

Drinking Water State Revolving Fund Hearing Report SFY 2016 and 2017

State Of Connecticut
Department Of Public Health



Table of Contents

- I. Introduction
- II. Statutory Requirements
- III. Project Testimony and Responses
- IV. Technical Corrections
- V. Summary of Adjustments
- VI. Decision
- VII. Attachments
 - A. Hearing Record of Documents
 - B. DWSRF Final Intended Use Plan

Hearing Officer:

Kathryn Keenan
Department of Public Health

Hearing Date:

August 12, 2015

I. Introduction

The award of financial assistance from the Drinking Water State Revolving Fund (DWSRF) to eligible public water systems (PWS) for eligible drinking water projects is governed by Section 1452 of the Safe Drinking Water Act (SDWA) (42 United States Code (U.S.C.) 300j-12), 40 Code of Federal Regulations (CFR) Part 35, Sections 22a-475 through 22a-483, inclusive, of the Connecticut General Statutes (CGS) and Sections 22a-482-1 through 4, inclusive, of the Regulations of Connecticut State Agencies (RCSA). In accordance with these statutes and regulations, the Department of Public Health (DPH) is required to prepare a priority listing of projects for which financial assistance is available from the DWSRF for the fiscal year.

The DPH DWSRF Program receives an annual allotment of funds from the United States Environmental Protection Agency (EPA) in the form of a Capitalization Grant to administer the program and provide subsidized or low-interest loans, or both, to eligible PWSs. Approximately \$82.7 million is available for drinking water infrastructure projects for State Fiscal Years (SFY) 2016 and 2017, which includes the allotment from Federal Fiscal Year (FFY) 2015 capitalization grant and the projected allotment from the FFY 2016 capitalization grant. Of this total amount, \$41.1 million is available for projects during SFY 2016.

On November 25, 2014, the DPH issued a call for projects to eligible public water systems to determine the statewide DWSRF funding needs. The call for projects also announced the continuation of the DPH's Emergency Power Generator Program (the EPGP). Public water systems were asked to submit project eligibility applications to the DPH no later than January 31, 2015. The DPH received requests for loans for 77 infrastructure projects totaling approximately \$205 million in project costs, including approximately \$202 million in eligible costs. This includes 6 applications submitted by a PWS under the EPGP and 7 larger generator projects totaling approximately \$6.7 million in eligible project costs. This is the highest amount of requests ever received by the DPH.

The DPH completed a systematic review of all DWSRF eligibility applications consistent with the DPH's Intended Use Plan (IUP). Projects eligible to receive financial assistance through the DWSRF were ranked and prioritized using the priority ranking criteria provided in the November 25, 2014 call for projects. Using the priority ranking criteria, the DPH awarded all projects ranking points and developed a Comprehensive Project List¹ that indicated the SFY in which each project was expected to proceed, based on information provided in the applicant's DWSRF eligibility application and associated records on file with the DPH.

II. Statutory Requirements

In accordance with 40 CFR 35.3555(b), the DPH sought meaningful public review and comment during development of the IUP by providing notice to the public of the draft IUP, including the ways in which such draft IUP may be obtained, an opportunity for the public to provide both oral testimony at a hearing and written comments during a public comment period, and reviewing and responding to oral testimony and written comments received. RCSA Section 22a-482-1(c)(4) requires the DPH to hold an annual public hearing and distribute the Draft IUP to appropriate local officials at least 30 days in advance of the hearing. The DPH is required to consider all written and

¹ The Comprehensive Project List is one list of projects presented in two different formats in the IUP; first, alphabetically by the Public Water System Identification Number (PWSID); and second, in order of ranking points awarded to each project, divided between the SFY during which a project is expected to proceed.

oral testimony presented at the hearing and may elect to modify the Draft IUP on the basis of such testimony. The DPH is required to indicate reasons for accepting or rejecting any suggested revisions as part of the hearing record. Following notice of any changes to the Draft IUP which may result from the hearing, the IUP shall be deemed final except for minor revisions allowable under RCSA Section 22a-482-1(c)(5).

The DPH provided legal notice (Attachment A.10) of an August 12, 2015 public hearing in the La Voz Hispana on July 9, 2015; the Hartford Courant, New Haven Register, and Waterbury Republican-American on July 10, 2015; and the Northeast News on July 16, 2015. The legal notice also provided an opportunity for the submission of written comments. Starting on July 9, 2015, the DPH made the Draft IUP available for public review and comment, including posting it on the DPH website.

On July 15, 2015, the DPH sent an email to all PWSs that submitted an eligibility application that included an email address, informing them of the public notice and date of the public hearing. The email included an electronic copy of the Draft IUP (Attachment A.9) and contained a link to the DWS website where the public notice and Draft IUP could be found.

A public hearing was held on August 12, 2015, at 470 Capitol Avenue, adjacent to the DPH's offices at 410 Capitol Avenue, Hartford, CT. Commissioner Dr. Jewel Mullen, DPH, appointed Kathryn Keenan as the hearing officer (Attachment A.3). The public hearing was intended to allow for public comment on the Draft IUP. The public hearing was convened at 10:05 am and was concluded at 10:24 am. Eighteen (18) people attended the hearing. Three individuals testified at the hearing and their oral testimony, in its entirety, can be found in the public hearing transcript (Attachment A.12). The public comment period closed at 4:30 pm on August 14, 2015. Written testimony, in its entirety, submitted during the comment period is provided in Attachment A.11.

Following the conclusion of the public hearing and comment period, all oral and written testimony was reviewed, incorporated into the public hearing record, and taken into consideration by the Commissioner of the DPH in preparing a Final IUP, Fundable Project Priority List (Fundable PPL), and this hearing report. DPH's responses to the testimony that was submitted during the public comment period and during the public hearing are provided in Section III.

III. Project Testimony and Responses

The Commissioner of DPH reviewed and considered all testimony received, both written and oral, adjusted the ranking points of projects as warranted, and prepared the Fundable PPL accordingly. All projects appearing on the Fundable PPL were ranked according to the priority ranking points awarded to each project using the Priority Ranking System criteria, including the small system funding goal established by EPA. Based on the amount of funding available, 29 projects appear on the Fundable PPL and are proposed to receive DWSRF funds. The Comprehensive Project List includes all eligible projects for which a funding request was received, including those on the Fundable PPL. Those projects on the Comprehensive Project List, but not appearing on the Fundable PPL, are not proposed to receive DWSRF funds at this time but may be considered for funding in the future if a project for which funding is proposed is bypassed or if additional funding becomes available. Bypass procedures are explained in Section IV.H of the DPH's IUP (Attachment B).

Based on the oral testimony provided at the public hearing and the written comments received during the public comment period, adjustments were made to 2 projects. The following subsections summarize the oral testimony heard, the written testimony received and the DPH responses thereto.

Copies of the actual written testimony are provided in Attachment A.11. Oral testimony provided during the public hearing was recorded in the hearing transcript, which is provided in Attachment A.12.

A. The Metropolitan District

Susan Negrelli, Director of Engineering for The Metropolitan District (MDC), provided oral testimony during the August 12, 2015, public hearing. Ms. Negrelli's testimony provided background information regarding the MDC and its asset management and capital improvement programs, including information about recent water main break trends. Ms. Negrelli also noted that the MDC submitted 19 DWSRF applications totaling \$98.4 million for various infrastructure projects. Ms. Negrelli testified in support of increased state funding for the DWSRF program and encouraged continued development of Asset Management Plans and other prioritization tools. Ms. Negrelli noted that MDC strives to maintain affordable drinking water for its ratepayers and stated that assistance from the DWSRF program is a critical component in providing safe, sustainable, and affordable drinking water for the future.

In addition, Ms. Negrelli stated that the Simsbury Road Pump Station project also includes the elimination of two 7,500-gallon hydropneumatic tanks installed in 1966, which will provide a safety improvement to the station. Ms. Negrelli requested that DPH reconsider the initial determination that the project was ineligible for DWSRF funding.

Ms. Negrelli also submitted a letter dated August 14, 2015, for the hearing record. This letter included additional information regarding the Simsbury Road Pump Station project and a typed copy of the oral testimony.

DPH response to all testimony:

Thank you for your testimony. The DPH believes that comprehensive asset management plans are a critical component of water utility sustainability programs, along with capital improvement plans. The DPH is looking forward to working with the MDC on these projects to improve the reliability of the water system to provide a continuous supply of potable water to its customers.

With respect to the Simsbury Road Pump Station project, the DPH acknowledges the revised project description. The original determination that the project was ineligible was based on the project description submitted with the Eligibility Application. This description indicated that the pump station was being expanded to accommodate additional services and thus was considered a project primarily intended for growth, which is not eligible under the DWSRF program. In the subsequent documentation submitted by MDC for the hearing record, additional project details clarified that the project was not intended for growth but rather for rehabilitation and upgrade of the existing pump station.

Therefore, based on the revised project description, the project appears to be solely for rehabilitation and therefore is eligible for DWSRF funding with a total of 15 ranking points. As with every project, this eligibility determination is for the purposes of the Intended Use Plan and is subject to further review upon receipt of more detailed project information.

B. South Central Connecticut Regional Water Authority

Beth Nesteriak, Manager of Capital Planning and Delivery for the South Central Connecticut Regional Water Authority (RWA) provided oral testimony during the August 12, 2015, public hearing. Ms. Nesteriak's testimony noted that RWA is faced with declining demands and higher fixed costs, and RWA is always looking for new and innovate ways to balance costs with benefits to customers. Ms. Nesteriak also noted that RWA submitted over \$21 million in DWSRF funding requests. Ms. Nesteriak testified that the DWSRF program is a great opportunity to support RWA's goals by offering lower financing costs and subsidy monies. Ms. Nesteriak added that having the DWSRF program support projects to upgrade aging infrastructure, improve treatment processes, and keep current with technology, public water systems are able to provide customers with the highest quality of drinking water at the lowest possible cost. Ms. Nesteriak stated that as a new participant in the DWSRF program, RWA appreciates the opportunity to participate in the current and future funding cycles, and looks forward to working with the DPH. Ms. Nesteriak submitted a letter dated August 12, 2015, for the hearing record, which was essentially verbatim to her oral testimony.

On August 14, 2015, Rose Gavrilovic, Capital Planning Team Lead for RWA, submitted a letter which included additional information regarding the West River Water Treatment Plant (WTP) Dissolved Air Floatation (DAF) project. This letter was in response to the number of ranking points assigned to the project and requested that the DPH reconsider its decision not to award 5 points for "system automation". The letter noted that the new DAF process will be fully automated and Programmable Logic Controls will run the DAF system automatically.

DPH response to all testimony:

Thank you for your testimony. The DPH believes that the DWSRF program is an important tool for water systems when in need of lower cost options for financing capital improvement infrastructure projects. The DPH is looking forward to working with RWA on these projects to improve the reliability of the water system to provide a continuous supply of potable drinking water to its customers.

With respect to the West River WTP DAF project, the DPH acknowledges the additional information provided with respect to the system automation components of the project. Based on that information, the DPH has revised the original number of ranking points assigned to now include 5 additional points for "system automation." This project was originally awarded 35 points and now has a total of 40 points.

C. Bethel Public Works

Douglas Arndt, Public Works Director for the Town of Bethel, provided oral testimony during the August 12, 2015, public hearing. Mr. Arndt's testimony included background information about the water system and noted that the town is currently undergoing a 10-year, \$22 million renovation of the water system. Mr. Arndt stated that there are a number of projects which are critical to the sustainability of their water system as the town moves away from utilizing surface water as a source of supply to groundwater wells. Mr. Arndt provided background information on each of the projects for which the Town requested DWSRF funding. Mr. Arndt testified that the Town is committed to move forward and make substantial advancements in replacing and updating aged infrastructure, including the construction of a new water storage tank that will be going to bid

shortly. Mr. Arndt stated that the Town is looking forward to the State's support in these projects and believe that they are valuable and worth the investment.

DPH response to testimony:

Thank you for your testimony. The DPH believes that the DWSRF program is an important tool for water systems when in need of lower cost options for financing capital improvement infrastructure projects. The DPH is looking forward to working with the Town of Bethel on these projects to improve the reliability of the water system to provide a continuous supply of potable drinking water to its customers.

D. City of Meriden

Written comments were received from Dennis Waz, Director of Public Utilities for the City of Meriden, on August 13, 2015, and consisted of a letter requesting the appropriation of DWSRF funding that would allow the City to successfully complete numerous water infrastructure improvement projects to assure the delivery of the best quality water to the residents served in the City. The letter also stated that the City's infrastructure dates back to the late 1800's and it is the City's goal to upgrade the infrastructure to meet or exceed current standards. As a distressed community, the City's funding sources are limited and the DWSRF program would allow municipal water utilities to improve the systems should state subsidies become available to cover project costs. The letter concluded stating that the City appreciates the opportunity to present its concerns and requests to DPH for consideration.

DPH response to testimony:

Thank you for your testimony. The DPH believes that the DWSRF program is an important tool for water systems when in need of lower cost options for financing capital improvement infrastructure projects. The DPH is looking forward to working with the City of Meriden to improve the reliability of the water system to provide a continuous supply of potable drinking water to its customers.

IV. Technical Corrections

The Commissioner of DPH has made technical corrections to the Comprehensive Project List and Carryover Project List, to reflect corrections to points awarded, more accurately identify a column on the Comprehensive Project List, and update the Carryover List to reflect current project status. These changes are summarized below and the specific projects affected by these changes are identified in Section V.

These corrections to the Comprehensive Project List are necessary to ensure that the Fundable PPL fairly and accurately reflects the ranking points awarded to each project and the readiness to proceed of each project. These corrections were initiated by DPH staff and are explained as follows:

- The column on the Comprehensive Project List labeled "Received Affordability Points" has been changed to "Received Sustainability and Affordability Points" to accurately reflect that this column is meant to indicate those projects which have been determined to be eligible to receive a federal subsidy in the form of loan principal forgiveness. The corresponding Footnote #1 has also been corrected on the list.

