRF loan agreements within DPH and with other State agencies
- Provide technical assistance to the Water Planning Council in the areas of the Water Utility Coordinating Committee, water supply planning, and the Connecticut Drought Advisory Committee
- Provide technical assistance to DWSRF applicants to assist them in understanding program requirements and completing applications
- Reviewing capitalization grant set-aside expense reports

The DPH believes that by enhancing system operations and ensuring the technical, financial, and managerial capacity of its PWSs, the DPH can promote greater long-term compliance with national primary and state drinking water regulations.

TABLE 1
Sources and Uses of Estimated Amounts of DWSRF Funds
For FFY 2010

| <u>Sources</u> | <u>Amount</u> |
|---|----------------------|
| FFY 2009 Capitalization Grant | \$ 8,146,000 |
| FFY 2010 Capitalization Grant | \$13,573,000 |
| State Match Requirement ¹ | \$ 4,343,800 |
| Carry-over Monies ² | \$10,053,746 |
| 2010 State Revenue Bond Authorization | \$10,000,000 |
| Total Sources | \$46,116,546 |
| | |
| <u>Uses</u> | <u>Amount</u> |
| DWSRF Administrative Fund Set-Aside | \$ 1,104,600 |
| State Program Management Set-Aside | \$ 3,144,800 |
| Small Systems Tech Assistance Set-Aside | \$ 597,300 |
| Local Assistance & Other State Programs Set-Aside | \$ 3,257,850 |
| Total Set-Aside³ | \$ 8,104,550 |
| Available Project Funds for Direct Loans | |
| FFY 2009 & 2010 Capitalization Grants | \$13,614,450 |
| State Match | \$ 4,343,800 |
| Carry-over for projects | \$ 4,291,068 |
| 2010 State Revenue Bond Authorization | \$10,000,000 |
| Total Money Available Project Funds | \$32,249,318 |
| Carry-Over for Current/Future Set-Aside Activities | \$ 5,762,678 |
| Total Uses⁴ | \$46,116,546 |

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1. The SDWA requires a minimum state match of 20% of each federal award.
 2. This represents the approximate amount of carry-over monies for set-aside and project funds. These amounts are split within the "Uses".
 3. This represents the portion of the FFY 2007-08 Capitalization Grant that will be used for set-aside purposes authorized under the SDWA.
 4. This represents the sum of Total Set-Aside and Total Available Project Funds.

C. PROJECT FUNDS

1. Total Funds Available for Projects

The total DWSRF funds available for direct loans and subsidization to public water systems are shown in Attachment A. This amount is a combination of the following: any carry-over project funds from previous IUPs that were not allocated to projects, the portions of the FFY 2009 & FFY 2010 capitalization grants that are being allocated to project funds, the required state matches, and any loan repayments and interest earnings to the project fund account. Additional funds may also be realized through the leveraging process. Projects will be prioritized by their ranking on the PPL and some projects may need to be by-passed if they are not progressing or if they are withdrawn from funding consideration. Projects considered “fundable” means that based on their initial ranking, there are expected to be sufficient funds available for those projects. These projects are above the “funding line” on the PPL. Projects considered “potentially fundable” means that based on their initial ranking there are not expected to sufficient funds available for those projects, unless higher-ranked projects are bypassed. These projects appear below the “funding line” on the PPL. A project may also be “partially fundable” if, based on initial ranking, there are funds available for only part of the total cost of the project. Financial assistance will only be made available to those eligible projects which have satisfied all program requirements and have executed a loan agreement with the State of CT.

2. Eligibility for Funds

Only projects submitted specifically in response to the FFY 2010 Call for Projects will be eligible for DWSRF funds. The projects that are ultimately funded may differ from those outlined in the DWSRF FFY 2010 PPL in Attachment D of this document for various reasons, which include the following:

- A project on the fundable portion of the priority list receives full or partial funding from another source;
- A project on the fundable portion of the priority list is by-passed, as described in the Priority Ranking System criteria and Section VII.B. 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.

It is the goal of the State of CT to fund as many projects as it can with the available DWSRF funding.

If a loan closing cannot be accomplished during this IUP period for any of those projects identified as fundable on the PPL and the project is actively progressing towards a loan agreement, then those projects will automatically be carried over to the priority list for the next IUP in accordance with the procedure described in Section VII.A. of this IUP.

3. Additional Subsidization

The FFY 2010 DWSRF Appropriation requires that not less than 30% of the FFY 2010 capitalization grant amount be used to provide additional subsidization to eligible recipients in the form of grants, principal forgiveness, or negative interest loans or any combination of these. The State of Connecticut is therefore required to provide at least \$4,071,900, which is 30% of the FFY 2010 capitalization grant, in additional subsidization. The State has the

statutory authority to provide subsidization in the form of grants, principal forgiveness, negative interest rates or any combination of these under CGS Section 22a-477(s). The DPH has determined in consultation with OTT that all recipients of DWSRF assistance for FFY 2010 will be provided loans that include forgiveness of principal, for at least 20% of the total amount of assistance they receive. The amount of total subsidization for all projects receiving funding is expected to be \$4,080,905, or approximately 30% of the FFY 2010 capitalization grant amount.

4. Transfer of Funds between the DWSRF and CWSRF

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

D. Projects Funded Since last Capitalization Grant Application

Since the last grant application 3 project loans (CT Water Company-Shoreline Region – Point O’ Woods \$800,000, City of Norwich \$450,000 and Town of Brookfield \$71,000) totaling \$1,321,000 were executed. Each is described in more detail below.

Connecticut Water Company – Shoreline Region – Point O’ Woods

This project became the first in Connecticut to use the combined funding of the Drinking and Clean Water State Revolving Fund programs. Point O’ Woods is a community of 420 homes, the majority of which are seasonal, and most have antiquated on-site septic systems. In addition, several homes were still utilizing on-site private wells which did not meet current well construction regulations. The project consists of replacing water and sewer lines throughout the community. By doing this project under one contract, the overall cost will be reduced. The total cost of the combined project is approximately \$7 million.

City of Norwich / Norwich Public Utilities

The City of Norwich requested funding to repair, rehabilitate, and retrofit the Norwich Business Park’s water storage tank. The tank was over 30 years old and excessive corrosion necessitated tank repairs. Norwich Public Utilities serves a population of over 36,000.

Town of Brookfield

The Town of Brookfield received funding under the American Recovery and Reinvestment Act of 2009 (ARRA) to install a water main and pump station to provide potable water to several community water systems that have water quality violations with their on-site systems. A loan was provided under the base DWSRF Program to cover some costs that were deemed not eligible under the ARRA. The total population served by this project is approximately 485.

In addition, DPH anticipates closing on 8 loans for carryover projects from the FFY 2008 PPL by September 30, 2010. These projects are listed in Attachment D.2. and will be funded with a combination of carryover monies and state revenue bond authorizations.

IV. DWSRF PROGRAM GOALS

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.

The DWSRF long-term goals, as outlined in the OA between the State of CT and the EPA, express strategic principals for guiding CT's DWSRF Program into the future.

A. SHORT-TERM GOALS-FINANCIAL

1. Approve and disburse loans and financial assistance for projects funded from the FFY 2009 & FFY 2010 grants in accordance with this IUP.
2. Continue to implement:
 - 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 fiscal components of the DWSRF program
3. Complete a review of DWSRF fiscal elements as required by the EPA.
4. Input project financial information into the DWSRF Project Benefits Reporting (PBR) on-line database.
5. Maintain a financing plan that secures the perpetuity of the DWSRF and meets loan demand by utilizing the leveraging system.

B. SHORT-TERM GOALS-PROGRAMMATIC

1. Review and approve applications for DWSRF assistance for projects, as ranked on the PPL, with an overall goal of committing all available project funds during the IUP period.
2. Continue to implement the following existing DWSRF elements, including re-evaluation and improvement when necessary:
 - a. Procedures for determining technical review and approval of DWSRF projects
 - b. Responsibilities delineated in the DWSRF Interagency MOU
 - c. Routine procedures for monitoring oversight and contract compliance of DWSRF set-aside projects
 - d. Communication and information connections between State agencies for programmatic components of the DWSRF
 - e. Procedures for evaluating technical and managerial capacity and sustainability aspects of proposed projects
3. Revise the DWSRF Interagency MOU to reflect modifications made with respect to each agency's responsibilities to the DWSRF Program following approval of the statutory changes proposed in 2010 by the DPH.
4. Utilize procedures for meeting the provisions of the FFY 2010 DWSRF appropriation regarding:
 - a. Goal of utilizing at least 20% of the FFY 2010 capitalization grant to fund projects that qualify under the GPR as green infrastructure, water and energy efficiency, and other environmentally innovative activity
 - b. Davis-Bacon Act wage requirements
 - c. Providing a minimum of 30% of the FFY 2010 capitalization grant as additional subsidization
5. Input project information into the DWSRF PBR on-line database.

6. Revise the OA as necessary to reflect any revisions in processing DWSRF projects.
7. Complete a review of DWSRF programmatic elements as required by EPA.
8. Evaluate the needs of small PWSs and mechanisms for getting these types of projects through the DWSRF process. Staff had been participating in the EPA Small Systems Workgroup; however this was suspended when it became necessary to focus efforts on implementing DWSRF provisions associated with the American Recovery and Reinvestment Act of 2009. This goal will be emphasized as staff availability allows.
9. Improve PWS education and proficiency in sustainable infrastructure/asset management.

C. LONG-TERM GOALS/PROJECTIONS

The State has established management goals for the DWSRF program as part of its statewide public health initiative. The condition of the DWSRF continues to be strong primarily because of the effective management and the placement of the DWF within the financial structure of the Clean Water Fund (CWF). This guarantees that the DWSRF will benefit from the same management and financial planning mechanisms that have marked the success of the CWF Program. In addition to the long-term goals outlined in the OA, ongoing discussions about the following issues will shape the program in the coming years:

1. Coordination within the DPH and continued collaboration with other State agencies where possible and advantageous, to maximize the effectiveness of the program and meet the State's water quality goals.
2. The amount of administrative and program set-asides allowed by the EPA and the discretion the State will exercise in the use of those dollars.
3. The EPA's program guidelines and regulations and their impact on the program at the State level.
4. The PPL, the amount of DWSRF funding available and the number of potential loans.
5. Continued improvement on the use of set-aside funds to maximize effectiveness as it relates to the State's PWSs and its customers. One major area of concern is small water systems.

The last projection of future water infrastructure needs was completed in 2009, based on data from the 2007 Drinking Water Infrastructure Needs Survey and Assessment. As anticipated, the needs have risen since the 2003 survey was announced in 2005. In the past, results have been low due to lack of full participation by PWSs and DWS. The State of CT will be participating in the 2011 survey and hopes that with increased staff involved with this process, participation and results will improve. In the future, resources will be committed to help in this area. Further discussion of future needs can be found in Section V.F. of this IUP under "Expected Loan Demand".

V. DESCRIPTION OF DWSRF FINANCIAL STATUS

A. TOTAL AMOUNT OF FUNDS IN DWSRF AND SET-ASIDE ACCOUNTS

Attachment A reflects the total amounts projected for the DWSRF project funds and set-aside accounts available to Connecticut upon EPA approval of Connecticut's FFYs 2009 - 2010 Capitalization Grant. It includes the 20% State match required by EPA, but does not reflect additional funds that may be obtained through leveraging.

B. THE DWSRF FINANCING PLAN

The DWSRF financing plan is similar to the plan for the State's CWF program. This plan includes leveraging where project funding comes from the proceeds of revenue bonds supported by the Capitalization Grants. The State has been leveraging the DWSRF loans since Federal Fiscal Year 2001. Bonds were most recently issued in 2008. A more detail financial analysis of the DWSRF program can be found in the DWSRF Annual Report provided to the OTT.

C. STATE MATCHING REQUIREMENT

The required 20% State match for Capitalization Grant for FFY 2009 is \$1,629,200 and for FFY 2010 is \$2,714,600, for a total of \$4,343,800 and is intended to be made prior to final grant award. The match is secured with cash provided by the state.

D. ISSUANCE OF BONDS FOR LEVERAGING

As noted above in Section B, Connecticut utilizes leveraging with DWSRF monies. EPA has approved the leveraging process and bonds have been issued.