- One project was not initially awarded points for “Sustainability Planning”, however after a review of the project file, it was determined that the project should have received “Sustainability Planning” points for the project’s inclusion in a Water Supply Plan.
- Typographical errors for the points awarded were corrected for three projects.
- Several projects have been withdrawn by the public water system and therefore removed from the Comprehensive Project List.

Corrections have been made to the Carryover List to ensure that the list reflects the most recent information for projects and amount requested. These corrections were initiated by DPH staff and are explained as follows:

- One project was added to the list that was inadvertently missing from the Draft IUP.
- Several projects have been withdrawn by the public water system
- Several projects have executed funding agreements and, therefore the funding has been committed and is no longer being carried over.
- Several projects have updated estimated costs.

V. Summary of Adjustments

Based on the oral testimony the DPH received at the hearing, written comments received during the comment period, and the technical corrections, the DPH made adjustments to the Comprehensive Project List and Carryover Project List. The specific changes are outlined below:

- Based on documentation received from MDC with respect to the Simsbury Road Pump Station project, the DPH has determined that the project is eligible for DWSRF funding and has added such project to the Comprehensive Project List.
- Based on documentation received from RWA with respect to the West River WTP DAF project, the Commissioner has awarded an additional 5 ranking points to the project and adjusted the Comprehensive Project List to reflect the change in points. This project was changed from 35 to 40 points.
- “Sustainability Planning” points were awarded to New Britain Water Department’s Hydroelectric Turbine and Generator project, for a new total of 25 points
- The typographical errors for the total points awarded were corrected for the following projects on the Comprehensive Project List:
 - Meriden Water Department Elmere WTP & Storage tank was changed from 55 points to 45 points
 - Meriden Water Department Fleming Road Storage Tank was changed from 45 points to 40 points
 - Regional Water Authority North Sleeping Giant Well Replacement was changed from 50 points to 70 points
- Based on correspondence provided by the Tariffville First District Water Department they stated their intention to move forward with the Water Main Replacement project during 2017 as opposed to 2016, therefore this project has been changed to reflect that it is now expected to proceed during SFY 2017.
- Bethel Water Department has withdrawn the Water Main Replacement project and the Comprehensive Project List has been adjusted.
- Waterbury Water Department has withdrawn the design phases of the 5 pump station generator projects and the Comprehensive Project List has been adjusted.
- Changes to the Carryover List are as follows:
 - Winsted Water Department Emergency Generator was added after being inadvertently left off of the draft.

- Evergreen Trailer Park withdrew 4 generator projects and therefore those projects were removed from the Carryover List.
- Based on correspondence provided by the Tariffville Fire District Water Department their Storage Tank Replacement project cost was revised.
- Based on correspondence provided by the Meriden Water Department their Swain Avenue Water Main replacement project cost was revised.
- Based on correspondence provided by the Norwich Public Utilities their Stony Brook Dissolved Air Flootation project cost was revised.
- Two RWA generator projects have executed funding agreements and as such were removed from the Carryover List.

VI. Decision

Based on the oral testimony provided at the public hearing and the written comments received during the public comment period, the DPH will adopt the changes made to the DWSRF IUP as discussed herein and incorporated into the Final IUP in Attachment B.

10/6/2015
Date



Jewel Mullen, MD, MPH, MPA
Commissioner

VII. Attachments

A. Hearing Record of Documents

1. Connecticut General Statutes Sections 22a-475 through 22a-483
2. Regulations of Connecticut State Agencies Sections 22a-482-1 through 22a-482-4
3. DPH Commissioner Mullen's Designation of Kathryn Keenan as Hearing Officer
4. November 25, 2014 DWSRF Call for Projects Announcement and Notice
5. SFY 2016 and 2017 DWSRF Project Eligibility Application
6. SFY 2016 and 2017 DWSRF Generator Eligibility Application
7. SFY 2016 and 2017 DWSRF Project Rollover Update Form
8. DWSRF Green Project Information Form
9. DPH Draft Intended Use Plan for SFY 2016
10. Public Hearing Legal Notice
11. Written Testimony
 - a. August 14, 2015 letter from The Metropolitan District
 - b. August 12, 2015 letter from the South Central CT Regional Water Authority
 - c. August 14, 2015 letter from the South Central CT Regional Water Authority
 - d. August 13, 2015 letter from the City of Meriden
12. Written transcript of August 12, 2015 Public Hearing

B. Final DWSRF Intended Use Plan

Attachment A.1.

**Connecticut General Statutes
Sections 22a-475 through 483**

(Revised to January 1, 2011)

Sec. 22a-475. Clean Water Fund: Definitions. As used in this section and sections 22a-476 to 22a-483, inclusive, the following terms shall have the following meanings unless the context clearly indicates a different meaning or intent:

(1) "Bond anticipation note" means a note issued by a municipality in anticipation of the receipt of the proceeds of a project loan obligation or a grant account loan obligation.

(2) "Clean Water Fund" means the fund created under section 22a-477.

(3) "Combined sewer projects" means any project undertaken to mitigate pollution due to combined sewer and storm drain systems, including, but not limited to, components of regional water pollution control facilities undertaken to prevent the overflow of untreated wastes due to collection system inflow, provided the state share of the cost of such components is less than the state share of the estimated cost of eliminating such inflow by means of physical separation at the sources of such inflow.

(4) "Commissioner" means the Commissioner of Environmental Protection.

(5) "Department" means the Department of Environmental Protection.

(6) "Disadvantaged communities" means the service area of a public water system that meets affordability criteria established by the Office of Policy and Management in accordance with applicable federal regulations.

(7) "Drinking water federal revolving loan account" means the drinking water federal revolving loan account of the Clean Water Fund created under section 22a-477.

(8) "Drinking water state account" means the drinking water state account of the Clean Water Fund created under section 22a-477.

(9) "Eligible drinking water project" means the planning, design, development, construction, repair, extension, improvement, remodeling, alteration, rehabilitation, reconstruction or acquisition of all or a portion of a public water system approved by the Commissioner of Public Health, under sections 22a-475 to 22a-483, inclusive.

(10) "Eligible project" means an eligible drinking water project or an eligible water quality project, as applicable.

(11) "Eligible water quality project" means the planning, design, development, construction, repair, extension, improvement, remodeling, alteration, rehabilitation, reconstruction or acquisition of a water pollution control facility approved by the commissioner under sections

22a-475 to 22a-483, inclusive.

(12) "Eligible project costs" means the total costs of an eligible project which are determined by (A) the commissioner, or (B) if the project is an eligible drinking water project, the Commissioner of Public Health, and in consultation with the Department of Public Utility Control when the recipient is a water company, as defined in section 16-1, to be necessary and reasonable. The total costs of a project may include the costs of all labor, materials, machinery and equipment, lands, property rights and easements, interest on project loan obligations and bond anticipation notes, including costs of issuance approved by the commissioner or by the Commissioner of Public Health if the project is an eligible drinking water project, plans and specifications, surveys or estimates of costs and revenues, engineering and legal services, auditing and administrative expenses, and all other expenses approved by the commissioner or by the Commissioner of Public Health if the project is an eligible drinking water project, which are incident to all or part of an eligible project.

(13) "Eligible public water system" means a water company, as defined in section 25-32a, serving twenty-five or more persons or fifteen or more service connections year round and nonprofit noncommunity water systems.

(14) "Grant account loan" means a loan to a municipality by the state from the water pollution control state account of the Clean Water Fund.

(15) "Grant account loan obligation" means bonds or other obligations issued by a municipality to evidence the permanent financing by such municipality of its indebtedness under a project funding agreement with respect to a grant account loan, made payable to the state for the benefit of the water pollution control state account of the Clean Water Fund and containing such terms and conditions and being in such form as may be approved by the commissioner.

(16) "Grant anticipation note" means any note or notes issued in anticipation of the receipt of a project grant.

(17) "Interim funding obligation" means any bonds or notes issued by a recipient in anticipation of the issuance of project loan obligations, grant account loan obligations or the receipt of project grants.

(18) "Intended use plan" means a document if required, prepared by the Commissioner of Public Health, in accordance with section 22a-478.

(19) "Municipality" means any metropolitan district, town, consolidated town and city, consolidated town and borough, city, borough, village, fire and sewer district, sewer district or public authority and each municipal organization having authority to levy and collect taxes or make charges for its authorized function.

(20) "Pollution abatement facility" means any equipment, plant, treatment works, structure, machinery, apparatus or land, or any combination thereof, which is acquired, used, constructed or operated for the storage, collection, reduction, recycling, reclamation, disposal, separation or

treatment of water or wastes, or for the final disposal of residues resulting from the treatment of water or wastes, and includes, but is not limited to: Pumping and ventilating stations, facilities, plants and works; outfall sewers, interceptor sewers and collector sewers; and other real or personal property and appurtenances incident to their use or operation.

(21) "Priority list of eligible drinking water projects" means the priority list of eligible drinking water projects established by the Commissioner of Public Health in accordance with the provisions of sections 22a-475 to 22a-483, inclusive.

(22) "Priority list of eligible projects" means the priority list of eligible drinking water projects or the priority list of eligible water quality projects, as applicable.

(23) "Priority list of eligible water quality projects" means the priority list of eligible water quality projects established by the commissioner in accordance with the provisions of sections 22a-475 to 22a-483, inclusive.

(24) "Program" means the municipal water quality financial assistance program, including the drinking water financial assistance program, created under sections 22a-475 to 22a-483, inclusive.

(25) "Project grant" means a grant made to a municipality by the state from the water pollution control state account of the Clean Water Fund or the Long Island Sound clean-up account of the Clean Water Fund.

(26) "Project loan" means a loan made to a recipient by the state from the Clean Water Fund.

(27) "Project funding agreement" means a written agreement between the state, acting by and through the commissioner or, if the project is an eligible drinking water project, acting by and through the Commissioner of Public Health, in consultation with the Department of Public Utility Control when the recipient is a water company, as defined in section 16-1, and a recipient with respect to a project grant, a grant account loan and a project loan as provided under sections 22a-475 to 22a-483, inclusive, and containing such terms and conditions as may be approved by the commissioner or, if the project is an eligible drinking water project, by the Commissioner of Public Health.

(28) "Project obligation" or "project loan obligation" means bonds or other obligations issued by a recipient to evidence the permanent financing by such recipient of its indebtedness under a project funding agreement with respect to a project loan, made payable to the state for the benefit of the water pollution control federal revolving loan account, the drinking water federal revolving loan account or the drinking water state account, as applicable, of the Clean Water Fund and containing such terms and conditions and being in such form as may be approved by the commissioner or, if the project is an eligible drinking water project, by the Commissioner of Public Health.

(29) "Public water system" means a public water system, as defined for purposes of the federal Safe Drinking Water Act, as amended or superseded.

(30) "Recipient" means a municipality or eligible public water system, as applicable.

(31) "State bond anticipation note" means any note or notes issued by the state in anticipation of the issuance of bonds.

(32) "State grant anticipation note" means any note or notes issued by the state in anticipation of the receipt of federal grants.

(33) "Water pollution control facility" means a pollution abatement facility which stores, collects, reduces, recycles, reclaims, disposes of, separates or treats sewage, or disposes of residues from the treatment of sewage.

(34) "Water pollution control state account" means the water pollution control state account of the Clean Water Fund created under section 22a-477.

(35) "Water pollution control federal revolving loan account" means the water pollution control federal revolving loan account of the Clean Water Fund created under section 22a-477.

(36) "Long Island Sound clean-up account" means the Long Island Sound clean-up account created under section 22a-477.

(P.A. 86-420, S. 1, 12; P.A. 87-571, S. 1, 7; P.A. 89-377, S. 1, 8; P.A. 91-344, S. 2; P.A. 96-181, S. 108, 121; P.A. 10-117, S. 34.)

History: P.A. 87-571 defined "grant account loan", "grant account loan obligation", "grant anticipation note", "interim funding obligations", "project grant", "project loan", "water pollution control grant account" and "water pollution control revolving loan", revising prior definitions accordingly; P.A. 89-377 changed the water pollution control grant account to the water pollution control state account and changed the water pollution control revolving loan fund account to the water pollution control federal revolving loan account, added definitions of state bond anticipation note, state grant anticipation note and Long Island Sound clean-up account and made various technical changes; P.A. 91-344 amended Subdiv. (3) to include in the definition of "combined sewer projects" certain components of regional water pollution control facilities; P.A. 96-181 added definitions of "disadvantaged communities", "drinking water federal revolving loan account", "drinking water state account", "eligible drinking water project", "eligible project", "eligible public water system", "intended use plan", "priority list of eligible drinking water projects", "priority list of eligible projects", "public water system", and "recipient" and made other technical, conforming and renumbering changes, effective July 1, 1996; P.A. 10-117 redefined "eligible drinking water project" in Subdiv. (9), "eligible project costs" in Subdiv. (12), "intended use plan" in Subdiv. (18), "project funding agreement" in Subdiv. (27) and "project obligation" or "project loan obligation" in Subdiv. (28).