Leveraged financing allows the DWSRF to maximize the available project funding because the revenue bond proceeds can be two to three times the amount of the available capitalization grants and state match contributions. This strategy also allows the state to provide loans with a low interest rate at favorable terms to more of the PWS applicants. The leveraging process has been successful because it has allowed the State to fund projects that would not be normally funded using federal funds only. A prime example is the \$55 million New Britain Water Treatment project, which was built using \$36.6 million in SRF monies. This project, which replaced an antiquated system, provides excellent quality water to its over 90,000 customers as well as keeping the water rates relatively low. Another great example is the \$29 million water treatment plant upgrade for the South Norwalk Electric and Water utility. This project was built using \$24.7 million in DWSRF monies to replace an antiquated water treatment plant that was badly in need of upgrades. A highlight of the project is the replacement of the conventional filtration with immersed membrane filtration, which will help maintain quality drinking water to over 42,000 customers. Without leveraging, projects of this magnitude could only be funded under DWSRF by using monies from multiple capitalization grants.

E. 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 completion date and provides a formula, based on the State's prevailing taxable or tax-exempt bond market rates, for setting interest rates. The State may adjust these terms based on the financial viability of the borrower.

CGS Sections 22a-475 through 22a-483 inclusive allows the State 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 10 to the OA also contains an explanation of a disadvantaged community.

Within the provisions of the CGS Sections 22a-475 through 22a-483 inclusive, the State will consider appropriate financial terms for refinancing (under the SDWA, permitted only for municipal projects incurring debt and initiating construction after June 30, 1993) and acquisition of land and sanitary easements on a case-by-case basis.

Additional lending policies pertaining to the DWSRF program are found in Attachment 6 (last revised April 1999) to the OA.

F. EXPECTED LOAN DEMAND

Connecticut's participation in the EPA-sponsored 1999, 2003, and 2007 Drinking Water Infrastructure Needs Survey evidenced that a significant need continues to exist throughout the State for funding capital improvements. The results of these surveys are used to determine the percentage of DWSRF allotment that each state will receive each year for the 4-year period interval following release of each Survey's report.

The completed 2007 Drinking Water Infrastructure Needs Survey assessed the cost and types of drinking water needs throughout the nation for the period 2007 to 2027. The results of the survey were used to determine the DWSRF allocation for fiscal years 2010 through 2013. Connecticut is one of many states that will receive the minimum 1% allocation. The results of the 2007 Survey showed that the estimated need had grown from \$653.1 million in 2003 to \$1.394 billion in 2007.

The breakdown was as follows:

| | |
|----------------------------------|-----------------|
| 1. Transmission and Distribution | \$807.1 million |
| 2. Treatment | \$280.6 million |
| 3. Storage | \$151.6 million |
| 4. Source | \$134.9 million |
| 5. Other | \$19.7 million |

Connecticut is participating in the 2011 Needs Survey. The DWS hopes to have a higher response rate than the 2007 Needs Survey and intends to work closely with the PWSs selected to participate.

As cost and need for infrastructure projects continue to increase, the demand for low cost loans will most likely also increase. Excluding projects submitted last year specifically for the ARRA, the number of DWSRF projects submitted in 2010 has doubled compared to the number submitted in 2008. For ARRA, the number of projects seeking funding was even greater, requesting approximately \$330 million total.

Should any additional federal "economic stimulus" funding become available during this IUP period/funding cycle, this IUP will be amended to include those funds and any additional necessary provisions. If this were to occur, the ranking of projects on the PPL may be adjusted based on federally imposed provisions of that funding. Additional solicitation for projects will not be done, unless required by law.

VI. CRITERIA AND METHOD FOR DISTRIBUTION OF PROJECT FUNDS

A. Priority Ranking System.

Only projects submitted specifically in response to the DWSRF FFY 2010 Call for Projects will be eligible for funds.

The Priority Ranking System developed by DPH for its DWSRF program specifies the criteria that will determine the distribution of funds and is found in Attachment B of this document. The primary objective of the ranking system is to award the highest points for projects that protect public health through improvements designed to address PWS performance in the areas of water quality and water quantity. DPH has statutory and regulatory jurisdiction over all statewide matters related to the purity and adequacy of drinking water. Consequently, the DPH considers quantity as important as quality in the protection of public health.

Modifications were made to the Priority Ranking System for this DWSRF funding cycle. They were made available to all applicants for their reference in completing and submitting project Eligibility Applications. EPA approved these modifications by letter dated March 17, 2010.

DWSRF funds will be distributed based on criteria in the following categories of eligibility:

- Water quality
- Water quantity
- Acquisition and Transfers
- Proactive Infrastructure upgrades
- Protective measures covering sources of supply and distribution systems,
- Affordability
- Green Infrastructure
- Ground Water Rule compliance

All eligible projects are ranked by points, highest to lowest, in one comprehensive list. The FFY 2010 PPL also indicates if the project, or portions of the project, meets the green infrastructure criteria and the amount of money it contributes to meeting the goal.

Projects identified as “fundable” (i.e. above the funding line) on the FFY 2010 PPL may be bypassed by a project listed as potentially fundable (i.e. below the funding line) if the higher-ranking project is not progressing. In the event that one or more projects are tied in the number of points, the tie-breaker provisions outlined in Section VII.C. of this IUP will be used to determine which project will be ranked higher on the PPL. Depending on the amount of available funds, the project ranked lowest within the “fundable” range may be “partially fundable” if there are estimated to not be sufficient funds available for the entire cost of the project.

Within the parameters set by the Priority Ranking System, DPH intends to exercise considerable flexibility in the types of projects the DWSRF will fund with protection of public health and compliance with Federal and State drinking water mandates as the predominate concerns, while also implementing green infrastructure goals. Exclusions for growth and other non-eligible elements as described in the EPA’s DWSRF Guidance Document (dated February 1997) stand as limitations on project funding.

While Connecticut intends to fund a wide range of drinking water projects, it will do so only after careful consideration of a potential recipient’s technical, managerial and financial capabilities. An assessment of an applicant’s financial capabilities will be conducted before any funding commitment is made. The purpose of this assessment is to screen the capabilities of applicants to ascertain if a system possess the ability to repay a DWSRF loan.

B. Other FFY 2010 DWSRF Provisions

1. GPR: Green Infrastructure, Water and Energy Efficiency, and Other Environmentally Innovative Activity
 - a. To the extent there are sufficient eligible project applications, not less than 20 percent of the funds from the FFY 2010 Capitalization Grant shall be for projects to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities
 - b. If there are not a sufficient number of projects to reach the minimum amount of funding, additional solicitation for projects of this type will be done
 - c. If after additional solicitation for projects there are still not a sufficient number to meet the minimum amount of funding, a request for a waiver of this requirement will be made to EPA.
2. Davis-Bacon Act Wage Requirements
 - a. For FFY 2010 the requirements of section 1450(e) of the Safe Drinking Water Act (42 U.S.C. 300j-9(e)) shall apply to any construction project carried out in whole or in part with assistance made available by a drinking water treatment revolving loan fund as authorized by section 1452 of that Act (42 U.S.C. 300j-12).

C. Relationship to DWSRF Goals

The DWSRF Priority Ranking System reinforces the DWSRF long-term goals. It is also consistent with the congressional intent of the DWSRF program to direct the highest priority to projects that protect public health and/or achieve SDWA compliance. In addition, the 2010 modifications incorporate the new FFY 2010 goal for funding “green” projects. Affordability continues to be included by awarding additional ranking points to those systems that meet the affordability criteria, as those PWSs may gain the greatest potential benefit from access to DWSRF loan funds. Additionally, the criteria are preventative in that they levy points for situations in which water quality impairments, water quantity inadequacies, or water system imperfections may increase risk to public health and/or result in non-compliance. Points awarded for acquisition and proactive upgrades emphasize the importance of supporting projects oriented toward achieving long-term solutions to existing deficiencies.

The Priority Ranking System compliments Connecticut’s multiple barrier approach to source protection with criteria recognizing every protective barrier of water system operations from the source to the tap. To ensure that DWSRF funds move expediently to where they are needed most, the Priority Ranking System incorporates by-pass procedures for readiness to proceed and for drinking water emergencies.

VII. DWSRF POLICIES

A. Project Application Carryovers and Rollovers

1. Project progressing towards a loan agreement (Carryover)

A project(s) that has been identified as “fundable” on the PPL, or became “fundable” through the by-passing procedure, and is progressing through the DWSRF process toward a loan agreement, but for which a loan closing does not occur during the IUP period/funding cycle, will be automatically carried over to the subsequent IUP period/funding cycle. A project(s) in this category will not be re-ranked on the subsequent

PPL, but will be maintained in a separate list (see Attachment D.1.). Funds allocated for these projects will be considered “reserved” and will be included in the amount of carry-over monies but will not be included in the amount of project funds available for the current IUP period/funding cycle. Carryover funds are subject to state and federal laws and regulations, including, but not limited to, federal restrictions on the period in which capitalization grant awards are available for obligation by a state.

2. Project on the PPL, but not progressing towards a loan agreement (Rollover)

A project(s) that has not been withdrawn, but which is not progressing towards a loan agreement during the IUP period/funding cycle, can be rolled over for consideration in the subsequent IUP period/funding cycle upon written request to DPH by the applicant. Any PWS seeking to rollover a project in accordance with this Section will be required to update its DWSRF application, upon request by DPH. This project(s) will be ranked with all new applications received by DPH for the fiscal year into which the project is being rolled over and in accordance with DPH's then current Priority Ranking System. Any project that is rolled over must continue to comply with all requirements of the DWSRF Program.

B. Multi-Year projects on the Fundable Portion of the Priority List

The construction of some of the projects on the PPL may take place over multiple years. For such multi-year projects, DPH reserves the right to require the applicant to break the project into phases and to limit the amount of funding reserved for the project on the priority list to the amount of funds the system reasonably projects it will need for the phase to be designed and/or constructed during the current IUP period. Multi-year projects that are identified as fundable on the PPL for the current IUP will automatically be rolled over to the PPL for the next IUP and will retain the ranking points assigned to it. Subsequent phases of multi-year project(s) will be ranked on the PPL with new applications received by DPH for the fiscal year into which the project(s) is/are rolled forward.

C. Project By-Pass Procedures and Readiness-to-Proceed

1. By-Pass for GPR, Readiness-to-Proceed, etc.

- a. Projects that meet the GPR provision may bypass other project(s) until the federal GPR goals as identified in Section VI.B.1 of this document have been met.
- b. 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 eligible project for funding based on that PWS's ability to initiate the project during the current funding cycle. A project may also be by-passed if the applicant has withdrawn its application. This By-Pass process is necessary to ensure that available DWSRF funds will be disbursed in a timely fashion.
- c. Only those elements (planning, design, construction) of eligible projects that can result in executed contracts and DWSRF loan agreements within the current FFY 2010 funding cycle may receive funding during that cycle. Elements of eligible, fundable projects that cannot result in executed contracts and DWSRF loan agreements will be eligible to receive funding in future funding cycles, based on the rollover procedure. The criterion used to evaluate readiness is included in the Eligibility Application.

D. Tie-Breaking Procedures

The total numeric score for a project is determined by summing the points awarded based on the Priority Ranking System and details 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 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.

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. Reimbursement

DPH implements the EPA policy on eligibility of reimbursement of incurred costs for approved projects, which was issued on or about January 12, 1999 in the Federal Register (Volume 64, Number 7, Pages 1802-1804). Consistent with this policy, an eligible PWS must receive written authorization from DPH prior to commencement of construction in order to be eligible to receive reimbursement at the loan closing for any construction costs incurred prior to the loan closing. If such authorization is not received from DPH, then the PWS will only be reimbursed for construction costs incurred from and after the date of the loan closing.

F. Withdrawal of Project from Funding Consideration

1. If a PWS chooses not to pursue funding of a project through the DWSRF, or chooses to not go forward with implementation of a project, the PWS shall submit a letter indicating the withdrawal of the project. Upon receipt, the project will be removed from the DWSRF FFY 2010 PPL 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 funding cycle.
2. Projects for which an Eligibility Application is received and placed on the FFY 2010 PPL but for which a Financial Assistance Application is not received by the established deadline will be considered withdrawn. DPH will notify a PWS if their application is withdrawn by DPH.

G. Letter of Authorization to Award for Eligible Projects

DPH may issue a letter authorizing the PWS to award a contract for a project if sufficient information has been submitted to DPH. Typically, this letter indicates to the applicant that it appears the materials that they have submitted to the DPH satisfy the regulations for the DWSRF program. 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 State to make a project loan under the DWSRF program.

VIII. IMPACT OF PROGRAM ON LONG-TERM FINANCIAL STATUS OF DWSRF.

The main features of Connecticut's DWSRF program – the ranking system, the leveraging plan and the maximization of set-aside monies – will be implemented and managed in a prudent and responsible manner. This will allow DPH to meet the public health and compliance goals of the DWSRF while simultaneously preserving the integrity and perpetuity of the fund itself. Loan terms will be attractive,

while lending procedures will include safeguards structured to minimize unforeseen losses to the fund. The DWSRF also produces numerous opportunities for strengthening water supply mechanisms (i.e. source protection, 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 CWSRF Program.

IX. PUBLIC OUTREACH AND COMMENT

DPH has engaged in a concerted effort to prepare and provide accurate and understandable information on the DWSRF to potential loan applicants and other interested parties. The DWSRF loan applicant pool in Connecticut consists of approximately 900 PWSs. Outreach to these systems as well as to other interested parties has and will continue to occur simultaneously with the implementation of the DWSRF program. Outreach is accomplished through posting of information on Department's web-site, meeting with applicants, distribution of the program information by staff, participation in various water-related forums, and publication of a DWSRF Program brochure.

The FFY 2010 Public Hearing/Open Forum is scheduled for June 2, 2010 and was formally advertised on April 30, 2010 in daily newspapers of statewide and regional distribution and on April 29, 2010 in two minority periodicals. Refer to Attachment F.1. for the hearing announcement.

X. ATTACHMENTS

- A. Uses for DWSRF Project Funds and Set-Aside Accounts
 - 1. Cumulative Capitalization Grant Funding and List of Projects Funded under DWSRF through April 30, 2010
 - 2. FFY 1997 – 2010 Total Funds Breakdown
 - 3. FFY 1997 – 2010 Set-Aside Funds Breakdown
 - 4. FFY 1997 – 2010 Administrative Set-Aside Funding Breakdown by State Agency
- B. Priority Ranking System
- C. DWSRF Eligibility Application
- D. Project Lists
 - 1. FFY 2010 Project Priority List
 - 2. Carryover Projects from FFY 2008 PPL
 - 3. GPR Projects Selected to be Funded (to be added after Public Hearing)
- E. Public Outreach and Comment
 - 1. Public Notice for FFY 2010 Public Hearing/Open Forum
 - 2. List of Attendees (to be added after Public Hearing)
- F. List of Acronyms

ATTACHMENT A.1.

CUMULATIVE CAPITALIZATION GRANT FUNDING

| FEDERAL FISCAL YEAR | FEDERAL FUNDS & STATE MATCH |
|----------------------------|--|
| FFY 1997 | \$19,053,298 |
| FFY 1998/99 | \$12,980,739 |
| FFY 2000 | \$6,903,730 |
| FFY 2001 | \$6,932,299 |
| FFY 2002 | \$7,166,725 |
| FFY 2003 | \$7,123,649 |
| FFY 2004 | \$7,389,759 |
| FFY 2005 | \$7,374,095 |
| FFY 2006 | \$9,875,160 |
| FFY 2007 | \$8,146,710 |
| FFY 2008 | \$8,553,300 |

Total: \$101,499,464

PROJECTS FUNDED UNDER DWSRF AS OF 4/30/10

| PUBLIC WATER SYSTEM | FUNDED AMOUNT |
|---|----------------------|
| TWIN HILLS | \$ 207,421 |
| SHARON SEWER & WATER | \$ 1,084,010 |
| SHARON SEWER & WATER | \$ 210,000 |
| MDC (b) | \$ 3,086,188 |
| MDC (a) | \$ 1,163,889 |
| NEW BRITAIN WATER DEPT. | \$ 12,682,987 |
| CITY OF NORWICH | \$ 1,898,651 |
| MDC (c) | \$ 861,978 |
| WATERTOWN FIRE DISTRICT (a) | \$ 717,731 |
| CRYSTAL LAKES CONDOS. | \$ 359,902 |
| HARRYBROOKE PARK CONDO. | \$ 231,327 |
| BHC (AQUARION) - STAMFORD | \$ 391,038 |
| COOK WILLOW REALTY | \$ 704,259 |
| HILLSIDE WATER COMPANY | \$ 149,052 |
| SHARON SEWER & WATER | \$ 1,100,000 |
| TOWN OF PORTLAND | \$ 2,500,000 |
| NEW BRITAIN WATER DEPT. PHASE II | \$ 24,000,000 |
| SHARON SEWER & WATER | \$ 438,153 |
| TOWN OF NEWTOWN (HIGH SCHOOL) | \$ 516,000 |
| MDC (x) | \$ 2,343,735 |
| WATERTOWN FIRE DISTRICT (b) | \$ 435,500 |
| UNIONVILLE WATER COMPANY | \$ 1,646,970 |
| TOWN OF NEWTOWN (MIDDLE SCHOOL) | \$ 171,738 |
| TOWN OF SOUTHLINGTON - WATER DEPARTMENT | \$ 4,643,030 |
| SECOND TAXING DISTRICT, CITY OF NORWALK | \$ 24,715,165 |
| TOWN OF LEDYARD | \$ 926,006 |
| TOWN OF SOUTHLINGTON - WATER DEPARTMENT | \$ 1,037,097 |
| WOODLAKE TAX DISTRICT | \$ 404,494 |
| COLCHESTER SEWER & WATER | \$ 2,496,990 |
| CT WATER COMPANY SHORELINE REGION POINT O WOODS | \$ 800,000 |
| CITY OF NORWICH | \$ 450,000 |
| TOWN OF BROOKFIELD | \$ 71,000 |

Total of 32 Projects: \$92,444,313

The above projects were funded under the base DWSRF only. ARRA funded projects are listed in the ARRA IUP

ATTACHMENT A.2.

**STATE OF CONNECTICUT
FEDERAL FUNDS AND STATE MATCH FFY 1997 - FFY 2010**

| FEDERAL FISCAL YEAR | a TOTAL AVAILABLE FEDERAL FUNDS | b (20% of a) 20% STATE MATCH | c (31% of a) FEDERAL SET-ASIDES | d (a-c) FEDERAL PROJECT FUNDS (LESS 31%) | e (b+d) TOTAL AVAILABLE PROJECT FUNDS |
|----------------------------|--|---|--|---|--|
| 1997 | \$ 21,408,200 | \$ 4,281,640 | \$ 6,636,542 | \$ 14,771,658 | \$ 19,053,298 |
| 1998 | \$ 7,121,300 | \$ 1,424,260 | \$ 2,207,603 | \$ 4,913,697 | \$ 6,337,957 |
| 1999 | \$ 7,463,800 | \$ 1,492,760 | \$ 2,313,778 | \$ 5,150,022 | \$ 6,642,782 |
| 2000 | \$ 7,757,000 | \$ 1,551,400 | \$ 2,404,670 | \$ 5,352,330 | \$ 6,903,730 |
| 2001 | \$ 7,789,100 | \$ 1,557,820 | \$ 2,414,621 | \$ 5,374,479 | \$ 6,932,299 |
| 2002 | \$ 8,052,500 | \$ 1,610,500 | \$ 2,496,275 | \$ 5,556,225 | \$ 7,166,725 |
| 2003 | \$ 8,004,100 | \$ 1,600,820 | \$ 2,481,271 | \$ 5,522,829 | \$ 7,123,649 |
| 2004 | \$ 8,303,100 | \$ 1,660,620 | \$ 2,573,961 | \$ 5,729,139 | \$ 7,389,759 |
| 2005 | \$ 8,285,500 | \$ 1,657,100 | \$ 2,568,505 | \$ 5,716,995 | \$ 7,374,095 |
| 2006 | \$ 8,229,300 | \$ 1,645,860 | \$ 2,551,083 | \$ 5,678,217 | \$ 7,324,077 |
| 2007 | \$ 8,229,000 | \$ 1,645,800 | \$ 1,728,090 | \$ 6,500,910 | \$ 8,146,710 |
| 2008 | \$ 8,146,000 | \$ 1,629,200 | \$ 1,221,900 | \$ 6,924,100 | \$ 8,553,300 |
| 2009* | \$ 8,146,000 | \$ 1,629,200 | \$ 3,746,920 | \$ 4,399,080 | \$ 6,028,280 |
| 2010* | \$ 13,573,000 | \$ 2,714,600 | \$ 4,357,630 | \$ 9,215,370 | \$ 11,929,970 |
| TOTALS TO DATE | \$ 130,507,900 | \$ 26,101,580 | \$ 39,702,849 | \$ 90,805,051 | \$ 116,906,631 |

FFY 2009 & 2010 Project funds are reduced due to requested banked FFY 2007 PM, FFY 2008 Small Systems & Admin Set-Aside funds

* BASED ON FFY 2009 & 2010 GRANTS AND STATE MATCH. LEVERAGED & CARRY-OVER FUNDS NOT INCLUDED.

ATTACHMENT A.3.

DWSRF SET-ASIDE BREAKDOWN FFY 1997 - 2010

| FEDERAL FISCAL YEAR | TOTAL AVAILABLE FEDERAL FUNDS | FEDERAL SET-ASIDES | Small Systems Tech Asst. S/A | Administration S/A | State Program Management S/A | Local Assistance Capacity Development S/A | Local Assistance Wellhead Protection S/A | Local Assistance Set-Aside Total |
|-----------------------|-------------------------------|----------------------|------------------------------|---------------------|------------------------------|---|--|----------------------------------|
| 1997 | \$ 21,408,200 | \$ 6,636,542 | \$ 428,164 | \$ 856,328 | \$ 2,140,820 | \$ 2,140,820 | \$ 1,070,410 | \$ 3,211,230 |
| 1998 | \$ 7,121,300 | \$ 2,207,603 | \$ 142,426 | \$ 284,852 | \$ 712,130 | \$ 712,130 | \$ 356,065 | \$ 1,068,195 |
| 1999 | \$ 7,463,800 | \$ 2,313,778 | \$ 149,276 | \$ 298,552 | \$ 746,380 | \$ 746,380 | \$ 373,190 | \$ 1,119,570 |
| 2000 | \$ 7,757,000 | \$ 2,404,670 | \$ 155,140 | \$ 310,280 | \$ 775,700 | \$ 775,700 | \$ 387,850 | \$ 1,163,550 |
| 2001 | \$ 7,789,100 | \$ 2,414,621 | \$ 155,782 | \$ 311,564 | \$ 778,910 | \$ 778,910 | \$ 389,455 | \$ 1,168,365 |
| 2002 | \$ 8,052,500 | \$ 2,496,120 | \$ 161,050 | \$ 322,100 | \$ 805,250 | \$ 805,250 | \$ 402,625 | \$ 1,207,875 |
| 2003 | \$ 8,004,100 | \$ 2,481,271 | \$ 160,082 | \$ 320,164 | \$ 800,410 | \$ 800,410 | \$ 400,205 | \$ 1,200,615 |
| 2004 | \$ 8,303,100 | \$ 2,573,961 | \$ 166,062 | \$ 332,124 | \$ 830,310 | \$ 830,310 | \$ 415,155 | \$ 1,245,465 |
| 2005 | \$ 8,285,500 | \$ 2,568,505 | \$ 165,710 | \$ 331,420 | \$ 828,550 | \$ 828,550 | \$ 414,275 | \$ 1,242,825 |
| 2006 | \$ 8,229,300 | \$ 2,551,083 | \$ 164,586 | \$ 329,172 | \$ 822,930 | \$ 822,930 | \$ 411,465 | \$ 1,234,395 |
| 2007* | \$ 8,229,000 | \$ 2,550,990 | \$ 164,580 | \$ 329,160 | \$ 822,900 | \$ 822,900 | \$ 411,450 | \$ 1,234,350 |
| 2008** | \$ 8,146,000 | \$ 2,525,260 | \$ 162,920 | \$ 325,840 | \$ 814,600 | \$ 814,600 | \$ 407,300 | \$ 1,221,900 |
| 2009 | \$ 8,146,000 | \$ 2,525,260 | \$ 162,920 | \$ 325,840 | \$ 814,600 | \$ 814,600 | \$ 407,300 | \$ 1,221,900 |
| 2010 | \$ 13,573,000 | \$ 4,207,630 | \$ 271,460 | \$ 542,920 | \$ 1,357,300 | \$ 1,357,300 | \$ 678,650 | \$ 2,035,950 |
| TOTALS TO DATE | \$ 130,507,900 | \$ 40,457,294 | \$ 2,610,158 | \$ 5,220,316 | \$ 13,050,790 | \$ 13,050,790 | \$ 6,525,395 | \$ 19,576,185 |