Sec. 22a-476. Legislative finding. It is hereby found and declared that the establishment of a municipal water quality financial assistance program to provide funds for grants for projects to improve Long Island Sound and to establish a low interest revolving loan fund and grant

assistance fund to finance one hundred per cent of eligible project costs is necessary to ensure a continuing source of funds to finance the future needs of the state and is a matter of state-wide concern affecting the health, safety and welfare of the inhabitants of the state and the quality of the environment of the state, including the purity and adequacy of its drinking water, and that the establishment of such a program to encourage and support the planning, development and construction of water pollution control facilities and of necessary improvements to eligible public water systems serves an essential public purpose. It is further found and declared that, since the federal Water Quality Act of 1987 restructures the federal grant program for municipal water pollution control projects as a program in which grant proceeds must be used to provide financial assistance in a manner which promotes preservation of the corpus of such proceeds for continuing reapplication to the purposes for which the grants were provided, since financial assistance for municipal water pollution control projects can be more effectively provided through state participation in the federal program of capitalization grants to states as set forth in Section 212 of said act and compliance with requirements for eligibility to receive capitalization grants under such program, and since the act also permits states to use a revolving fund and its chief assets as a basis for issuing bonds for further revolving fund activity, and under such an arrangement a state is able to leverage outstanding loans made from an initial set of capitalization grants and make available significant amounts of money much sooner than would otherwise have been possible, it is in the interests of the state to make use of this mechanism. It is further found and declared that the federal government intends to establish a similar revolving fund program, funded in part with federal capitalization grants, which may be established and operated by states as part of the Clean Water Fund program, in order to provide financial assistance to develop and implement drinking water projects, and that therefore it is in the interests of the state to participate in such program. It is further found and declared that it is in the best interests of the state to plan to authorize, in addition to any other funds contemplated, the following amounts for the Long Island Sound clean-up account: Not less than five million dollars in 1991, not less than sixteen million dollars in 1992, not less than twenty million dollars in 1993, not less than sixteen million dollars in 1994, not less than twelve million dollars in 1995, not less than thirty-four million dollars in 1996, and not less than seven million dollars in 1997.

(P.A. 86-420, S. 2, 12; P.A. 87-571, S. 2, 7; P.A. 89-377, S. 2, 8; June Sp. Sess. P.A. 90-1, S. 1, 10; P.A. 96-181, S. 109, 121.)

History: P.A. 87-571 added provisions regarding the federal Water Quality Act of 1987; P.A. 89-377 inserted a reference to projects to improve Long Island Sound; June Sp. Sess. P.A. 90-1 added the listing of planned bond authorizations for the Long Island Sound clean-up account; P.A. 96-181 made additions re the purity and adequacy of drinking water and federal revolving fund program and made technical changes, effective July 1, 1996.

Sec. 22a-477. Clean Water Fund: Accounts and subaccounts. (a) There is established and created a fund to be known as the "Clean Water Fund". There is established and created within the Clean Water Fund a water pollution control federal revolving loan account, a water pollution control state account, a Long Island Sound clean-up account, a drinking water federal revolving loan account, a drinking water state account and a river restoration account, which accounts shall be held separate and apart from each other.

(b) There shall be deposited in the water pollution control federal revolving loan account of the Clean Water Fund: (1) The proceeds of notes, bonds or other obligations issued by the state for the purpose of deposit therein and use in accordance with the permissible uses thereof; (2) federal capitalization grants and awards or other federal assistance received by the state pursuant to Title VI of the federal Water Pollution Control Act; (3) funds appropriated by the General Assembly for the purpose of deposit therein and use in accordance with the permissible uses thereof; (4) payments received from any municipality in repayment of a project loan made with moneys on deposit in the water pollution control federal revolving loan account; (5) interest or other income earned on the investment of moneys in the water pollution control federal revolving loan account; (6) any additional moneys made available from any sources, public or private, for the purposes for which the water pollution control federal revolving loan account has been established and for the purpose of deposit therein; and (7) on and after July 1, 1990, and annually thereafter, any moneys forfeited to the state by any person for a violation of a permit which results in a discharge into a municipal sewage treatment system, as determined by the commissioner, which are in excess of the total moneys forfeited to the state for such violations for the fiscal year ending June 30, 1990.

(c) Within the water pollution control federal revolving loan account there are established the following subaccounts: (1) A federal receipts subaccount, into which shall be deposited federal capitalization grants and awards or other federal assistance received by the state pursuant to Title VI of the federal Water Pollution Control Act, (2) a state bond receipts subaccount into which shall be deposited the proceeds of notes, bonds or other obligations issued by the state for the purpose of deposit therein, (3) a state General Fund receipts subaccount into which shall be deposited funds appropriated by the General Assembly for the purpose of deposit therein, (4) a federal loan repayment subaccount into which shall be deposited payments received from any municipality in repayment of a project loan made from any moneys deposited in the water pollution control federal revolving loan account. Moneys in each subaccount created under this subsection may be expended by the commissioner for any of the purposes of the water pollution control federal revolving loan account and investment earnings of any subaccount shall be deposited in such account.

(d) There shall be deposited in the water pollution control state account of the Clean Water Fund: (1) The proceeds of notes, bonds or other obligations issued by the state for the purpose of deposit therein and use in accordance with the permissible uses thereof; (2) funds appropriated by the General Assembly for the purpose of deposit therein and use in accordance with the permissible uses thereof; (3) interest or other income earned on the investment of moneys in the water pollution control state account; (4) payments received from any municipality as repayment for a grant account loan made with moneys on deposit in the water pollution control state account; and (5) any additional moneys made available from any sources, public or private, for the purposes for which the water pollution control state account has been established other than moneys on deposit in the federal receipts subaccount of the water pollution control federal revolving loan account.

(e) Within the water pollution control state account there are established the following subaccounts: (1) A state bond receipts subaccount, into which shall be deposited the proceeds of notes, bonds or other obligations issued by the state for the purpose of deposit therein; (2) a

General Fund receipts subaccount into which shall be deposited funds appropriated by the General Assembly for the purpose of deposit therein; (3) a state loan repayment subaccount into which shall be deposited payments received from any municipality in repayment of a project loan made from any moneys deposited in the water pollution control state account; (4) a state administrative and management subaccount into which shall be deposited amounts for administration and management of the Clean Water Fund which amounts shall be determined by the commissioner in consultation with the Secretary of the Office of Policy and Management; and (5) a state grant subaccount, into which shall be deposited (A) the proceeds of notes, bonds or other obligations issued by the state for the purposes of deposit therein; (B) funds appropriated by the General Assembly for the purpose of deposit therein; and (C) payments received from a municipality in repayment of a grant account loan.

(f) Moneys deposited in the Clean Water Fund shall be held separate and apart from all other moneys, funds and accounts. Investment earnings credited to the assets of such fund and to any account and subaccount thereof shall become part of the assets of such fund, account and subaccount. Any balance remaining in the Clean Water Fund at the end of any fiscal year shall be carried forward in such fund, account and subaccount for the fiscal year next succeeding.

(g) Amounts in the water pollution control federal revolving loan account of the Clean Water Fund shall be available to the commissioner to provide financial assistance (1) to any municipality for construction of eligible water quality projects, and (2) for any other purpose authorized by Title VI of the federal Water Pollution Control Act. In providing such financial assistance to municipalities, amounts in such account may be used only: (A) By the commissioner to make loans to municipalities at an interest rate of two per cent per annum, provided such loans shall not exceed a term of twenty years and shall have principal and interest payments commencing not later than one year after scheduled completion of the project, and provided the loan recipient will establish a dedicated source of revenue for repayment of the loan; (B) by the commissioner to guarantee, or purchase insurance for, local obligations, where such action would improve credit market access or reduce interest rates; (C) as a source of revenue or security for the payment of principal and interest on revenue or general obligation bonds issued by the state if the proceeds of the sale of such bonds have been deposited in such account; (D) to be invested by the Treasurer of the state and earn interest on moneys in such account; (E) by the commissioner to pay for the reasonable costs of administering such account and conducting activities under Title VI of the federal Water Pollution Control Act; and (F) by the Treasurer to be transferred to the water pollution control state account for the purpose of meeting federal requirements for subsidization.

(h) Amounts in the water pollution control state account of the Clean Water Fund shall be available: (1) To be invested by the Treasurer of the state to earn interest on moneys in such account; (2) for the commissioner to make grants to municipalities in the amounts and in the manner set forth in a project funding agreement; (3) for the commissioner to make loans to municipalities in amounts and in the manner set forth in a project funding agreement for planning and developing eligible projects prior to construction and permanent financing; (4) for the commissioner to make loans to municipalities, for terms not exceeding twenty years, for an eligible water quality project; (5) for the commissioner to pay the costs of environmental studies and surveys to determine water pollution control needs and priorities and to pay the expenses of

the department in administering the program; (6) for the payment of costs for administration and management of the Clean Water Fund; (7) provided such amounts are not required for the purposes of such fund, for the Treasurer of the state to pay debt service on bonds of the state issued to fund the Clean Water Fund, or for the purchase or redemption of such bonds; (8) for the commissioner to make grants to municipalities for the development and installation of structural improvements to secondary clarifier operations including, but not limited to, flow distribution mechanisms, baffle-type devices, feed well design and sludge withdrawal mechanisms. Grants under this subdivision shall be for one hundred per cent of the construction cost and not more than three million dollars from the fund shall be used for such grants; (9) for the commissioner to pay the costs for the establishment, administration and management of the nitrogen credit exchange program described in section 22a-524, including, but not limited to, the purchase of equivalent nitrogen credits from publicly-owned treatment works in the event that the account of state funds established pursuant to section 22a-524 is exhausted; and (10) for any other purpose of the Clean Water Fund and the program relating thereto.

(i) The Treasurer may establish such accounts and subaccounts within the Clean Water Fund as he deems desirable to effectuate the purposes of sections 22a-475 to 22a-483, inclusive, including, but not limited to, accounts (1) to segregate a portion or portions of the corpus of the water pollution control federal revolving loan account or the drinking water federal revolving loan account or as security for revenue bonds issued by the state for deposit in either of such accounts, (2) to segregate investment earnings on all or a portion of the water pollution control federal revolving loan account, the water pollution control state account, the drinking water federal revolving loan account or the drinking water state account, or (3) to segregate moneys in the fund that have previously been expended for the benefit of an eligible project from moneys that are initial deposits in the account.

(j) There shall be deposited in the Long Island Sound clean-up account (1) the proceeds of notes, bonds or other obligations issued by the state for the purpose of deposit therein and use in accordance with the permissible uses thereof, (2) funds appropriated by the General Assembly for the purpose of deposit therein and use in accordance with the permissible uses thereof and (3) any additional moneys made available from any sources, public or private, for the purposes for which the Long Island Sound clean-up account has been established other than moneys on deposit in the federal revolving loan account.

(k) Amounts in the Long Island Sound clean-up account shall be available: (1) To be invested by the Treasurer of the state to earn interest on moneys in such account; (2) for the commissioner to make grants to municipalities who undertake the construction of combined sewer projects which are found by the commissioner to impact Long Island Sound or which are part of a system under construction by a municipality prior to July 1, 1990, to mitigate effects of inflow on treatment processes and on Long Island Sound, provided such grants shall be fifty per cent of the eligible water quality project costs of such project and be made in accordance with the provisions of section 22a-478; (3) for the commissioner to make grants to municipalities for eligible water quality projects for which the commissioner has required nutrient removal to protect Long Island Sound provided the amount of the grant shall be twenty per cent of the eligible water quality costs and be made in accordance with the provisions of said section 22a-478; (4) for the commissioner to make grants to agencies, institutions or persons to conduct

research related to Long Island Sound in accordance with procedures established by the commissioner; (5) for the commissioner to provide funds for (A) sediment, dredging and disposal activities for Long Island Sound, including necessary studies, (B) physical improvements to coves, embayments, coastal wetlands and salt marshes in physical proximity to Long Island Sound and (C) harbor water quality programs to enhance the sediment and water quality of harbors, coves, embayments and wetlands of Long Island Sound; (6) for the commissioner to provide funds for the restoration and rehabilitation of tidal coves, embayments and salt marshes degraded by physical modification, development or the effect of pollution, following a feasibility assessment which shall form the basis for the commissioner's determination of eligible restoration practices; (7) for the commissioner to provide funds for laboratory development to aid analysis of water quality samples collected as part of the Long Island Sound ambient monitoring program; (8) for the commissioner to make grants to municipalities for each municipally-owned wastewater treatment facility which discharges into coastal waters, for interim improvements to remove total nitrogen from such discharges in a manner which ensures that the total nitrogen load does not exceed the amount discharged during 1990, provided such grants shall be one hundred per cent of the eligible project costs of such projects; and (9) for the commissioner to provide grants on a competitive basis for demonstration projects to reduce nonpoint source pollution of Long Island Sound, following establishment by the commissioner of criteria for the awarding of such grants. The funds authorized for deposit in the Long Island Sound clean-up account pursuant to section 22a-483 shall, in addition to any use under subdivision (1) of this subsection, be expended in accordance with the following minimums: (i) For the purposes of subdivision (2) of this subsection, not less than twenty million five hundred thousand dollars; (ii) for the purposes of subdivision (4) of this subsection, not less than one million dollars; (iii) for the purposes of subdivision (6) of this subsection, not less than three million dollars; (iv) for the purposes of subdivision (7) of this subsection, not less than five hundred thousand dollars; and (v) for the purposes of subdivision (8) of this subsection, not less than fifteen million dollars.

(l) There shall be deposited in the river restoration account (1) the proceeds of notes, bonds or other obligations issued by the state for the purpose of deposit therein and use in accordance with the permissible uses thereof, (2) funds authorized by the General Assembly for the purpose of deposit therein and use in accordance with the permissible uses thereof and (3) any additional moneys made available from any sources, public or private, for the purposes for which the river restoration account has been established, except that in no case shall the funds authorized to be deposited in this account from the Clean Water Fund exceed three million dollars per year.

(m) Amounts in the river restoration account shall be available: (1) To be invested by the Treasurer of the state to earn interest on moneys in such account; (2) for the payment of costs incurred by the Department of Environmental Protection for the administration and management of the rivers protection programs of the department; (3) for the commissioner to provide assistance to river committees established by municipalities for purposes of protection of rivers; (4) for the commissioner to make grants to municipalities or such river committees for the physical improvement and restoration of rivers degraded by modification, development or the effects of pollution, including but not limited to actions to (A) restore water quality, (B) provide minimum stream flows, or (C) restore or enhance the recreational, economic or environmental value of rivers and riverfront land; and (5) for the payment of costs incurred by the department of

environmental protection for the physical improvement and restoration of rivers degraded by modification, development or the effects of pollution, including but not limited to actions to (A) restore water quality, (B) provide minimum stream flows, or (C) restore or enhance the recreational, economic or environmental value of rivers and riverfront lands by, for example, planting vegetation, removing physical impediments to river access, stabilizing stream banks, deepening stream channels, installing fish ladders and removing sediment; and (6) for the commissioner to make grants to provide matching funds for riparian zone restoration projects funded under the federal Agricultural Conservation Program pursuant to 16 USC Section 590g et seq. Amounts in the river restoration fund shall not be used for acquisition of land or interests in land, for construction or maintenance of parking lots, or for construction or maintenance of boat ramps or other structures, with the exception of restoration or repair of historic river-related structures.