* FFY 2007 Program Management Funds were "banked" and requested with the FFY 2009 Capitalization Grant

** FFY 2008 Small Systems Tech Asst.and Administration funds were "banked" and requested with FFY 2009 Capitalization Grant.
 FFY 2008 Program Management funds were "banked" and will be requested partially with FFY 2010 Capitalization Grant and the remainder with FFY 2011 Capitalization Grant

**DRINKING WATER STATE REVOLVING FUND
 4% ADMINISTRATIVE SET-ASIDE
 FUNDING BY STATE AGENCY 1997-2010**

| Agency | FFY 1997 | FFY 1998 | FFY 1999 | FFY 2000 | FFY 2001 | FFY 2002 | FFY 2003 | FFY 2004 | FFY 2005 | FFY 2006 | FFY 2007 | FFY 2008 | FFY 2009 | FY 2010 ¹ | TOTALS |
|--------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------------|--------------------|
| DPH | \$79,878 | \$71,213 | \$74,638 | \$77,570 | \$77,891 | \$80,525 | \$80,041 | \$124,547 | \$125,288 | \$123,440 | \$123,435 | \$122,190 | \$195,504 | \$380,044 | \$1,736,204 |
| OTT | \$119,816 | \$106,820 | \$111,957 | \$116,355 | \$116,836 | \$120,788 | \$120,061 | \$124,547 | \$125,288 | \$123,440 | \$123,435 | \$122,190 | \$130,336 | \$162,876 | \$1,724,745 |
| DEP | \$79,878 | \$71,213 | \$74,638 | \$77,570 | \$77,891 | \$80,525 | \$80,041 | \$83,031 | \$83,525 | \$82,293 | \$82,290 | \$81,460 | \$0 | \$0 | \$954,355 |
| DPUC | \$39,939 | \$35,606 | \$37,319 | \$38,785 | \$38,946 | \$40,262 | \$40,021 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$270,878 |
| TOTAL | \$319,511 | \$284,852 | \$298,552 | \$310,280 | \$311,564 | \$322,100 | \$320,164 | \$332,125 | \$334,101 | \$329,173 | \$329,160 | \$325,840 | \$325,840 | \$542,920 | \$4,686,182 |

¹ \$90,000 is being requested to be withheld by EPA from the FFY 2010 allotment to be used for a DWSRF project and loan tracking system for the State of CT.

ATTACHMENT B

CONNECTICUT DEPARTMENT OF PUBLIC HEALTH PRIORITY RANKING SYSTEM FOR PROJECTS ELIGIBILITY FOR DRINKING WATER STATE REVOLVING FUND (DWSRF) FUNDING

(Revised 2/25/10)

INTRODUCTION:

The statutory authority for establishing the Drinking Water State Revolving Fund (DWSRF) is embodied in the Connecticut General Statutes (CGS) Sections 22a-475 to 22a-483 inclusive. The Connecticut Department of Public Health (DPH) shall establish and maintain a priority list of eligible drinking water projects and shall establish a system setting the priority for making project loans to eligible public water systems (PWS). In establishing such priority list and ranking system, the Commissioner of DPH shall consider all factors which he deems relevant, including but not limited to the following:

1. The public health and safety;
2. Protection of environmental resources;
3. Population affected;
4. Risk to human health;
5. PWS most in need on a per household basis according to applicable state affordability criteria;
6. compliance with the applicable requirements of the federal Safe Drinking Water Act (SDWA) and other related federal acts;
7. Applicable state and federal regulations.
8. Consistency with the plan of conservation and development;
9. Consistency with the policies delineated in Section 22a-380;
10. Consistency with the coordinated water system plan in accordance with subsection (f) of Section 25-33d.”

The ranking system used to prepare the priority list of eligible drinking water projects is delineated in this document.

ELIGIBILITY FOR DWSRF LOANS

Project eligibility applications must be submitted by the deadline specified in the annual Call for Projects announcement issued. Applications must include sufficient technical documentation, data, reports, certifications, etc. for the DWS to make a determination on project eligibility. Incomplete or inadequate information may result in a determination that the project is not eligible or affect its ranking. The DPH will utilize the State and Federal regulations and drinking water industry standards in evaluating projects for eligible funding.

The following public water systems are **NOT** eligible for assistance:

1. Federally-owned public water systems and for profit non-community water systems.
2. Systems that lack the technical, financial and managerial capability to ensure compliance with the requirements of the SDWA unless assistance will ensure compliance and the owner or operators of the systems agree to undertake feasible and appropriate changes in operations to ensure compliance over the long term.

3. Systems that are in significant noncompliance with any national primary drinking water regulation or variance unless assistance will ensure compliance.

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
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 Act
7. Cost of laboratory fees for routine monitoring
8. Cost of operation and maintenance expenses

SUBSIDIZATION

The DPH may provide subsidization to eligible projects in the form of principal forgiveness to the extent allowed by Federal law. The amounts of subsidization, if available, and method of distributing such subsidies will be determined annually as a percentage of total financial assistance a qualifying project receives from the DWSRF.

INTENDED USE PLAN (IUP)

Annually the DPH will also 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 DWSRF funds. The IUP will identify the ranked eligible projects in a priority list and will include specific detail on how the State intends to use set-aside funds designated under the DWSRF program.

PRIORITY RANKING SYSTEM

Each year the DPH will solicit planning, design, and construction projects from community water systems, both privately and publicly owned, and non-profit, non-community water systems for funding under the DWSRF program.

DPH may fund planning and design projects which may lead to construction projects. Planning and design projects will be included in the ranked priority list and will be given ranking points in accordance with the appropriate activity that the project intends to address (e.g. treatment would get points for addressing various water quality problems). DPH may also fund planning and/or feasibility studies.

In developing the ranking system, the DPH has made quality and adequate quantity of drinking water the highest priority in an effort to provide maximum public health benefits. Regulatory compliance with water quality standards and adequate quantity of drinking water are given the highest points within the ranking system. Projects which are planned to address/resolve a quality

or quantity regulatory violation will not receive additional points in the Proactive Infrastructure category.

This approach is consistent with the SDWA Amendments of 1996, which indicate that the IUP shall provide, to the maximum extent practicable, priority for the use of funds be given to projects that:

- addresses the most serious risk to human health;
- are necessary to ensure compliance with the requirements of the SDWA including requirements for filtration; and
- assist systems most in need on a per household basis according to state affordability criteria.

Connecticut's ranking process capitalizes on the SDWA by ensuring that all projects are reviewed from the perspective of risk to health and compliance with regulations. Connecticut's DWSRF priority ranking system assigns criteria points for each project deemed eligible for funding. The eight major point categories are as follows: Category I (Quality) deals with various water quality risks while Category II (Quantity) deals with the need to maintain adequate supply so that lack of pressure does not create health risks by introducing contamination from the distribution system. Category III (Acquisition/Transfer) allows water systems to be restructured financially, managerially or technically so that they operate in compliance with State and Federal regulations. Categories IV (Proactive Infrastructure) and V (Water System Protection) allow for improvements in source, treatment and distribution to achieve long term infrastructure sustainability so that health risks from infrastructure failure are averted. Category VI (Affordability) awards an additional 10 points to those systems having projects in towns where the Median Household Income is less than 80% of the State's average, based on data from the most recent Census. Category VII (Green Project Reserve) awards points to projects that incorporate "green" components and Category VIII awards points to projects that will address Significant Deficiencies under the Ground Water Rule.

The SDWA Amendments of 1996 also 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. An applicant's population will be determined on the combined population of the parent PWS which will include the population of all of its individually owned PWSs.

Each fiscal year DPH will compile only one comprehensive priority list of ranked projects for the IUP. This list will identify which projects are expected to receive funding for the given year. The list may include planning, design, and construction projects. Some projects may include planning, design and construction elements (i.e. multi-phase projects). For multi-phase projects, the DPH will only include the portions of the project that can be completed during the annual DWSRF funding cycle. The non-funded phases will be eligible for DWSRF assistance in future years.

For federal fiscal year (FFY) 2010, additional program requirements have been implemented. The Federal FFY2010 Appropriations Bill (House Resolution 2996) has set additional specific requirements for all DWSRF programs. One requirement is that to the extent that there are sufficient eligible project applications, not less of 20% of the FFY2010 capitalization grant is to be made available for projects that address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities..

There will be 4 factors taken into consideration when compiling the final draft comprehensive priority list. Those factors are:

1. The total numerical points assigned to a project which is arrived at by tallying points from each of the 6 priority point categories.
2. A PWS's readiness to proceed with the activities they have requested funding for during the annual DWSRF funding cycle.
3. To the extent that there are sufficient 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.
4. To the extent that there are sufficient eligible project applications, not less than 20% of the FFY2010 capitalization grant shall be dedicated to projects that address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities.

Every project submitted to DPH will be identified by the PWS identification number utilized by the State and Federal Government for the inventory of PWS, and other identifiers to note the FFY and differentiate it from other projects submitted by the same PWS. Unless otherwise justified to DPH, the population number the DPH currently has on inventory for that water system will determine which population category the project falls under.

ELEMENTS FOR ESTABLISHING THE PRIORITY POINTS ASSIGNED TO DWSRF PROJECTS:

The following Categories describe in detail the elements involved in assigning priority points to eligible projects.

- I. **Quality:** Violations of Water Quality are divided into five subcategories:
 - A. **Immediate:** Water quality violations requiring immediate action include surface water treatment rule violations and acute microbiological and inorganic chemical Maximum Contaminant Level (MCL) violations. These violations pose health risks which must be brought into compliance expeditiously.
 - B. **Long-term:** Violations of water quality which have health risk ramifications over extended periods of time include the following subcategories: non-acute inorganic chemical, pesticides, herbicides, PCB's, organic chemicals and radioactivity and treatment technique's (e.g. fluoride, chlorine residual, and phosphates). Violations sufficiently severe as to present acute health risks may be elevated to Category I A. Sodium exceedence is a Notification process and is not a MCL.
 - C. **Goals:** Include water quality parameters for which DPH has determined a health risk exists even though the parameter is not yet regulated. For these parameters DPH has set formal action levels prior to development of a federal regulation. This category also includes a preventative measure by allowing ranking points for systems which have not exceeded MCL's but nonetheless have determined that steps are necessary to reduce human exposure and risk associated with a water quality concentration that is elevated and approaching an MCL.
 - D. **Physical:** The physical element of the water quality category allows points for parameters that are primarily deemed aesthetic/physical rather than having significant health ramifications.
 - E. **Private wells:** Wells that are currently not being served by a PWS yet are experiencing contamination which may cause the private well to violate Public Health Code Section 19-13-B101, can be assigned ranking points, if the solution is to extend water service to the affected wells from the applicant's public water supply.

- II. Quantity:** The quantity category includes violations for quantity of supply deficiencies and problems where the water system is unable to sustain the adequacy of water as prescribed by the PHC including: source deficit, system capacity deficits, lack of source (production) meters, pressure violations, and supply deficiencies including insufficient margin of safety.

Source deficit or insufficient margin of safety recognizes that new source development is necessary now to comply with Section 19-13-B102(o) of the Public Health Code. Whole system capacity deficit refers to the issue that the PWS cannot meet projected or anticipated demands which have been approved by the DPH under a currently acceptable process to comply with Section 19-13-B102(p) of the Public Health Code.

Source development recognizes that the PWS needs to develop additional supplies to augment and/or replace existing sources. This effort may be a result of providing alternative supplies for emergencies and /or carrying out sound engineering practices.

Implementation of conservation measures is also given ranking credits. This recognizes conservation as an effective means for efficient utilization of drinking water sources for both supply and demand.

Connecticut has always considered quantity a very important issue which has health implications. Inadequate supply translates to poor or inadequate pressure which can lead to back siphonage and potential contamination of the water distribution. Even with active cross connection programs to correct the possibility of contamination, lack of pressure may result in accidental contamination events.

- III. Acquisition/Transfer and Consolidation:** Acquisition ranking points gives acquiring systems additional points for projects which include acquisition of other systems. Acquisitions can be by direct interconnections or satellite ownership (own and operate smaller public water systems).

Interconnection of PWSs in general is prudent. When two PWSs interconnect yet there is no acquisition or transfer, then the applicant (PWS) may also receive priority point for the consolidation of systems.

- IV. Proactive Infrastructure Upgrades:** Proactive or elective infrastructure upgrades include upgrades to physical facilities that have or shortly will have served their useful life span, or the construction of new and more efficient facilities. In many cases, these facilities need replacement and/or major reconstruction even though their condition has not resulted in a violation. These types of facilities include but are not limited to:

- treatment facilities
- pumping facilities
- water main replacement/improvement projects
- treatment residuals management
- storage tank repair/replacement projects
- source development
- inter-connection of two or more existing public water systems through water main extensions (not intended for system growth)
- system automation
- posting, fencing and other security measures

- water main extensions to existing private wells with public health concerns

V. Water System Protection: Water system protection projects reinforce protective measures necessary to ensure the safe delivery of drinking water. These measures must be directly related to a construction project being funded by the DWSRF. The protection measures include:

- purchase of land expressly needed for the new source(s) as to what is needed to construct treatment facilities, or pumping stations, etc.
- implementation of Best Management Practices (BMPs) on watersheds
- source distribution violations of the PHC to address well construction violations and/or other violations that are not included in other categories. A partial list of types of violations are as follows:
 - casing extension
 - eliminate surface ponding around wellhead
 - pitless adapters
 - well repairs/replacement
 - well seal replacement
 - storage tank ventilation
 - storage tank protection
 - cross-connection, etc.
- other source protection improvements including activities that are associated with construction projects. In order to improve source protection, activities like the removal of septic systems, prevention of spillage by diverting drainage, etc. can be utilized

VI. Affordability: A PWS may receive additional points for undertaking projects in towns where the Median Household Income (MHI) is less than 80% of the State’s average MHI as determined by the most recent census. The following towns currently qualify under this category: Ansonia, Bridgeport, East Hartford, Hartford, Killingly, New Britain, New Haven, New London, North Canaan, Norwich, Plainfield, Putnam, Sprague, Torrington, Waterbury, West Haven, and Windham.

VII. Green Project Reserve: 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. Priority points will be assigned to eligible projects where sufficient documentation has demonstrated that the project achieves identifiable and substantial benefits that qualify as green project benefits. The assignment of these points is subject to DPH review and approval of the justification and based on the percentage of the eligible DWSRF project determined to be “green”. A “business case” is required of all green project applications, including supporting documentation of how the project or portion of the project achieves green project benefits.

VIII. Ground Water Rule: Projects in this category will correct a “Significant Deficiency”, as referenced in the DPH DWS “Significant Deficiencies Guidance Document”. If a “Significant Deficiency” condition exists, but has not yet been documented by DPH, sufficient justification must be submitted to warrant these points. The assignment of these points is subject to DPH review and approval of the justification and based on the percentage of the eligible DWSRF project determined to result in the correct of a Ground Water Rule deficiency.

TOTAL POINTS AND TIE-BREAKERS

The total numeric score for a project is determined by summing the points from each of the 8 categories above. 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.

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.

The DWSRF Eligibility Application provides details of the point values that are available for specific elements under each of the 8 categories.

READINESS TO PROCEED & BY-PASS PROCEDURE

Only those elements (planning, design, construction) of eligible projects that can result in executed contracts and DWSRF loan agreements within the current FFY2009 and FFY2010 funding cycle may receive funding during that cycle. Elements of eligible projects that cannot result in executed contracts and DWSRF loan agreements will be eligible to receive funding in future funding cycles. The criteria used to determine readiness is included in the Eligibility Application.

If for some reason a project is not ready to proceed in a timely fashion, the DPH may by-pass that project and select the next highest ranked eligible project for funding based on that PWS's ability to initiate the project as well as on its completion period. A project may also be by-passed if the applicant has withdrawn its application. This By-Pass process is necessary to ensure that available DWSRF funds will be disbursed in a timely fashion.

EMERGENCY BY-PASS PROCEDURE

The DPH Commissioner with the concurrence of the Commissioner of the Department of Environmental Protection 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 Connecticut General Statute Sec 25-32(b), 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 which develop into severe public health risk, there may be a need to by-pass projects ranked on the project priority list.

ATTACHMENT C

Public Water System (PWS) Name _____

DWSRF Project Identifier (DPH to assign) _____

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Funding consideration for: Base DWSRF Program Potential federal “Economic Stimulus” funding
(see also “Project Readiness” Section on page 3)

A completed General Application for Approval or Permit form must be submitted with this application

| | |
|--|-----------------------------|
| 1. Full Legal Name of Public Water System | 2. PWSID Number (CTxxxxxxx) |
| Contact Person – Authorized Legal Representative of the Applicant | |
| 3. Name: | 4. Title: |
| 5. Mailing Address: | |
| 6. Telephone: | 7. Fax: |
| 8. Email: | |
| 9. Please indicate the title and physical location of the project. Attach a scaled map showing the project location. | |

WATER SYSTEM TYPE AND SERVICING

| |
|--|
| 10. System Type: <input type="checkbox"/> Community PWS <input type="checkbox"/> Non-Profit Non-Community PWS <input type="checkbox"/> Other (explain) |
| 11. Total population served by water system: _____. |
| 12. Population to be served by the proposed project (see instructions): _____. |
| 13. Current number of service connections supplied by the water system: _____. |
| 14. Number of service connections supplied by the proposed project: _____. |
| 15. Will this project provide water service to additional service connections not already being supplied by this PWS? <input type="checkbox"/> Yes (answer questions below) <input type="checkbox"/> No (move onto question #15) a) Will this project consolidate an existing PWS? <input type="checkbox"/> Yes (complete System Consolidation Worksheet) <input type="checkbox"/> No b) Will this project serve homes with private wells that have Public Health Code violations? <input type="checkbox"/> Yes (complete System Consolidation Worksheet) <input type="checkbox"/> No c) Other situation not covered by a) or b): <input type="checkbox"/> Yes (please provide explanation) <input type="checkbox"/> No |
| 16. Is the PWS regulated by the Department of Public Utility Control? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please note that you may be required to submit the appropriate financial and Construction Work in Progress (CWIP) documentation to the Department of Public Utility Control prior to a funding award. |

PROJECT COSTS & FUNDING SOURCES

| | Amount |
|---|--------|
| 17. Estimated Total DWSRF Project Funding Amount requested: (costs including contingencies, closing costs and accrued interest, as applicable) | \$ |
| Source | |
| 18. List other funding source(s) and amount(s) for project: | \$ |
| | \$ |
| 19. Estimated Total Project Cost: | \$ |
| 20. Basis of Estimate: | |

FINANCING REQUEST INCLUDES (check all that apply)

| | Anticipated Procurement Date | Anticipated Contract Execution Date | Estimated Cost |
|---|---------------------------------------|-------------------------------------|----------------|
| 21. <input type="checkbox"/> Feasibility Study/Preliminary Engineering (Planning) | | | \$ |
| <input type="checkbox"/> Final Design | | | \$ |
| <input type="checkbox"/> Construction | | | \$ |
| <input type="checkbox"/> Land Purchase | Anticipated Purchase Date: | Estimated Cost: \$ | |
| <input type="checkbox"/> Conservation Easement | Anticipated Agreement Execution Date: | Estimated Cost: \$ | |
| 22. Have you retained an engineer or consultant for any work associated with this project? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, list services: | | | |

Public Water System (PWS) Name

DWSRF Project Identifier (DPH to assign)

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23. Will this financial assistance include refinancing? Yes (please provide explanation) No

**PROJECT DESCRIPTION FOR THE PURPOSE OF THIS FINANCIAL ASSISTANCE AND EXPLANATION
OF WHY THIS PROJECT IS YOUR PREFERRED OPTION (attach a separate sheet if necessary)**

This description should include the impact of this project on the water system.

24.

PROJECT BENEFITS

25. Describe any environmental and/or public health benefits that would be achieved with this project.

GREEN PROJECT RESERVE

Starting with Federal Fiscal Year (FFY) 2010, to the extent there are sufficient eligible projects, the DWSRF funding will include a goal of utilizing a minimum of 20% of the federal capitalization grant for “green” projects. As a result, projects with qualifying green elements will receive additional priority points (see page 7). In addition, possible “Economic Stimulus” funding will likely include similar green project goals. Please refer to the “Green Project Information Form” for more information when answering the question below.

26. Does this project include “green” components, including water or energy efficiency?

Yes Submit a completed “Green Project Information Form” along with sufficient justification

No

27. Please identify any potential obstacles that could prevent or delay this project from moving forward.

Public Water System (PWS) Name _____

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PROJECT READINESS, cont.

33. Has the project obtained all State permits or approvals needed for this project (i.e. DEP diversion permits, DOT permits, DPH change of use permits, etc.)? **** See note below #34 ****

Yes Submit a list of all necessary state agency approvals and/or permits for this project, the state issuing entity, and date at which the approval or permit was obtained.

No Submit a list of outstanding State permits or approvals, and their status

**** To be prioritized for “Economic Stimulus” funding, all state approvals and permits must be in place.**

34. a) What is the anticipated start date for construction of this project? _____.

b) How many days after an “Economic Stimulus Bill” passes could you have a signed construction contract: _____ days

NOTE: The acquisition of any interest in land will likely NOT be eligible for funding under any “Economic Stimulus” legislation. It is eligible for funding under the base DWSRF program. For purposes of answering Question #32, state permits must be in place including permits issued by the DPH (i.e. Sale of Excess Water, Water Company Land, etc.); however, state approvals DO NOT include any approvals that are associated with the DPH DWSRF review process (technical project review & approval, pre-bid document review & approval, authorization to award contract).

System Improvement Information

PLEASE CHECK THE LETTER OF ALL THAT APPLY. Points are only awarded for the deficiency corrected which addresses the highest health risk and compliance concern, and represents a significant portion of the total project cost. **Adequate documentation or justification to validate the deficiency must be provided to earn points.**

A. Surface Water Treatment Rule Violation, 50 points. Project will achieve compliance for any of the following: unfiltered surface water, insufficient disinfection contact time, Ground Water Under the Direct Influence of Surface Water, turbidity violation.

B. Microbiological Violation, 50 points. Project will correct a deficiency resulting in water being delivered to consumers exceeding a Maximum Contaminant Level (MCL). This project may be a new source, replacement of contaminated equipment, piping, or treatment.

C. Inorganic Violation – Nitrate/Nitrite/Nitrogen, 50 points. Project will correct a deficiency resulting in water being delivered to consumers exceeding an MCL for Nitrate, Nitrite and Nitrogen only.

D. Inorganic Violation – Lead/Copper Exceedance, 40 points. Project will correct a deficiency resulting in water being delivered to consumers exceeding the Action Level (AL) for lead or copper exceedances only.

E. Inorganic Chemical Violation – Arsenic, 40 points. Project will correct a deficiency resulting in water being delivered to consumers exceeding an MCL for Arsenic only.

F. Radioactivity Violations, 40 points. Project will correct a deficiency resulting in water being delivered to consumers exceeding an MCL for radiologicals.

G. Inorganic Chemical Violation, 30 points. Project will correct a deficiency resulting in water being delivered to consumers exceeding an MCL for inorganic chemicals (excluding lead, copper, sodium, arsenic, and nitrate).

H. Organic Chemical Violations, 30 points. Project will correct a deficiency resulting in water being delivered to consumers exceeding an MCL for organic chemicals.