(n) (1) The commissioner shall maintain a priority list of eligible river restoration projects and shall establish a system setting the priority for making project grants. In establishing such priority list and ranking system, the commissioner shall consider all factors he deems relevant, including but not limited to, the following: (A) The public health and safety; (B) protection of environmental resources; (C) attainment of state water quality goals and standards; (D) funds expended on water quality improvements; (E) consistency with basin planning; and (F) state and federal statutes and regulations. In dispersing funds from the Rivers Restoration Account, the commissioner shall give priority to providing matching funds for riparian zone restoration projects funded under the federal Agricultural Conservation Program pursuant to 16 USC Section 590g et seq., and regulations adopted thereunder. The priority list of eligible river restoration projects shall include a description of each project and its purpose, and an explanation of the manner in which priorities were established.

(2) In each fiscal year the commissioner may make grants to municipalities and river committees established for river protection in the order of priority under subdivision (1) of this subsection to the extent of moneys available therefor in the appropriate accounts of the Clean Water Fund.

(3) The funding of a project shall be pursuant to a project funding agreement between the state, acting by and through the commissioner, and the municipality, river commission or river committee undertaking the project. A project funding agreement shall be in a form prescribed by the commissioner.

(4) The commissioner may adopt regulations, in accordance with the provisions of chapter 54, to carry out the purposes of this section.

(o) There shall be deposited in the drinking water federal revolving loan account of the Clean Water Fund: (1) The proceeds of notes, bonds or other obligations issued by the state for the purpose of deposit therein and use in accordance with the permissible uses thereof; (2) federal capitalization grants and federal capitalization awards received by the state pursuant to the federal Safe Drinking Water Act or other related federal acts; (3) funds appropriated by the General Assembly for the purpose of deposit therein and use in accordance with the permissible uses thereof; (4) payments received from any recipient in repayment of a project loan made with

moneys on deposit in the drinking water federal revolving loan account; (5) interest or other income earned on the investment of moneys in the drinking water federal revolving loan account; and (6) any additional moneys made available from any sources, public or private, for the purposes for which the drinking water federal revolving loan account has been established and for the purpose of deposit therein.

(p) Within the drinking water federal revolving loan account there are established the following subaccounts: (1) A federal receipts subaccount, into which shall be deposited federal capitalization grants and federal capitalization awards received by the state pursuant to the federal Safe Drinking Water Act or other related federal acts; (2) a state bond receipts subaccount into which shall be deposited the proceeds of notes, bonds or other obligations issued by the state for the purpose of deposit therein; (3) a state General Fund receipts subaccount into which shall be deposited funds appropriated by the General Assembly for the purpose of deposit therein; and (4) a federal loan repayment subaccount into which shall be deposited payments received from any recipient in repayment of a project loan made from any moneys deposited in the drinking water federal revolving loan account. Moneys in each subaccount created under this subsection may be expended by the Commissioner of Public Health for any of the purposes of the drinking water federal revolving loan account and investment earnings of any subaccount shall be deposited in such account.

(q) There shall be deposited in the drinking water state account of the Clean Water Fund: (1) The proceeds of notes, bonds or other obligations issued by the state for the purpose of deposit therein and use in accordance with the permissible uses thereof; (2) funds appropriated by the General Assembly for the purpose of deposit therein and use in accordance with the permissible uses thereof; (3) interest or other income earned on the investment of moneys in the drinking water state account; (4) payments received from any recipient as repayment for a project loan made with moneys on deposit in the drinking water state account; and (5) any additional moneys made available from any sources, public or private, for the purposes for which the drinking water state account has been established other than moneys on deposit in the federal receipts subaccount of the drinking water federal revolving loan account.

(r) Within the drinking water state account there are established the following subaccounts: (1) A state bond receipts subaccount, into which shall be deposited the proceeds of notes, bonds or other obligations issued by the state for the purpose of deposit therein; (2) a General Fund receipts subaccount into which shall be deposited funds appropriated by the General Assembly for the purpose of deposit therein; and (3) a state loan repayment subaccount into which shall be deposited payments received from any recipient in repayment of a project loan made from any moneys deposited in the drinking water state account.

(s) Amounts in the drinking water federal revolving loan account of the Clean Water Fund shall be available to the Commissioner of Public Health to provide financial assistance (1) to any recipient for construction of eligible drinking water projects approved by the Department of Public Health, and (2) for any other purpose authorized by the federal Safe Drinking Water Act or other related federal acts. In providing such financial assistance to recipients, amounts in such account may be used only: (A) By the Commissioner of Public Health in conjunction with the State Treasurer to make loans to recipients at an interest rate not exceeding one-half the rate of

the average net interest cost as determined by the last previous similar bond issue by the state of Connecticut as determined by the State Bond Commission in accordance with subsection (t) of section 3-20, provided such loans shall not exceed a term of twenty years, or such longer period as may be permitted by applicable federal law, and shall have principal and interest payments commencing not later than one year after scheduled completion of the project, and provided the loan recipient shall establish a dedicated source of revenue for repayment of the loan, except to the extent that the priority list of eligible drinking water projects allows for the making of project loans upon different terms, including reduced interest rates or an extended term, if permitted by federal law; (B) by the Commissioner of Public Health to guarantee, or purchase insurance for, local obligations, where such action would improve credit market access or reduce interest rates; (C) as a source of revenue or security for the payment of principal and interest on revenue or general obligation bonds issued by the state if the proceeds of the sale of such bonds have been deposited in such account; (D) to be invested by the State Treasurer and earn interest on moneys in such account; (E) by the Department of Public Health to pay for the reasonable costs of administering such account and conducting activities under the federal Safe Drinking Water Act or other related federal acts; and (F) by the Commissioner of Public Health to provide additional forms of subsidization, including grants, principal forgiveness or negative interest loans or any combination thereof, if permitted by federal law and made pursuant to a project funding agreement in accordance with subsection (k) of section 22a-478.

(t) Amounts in the drinking water state account of the Clean Water Fund shall be available: (1) To be invested by the State Treasurer to earn interest on moneys in such account; (2) for the Commissioner of Public Health to provide additional forms of subsidization, including grants, principal forgiveness or negative forgiveness loans or any combination thereof to recipients in a manner provided under the federal Safe Drinking Water Act in the amounts and in the manner set forth in a project funding agreement; (3) for the Commissioner of Public Health to make loans to recipients in amounts and in the manner set forth in a project funding agreement for planning and developing eligible drinking water projects prior to construction and permanent financing; (4) for the Commissioner of Public Health to make loans to recipients, for terms not exceeding twenty years, for an eligible drinking water project; (5) for the Commissioner of Public Health to pay the costs of studies and surveys to determine drinking water needs and priorities and to pay the expenses of the Department of Public Health in undertaking such studies and surveys and in administering the program; (6) for the payment of costs as agreed to by the Department of Public Health after consultation with the Secretary of the Office of Policy and Management and the office of the State Treasurer for administration and management of the drinking water programs within the Clean Water Fund; (7) for the State Treasurer to pay debt service on bonds of the state issued to fund the drinking water programs within the Clean Water Fund, or for the purchase or redemption of such bonds; and (8) for any other purpose of the drinking water programs within the Clean Water Fund and the program relating thereto.

(P.A. 86-420, S. 3, 12; P.A. 87-571, S. 3, 7; P.A. 89-377, S. 3, 8; P.A. 90-297, S. 22, 24; 90-301, S. 6-8; June Sp. Sess. P.A. 90-1, S. 2, 3, 10; P.A. 91-246, S. 1; 91-344, S. 3; P.A. 92-209; 92-219; P.A. 94-154, S. 2, 3; May 25 Sp. Sess. P.A. 94-1, S. 115, 130; P.A. 96-181, S. 110-112, 121; June Sp. Sess. P.A. 98-1, S. 52, 121; P.A. 01-180, S. 7, 9; P.A. 09-12, S. 2, 3; P.A. 10-117, S. 35, 36.)

History: P.A. 87-571 essentially replaced prior provisions re clean water fund with new provisions establishing water pollution control revolving loan fund account and water pollution control grant account; P.A. 89-377 changed the water pollution control grant account to the water pollution control state account, changed the water pollution control revolving loan fund account to the water pollution control federal revolving loan account and added a Long Island Sound clean-up account and made various changes throughout to allocate funds to the appropriate accounts; P.A. 90-297 added Subsec. (k)(16), concerning tidal coves and embayments, and (k)(7), concerning analysis of water quality samples, and added a provision allocating moneys within the Long Island Sound clean-up account; P.A. 90-301 added Subsec. (b)(7) re deposit of moneys forfeited for permit violations and added Subsec. (h)(8) re grants for improvements to clarifier operations and renumbered the remaining Subdiv. accordingly; June Sp. Sess. P.A. 90-1 deleted Subsec. (c)(5) which created a federal administrative and management subaccount and added Subsec. (k)(8) concerning removal of total nitrogen from discharges and reworded the allocations of funds for the Long Island Sound clean-up account; P.A. 91-246 added Subsec. (k)(9) authorizing commissioner to provide grants on a competitive basis for certain projects to reduce nonpoint source pollution; P.A. 91-344 amended Subsec. (k) to include in grants authorized under that subsection grants to certain municipal sewer systems under construction prior to July 1, 1990; P.A. 92-209 amended Subsec. (k) to allow up to \$15,000,000 of the Long Island Sound clean-up account to be used for certain nitrogen removal projects, deleting \$100,000 limit for each municipality's facilities; P.A. 92-219 amended Subsec. (k) to allow use of the funds in the Long Island Sound clean-up account for physical improvements to, and restoration of, salt marshes; P.A. 94-154 amended Subsec. (a) to establish river restoration account and added Subsecs. (l), (m) and (n) detailing river restoration account and projects; May 25 Sp. Sess. P.A. 94-1 amended Subsec. (m) by making technical change; (Revisor's note: In 1995 the reference in Subsec. (n)(1)(F) to "16 USC Section 550" was changed editorially by the Revisors to "16 USC Section 590g" in conformance with the amendment to Subsec. (m)); P.A. 96-181 amended Subsecs. (a) and (i) to add drinking water federal revolving loan account and drinking water state account and made technical changes and added Subsecs. (o) to (t), inclusive, re drinking water federal revolving loan account and drinking water state account, effective July 1, 1996; June Sp. Sess. P.A. 98-1 made a technical change in Subsec. (e), effective June 24, 1998; P.A. 01-180 amended Subsec. (h) to add new Subdiv. (9) re amounts in water pollution control state account available for commissioner to pay costs of nitrogen credit exchange program and to redesignate existing Subdiv. (9) as Subdiv. (10), effective July 1, 2001; P.A. 09-12 amended Subsec. (g) by adding Subpara. (F) re transfer for meeting federal subsidization requirements, and Subsec. (s) by adding Subpara. (F) re additional forms of subsidization, effective April 23, 2009; P.A. 10-117 amended Subsec. (p) by changing "commissioner" to "Commissioner of Public Health", amended Subsec. (s) by deleting references to Commissioner of Environmental Protection, by changing "commissioner" to "Commissioner of Public Health" or "Commissioner of Public Health in conjunction with the State Treasurer", by deleting provision re disadvantaged communities and by making a technical change, amended Subsec. (t) by replacing provisions re Commissioner and Department of Environmental Protection with provisions re Commissioner and Department of Public Health, by deleting provisions re concurrence of Commissioner of Public Health, by replacing "make grants" with "provide additional forms of subsidization, including grants, principal forgiveness or negative forgiveness loans or any combination thereof" in Subdiv. (2), by adding "and the Office of the State

Treasurer" in Subdiv. (6) and by deleting "provided such amounts are not required for the purposes of such fund" in Subdiv. (7).

Sec. 22a-478. Eligible water quality projects. Eligible drinking water projects. Project grants. Grant account loans. (a) The commissioner shall maintain a priority list of eligible water quality projects and shall establish a system setting the priority for making project grants, grant account loans and project loans. In establishing such priority list and ranking system, the commissioner shall consider all factors 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) attainment of state water quality goals and standards; (5) consistency with the state plan of conservation and development; (6) state and federal regulations; and (7) the formation in municipalities of local housing partnerships pursuant to the provisions of section 8-336f. The priority list of eligible water quality projects shall include a description of each project and its purpose, impact, cost and construction schedule, and an explanation of the manner in which priorities were established. The commissioner shall adopt an interim priority list of eligible water quality projects for the purpose of making project grants, grant account loans and project loans prior to adoption of final regulations, which priority list shall be the priority list currently in effect under subsection (c) of section 22a-439.

(b) In each fiscal year the commissioner may make project grants, grant account loans and project loans to municipalities in the order of the priority list of eligible water quality projects to the extent of moneys available therefor in the appropriate accounts of the Clean Water Fund. Each municipality undertaking an eligible water quality project may apply for and receive a project grant and loan or project grants and loans in an amount equal to one hundred per cent of the eligible water quality project costs.

(c) The funding of an eligible water quality project shall be pursuant to a project funding agreement between the state, acting by and through the commissioner, and the municipality undertaking such project and shall be evidenced by a project fund obligation or grant account loan obligation, or both, or an interim funding obligation of such municipality issued in accordance with section 22a-479. A project funding agreement shall be in a form prescribed by the commissioner. Eligible water quality projects shall be funded as follows:

(1) A nonpoint source pollution abatement project shall receive a project grant of seventy-five per cent of the cost of the project determined to be eligible by the commissioner.