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- I. Pesticides, Herbicides and PCBs Violations, 30 points.** Project will correct a deficiency resulting in water being delivered to consumers exceeding an MCL for pesticides, herbicides and PCBs.
- J. Approaching MCL (50% of current MCL), 25 points.** These points may be awarded if the project is being undertaken to treat or eliminate contamination of a regulated contaminant that is approaching an MCL.
- K. Treatment Technique Violations (Fluoride, Chlorine Residual, or Phosphates only), 20 points.** Project will correct a deficiency resulting in water being delivered to consumers that does not meet state or federal standards due to treatment technique violations.
- L. Exceeding DPH Action Levels, 15 points.** Project will correct any inorganic, organic, pesticide, herbicide, PCB and radiological level that has exceeded DPH action levels, but has not received an MCL violation. The DPH Action Level list can be found on the DPH website under the Environmental Health Section: Publications and Reports (“Action Level List for Private Wells”).
- M. Sodium Exceedance, 10 points.** Project will correct a deficiency resulting in water being delivered to consumers exceeding the sodium notification level.
- N. Color Violation, 10 points.** Project will correct a deficiency resulting in water being delivered to consumers exceeding a color of 15 standard units.
- O. pH Violation, 10 points.** Project will correct a deficiency resulting in water being delivered to consumers with low or high pH levels. pH values for water entering distribution is not to be less than 6.4 nor to exceed 10.0 entering the distribution system for systems that are not required to install optimal corrosion control treatment. For systems required to install such treatment, a range of 7.0 to 10.0 must be achieved.
- P. Odor Violation, 10 points.** Project will correct a deficiency resulting in water being delivered to consumers with an odor value that has exceeded two (2).
- Q. Turbidity (Ground Water) Violation, 10 points.** Project will correct a deficiency resulting in water being delivered to consumers with a turbidity that has exceeded five (5) standard units at representative sampling points in the distribution system.
- R. Main Extension to Existing Private Wells with Public Health Code Violations, 20 points.** Project will provide water to existing private wells that have public health code violations. Fill out the attached System Consolidation Worksheet.
- S. Source Deficit or Insufficient Margin of Safety, 40 points.** Project will correct a deficit or insufficient source by adding more sources, rehabilitation of existing sources, etc. Project will correct the supply capacity of the water system to allow a sufficient margin of safety relating to the safe yield and available water versus the existing and projected demands of the system. For community systems with a population served of 1,000 or more, this project must be identified in the water supply plan.
- T. System Capacity Deficits, 20 points.** Project will correct sources of supply, treatment, pumping, transmission and storage facilities to provide flows in excess of the maximum flows and projected peak period consumption.
- U. Lack of Source (production) Meters, 20 points.** Project will include the addition of meters on all sources of supply.
- V. Pressure Violation (water outages or pressure drops less than 25 psi), 20 points.** Project will correct seasonal water shortages requiring hauling or water conservation measures. Improvements may include: new source; increases in sizes of pumps, mains, or treatment facilities; or replacement of leaking water mains.

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W. Source Development, 20 points. Project will develop additional supplies to augment and/or replace existing sources.

X. Implementation of Conservation Measures, 15 points. Project will result in the conservation of water that effectively reduces consumption permanently.

Y. Acquisition / Transfer of System, 25 points. Project will result in a system being acquired or transferred. Fill out the attached System Consolidation Worksheet for each system to be acquired / transferred.

Z. Interconnection / Public Water System Absorbed, 15 points. Project will result in the interconnection of a system and that system being absorbed. Fill out the attached System Consolidation Worksheet for each system to be interconnected.

AA. Interconnection / Public Water System Becomes Consecutive, 15 points. Project will result in the interconnection of an existing public water system that will become a consecutive system following the interconnection. Fill out the attached System Consolidation Worksheet for each new consecutive system.

BB. Proactive Infrastructure, 5 points each, unless noted, with a maximum of 25 points.

Upgrade Treatment Facilities (facility structures, treatment process, etc) (15 points)

Pumping Facilities

Main Replacement / Improvement

Treatment Residuals Management

Storage Tanks (replace, repair, repaint, new, etc)

Main Extension for Interconnection

System Automation

Leak Detection

Distribution Meters

Posting / Fencing / Security Measures (10 points)

Emergency Power Provisions

CC. Source / Distribution Violations, 10 points. Must relate only to construction projects

DD. Implementation of Best Management Practices (BMP) on Watersheds as a Result of Construction, 10 points. Must relate only to construction projects

EE. Source Protection Improvements, 5 points. Must relate only to construction projects

FF. Purchase of Land, 5 points. Must relate only to construction projects

GG. Affordability, 10 points. Systems having projects in towns where the Median Household Income is less than 80% of the State's average. The list of towns based on data from the 2000 Census.

The following represents the list of Cities and Towns which qualify for these additional points:

- ✦ Ansonia
- ✦ Bridgeport
- ✦ East Hartford
- ✦ Hartford
- ✦ Killingly
- ✦ New Britain
- ✦ New Haven
- ✦ New London
- ✦ North Canaan

- ✦ Norwich
- ✦ Plainfield
- ✦ Putnam
- ✦ Sprague
- ✦ Torrington
- ✦ Waterbury
- ✦ West Haven
- ✦ Windham

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HH. Green Project Reserve, maximum 30 points; minimum of 5 points. Priority points will be assigned to eligible projects in an amount up to 30 points. Sufficient documentation must be submitted in justification that the project achieves identifiable and substantial benefits that qualify as green project benefits. The assignment of green points is subject to DPH review and approval of the justification and based on the percentage of the eligible DWSRF project determined to be “green”. Complete the attached *Green Project Information Form* and mark the green percentage applicable to this project in the list below.

- 60 - 100% --- 30 points
- 50% ----- 25 points
- 40% ----- 20 points
- 30% ----- 15 points
- 20% ----- 10 points
- 10% ----- 5 points (>0 & up to 10%)

*** The green percentage is calculated from the proportion of the total eligible DWSRF project cost that will be expended on eligible green element(s) of the project by the total eligible DWSRF project cost. Please round the green percentage to the nearest 10 percent.**

II. Ground Water Rule, maximum 20 points; minimum of 2 points. Priority points will be assigned to eligible projects in an amount up to 20 points. Project will correct a “Significant Deficiency”, as referenced in the DPH DWS “Significant Deficiencies Guidance Document”, which has been identified by DPH. If a “Significant Deficiency” condition exists, but has not yet been documented by DPH, sufficient justification must be submitted to warrant these points.

- 100% ----- 20 points
- 90% ----- 18 points
- 80% ----- 16 points
- 70% ----- 14 points
- 60% ----- 12 points
- 50% ----- 10 points
- 40% ----- 8 points
- 30% ----- 6 points
- 20% ----- 4 points
- 10% ----- 2 points (>0 & up to 10%)

*** The Ground Water Rule percentage is calculated from the proportion of the total eligible DWSRF project cost that will be expended on eligible portions of the project that correct “Significant Deficiencies” by the total eligible DWSRF project cost. Please round the Ground Water Rule percentage to the nearest 10 percent.**

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SYSTEM CONSOLIDATION PROJECT WORKSHEET

This information is very important. If your project is a consolidation, acquisition, transfer of ownership, interconnection or water main extension project, please return this page with your eligibility application to earn points. A copy of this form should be completed for EACH system to be consolidated, whether public or private. Water main extensions to private wells with public health code violations will need to provide the number of homes to be served and documentation of the well(s) public health code violations.

NOTE: A written letter of intent/agreement with the water system/private homeowner(s) you propose to serve indicating the water system's/private homeowner's intent/agreement to connect must be provided with this worksheet.

| Proposed System Served | PWSID (if applicable) | Population Served (number and type) | Number of Connections |
|------------------------|-----------------------|--|-----------------------|
| | | | |

1. Do you currently own this water system? Yes No
2. Do you propose to take over ownership of this water system? Yes No
3. Are you providing water or will you provide water service to this system through an interconnection with your system? Yes No
4. Has the system experienced documented instances of water distribution outages? Yes No (if yes, provide documentation)
5. Does the system lack adequate disinfection? Yes No (if yes, provide documentation)
6. Is the system's documented water production capability less than the minimum required by the DPH? Yes No (if yes, provide documentation)
7. Is the system's water storage capacity less than the minimum required by the DPH? Yes No (if yes, provide documentation)
8. Has the system experienced documented instances of water distribution pressures below 25 pounds pressure per square inch? Yes No (if yes, provide documentation)
9. Has the system experienced documented instances of water contaminants exceeding the primary or secondary Maximum Contaminant Level (MCL)? Yes No (if yes, provide documentation)
10. Is the system experiencing water distribution losses of greater than 25%? Yes No (if yes, provide documentation)

For each "Yes" answer above, please indicate the solution proposed by this project:

| Identified Problem from checklist above (Item #) | Proposed Solution |
|--|-------------------|
| | |
| | |
| | |
| | |
| | |
| | |

Public Water System (PWS) Name _____

DWSRF Project Identifier (DPH to assign) _____

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SIGNATORY SHEET

PLEASE SIGN AND DATE THE FOLLOWING STATEMENT:

As the duly authorized representative of the applicant, I understand that in evaluating this application, the State of Connecticut has relied upon the information provided to evaluate the enclosed project proposal. If such information subsequently proves to be incomplete, inaccurate, false and/or deceptive, this application may be modified, suspended or revoked.

Further, I understand that this application may also be suspended or revoked if it is found that any conditions(s) set forth by the State of Connecticut have been violated or if such an action is necessary to maintain the purity or adequacy of the water supply or public health.

I hereby agree to comply with all applicable requirements of other State and Federal laws, Executive Orders, regulations and policies governing this program and am fully aware that any modifications to the proposed project plan once it has been approved and priority ranked may significantly effect our eligibility ranking and/or opportunity to secure DWSRF financing.

I understand that this application (including any attachments thereto) and any other documents, records or information that I submit to the State of Connecticut in connection with the DWSRF program shall be public records, except as otherwise provided by any federal law or state statute. I further understand that third parties may have access to such public records as required under the Connecticut Freedom of Information Act, Connecticut General Statutes, Sections 1-7 through Sections 1-211, as amended.

I understand that neither myself nor my designee will not enter into any contracts or agreements for this project without receiving written approval the Department. Not adhering to this procedure may prevent a particular service from being funded by the DWSRF.

Signature of an Authorized Legal
Representative of Public Water
System (PWS) Applicant

Date

Print Name of Person Signing

Print Title of Person Signing

**ATTACHMENT D.1. -
FFY 2010 DWSRF Draft Project Priority List**

| Rank ¹ | Ranking points | DWS Project # | PWSID | Public Water System Name | Base City Served by PWS | Project Name | Population Served by entire System | Amount requested | Estimated Subsidization Amount | DWSRF ID # | GPR | GPR Amount | GPR Categorical (C) or Business Case (BC) |
|---|----------------|---------------|-----------|--|-------------------------|---|------------------------------------|------------------|--------------------------------|---------------|-----|------------------|---|
| 1 | 145 | 2010-0096 | CT0429031 | EAST HAMPTON WPCA - VILLAGE CENTER | EAST HAMPTON | DWSRF- System Improvements | 366 ² | \$ 3,388,000 | \$ 694,540 | 2010 0429031a | | | |
| 2 | 90 | 2010-0092 | CT0960091 | CANDLEWOOD TRAILS ASSOCIATION | NEW MILFORD | DWSRF- Water System Improvements | 312 ² | \$ 662,000 | \$ 135,710 | 2010 0960091a | | | |
| 3 | 60 | 2010-0141 | CT1040011 | NORWICH PUBLIC UTILITIES | NORWICH | DWSRF- Deep River Res. Pumps & Drives Upgrade, 2 New 0.5 MG Tanks | 36067 | \$ 2,390,000 | \$ 489,950 | 2010 1040011b | Yes | \$ 2,390,000 | BC |
| 4 | 55 | 2010-0120 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF- North Main Street Pump Station Improvements | 107271 | \$ 610,000 | \$ 125,050 | 2010 1510011b | Yes | \$ 500,000 | BC |
| 5 | 55 | 2010-0091 | CT0180071 | UNITED WATER CT, INC.- GREENRIDGE SYSTEM | BROOKFIELD | DWSRF- Interconnection with Newtown System | 912 ² | \$ 3,400,000 | \$ 697,000 | 2010 0180071a | | | |
| 6 | 52 | 2010-0045 | CT0419013 | EAST HADDAM ELEMENTARY SCHOOL | EAST HADDAM | DWSRF - Water System Upgrades | 485 ² | \$ 400,000 | \$ 82,000 | 2010 0419013a | | | |
| 7 | 50 | 2010-0142 | CT1040011 | NORWICH PUBLIC UTILITIES | NORWICH | DWSRF- Deep River WTP Transmission Main Repl., Meter, and Microturbine | 36067 | \$ 1,570,000 | \$ 321,850 | 2010 1040011c | Yes | \$ 1,570,000 | BC |
| 8 | 50 | 2010-0158 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF- RF Metering - Phase III | 388700 | \$ 3,034,000 | \$ 621,970 | 2010 0640011L | Yes | \$ 3,034,000 | BC |
| 9 | 45 | 2010-0140 | CT1040011 | NORWICH PUBLIC UTILITIES | NORWICH | DWSRF- Stony Brook Backwash Filter Recycle - Construction | 36067 | \$ 1,780,000 | \$ 364,900 | 2010 1040011a | Yes | \$ 1,780,000 | BC |
| 10 | 40 | 2010-0102 | CT0450011 | EAST LYME WATER & SEWER COMMISSION | EAST LYME | DWSRF- Regional Interconnection (only partial funding available for this project ³) | 15245 | \$ 10,192,000 | \$ 547,935 | 2010 0450011a | | | |
| FUNDING LINE - FUNDS ARE ANTICIPATED TO BE AVAILABLE TO PROJECTS ABOVE THIS LINE | | | | | | | | | | | | | |
| 11 | 40 | 2010-0111 | CT0720041 | SCWA, TOWER-FERRY VIEW DIVISION | LEDYARD | DWSRF- AMR Meter Installation | 2567 | \$ 176,225 | | 2010 0720041a | Yes | \$ 176,225 | BC |
| 12 | 35 | 2010-0117 | CT0800011 | MERIDEN WATER DIVISION | MERIDEN | DWSRF- Broad Brook WTP & Pump Sta. Improvements | 58441 | \$ 16,000,000 | | 2010 0800011a | Yes | See footnote # 4 | BC |
| 13 | 25 | 2010-0148 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF- Lake Gaillard WTP Finished Water Reservoir Study | 418900 | \$ 75,000 | | 2010 0930011f | | | |
| 13 | 25 | 2010-0116 | CT0830011 | MIDDLETOWN WATER DEPARTMENT | MIDDLETOWN | DWSRF- Westfield Water Main Ext. & Press. Zone Reconfig. | 41019 | \$ 3,300,000 | | 2010 0830011a | | | |
| 15 | 22 | 2010-0118 | CT0800011 | MERIDEN WATER DIVISION | MERIDEN | DWSRF- Improvements in Carpenter Ave. Press. Zone | 58441 | \$ 500,000 | | 2010 0800011b | | | |
| 16 | 20 | 2010-0065 | CT0610054 | BRAINARD MEMORIAL LIBRARY | HADDAM | DWSRF- Water Main Ext. to Tylerville (Haddam) from CT0231031 | 25 | \$ 6,000,000 | | 2010 0610054a | | | |
| 16 | 20 | 2010-0150 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF- North Cheshire Facility Automation Upgrades | 418900 | \$ 190,000 | | 2010 0930011h | | | |
| 16 | 20 | 2010-0112 | CT1350024 | DOROTHY HEROY RECREATION COMPLEX | STAMFORD | DWSRF- Water Main Ext. to Private Wells (AWC system) | 25 | \$ 1,350,000 | | 2010 1350024a | | | |
| 16 | 20 | 2010-0088 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF- Moss Farm Rd Water Main Ext. | 418900 | \$ 165,000 | | 2010 0930011b | | | |
| 16 | 20 | 2010-0090 | CT0727051 | LEDYARD WPCA, GALES FERRY SYSTEM | LEDYARD | DWSRF- Water Main Ext. to Aljen Heights | 2054 | \$ 4,097,000 | | 2010 0727051a | | | |
| 16 | 20 | 2010-0089 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF- Waterbury and Edge Comb Rds, Cheshire, Main Ext. | 418900 | \$ 415,000 | | 2010 0930011c | | | |
| 22 | 17 | 2010-0093 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF- Blackman Rd Tank Rehabilitation | 107271 | \$ 747,000 | | 2010 1510011a | | | |

**ATTACHMENT D.1. -
FFY 2010 DWSRF Draft Project Priority List**

| Rank ¹ | Ranking points | DWS Project # | PWSID | Public Water System Name | Base City Served by PWS | Project Name | Population Served by entire System | Amount requested | Estimated Subsidization Amount | DWSRF ID # | GPR | GPR Amount | GPR Categorical (C) or Business Case (BC) |
|-------------------|----------------|---------------|-----------|-------------------------------------|-------------------------|--|------------------------------------|------------------|--------------------------------|----------------|-----|------------|---|
| 23 | 15 | 2010-0146 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF- Derby Well No. 1 Contact Time | 418900 | \$ 33,000 | | 2010 0930011d | | | |
| 23 | 15 | 2010-0123 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF- Design of 15 East Hartford Water Main Replacements | 388700 | \$ 419,000 | | 2010 0640011c | | | |
| 23 | 15 | 2010-0105 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF- Farmington Ave. 1A Main Replacement, Hartford | 388700 | \$ 3,750,000 | | 2010 0640011p | | | |
| 23 | 15 | 2010-0106 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF- Oak St (south), EH to Glastonbury, Water Main Install. | 388700 | \$ 3,000,000 | | 2010 0640011o | | | |
| 23 | 15 | 2010-0155 | CT0770021 | MANCHESTER WATER DEPARTMENT | MANCHESTER | DWSRF- New State Road Disinfection Conversion From Gaseous Chlorine | 51066 | \$ 185,000 | | 2010 0770021d | | | |
| 23 | 15 | 2010-0137 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF- Upper Albany Area Water Main Repls., Hartford | 388700 | \$ 3,107,000 | | 2010 0640011y | | | |
| 23 | 15 | 2010-0094 | CT0189043 | BROOKFIELD MUNICIPAL BLDGS | BROOKFIELD | DWSRF- Southern Federal Rd Water Main Ext. | 60 | \$ 3,600,000 | | 2010 0189043a | | | |
| 23 | 15 | 2010-0099 | CT0280011 | COLCHESTER SEWER & WATER COMMISSION | COLCHESTER | DWSRF- Well #4 Treatment Plant Improvements | 4001 | \$ 400,000 | | 2010 0280011c | | | |
| 23 | 15 | 2010-0086 | CT1030011 | NORWALK FIRST TAXING DISTRICT | NORWALK | DWSRF- Pumphouse Bldg Expansion & Chem Equip't Modification | 40256 | \$ 150,000 | | 2010 1030011k | | | |
| 23 | 15 | 2010-0145 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF- Warner St, Wethersfield Ave, & Mannz St Water Main Repl, Hartford | 388700 | \$ 1,788,000 | | 2010 0640011bb | | | |
| 23 | 15 | 2010-0121 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF- Design of 12 Hartford Water Main Replacements | 388700 | \$ 538,000 | | 2010 0640011a | | | |
| 23 | 15 | 2010-0136 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF- Hudson St. Water Main Replacement, Hartford | 388700 | \$ 1,057,400 | | 2010 0640011x | | | |
| 23 | 15 | 2010-0139 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF- Cleveland Ave. Water Main Replacement, Hartford | 388700 | \$ 2,033,000 | | 2010 0640011aa | | | |
| 23 | 15 | 2010-0138 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF- Farmington Ave. Water Main Repl., Hartford | 388700 | \$ 2,330,000 | | 2010 0640011z | | | |
| 23 | 15 | 2010-0143 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF- Cedar St. Water Main Replacement, Hartford | 388700 | \$ 578,875 | | 2010 0640011q | | | |
| 23 | 15 | 2010-0135 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF- Park St. Water Main Replacement | 388700 | \$ 2,416,000 | | 2010 0640011w | | | |
| 39 | 12 | 2010-0115 | CT0170011 | BRISTOL WATER DEPARTMENT | BRISTOL | DWSRF- Grove St. Storage Tank Improvements | 52079 | \$ 400,000 | | 2010 0170011a | | | |
| 40 | 10 | 2010-0109 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF- Uplands Way Pump Station Upgrade, Glastonbury | 388700 | \$ 1,035,000 | | 2010 0640011m | | | |
| 40 | 10 | 2010-0097 | CT1680031 | WOODLAKE TAX DISTRICT | WOODBURY | DWSRF- Atmospheric Storage Tank | 912 | \$ 718,000 | | 2010 1680031a | | | |
| 40 | 10 | 2010-0078 | CT1030011 | NORWALK FIRST TAXING DISTRICT | NORWALK | DWSRF- Security Enhancements | 40256 | \$ 250,000 | | 2010 1030011c | | | |
| 40 | 10 | 2010-0080 | CT1030011 | NORWALK FIRST TAXING DISTRICT | NORWALK | DWSRF- Spring Hill Pump Stn Rehab & Tank Replacement | 40256 | \$ 1,150,000 | | 2010 1030011e | | | |
| 44 | 5 | 2010-0077 | CT1030011 | NORWALK FIRST TAXING DISTRICT | NORWALK | DWSRF- Mill Rd Water Main Ext. | 40256 | \$ 600,000 | | 2010 1030011b | | | |
| 44 | 5 | 2010-0126 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF- Design of 5 Bloomfield Water Main Replacements | 388700 | \$ 360,000 | | 2010 0640011f | | | |
| 44 | 5 | 2010-0081 | CT1030011 | NORWALK FIRST TAXING DISTRICT | NORWALK | DWSRF- Transite Pipe Water Main Replacement | 40256 | \$ 6,700,000 | | 2010 1030011f | | | |

**ATTACHMENT D.1. -
FFY 2010 DWSRF Draft Project Priority List**

| Rank ¹ | Ranking points | DWS Project # | PWSID | Public Water System Name | Base City Served by PWS | Project Name | Population Served by entire System | Amount requested | Estimated Subsidization Amount | DWSRF ID # | GPR | GPR Amount | GPR Categorical (C) or Business Case (BC) |
|-------------------|----------------|---------------|-----------|-------------------------------------|-------------------------|--|------------------------------------|------------------|--------------------------------|---------------|-----|------------|---|
| 44 | 5 | 2010-0147 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF- Ansonia-Derby Water Tank Construction | 418900 | \$ 4,400,000 | | 2010 0930011e | | | |
| 44 | 5 | 2010-0082 | CT1030011 | NORWALK FIRST TAXING DISTRICT | NORWALK | DWSRF- Transmission Main Valve Replacement | 40256 | \$ 350,000 | | 2010 1030011g | | | |
| 44 | 5 | 2010-0149 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF- Seymour Wellfield Chemical Transfer Automation Upgrades | 418900 | \$ 250,000 | | 2010 0930011g | | | |
| 44 | 5 | 2010-0084 | CT1030011 | NORWALK FIRST TAXING DISTRICT | NORWALK | DWSRF- Filter Plant Secondary Generator | 40256 | \$ 220,000 | | 2010 1030011i | | | |
| 44 | 5 | 2010-0083 | CT1030011 | NORWALK FIRST TAXING DISTRICT | NORWALK | DWSRF- Transmission Pipe Cleaning & Lining | 40256 | \$ 5,000,000 | | 2010 1030011h | | | |
| 44 | 5 | 2010-0085 | CT1030011 | NORWALK FIRST TAXING DISTRICT | NORWALK | DWSRF- Water Main Ext to Loop Piping | 40256 | \$ 1,800,000 | | 2010 1030011j | | | |
| 44 | 5 | 2010-0079 | CT1030011 | NORWALK FIRST TAXING DISTRICT | NORWALK | DWSRF- Silvermine Rd and Valley Rd New Transmission Pipeline | 40256 | \$ 4,700,000 | | 2010 1030011d | | | |
| 44 | 5 | 2010-0066 | CT1030011 | NORWALK FIRST TAXING DISTRICT | NORWALK | DWSRF- Undersized Water Main Replacements | 40256 | \$ 4,450,000 | | 2010 1030011a | | | |
| 44 | 5 | 2010-0104 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF- Farmington Ave. Water Main Repl., West Hartford | 388700 | \$ 1,359,400 | | 2010 0640011s | | | |
| 44 | 5 | 2010-0119 | CT0280011 | COLCHESTER SEWER & WATER COMMISSION | COLCHESTER | DWSRF- Emergency Interconnection With Norwich | 4001 | \$ 4,000,000 | | 2010 0280011f | | | |
| 44 | 5 | 2010-0100 | CT0280011 | COLCHESTER SEWER & WATER COMMISSION | COLCHESTER | DWSRF- Rt. 637/Lake Hayward Rd Water Main Ext. | 4001 | \$ 900,000 | | 2010 0280011d | | | |
| 44 | 5 | 2010-0101 | CT0280011 | COLCHESTER SEWER & WATER COMMISSION | COLCHESTER | DWSRF- Rt. 85 Main Replace Hall Hill Rd | 4001 | \$ 700,000 | | 2010 0280011e | | | |
| 44 | 5 | 2010-0098 | CT0280011 | COLCHESTER SEWER & WATER COMMISSION | COLCHESTER | DWSRF- Rt. 85 Water Main Replacement | 4001 | \$ 250,000 | | 2010 0280011b | | | |
| 44 | 5 | 2010-0114 | CT0340231 | SNUG HARBOR DEVELOPMENT CORP | DANBURY | DWSRF- Tank Replacement | 144 | \$ 30,000 | | 2010 0340231a | | | |
| 44 | 5 | 2010-0108 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF- Simsbury Rd Pump Station Upgrade, Bloomfield | 388700 | \$ 1,035,000 | | 2010-0640011n | | | |
| 44 | 5 | 2010-0133 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF- Canal Road Pump Station Replacement - West Hartford | 388700 | \$ 1,100,000 | | 2010 0640011u | | | |
| 44 | 5 | 2010-0132 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF- Bloomfield Bear Ridge Pump Station Replacement | 388700 | \$ 1,100,000 | | 2010 0640011t | | | |
| 44 | 5 | 2010-0134 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF- Farmstead Lane Pump Station Replacement, Glastonbury | 388700 | \$ 1,100,000 | | 2010 0640011v | | | |
| 44 | 5 | 2010-0107 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF- Cold Spring Dr. Water Main Repl., Bloomfield | 388700 | \$ 1,152,888 | | 2010 0640011r | | | |
| 44 | 5 | 2010-0113 | CT0827081 | BITTERSWEET RIDGE WATER ASSOCIATION | MIDDLEFIELD | DWSRF- Tank Replacement | 40 | \$ 30,000 | | 2010 0827081a | | | |
| 44 | 5 | 2010-0128 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF- Design of 3 Windsor Water Main Replacements | 388700 | \$ 311,000 | | 2010 0640011h | | | |
| 44 | 5 | 2010-0124 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF- Design of 2 Rocky Hill Water Main Replacements | 388700 | \$ 194,000 | | 2010 0640011d | | | |
| 44 | 5 | 2010-0125 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF- Design of 8 Water Main Replacements - Wethersfield | 388700 | \$ 220,000 | | 2010 0640011e | | | |