(2) A combined sewer project shall receive (A) a project grant of fifty per cent of the cost of the project, and (B) a loan for the remainder of the costs of the project, not exceeding one hundred per cent of the eligible water quality project costs.

(3) A construction contract eligible for financing awarded by a municipality on or after July 1, 1999, as a project undertaken for nitrogen removal shall receive a project grant of thirty per cent of the cost of the project associated with nitrogen removal, a twenty per cent grant for the balance of the cost of the project not related to nitrogen removal, and a loan for the remainder of the costs of the project, not exceeding one hundred per cent of the eligible water quality project costs. Nitrogen removal projects under design or construction on July 1, 1999, and projects that

have been constructed but have not received permanent, Clean Water Fund financing, on July 1, 1999, shall be eligible to receive a project grant of thirty per cent of the cost of the project associated with nitrogen removal, a twenty per cent grant for the balance of the cost of the project not related to nitrogen removal, and a loan for the remainder of the costs of the project, not exceeding one hundred per cent of the eligible water quality project costs.

(4) If supplemental federal grant funds are available for Clean Water Fund projects specifically related to the clean-up of Long Island Sound that are funded on or after July 1, 2003, a distressed municipality, as defined in section 32-9p, may receive a combination of state and federal grants in an amount not to exceed fifty per cent of the cost of the project associated with nitrogen removal, a twenty per cent grant for the balance of the cost of the project not related to nitrogen removal, and a loan for the remainder of the costs of the project, not exceeding one hundred per cent of the allowable water quality project costs.

(5) A municipality with a water pollution control project, the construction of which began on or after July 1, 2003, which has (A) a population of five thousand or less, or (B) a population of greater than five thousand which has a discrete area containing a population of less than five thousand that is not contiguous with the existing sewerage system, shall be eligible to receive a grant in the amount of twenty-five per cent of the design and construction phase of eligible project costs, and a loan for the remainder of the costs of the project, not exceeding one hundred per cent of the eligible water quality project costs.

(6) Any other eligible water quality project shall receive (A) a project grant of twenty per cent of the eligible cost, and (B) a loan for the remainder of the costs of the project, not exceeding one hundred per cent of the eligible project cost.

(7) Project agreements to fund eligible project costs with grants from the Clean Water Fund that were executed during or after the fiscal year beginning July 1, 2003, shall not be reduced according to the provisions of the regulations adopted under section 22a-482.

(8) On or after July 1, 2002, an eligible water quality project that exclusively addresses sewer collection and conveyance system improvements may receive a loan for one hundred per cent of the eligible costs provided such project does not receive a project grant. Any such sewer collection and conveyance system improvement project shall be rated, ranked, and funded separately from other water pollution control projects and shall be considered only if it is highly consistent with the state's conservation and development plan, or is primarily needed as the most cost effective solution to an existing area-wide pollution problem and incorporates minimal capacity for growth.

(9) All loans made in accordance with the provisions of this section for an eligible water quality project shall bear an interest rate of two per cent per annum. The commissioner may allow any project fund obligation, grant account loan obligation or interim funding obligation for an eligible water quality project to be repaid by a borrowing municipality prior to maturity without penalty.

(d) Each project loan and grant account loan for an eligible water quality project shall be

made pursuant to a project funding agreement between the state, acting by and through the commissioner, and such municipality, and each project loan for an eligible water quality project shall be evidenced by a project loan obligation, each grant account loan for an eligible water quality project shall be evidenced by a grant account loan obligation, or either may be evidenced by an interim funding obligation of such municipality issued in accordance with sections 22a-475 to 22a-483, inclusive. Except as otherwise provided in said sections, each project funding agreement shall contain such terms and conditions, including provisions for default which shall be enforceable against a municipality, as shall be approved by the commissioner. Each project loan obligation, grant account loan obligation or interim funding obligation issued pursuant to a project funding agreement for an eligible water quality project shall bear interest at a rate of two per cent per annum. Except as otherwise provided in sections 22a-475 to 22a-483, inclusive, each project loan obligation, grant account loan obligation and interim funding obligation shall be issued in accordance with the terms and conditions set forth in the project funding agreement. Notwithstanding any other provision of the general statutes, public act or special act to the contrary, each project loan obligation and grant account loan obligation for an eligible water quality project shall mature no later than twenty years from the date of completion of the construction of the project and shall be paid in monthly installments of principal and interest or in monthly installments of principal unless a finding is otherwise made by the Treasurer of the state requiring a different payment schedule. Interest on each project loan obligation and grant account loan obligation for an eligible water quality project shall be payable monthly unless a finding is otherwise made by the Treasurer of the state requiring a different payment schedule. Principal and interest on interim funding obligations issued under a project funding agreement for an eligible water quality project shall be payable at such time or times as provided in the project funding agreement, not exceeding six months after the date of completion of the planning and design phase or the construction phase, as applicable, of the eligible water quality project, as determined by the commissioner, and may be paid from the proceeds of a renewal note or notes or from the proceeds of a project loan obligation or grant account loan obligation. The commissioner may allow any project loan obligation, grant account loan obligation or interim funding obligation for an eligible water quality project to be repaid by the borrowing municipality prior to maturity without penalty.

(e) (1) The commissioner may make a project grant or a grant account loan or both to a municipality pursuant to a project funding agreement for the planning and design phase of an eligible water quality project. Principal and interest on a grant account loan for the planning and design phases of an eligible water quality project may be paid from and included in the principal amount of a loan for the construction phase of an eligible water quality project.

(2) In lieu of a grant and loan pursuant to subsection (b) of this section, the commissioner, upon written request by a municipality, may make a project grant to such municipality in the amount of fifty-five per cent of the cost approved by the commissioner for the planning phase of an eligible water quality project.

(3) If supplemental federal grant funds are available for Clean Water Fund projects specifically related to the clean-up of Long Island Sound that are funded on or after July 1, 2003, a distressed municipality, as defined in section 32-9p, may receive a combination of state and federal grants in an amount not to exceed one hundred per cent of the cost, approved by the

commissioner, for the planning phase of an eligible water quality project for nitrogen removal.

(f) A project grant, a grant account loan and a project loan for an eligible water quality project shall not be made to a municipality unless:

(1) In the case of a project grant, grant account loan and project loan for the construction phase, final plans and specifications for such project are approved by the commissioner;

(2) Each municipality undertaking such project provides assurances satisfactory to the commissioner that the municipality shall undertake and complete such project with due diligence and, in the case of a project loan for the construction phase, that it shall own such project and shall operate and maintain the eligible water quality project for a period and in a manner satisfactory to the commissioner after completion of such project;

(3) Each municipality undertaking such project has filed with the commissioner all applications and other documents prescribed by the commissioner within time periods prescribed by the commissioner;

(4) Each municipality undertaking such project has established separate accounts for the receipt and disbursement of the proceeds of such project grant, grant account loan and project loan and has agreed to maintain project accounts in accordance with generally accepted government accounting standards;

(5) In any case in which an eligible water quality project shall be owned or maintained by more than one municipality, the commissioner has received evidence satisfactory to the commissioner that all such municipalities are legally required to complete their respective portions of such project;

(6) Each municipality undertaking such project has agreed to comply with such audit requirements as may be imposed by the commissioner;

(7) In the case of a project grant, grant account loan and project loan for the construction phase, each municipality shall assure the commissioner that it has adequate legal, institutional, managerial and financial capability to construct and operate the pollution abatement facility for the design life of the facility; and

(8) In the case of a project grant, grant account loan and project loan for the construction phase awarded after July 1, 1991, each municipality shall demonstrate, to the satisfaction of the commissioner, that it has implemented an adequate operation and maintenance program for the municipal sewerage system for the design life of the facility.

(g) Notwithstanding any provision of sections 22a-475 to 22a-483, inclusive, to the contrary, the commissioner may make a project grant or project grants and a grant account loan or loans in accordance with the provisions of subsection (c) of this section with respect to an eligible water quality project without regard to the priority list of eligible water quality projects if a public emergency exists which requires that the eligible water quality project be undertaken to protect

the public health and safety or the natural and environmental resources of the state.

(h) The Department of Public Health 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. In establishing such priority list and ranking system, the Commissioner of Public Health 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) public water systems 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 and other related federal acts; (7) applicable state and federal regulations. The priority list of eligible drinking water projects shall include a description of each project and its purpose, impact, cost and construction schedule, and an explanation of the manner in which priorities were established. The Commissioner of Public Health shall adopt an interim priority list of eligible drinking water projects for the purpose of making project loans prior to adoption of final regulations, and in so doing may utilize existing rules and regulations of the department relating to the program. To the extent required by applicable federal law, the Department of Public Health shall prepare any required intended use plan with respect to eligible drinking water projects; (8) consistency with the plan of conservation and development; (9) consistency with the policies delineated in section 22a-380; and (10) consistency with the coordinated water system plan in accordance with subsection (f) of section 25-33d.

(i) In each fiscal year the Commissioner of Public Health may make project loans to recipients in the order of the priority list of eligible drinking water projects to the extent of moneys available therefor in the appropriate accounts of the Clean Water Fund. Each recipient undertaking an eligible drinking water project may apply for and receive a project loan or loans in an amount equal to one hundred per cent of the eligible project costs.

(j) The funding of an eligible drinking water project shall be pursuant to a project funding agreement between the state, acting by and through the Commissioner of Public Health, and the recipient undertaking such project and shall be evidenced by a project fund obligation or an interim funding obligation of such recipient issued in accordance with section 22a-479. A project funding agreement shall be in a form prescribed by the Commissioner of Public Health. Any eligible drinking water project shall receive a project loan for the costs of the project. All loans made in accordance with the provisions of this section for an eligible drinking water project shall bear an interest rate not exceeding one-half the rate of the average net interest cost as determined by the last previous similar bond issue by the state of Connecticut as determined by the State Bond Commission in accordance with subsection (t) of section 3-20. The Commissioner of Public Health may allow any project fund obligation or interim funding obligation for an eligible drinking water project to be repaid by a borrowing recipient prior to maturity without penalty.

(k) Each project loan for an eligible drinking water project shall be made pursuant to a project funding agreement between the state, acting by and through the Commissioner of Public Health, and such recipient, and each project loan for an eligible drinking water project shall be evidenced by a project loan obligation or by an interim funding obligation of such recipient issued in accordance with sections 22a-475 to 22a-483, inclusive. Except as otherwise provided

in said sections 22a-475 to 22a-483, inclusive, each project funding agreement shall contain such terms and conditions, including provisions for default which shall be enforceable against a recipient, as shall be approved by the Commissioner of Public Health. Each project loan obligation or interim funding obligation issued pursuant to a project funding agreement for an eligible drinking water project shall bear an interest rate not exceeding one-half the rate of the average net interest cost as determined by the last previous similar bond issue by the state of Connecticut as determined by the State Bond Commission in accordance with subsection (t) of section 3-20. Except as otherwise provided in said sections 22a-475 to 22a-483, inclusive, each project loan obligation and interim funding obligation shall be issued in accordance with the terms and conditions set forth in the project funding agreement. Notwithstanding any other provision of the general statutes, public act or special act to the contrary, each project loan obligation for an eligible drinking water project shall mature no later than twenty years from the date of completion of the construction of the project and shall be paid in monthly installments of principal and interest or in monthly installments of principal unless a finding is otherwise made by the State Treasurer requiring a different payment schedule. Interest on each project loan obligation for an eligible drinking water project shall be payable monthly unless a finding is otherwise made by the State Treasurer requiring a different payment schedule. Principal and interest on interim funding obligations issued under a project funding agreement for an eligible drinking water project shall be payable at such time or times as provided in the project funding agreement, not exceeding six months after the date of completion of the planning and design phase or the construction phase, as applicable, of the eligible drinking water project, as determined by the Commissioner of Public Health, and may be paid from the proceeds of a renewal note or notes or from the proceeds of a project loan obligation. The Commissioner of Public Health may allow any project loan obligation or interim funding obligation for an eligible drinking water project to be repaid by the borrowing recipient prior to maturity without penalty.

(l) The Commissioner of Public Health may make a project loan to a recipient pursuant to a project funding agreement for an eligible drinking water project for the planning and design phase of an eligible project, to the extent provided by the federal Safe Drinking Water Act, as amended. Principal and interest on a project loan for the planning and design phases of an eligible drinking water project may be paid from and included in the principal amount of a loan for the construction phase of an eligible drinking water project.

(m) A project loan for an eligible drinking water project shall not be made to a recipient unless: (1) In the case of a project loan for the construction phase, final plans and specifications for such project are approved by the Commissioner of Public Health, and when the recipient is a water company, as defined in section 16-1, with the concurrence of the Department of Public Utility Control, and with the approval of the Commissioner of Public Health for consistency with financial requirements of the general statutes, regulations and resolutions; (2) each recipient undertaking such project provides assurances satisfactory to the Commissioner of Public Health that the recipient shall undertake and complete such project with due diligence and, in the case of a project loan for the construction phase, that it shall own such project and shall operate and maintain the eligible drinking water project for a period and in a manner satisfactory to the Department of Public Health after completion of such project; (3) each recipient undertaking such project has filed with the Commissioner of Public Health all applications and other documents prescribed by the Department of Public Utility Control and the Commissioner of

Public Health within time periods prescribed by the Commissioner of Public Health; (4) each recipient undertaking such project has established separate accounts for the receipt and disbursement of the proceeds of such project loan and has agreed to maintain project accounts in accordance with generally accepted government accounting standards or uniform system of accounts, as applicable; (5) in any case in which an eligible drinking water project shall be owned or maintained by more than one recipient, the Commissioner of Public Health has received evidence satisfactory to him that all such recipients are legally required to complete their respective portions of such project; (6) each recipient undertaking such project has agreed to comply with such audit requirements as may be imposed by the Commissioner of Public Health; and (7) in the case of a project loan for the construction phase, each recipient shall assure the Department of Public Utility Control, as required, and the Commissioner of Public Health that it has adequate legal, institutional, technical, managerial and financial capability to ensure compliance with the requirements of applicable federal law, except to the extent otherwise permitted by federal law.

(n) Notwithstanding any provision of sections 22a-475 to 22a-483, inclusive, to the contrary, the Commissioner of Public Health may make a project loan or loans in accordance with the provisions of subsection (j) of this section 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 section 25-32b, which requires that the eligible drinking water project be undertaken to protect the public health and safety.

(o) The commissioner shall prepare an annual report to the Governor within ninety days after the completion of each fiscal year which includes a list of project funding agreements entered into during the fiscal year then ended, the estimated year that funding will be available for specific projects listed on each priority list of eligible projects and a financial report on the condition of the Clean Water Fund for the fiscal year then ended, which shall include a certification by the commissioner of any amounts to become available for payment of debt service or for the purchase or redemption of bonds during the next succeeding fiscal year.

(P.A. 86-420, S. 4, 12; P.A. 87-571, S. 4, 7; P.A. 88-305, S. 3, 4; P.A. 89-377, S. 4, 8; P.A. 90-301, S. 3, 8; June Sp. Sess. P.A. 90-1, S. 4, 10; P.A. 91-246, S. 2; P.A. 94-108, S. 2; P.A. 96-181, S. 113, 121; P.A. 99-241, S. 13, 66; May 9 Sp. Sess. P.A. 02-5, S. 11; P.A. 03-218, S. 1, 2; P.A. 04-185, S. 1; P.A. 05-288, S. 111; P.A. 10-117, S. 37)

History: P.A. 87-571 amended Subsec. (b) to provide for cost determination based on cost used by the federal Environmental Protection Agency to make water pollution control construction grants and made other technical changes; P.A. 88-305 added Subsec. (a)(7) re formation of local housing partnerships; P.A. 89-377 amended Subsec. (d) to provide for monthly, rather than annual, payment of principal and interest, unless the treasurer determines otherwise; P.A. 90-301 added Subsec. (f)(7) and (8) re grants and loans for construction phase and re project grants; June Sp. Sess. P.A. 90-1 amended Subsec. (d) to provide that the maturation date of loan obligations shall be determined from the date of completion of construction rather than from issuance of the loan obligation; P.A. 91-246 amended Subsec. (c) to allow certain nonpoint source pollution abatement projects to receive grants of up to 75% of the cost of such projects approved by the commissioner; P.A. 94-108 amended Subsec. (e) to add

new Subdiv. (2) re optional project grant for planning for eligible water quality projects; P.A. 96-181 added new Subsecs. (h) to (n), inclusive, re public drinking water projects, relettered existing Subsec. (h) as Subsec. (o) and made conforming changes, effective July 1, 1996; P.A. 99-241 amended Subsec. (c) to provide 30% grants for certain nitrogen removal projects, effective July 1, 1999 (Revisor's note: In codifying P.A. 99-241 the Revisors editorially changed the phrase "... but have nor received payment, ..." to "but have not received payment, ..." for accuracy); May 9 Sp. Sess. P.A. 02-5 amended Subsec. (c) to add provisions re loans for projects that exclusively address sewer collection and conveyance system improvements and to make a technical change, effective July 1, 2002; P.A. 03-218 amended Subsec. (c) by designating existing provisions re amounts, etc. as Subdivs. (1) to (3), inclusive, (6), and (8) to (10), inclusive, deleting language in Subdiv. (2) and (6) re the cost the Environmental Protection Agency uses in making grants, adding provision in Subdiv. (3) re 20% grant for the balance of the cost of the project not related to nitrogen removal for projects prior to and on or after July 1, 1999, and provision re loan for the remainder of the costs, not exceeding 100% of the costs for projects prior to July 1, 1999, adding new Subdiv. (4) re projects related to the clean-up of Long Island Sound in a distressed municipality, adding new Subdiv. (5) re project in a municipality with a population of 5,000 or less or such a population in a discrete area, replacing "cost" with "eligible cost" in Subdiv. (6)(A), adding new Subdiv. (7) re project agreements executed during or after the 2003 fiscal year, and amending Subdiv. (9) to replace "and shall" with "provided such project does", and added new Subsec. (e)(3) re supplemental federal grant funds for Long Island Sound projects in a distressed municipality, effective July 1, 2003; P.A. 04-185 deleted Subsec. (c)(8) re loan for 100% of the eligible costs on or after July 1, 2006, and redesignated existing Subdivs. (9) and (10) as new Subdivs. (8) and (9); P.A. 05-288 made technical changes in Subsec. (c)(8), effective July 13, 2005; P.A. 10-117 amended Subsec. (h)(7) by deleting "Commissioner of Environmental Protection", amended Subsec. (i) by replacing "commissioner" with "Commissioner of Public Health", amended Subsec. (j) by deleting "Commissioner of Environmental Protection" and by replacing "commissioner" with "Commissioner of Public Health", amended Subsec. (k) by deleting "Commissioner of Environmental Protection", by replacing "commissioner" with "Commissioner of Public Health" and by deleting "with the concurrence of the Commissioner of Public Health", amended Subsec. (l) by deleting "Commissioner of Environmental Protection", amended Subsec. (m) by replacing "Commissioner of Environmental Protection" with "Commissioner of Public Health" in Subdiv. (1), by deleting "Commissioner of Environmental Protection" in Subdivs. (2), (3) and (7) and by replacing "commissioner" with "Commissioner of Environmental Protection" in Subdivs. (5) and (6) and amended Subsec. (n) by deleting "with the concurrence of the Commissioner of Environmental Protection".

Sec. 22a-479. Municipal approval of project funding agreements and obligations.

Municipal bonds. (a) A municipality may authorize and approve (1) the execution and delivery of project funding agreements, and (2) the issuance and sale of project obligations, grant account loan obligations and interim funding obligations, in accordance with such statutory and charter requirements as govern the authorization and approval of borrowings and the making of contracts generally by the municipality or in accordance with the provisions of subsection (e) of this section. Project loan obligations, grant account loan obligations and interim funding obligations shall be duly executed and accompanied by an approving legal opinion of bond counsel of recognized standing in the field of municipal law whose opinions are generally

accepted by purchasers of municipal bonds and shall be subject to the debt limitation provisions of section 7-374; except that project loan obligations, grant account loan obligations and interim funding obligations issued in order to meet the requirements of any abatement order of the commissioner shall not be subject to the debt limitation provisions of section 7-374, provided the municipality files a certificate, signed by its chief fiscal officer, with the commissioner demonstrating to the satisfaction of the commissioner that the municipality has a plan for levying a system of charges, assessments or other revenues which are sufficient, together with other available funds of the municipality, to repay such obligations as the same become due and payable.

(b) Each recipient which enters into a project funding agreement shall protect, defend and hold harmless the state, its agencies, departments, agents and employees from and against any and all claims, suits, actions, demands, costs and damages arising from or in connection with the performance or nonperformance by the recipient, or any of its officers, employees or agents, of the recipient's obligations under any project funding agreement as such project funding agreement may be amended or supplemented from time to time. Each such recipient may insure against the liability imposed by this subsection through any insurance company organized within or without this state authorized to write such insurance in this state or may elect to act as self-insurer of such liability, provided such indemnity shall not be limited by any such insurance coverage.

(c) Whenever a recipient has entered into a project funding agreement and has authorized the issuance of project loan obligations or grant account loan obligations, it may authorize the issuance of interim funding obligations. Proceeds from the issuance and sale of interim funding obligations shall be used to temporarily finance an eligible project pending receipt of the proceeds of a project loan obligation, a grant account loan obligation or project grant. Such interim funding obligations may be issued and sold to the state for the benefit of the Clean Water Fund or issued and sold to any other lender on such terms and in such manner as shall be determined by a recipient. Such interim funding obligations may be renewed from time to time by the issuance of other notes, provided the final maturity of such notes shall not exceed six months from the date of completion of the planning and design phase or the construction phase, as applicable, of an eligible project, as determined by the commissioner or, if the project is an eligible drinking water project, by the Commissioner of Public Health. Such notes and any renewals of a municipality shall not be subject to the requirements and limitations set forth in sections 7-378, 7-378a and 7-264. The provisions of section 7-374 shall apply to such notes and any renewals thereof of a municipality; except that project loan obligations, grant account loan obligations and interim funding obligations issued in order to meet the requirements of an abatement order of the commissioner shall not be subject to the debt limitation provisions of section 7-374, provided the municipality files a certificate, signed by its chief fiscal officer, with the commissioner demonstrating to the satisfaction of the commissioner that the municipality has a plan for levying a system of charges, assessments or other revenues sufficient, together with other available funds of the municipality, to repay such obligations as the same become due and payable. The officer or agency authorized by law or by vote of the recipient to issue such interim funding obligations shall, within any limitation imposed by such law or vote, determine the date, maturity, interest rate, form, manner of sale and other details of such obligations. Such obligations may bear interest or be sold at a discount and the interest or discount on such

obligations, including renewals thereof, and the expense of preparing, issuing and marketing them may be included as a part of the cost of an eligible project. Upon the issuance of a project loan obligation or grant account loan obligation, the proceeds thereof, to the extent required, shall be applied forthwith to the payment of the principal of and interest on all interim funding obligations issued in anticipation thereof and upon receipt of a project grant, the proceeds thereof, to the extent required, shall be applied forthwith to the payment of the principal of and interest on all grant anticipation notes issued in anticipation thereof or, in either case, shall be deposited in trust for such purpose with a bank or trust company, which may be the bank or trust company, if any, at which such obligations are payable.

(d) Project loan obligations, grant account loan obligations, interim funding obligations or any obligation of a municipality that satisfies the requirements of Title VI of the federal Water Pollution Control Act or the federal Safe Drinking Water Act or other related federal act may, as determined by the commissioner or, if the project is an eligible drinking water project, by the Commissioner of Public Health, be general obligations of the issuing municipality and in such case each such obligation shall recite that the full faith and credit of the issuing municipality are pledged for the payment of the principal thereof and interest thereon. To the extent a municipality is authorized pursuant to sections 22a-475 to 22a-483, inclusive, as amended by this act, to issue project loan obligations or interim funding obligations, such obligations may be secured by a pledge of revenues and other funds derived from its sewer system or public water supply system, as applicable. Each pledge and agreement made for the benefit or security of any of such obligations shall be in effect until the principal of, and interest on, such obligations have been fully paid, or until provision has been made for payment in the manner provided in the resolution authorizing their issuance or in the agreement for the benefit of the holders of such obligations. In any such case, such pledge shall be valid and binding from the time when such pledge is made. Any revenues or other receipts, funds or moneys so pledged and thereafter received by the municipality shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act. The lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the municipality, irrespective of whether such parties have notice thereof. Neither the project loan obligation, interim funding obligation, project funding agreement nor any other instrument by which a pledge is created need be recorded. All securities or other investments of moneys of the state permitted or provided for under sections 22a-475 to 22a-483, inclusive, may, upon the determination of the State Treasurer, be purchased and held in fully marketable form, subject to provision for any registration in the name of the state. Securities or other investments at any time purchased, held or owned by the state may, upon the determination of the State Treasurer and upon delivery to the state, be accompanied by such documentation, including approving bond opinion, certification and guaranty as to signatures and certification as to absence of litigation, and such other or further documentation as shall from time to time be required in the municipal bond market or required by the state.

(e) Notwithstanding the provisions of the general statutes, any special act or any municipal charter governing the authorization of bonds, notes or obligations or the appropriation of funds, or governing the application for, and expenditure of, grants or loans, or governing the authorization of contracts or financing agreements or governing the pledging of sewer or water revenues or funds, a municipality may, by resolution approved by its legislative body and by (1)

its water pollution control authority or sewer authority, if any, authorize a project loan and project grant agreement between the municipality and the state pursuant to sections 22a-475 to 22a-483, inclusive, and appropriate funds and authorize project loan obligations and interim funding obligations of the municipality paid and secured solely by a pledge of revenues, funds and moneys of the municipality and the water pollution control authority or sewer authority, if any, derived from its sewer system, to pay for and finance the total project costs of an eligible water quality project, pursuant to a project loan and project grant agreement between the municipality and the state pursuant to sections 22a-475 to 22a-483, inclusive, or (2) by its water authority, if any, authorize a project loan and project grant agreement between the municipality and the state pursuant to sections 22a-475 to 22a-483, inclusive, and appropriate funds and authorize project loan obligations and interim funding obligations of the municipality paid and secured solely by a pledge of revenues, funds and moneys of the municipality and the water authority, if any, derived from its public water supply system, to pay for and finance the total project costs of an eligible water quality project, pursuant to a project loan agreement between the municipality and the state pursuant to sections 22a-475 to 22a-483, inclusive. The provisions of chapter 103 shall apply to the obligations authorized by this section, to the extent such section is not inconsistent with this subsection. A project loan and project grant agreement authorized by such resolution may contain covenants and agreements with respect to, and may pledge the revenues, funds and moneys derived from, the sewer system or public water system to secure such project loan obligations and interim funding obligations, including, but not limited to, covenants and agreements with respect to holding or depositing such revenues, funds and moneys in separate accounts and agreements described in section 7-266. As used in this subsection "legislative body" means (A) the board of selectmen in a town that does not have a charter, special act or home rule ordinance relating to its government, (B) the council, board of aldermen, representative town meeting, board of selectmen or other elected legislative body described in a charter, special act or home rule ordinance relating to government in a city, consolidated town and city, consolidated town and borough or a town having a charter, special act, consolidation ordinance or home rule ordinance relating to its government, (C) the board of burgesses or other elected legislative body in a borough, or (D) the district committee or other elected legislative body in a district, metropolitan district or other municipal corporation.