**ATTACHMENT D.1. -
FFY 2010 DWSRF Draft Project Priority List**

| Rank ¹ | Ranking points | DWS Project # | PWSID | Public Water System Name | Base City Served by PWS | Project Name | Population Served by entire System | Amount requested | Estimated Subsidization Amount | DWSRF ID # | GPR | GPR Amount | GPR Categorical (C) or Business Case (BC) |
|-------------------|------------------|---------------|-----------|-------------------------------------|-------------------------|---|------------------------------------|------------------|--------------------------------|---------------|-----|------------|---|
| 44 | 5 | 2010-0153 | CT0770021 | MANCHESTER WATER DEPARTMENT | MANCHESTER | DWSRF- Painting of Birch Mount and Rockledge Storage Tanks | 51066 | \$ 245,000 | | 2010 0770021b | | | |
| 44 | 5 | 2010-0122 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF- Design of 4 Water Main Replacements - West Hartford | 388700 | \$ 335,000 | | 2010 0640011b | | | |
| 44 | 5 | 2010-0154 | CT0770021 | MANCHESTER WATER DEPARTMENT | MANCHESTER | DWSRF- Village St. and Valley St. Neighborhoods - Water Main Replacements | 51066 | \$ 1,700,000 | | 2010 0770021c | | | |
| 44 | 5 | 2010-0129 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF- Design of 2 South Windsor Water Main Replacements | 388700 | \$ 103,000 | | 2010 0640011i | | | |
| TBD ⁵ | TBD ⁵ | 2010-0130 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF- Design of 6 Farmington Water Main Replacements | 388700 | \$ 186,000 | | 2010 0640011j | | | |
| TBD ⁵ | TBD ⁵ | 2010-0127 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF- Design of 3 Newington Water Main Replacements | 388700 | \$ 388,000 | | 2010 0640011g | | | |
| TBD ⁵ | TBD ⁵ | 2010-0131 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF- Design of 2 Glastonbury Water Main Replacements | 388700 | \$ 200,000 | | 2010 0640011k | | | |
| N/A ⁶ | 15 | 2010-0151 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF- Adv. Metering Infrastructure Study | 418900 | \$ 140,000 | | 2010 0930011i | | | |
| I ⁷ | 0 | 2010-0095 | CT0280011 | COLCHESTER SEWER & WATER COMMISSION | COLCHESTER | DWSRF- Cabin Rd Water Main Ext. | 4001 | \$ 575,000 | | 2010 0280011a | | | |
| I ⁷ | 0 | 2010-0152 | CT0770021 | MANCHESTER WATER DEPARTMENT | MANCHESTER | DWSRF- Lydall Dam Reservoir Spillway #1 Replacement | 51066 | \$ 650,000 | | 2010 0770021a | | | |
| I ⁷ | 0 | 2010-0159 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF- Woodbridge Bulk Fill Station | 418900 | \$ 50,000 | | 2010 0930011k | | | |
| I ⁷ | 0 | 2010-0156 | CT0770021 | MANCHESTER WATER DEPARTMENT | MANCHESTER | DWSRF- Well 2A Remediation | 51066 | \$ 1,150,000 | | 2010 0770021e | | | |
| I ⁷ | 0 | 2010-0087 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF- Lake Gaillard WTP Fuel Cell | 418900 | \$ 2,500,000 | | 2010 0930011a | | | |
| I ⁷ | 0 | 2010-0157 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF- Sargent Dr. Facility Lighting Retrofits | 418900 | \$ 130,000 | | 2010 0930011j | | | |

Footnotes:

- For projects below the "funding line" that are tied in the number of ranking points, ranking has been shown as the same for each with that number of points. Should funds become available, tie-breaker provisions will be implemented.
- These PWSs serve a population less than 10,000 and are considered "small" for the purposes of DWSRF
- It is anticipated that this project will only receive partial funding due to the availability of funds.
- This project is anticipated to include GPR components, however they will not be finalized until the design has been completed. GPR points may be awarded if/when the project is rolled over for construction activities.
- TBD - Eligibility could not be determined at this time
- This project can only be funded from Capitalization Grant set-asides; none are available at this time.
- I - Project is ineligible for funding.

**ATTACHMENT D.2. - DWSRF FFY 2010
CARRYOVER PROJECTS FROM FFY 2008 TO BE FUNDED**

| DWS Project # | PWSID | Public Water System Name | City served | Project Name | Amount | DWSRF ID # |
|---------------|-----------|----------------------------------|-------------|---|--------------|----------------|
| 2006-0064 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Res. #6 filter rehab. - Phase I | \$ 4,500,000 | 2006 0640011 b |
| 2006-0066 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - raw water bypass elim. @ WH WTP | \$ 1,000,000 | 2006 0640011d |
| 2007-0046 | CT0090011 | BETHEL WATER DEPT | BETHEL | DWSRF - new water storage tank | \$ 500,000 | 2007 0090011a |
| 2007-0070 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - water main Brookfield St Phase I., Hartford (South) | \$ 2,583,500 | 2007 0640011d |
| 2007-0074 | CT1040011 | NORWICH PUBLIC UTILITIES | NORWICH | DWSRF - filter backwash process evaluation | \$ 257,565 | 2007 1040011c |
| 2008-0024 | CT1130011 | PORTLAND WATER DEPARTMENT | PORTLAND | DWSRF - Water Main Replacement - High Street | \$ 816,000 | 2008 1130011a |
| 2008-0025 | CT1130011 | PORTLAND WATER DEPARTMENT | PORTLAND | DWSRF - Water Storage Tanks - Improvements & Replac | \$ 895,000 | 2008 1130011b |
| 2006-0401 | CT0720031 | LEDYARD WPCA, HIGHLANDS SYSTEM | LEDYARD | DWSRF - Ledyard Center storage tank | \$ 1,790,400 | 2005 0727031a |

Total amount to be funded from previous FFYs: \$ 12,342,465

ATTACHMENT E.1.



STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC HEALTH

NOTICE OF PUBLIC HEARING/OPEN FORUM

ELIGIBLE PUBLIC DRINKING WATER INFRASTRUCTURE IMPROVEMENT PROJECTS FUNDED UNDER CONNECTICUT'S DRINKING WATER STATE REVOLVING FUND (DWSRF) LOAN PROGRAM AND ITS DRAFT INTENDED USE PLAN FOR FEDERAL FISCAL YEAR 2009 - 2010

The Connecticut Department of Public Health (DPH) is holding on June 2, 2010, a Public Hearing on the proposed final draft priority list of projects eligible for Drinking Water State Revolving Fund (DWSRF) loans and the draft intended use plan (IUP) for Federal Fiscal year 2009 – 2010.

The hearing will be held in conformance with the provisions of the Safe Drinking Water Act Amendments of 1996 (Public Law 104-182), and pursuant to Sections 22a-478(h) and 22a-482 of the Connecticut General Statutes and Sections 22a482-1 (c)(4) of the Regulations of Connecticut State Agencies.

Copies of the DRAFT DWSRF Priority List, the Draft Intended Use Plan and the Ranking Criteria used to establish the list will be available for review and for public comments, no later than May 2, 2010, at the Department of Public Health, Drinking Water Section, at 450 Capitol Avenue, Hartford, CT. Please call (860) 509-7333 Monday through Friday between the hours of 8:30 a.m. and 4:30 p.m. and ask for a DWSRF representative to set up an appointment to review the documents. Documents can also be downloaded at www.ct.gov/dph/dwsrf.

The Public Hearing will be held on Wednesday, June 2, 2010, in Conference Room C, 470 Capitol Avenue, Hartford, CT at 10:00 a.m.

Following the Public Hearing, DPH will conduct an Open Forum to give participants the opportunity to:

- 1) participate in an informal question and answer session on the regulatory requirements of the program,
- 2) obtain a copy of the Financial Assistance Application and other related handouts, and
- 3) meet with representatives from participating agencies for the program.

DPH will accept written comments on the proposed final ranking of projects as long as the comments are received no later than 4:30 p.m. on June 1, 2010. All submissions should be directed to Cameron Walden, Supervising Sanitary Engineer, Department of Public Health, Drinking Water Section, 410 Capitol Avenue, MS #51 WAT, P.O Box 340308, Hartford, CT 06134-0308.



Phone: (860) 509-7333
Telephone Device for the Deaf (860) 509-7191
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P.O. Box 340308 Hartford, CT 06134
Affirmative Action / An Equal Opportunity Employer

ATTACHMENT F

Acronyms Used in This Document:

| | |
|-------|---|
| ARRA | American Recovery & Reinvestment Act of 2009 |
| CWS | Community Water System |
| CGS | Connecticut General Statutes |
| CPCN | Certificate of Public Convenience and Necessity |
| CWF | Clean Water Fund |
| DEP | Department of Environmental Protection (CT) |
| DPH | Department of Public Health (CT) |
| DPUC | Department of Public Utility Control (CT) |
| DWF | Drinking Water Fund |
| DWS | Drinking Water Section (within DPH) |
| DWSRF | Drinking Water State Revolving Fund |
| EDI | Electronic Data Interchange |
| EPA | Environmental Protection Agency (Federal) |
| FFY | Federal Fiscal Year |
| FTE | Full Time Equivalent staff |
| GPR | Green Project Reserve |
| IUP | Intended Use Plan |
| MOU | Memorandum of Understanding |
| NTNC | Non-Transient Non-Community (Public Water System) |
| OA | Operating Agreement |
| OTT | Office of the State Treasurer (CT) |
| PBR | Project Benefits Reporting database |
| PPA | Performance Partnership Agreement |
| PPL | Project Priority List |
| PWS | Public Water System |
| PWSID | Public Water System Identification Number |
| PWSS | Public Water System Supervision grant |
| QAPP | Quality Assurance Project Plan |
| RCSA | Regulations of Connecticut State Agencies |
| SDWA | Safe Drinking Water Act |
| SDWIS | Safe Drinking Water Information System |
| SWAP | Source Water Assessment Program |
| SWP | Source Water Protection Unit |
| TNC | Transient Non-Community PWS |
| WSP | Water Supply Plan |
| WUCC | Water Utility Coordinating Committee |