(f) Any recipient which is not a municipality shall execute and deliver project loan obligations and interim financing obligations in accordance with applicable law and in such form and with such requirements as may be determined by the commissioner or by the Commissioner of Public Health if the project is an eligible drinking water project. The Commissioner of Public Health and the Department of Public Utility Control as required by section 16-19e shall review and approve all costs that are necessary and reasonable prior to the award of the project funding agreement with respect to an eligible drinking water project. The Department of Public Utility Control, where appropriate, shall include these costs in the recipient's rate structure in accordance with section 16-19e.

(P.A. 86-420, S. 5, 12; P.A. 87-571, S. 5, 7; P.A. 89-377, S. 5, 8; June Sp. Sess. P.A. 90-1, S. 5, 6, 10; P.A. 92-201, S. 1, 2; P.A. 96-181, S. 114, 121; May Sp. Sess. P.A. 04-2, S. 69; P.A. 10-117, S. 38, 39.)

History: P.A. 87-571 added provisions re interim funding obligations; P.A. 89-377 added

provisions concerning opinions of bond counsel, exempted obligations issued in order to meet abatement orders from limits in Sec. 7-374, added Subsec. (b) concerning hold harmless provisions and amended Subsec. (d) to provide that obligations may, as determined by the commissioner, rather than shall, be general obligations of the municipality and to add provisions concerning marketability; June Sp. Sess. P.A. 90-1 amended Subsecs. (a) and (c) to provide that the exemption from the debt limitation of Sec. 7-374 for projects under abatement orders will be allowed only when the municipality has satisfied the commissioner that it has a repayment plan for such debt; P.A. 92-201 amended Subsec. (d) to clarify the nature of the pledge of revenues and the lien of any such pledge and added Subsec. (e) concerning pledges of revenues; P.A. 96-181 added Subsec. (f) re review and approval of costs of a recipient which is not a municipality by the Commissioner of Public Health and the Department of Public Utility Control and made technical and conforming changes related to inclusion of the federal Safe Drinking Water Act, effective July 1, 1996; May Sp. Sess. P.A. 04-2 amended Subsec. (c) to provide that notes of a municipality under section shall not be subject to Sec. 7-264, amended Subsec. (d) to authorize the securing of obligations of municipalities under section by other funds derived from water or sewer systems and to add provision re pledges and agreements for the benefit or security of obligations under section, amended Subsec. (e) to qualify the provisions of law that are not applicable to the municipal powers under section, to authorize project loan and project grant agreements and to specify the provisions which such agreements may include, and made technical and conforming changes, effective May 12, 2004, and applicable to any pledge, lien or security interest of this state or any political subdivision of this state, which was in existence on October 1, 2003, or created after October 1, 2003; P.A. 10-117 amended Subsecs. (c) and (d) by adding "or, if the project is an eligible drinking water project, by the Commissioner of Public Health" and amended Subsec. (f) by adding provisions re responsibilities of Commissioner of Public Health if project is an eligible drinking water project.

Sec. 22a-480. Construction of provisions. No provision of sections 22a-475 to 22a-483, inclusive, shall be construed or deemed to supersede or limit the authority granted the commissioner and the Commissioner of Public Health pursuant to this chapter.

(P.A. 86-420, S. 6, 12; P.A. 10-117, S. 40.)

History: P.A. 10-117 added "and the Commissioner of Public Health".

Sec. 22a-481. Projects with prior funding. (a) Eligible water quality projects which have received advances for planning and design pursuant to subsection (b) of section 22a-439 or section 22a-443 shall be eligible for project grants and loans under this program. No interest shall be charged on a grant advance prior to the time it is converted to a project grant and loan.

(b) Contractual obligations of the state to municipalities for grant assistance commitments made prior to July 1, 1986, shall be funded pursuant to sections 22a-439 to 22a-443, inclusive.

(P.A. 86-420, S. 7, 12.)

Sec. 22a-482. Regulations. The Commissioner of Environmental Protection shall adopt regulations in accordance with the provisions of chapter 54 to carry out the purposes of sections

22a-475 to 22a-483, inclusive, except that the Commissioner of Public Health shall adopt regulations in accordance with the provisions of chapter 54 to carry out the purposes of sections 22a-475 to 22a-483, inclusive, pertaining to the drinking water accounts, as defined in subdivisions (7) and (8) of section 22a-475, and eligible drinking water projects. Pending the adoption of regulations concerning the drinking water accounts, as defined in subdivisions (7) and (8) of section 22a-475, the regulations in effect and applicable to the management and operation of the Clean Water Fund shall be utilized by the Commissioner of Public Health with the operation of the drinking water accounts, as defined in subdivisions (7) and (8) of said section 22a-475.

(P.A. 86-420, S. 8, 12; P.A. 96-181, S. 115, 121; P.A. 10-117, S. 41.)

History: P.A. 96-181 added Commissioner of Public Health and made regulations applicable to the operation of drinking water accounts, effective July 1, 1996; P.A. 10-117 added provision re responsibilities of Commissioner of Public Health re adoption of regulations pertaining to drinking water accounts and eligible drinking water projects and made conforming changes.

Sec. 22a-483. Bond issue for Clean Water Fund projects. General obligation bonds. Revenue bonds. (a) For the purposes of sections 22a-475 to 22a-483, inclusive, the State Bond Commission shall have the power, from time to time to authorize the issuance of bonds of the state in one or more series and in principal amounts, not exceeding in the aggregate one billion forty-one million twenty-five thousand nine hundred seventy-six dollars.

(b) The proceeds of the sale of any bonds, state bond anticipation notes or state grant anticipation notes issued pursuant to sections 22a-475 to 22a-483, inclusive, shall be deposited in the Clean Water Fund and not less than fifty million dollars of such proceeds shall be deposited in the Long Island Sound clean-up account of said fund.

(c) All provisions of section 3-20, or the exercise of any right or power granted thereby which are not inconsistent with the provisions of sections 22a-475 to 22a-483, inclusive, are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to said sections, and temporary notes in anticipation of the money to be derived from the sale of any such bonds so authorized may be issued in accordance with said section 3-20 and from time to time renewed. None of said bonds shall be authorized except upon a finding by the State Bond Commission that there has been filed with it a request for such authorization, which is signed by or on behalf of the Secretary of the Office of Policy and Management and states such terms and conditions as said commission, in its discretion, may require. Said bonds issued pursuant to sections 22a-475 to 22a-483, inclusive, may be general obligations of the state and in such case the full faith and credit of the state of Connecticut are pledged for the payment of the principal of and interest on said bonds as the same become due, and accordingly and as part of the contract of the state with the holders of said bonds, appropriation of all amounts necessary for punctual payment of such principal and interest is hereby made, and the Treasurer shall pay such principal and interest as the same become due. Such general obligation bonds shall mature at such time or times not exceeding twenty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such general obligation bonds. The state, acting by and through the State Bond Commission, is hereby

authorized to issue from time to time general obligation bonds in such sums as is appropriate and necessary to meet the state's matching requirement for eligibility pursuant to the federal Water Quality Act of 1987 or the federal Safe Drinking Water Act or other similar federal act, provided such sums shall not exceed the aggregate principal amounts of bonds authorized pursuant to subsection (a) of this section. Whenever such bonds are so authorized, the state's obligations shall be issued on such terms and conditions as shall be determined and established by the Treasurer. Such bonds shall bear such rate of interest as the treasurer shall determine, by reference to such open market indices for obligations having similar terms and characteristics as the Treasurer shall determine relevant, in order to arrive at a taxable rate of interest on the obligations of the state issued and sold to the Clean Water Fund. The Treasurer shall deliver such bonds to the Clean Water Fund upon the receipt of evidence from the Environmental Protection Agency evidencing satisfaction by the state of its federal matching requirement pursuant to the federal Water Quality Act of 1987 or the federal Safe Drinking Water Act or other similar federal act.

(d) Notwithstanding the foregoing, nothing herein shall preclude the State Bond Commission from authorizing the issuance of revenue bonds, in principal amounts not exceeding in the aggregate one billion nine hundred fifty-three million four hundred thousand dollars, provided one hundred twenty million dollars of said authorization shall be effective July 1, 2010, that are not general obligations of the state of Connecticut to which the full faith and credit of the state of Connecticut are pledged for the payment of the principal and interest. Such revenue bonds shall mature at such time or times not exceeding thirty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such revenue bonds. The revenue bonds, revenue state bond anticipation notes and revenue state grant anticipation notes authorized to be issued under sections 22a-475 to 22a-483, inclusive, shall be special obligations of the state and shall not be payable from nor charged upon any funds other than the revenues or other receipts, funds or moneys pledged therefor as provided in said sections 22a-475 to 22a-483, inclusive, including the repayment of municipal loan obligations; nor shall the state or any political subdivision thereof be subject to any liability thereon except to the extent of such pledged revenues or the receipts, funds or moneys pledged therefor as provided in said sections 22a-475 to 22a-483, inclusive. The issuance of revenue bonds, revenue state bond anticipation notes and revenue state grant anticipation notes under the provisions of said sections 22a-475 to 22a-483, inclusive, shall not directly or indirectly or contingently obligate the state or any political subdivision thereof to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment. The revenue bonds, revenue state bond anticipation notes and revenue state grant anticipation notes shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the state or of any political subdivision thereof, except the property mortgaged or otherwise encumbered under the provisions and for the purposes of said sections 22a-475 to 22a-483, inclusive. The substance of such limitation shall be plainly stated on the face of each revenue bond, revenue state bond anticipation note and revenue state grant anticipation note issued pursuant to said sections 22a-475 to 22a-483, inclusive, shall not be subject to any statutory limitation on the indebtedness of the state and such revenue bonds, revenue state bond anticipation notes and revenue state grant anticipation notes, when issued, shall not be included in computing the aggregate indebtedness of the state in respect to and to the extent of any such limitation. As part of the contract of the state with the owners of such revenue bonds, revenue state bond anticipation notes and revenue state

grant anticipation notes, all amounts necessary for the punctual payment of the debt service requirements with respect to such revenue bonds, revenue state bond anticipation notes and revenue state grant anticipation notes shall be deemed appropriated, but only from the sources pledged pursuant to said sections 22a-475 to 22a-483, inclusive. The proceeds of such revenue bonds or notes may be deposited in the Clean Water Fund for use in accordance with the permitted uses of such fund. Any expense incurred in connection with the carrying out of the provisions of this section, including the costs of issuance of revenue bonds, revenue state bond anticipation notes and revenue state grant anticipation notes may be paid from the accrued interest and premiums or from any other proceeds of the sale of such revenue bonds, revenue state bond anticipation notes or revenue state grant anticipation notes and in the same manner as other obligations of the state. All provisions of subsections (g), (k), (l), (s) and (u) of section 3-20 or the exercise of any right or power granted thereby which are not inconsistent with the provisions of said sections 22a-475 to 22a-483, inclusive, are hereby adopted and shall apply to all revenue bonds, state revenue bond anticipation notes and state revenue grant anticipation notes authorized by the State Bond Commission pursuant to said sections 22a-475 to 22a-483, inclusive. For the purposes of subsection (o) of section 3-20, "bond act" shall be construed to include said sections 22a-475 to 22a-483, inclusive.

(e) Any pledge made by the state pursuant to sections 22a-475 to 22a-483, inclusive, is a statutory pledge and shall be valid and binding from the time when the pledge is made, and any revenues or other receipts, funds or moneys so pledged and thereafter received by the state shall be subject immediately to the lien of such pledge without any physical delivery thereof or further act. The lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the state, irrespective of whether such parties have notice thereof. Neither the resolution nor any other instrument by which a pledge is created need be recorded. Any pledge made by the state pursuant to sections 22a-475 to 22a-483, inclusive, to secure revenue bonds issued to finance eligible water quality projects shall secure only revenue bonds issued for such purpose and any such pledge made by the state to secure revenue bonds issued to finance eligible drinking water projects shall secure only revenue bonds issued for such purpose.

(f) Whenever the General Assembly has authorized the State Bond Commission to authorize bonds of the state for clean water projects and uses and has found that such projects and uses are for any of the purposes set forth in sections 22a-475 to 22a-483, inclusive, and whenever the State Bond Commission finds that the authorization of such bonds will be in the best interests of the state, the State Bond Commission shall authorize the issuance of such bonds from time to time in one or more series and in principal amounts not exceeding the aggregate amount authorized by the General Assembly.

(g) Whenever the state has a written commitment to receive a grant-in-aid or similar form of assistance with respect to a project or program for which the issuance of bonds has been authorized pursuant to sections 22a-475 to 22a-483, inclusive, the Treasurer may issue state grant anticipation notes in anticipation of the issuance of such a grant-in-aid or other assistance provided (1) the total amount of such notes shall not exceed the amount of the grant commitment which has not been paid to the state and (2) all grant payments with respect to such project or program received by the state, to the extent required, shall be applied promptly toward

repayment of such temporary notes as the same shall become due and payable, or shall be deposited in trust for such purpose. Notes evidencing such borrowings shall be signed by the manual or facsimile signature of the Treasurer or his deputy. The principal of and interest on any state grant anticipation notes issued pursuant to this subsection may be repaid from the proceeds of renewals thereof, from grants-in-aid or other assistance pledged for the payment thereof, or from the proceeds of a credit facility including, but not limited to, a letter of credit or policy of bond insurance.

(h) Bonds, state bond anticipation notes and state grant anticipation notes issued pursuant to sections 22a-475 to 22a-483, inclusive, are hereby made securities in which public officers and public bodies of the state and its political subdivisions, all insurance companies, credit unions, building and loan associations, investment companies, banking associations, trust companies, executors, administrators, trustees and other fiduciaries and pension, profit-sharing and retirement funds may properly and legally invest funds, including capital in their control or belonging to them. Such bonds, state bond anticipation notes and state grant anticipation notes are hereby made securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the state for any purpose for which the deposit of bonds, state bond anticipation notes, state grant anticipation notes or other obligations of the state is now or may hereafter be authorized by law.

(i) The proceedings under which bonds are authorized to be issued may, subject to the provisions of the general statutes, contain any or all of the following: (1) Provisions respecting custody of the proceeds from the sale of the bonds and any bond anticipation notes, including any requirements that such proceeds be held separate from or not be commingled with other funds of the state; (2) provisions for the investment and reinvestment of bond proceeds utilized to pay project costs and for the disposition of any excess bond proceeds or investment earnings thereon; (3) provisions for the execution of reimbursement agreements or similar agreements in connection with credit facilities, including, but not limited to, letters of credit or policies of bond insurance, remarketing agreements and agreements for the purpose of moderating interest rate fluctuations, and of such other agreements entered into pursuant to section 3-20a; (4) provisions for the collection, custody, investment, reinvestment and use of the pledged revenues or other receipts, funds or moneys pledged therefor as provided in sections 22a-475 to 22a-483, inclusive; (5) provisions regarding the establishment and maintenance of reserves, sinking funds and any other funds and accounts as shall be approved by the State Bond Commission in such amounts as may be established by the State Bond Commission, and the regulation and disposition thereof, or the establishment of a reserve fund of the state into which may be deposited any moneys appropriated and made available by the state for such fund, any proceeds of the sale of bonds or notes, to the extent provided in the resolution of the state authorizing the issuance thereof, and any other moneys which may be made available to the state for the purpose of such fund from any source whatever and, in lieu of the deposit of any such moneys, evidence by the state of the satisfaction of a federal matching requirement on the part of the state pursuant to the federal Water Quality Act of 1987 or the federal Safe Drinking Water Act or other related federal act, as applicable, including requirements that any such funds and accounts be held separate from or not be commingled with other funds of the state; (6) covenants for the establishment of pledged revenue coverage requirements for the bonds and state bond anticipation notes; (7) provisions for the issuance of additional bonds on a parity with bonds theretofore issued, including

establishment of coverage requirements with respect thereto as herein provided; (8) provisions regarding the rights and remedies available in case of a default to bondowners, noteowners or any trustee under any contract, loan agreement, document, instrument or trust indenture, including the right to appoint a trustee to represent their interests upon occurrence of an event of default, as defined in said proceedings, provided that if any bonds or state bond anticipation notes shall be secured by a trust indenture, the respective owners of such bonds or notes shall have no authority except as set forth in such trust indenture to appoint a separate trustee to represent them; (9) provisions for the payment of rebate amounts; and (10) provisions or covenants of like or different character from the foregoing which are consistent with sections 22a-475 to 22a-483, inclusive, and which the State Bond Commission determines in such proceedings are necessary, convenient or desirable in order to better secure the bonds or state bond anticipation notes, or will tend to make the bonds or state bond anticipation notes more marketable, and which are in the best interests of the state. Any provision which may be included in proceedings authorizing the issuance of bonds hereunder may be included in an indenture of trust duly approved in accordance with sections 22a-475 to 22a-483, inclusive, which secures the bonds and any notes issued in anticipation thereof, and in such case the provisions of such indenture shall be deemed to be a part of such proceedings as though they were expressly included therein.

(j) Whether or not any bonds, state bond anticipation notes or state grant anticipation notes issued pursuant to sections 22a-475 to 22a-483, inclusive, are of such form and character as to be negotiable instruments under the terms of title 42a, such bonds, state bond anticipation notes and state grant anticipation notes are hereby made negotiable instruments within the meaning of and for all purposes of title 42a, subject only to the provisions of such bonds, state bond anticipation notes and state grant anticipation notes for registration.

(k) The state covenants with the purchasers and all subsequent owners and transferees of bonds, state bond anticipation notes and state grant anticipation notes issued by the state pursuant to sections 22a-475 to 22a-483, inclusive, in consideration of the acceptance of and payment for the bonds, state bond anticipation notes and state grant anticipation notes, that such bonds, state bond anticipation notes and state grant anticipation notes shall be free at all times from taxes levied by any municipality or political subdivision or special district having taxing powers of the state and the principal and interest of any bonds, state bond anticipation notes and grant anticipation notes issued under the provisions of sections 22a-475 to 22a-483, inclusive, their transfer and the income therefrom, including revenues derived from the sale thereof, shall at all times be free from taxation of every kind by the state of Connecticut or under its authority, except for estate or succession taxes. The Treasurer is authorized to include this covenant of the state in any agreement with the owner of any such bonds, state bond anticipation notes or state grant anticipation notes.

(l) Pending the use and application of any bond proceeds, such proceeds may be invested by, or at the direction of the State Treasurer, in obligations listed in section 3-20 or in investment agreements rated within the top rating categories of any nationally recognized rating service or in investment agreements secured by obligations, of or guaranteed by, the United States or agencies or instrumentalities of the United States.

(m) Any revenue bonds issued under the provisions of sections 22a-475 to 22a-483, inclusive, and at any time outstanding may, at any time and from time to time, be refunded by the state by the issuance of its revenue refunding bonds in such amounts as the State Bond Commission may deem necessary, but not to exceed an amount sufficient to refund the principal of the revenue bonds to be so refunded, to pay any unpaid interest thereon and any premiums and commissions necessary to be paid in connection therewith and to pay costs and expenses which the Treasurer may deem necessary or advantageous in connection with the authorization, sale and issuance of refunding bonds. Any such refunding may be effected whether the revenue bonds to be refunded shall have matured or shall thereafter mature. All revenue refunding bonds issued hereunder shall be payable solely from the revenues or other receipts, funds or moneys out of which the revenue bonds to be refunded thereby are payable and shall be subject to and may be secured in accordance with the provisions of this section.

(n) The Treasurer shall have power, out of any funds available therefor, to purchase revenue bonds, state revenue bond anticipation notes and state revenue grant anticipation notes of the state issued pursuant to sections 22a-475 to 22a-483, inclusive. The Treasurer may hold, pledge, cancel or resell such bonds or notes, subject to and in accordance with agreements with bondholders or noteholders, as applicable.

(P.A. 86-420, S. 9, 12; P.A. 87-405, S. 22, 26; 87-571, S. 6, 7; P.A. 88-343, S. 14, 32; P.A. 89-331, S. 21, 30; 89-377, S. 6, 8; P.A. 90-297, S. 14, 24; June Sp. Sess. P.A. 90-1, S. 7, 10; June Sp. Sess. P.A. 91-4, S. 16, 17, 25; P.A. 92-113, S. 1, 2; May Sp. Sess. P.A. 92-7, S. 17, 18, 36; June Sp. Sess. P.A. 93-1, S. 12, 13, 36, 45; May Sp. Sess. P.A. 94-2, S. 10, 11, 203; P.A. 95-272, S. 11, 12, 29; P.A. 96-181, S. 116-118, 121; June 5 Sp. Sess. P.A. 97-1, S. 15, 16, 20; P.A. 98-124, S. 9, 12; 98-259, S. 11, 17; P.A. 99-241, S. 14, 15, 66; June Sp. Sess. P.A. 01-7, S. 6, 7, 28; May 9 Sp. Sess. P.A. 02-5, S. 12; May Sp. Sess. P.A. 04-1, S. 8; May Sp. Sess. P.A. 04-2, S. 58; June Sp. Sess. P.A. 05-5, S. 10, 11; June Sp. Sess. P.A. 07-7, S. 50, 51; Sept. Sp. Sess. P.A. 09-2, S. 5, 6; P.A. 10-44, S. 25, 35.)

History: P.A. 87-405 increased the bond authorization from \$40,000,000 to \$80,000,000; P.A. 87-571 added Subsec. (d) regarding issuance of bonds that are not general obligations of the state; P.A. 88-343 increased the bond authorization to \$120,000,000; P.A. 89-331 increased the bond authorization to \$220,000,000 and provided that \$25,000,000 of the proceeds be deposited in the Long Island Sound account; P.A. 89-377 would have changed aggregate total in Subsec. (a) from \$120,000,000 to \$145,000,000 but for precedence of P.A. 89-331, reiterated provision of P.A. 89-331 re addition of \$25,000,000 to the Long Island Sound clean-up account, provided that the obligations may, rather than shall, be general obligations of the state and added Subdivs. (e) to (l), inclusive; P.A. 90-297 amended Subsec. (a) to increase the bond authorization from \$220,000,000 to \$345,000,000, amended Subsec. (b) to increase the minimum deposit in the clean water fund from \$25,000,000 to \$50,000,000, amended Subsec. (c) to require that requests for authorizations be signed by the secretary of the office of policy and management rather than by the commissioner of environmental protection and amended Subsec. (d) to limit revenue bonds to principal amounts not exceeding in the aggregate \$100,000,000; June Sp. Sess. 90-1 amended Subsec. (c) to include provisions regarding the issuance of general obligation bonds to meet the matching requirements of federal law and to be delivered to the clean water fund, amended Subsec. (d) to clarify the status and method of issuance of revenue bonds, amended

Subsec. (h) to remove credit unions, building and loan associations and investment companies from the list of possible investors, amended Subsec. (i)(3) to clarify the extent to which and manner in which reserve funds could be used, amended Subsec. (k) to reword the provisions concerning state tax exemption and added Subsec. (m), concerning revenue refunding bonds, and Subsec. (n), concerning repurchase of revenue obligations; June Sp. Sess. P.A. 91-4, in Subsec. (a), increased the bond authorization from \$345,000,000 to \$395,000,000 and in Subsec. (d), increased the bond authorization from \$100,000,000 to \$300,000,000; P.A. 92-113 amended Subsec. (c) to provide that the rate determined by the treasurer shall be a taxable, rather than tax-exempt, rate; May Sp. Sess. P.A. 92-7 amended Subsec. (a) to increase the bond authorization from \$395,000,000 to \$425,000,000 and amended Subsec. (d) to increase the bond authorization from \$300,000,000 to \$330,000,000; June Sp. Sess. P.A. 93-1 amended Subsec. (a) to increase bond authorization to \$558,870,000, provided \$75,020,000 of said authorization shall be effective July 1, 1994, amended Subsec. (d) to increase bond authorization from \$320,000,000 to \$475,400,000, provided \$51,600,000 of said authorization shall be effective July 1, 1994, and further amended Subsec. (c) to move provision re bond maturity and amended Subsec. (d) to provide that bonds shall mature not more than 30 years from their dates and that expenses of carrying out provisions may be paid from accrued interest and premiums or other sale proceeds, effective July 1, 1993; May Sp. Sess. P.A. 94-2 in Subsec. (a) decreased bond authorization from \$558,870,000 to \$536,270,000 and in Subsec. (d) decreased bond authorization from \$475,400,000 to \$466,900,000, effective July 1, 1994; P.A. 95-272 amended Subsec. (a) to increase authorization amount from \$536,270,000 to \$576,330,000, effective July 1, 1995, provided \$23,580,000 shall be effective July 1, 1996, and amended Subsec. (d) to increase authorization amount from \$466,900,000 to \$633,300,000, effective July 1, 1995, provided \$41,000,000 shall be effective July 1, 1996; P.A. 96-181 amended Subsec. (c) and (i) to add federal Safe Drinking Water Act or similar federal act, and amended Subsec. (e) to add provision re securing revenue bonds issued to finance eligible drinking water projects, effective July 1, 1996; June 5 Sp. Sess. P.A. 97-1 amended Subsec. (a) to increase bond authorization from \$576,330,000 to \$635,330,000 provided \$14,000,000 of that authorization is effective July 1, 1998, and amended Subsec. (d) to increase bond authorization from \$633,300,000 to \$867,900,000 provided \$83,300,000 of that authorization is effective July 1, 1998, effective July 31, 1997; P.A. 98-124 amended Subsec. (i)(3) to add agreements entered into pursuant to Sec. 3-20a, effective May 27, 1998; P.A. 98-259 amended Subsec. (a) to decrease authorization from \$635,330,000 to \$621,330,000 and deleted proviso re use of \$14,000,000, effective July 1, 1998; P.A. 99-241 amended Subsec. (a) to increase authorization from \$621,330,000 to \$717,830,000, effective July 1, 1999, provided \$53,100,000 is effective July 1, 2000 and amended Subsec. (d) to increase authorization from \$867,900,000 to \$999,400,000, effective July 1, 1999, provided \$66,900,000 is effective July 1, 2000; June Sp. Sess. P.A. 01-7 amended Subsec. (a) to increase authorization from \$717,830,000 to \$797,830,000 provided \$40,000,000 is effective July 1, 2002, and amended Subsec. (d) to increase authorization from \$999,400,000 to \$1,238,400,000 provided \$158,000,000 is effective July 1, 2002, effective July 1, 2001; May 9 Sp. Sess. P.A. 02-5 amended Subsec. (a) to increase authorization from \$797,830,000 to \$801,030,000 and to provide that \$60,000,000 of said authorization shall be effective July 1, 2003, effective July 1, 2002; May Sp. Sess. P.A. 04-1 amended Subsec. (a) to reduce aggregate authorization to \$741,030,000 and deleted provision re funds authorized in 2003, effective July 1, 2004; May Sp. Sess. P.A. 04-2 amended Subsec. (e) to provide that pledges made by the state under Secs. 22a-475 to 22a-483, inclusive, are statutory and not subject to the Uniform Commercial Code,

effective May 12, 2004, and applicable to any pledge, lien or security interest of this state or any political subdivision of this state, which was in existence on October 1, 2003, or created after October 1, 2003; June Sp. Sess. P.A. 05-5 amended Subsec. (a) to increase the aggregate authorization from \$741,030,000 to \$781,030,000, of which \$20,000,000 is effective July 1, 2006, and amended Subsec. (d) to increase the aggregate authorization from \$1,238,400,000 to \$1,338,400,000, of which \$100,000,000 is effective July 1, 2006, effective July 1, 2005; June Sp. Sess. P.A. 07-7 amended Subsec. (a) by increasing aggregate authorization from \$781,030,000 to \$961,030,000, of which \$90,000,000 is effective July 1, 2008, and amended Subsec. (d) by increasing aggregate authorization from \$1,338,400,000 to \$1,753,400,000, of which \$180,000,000 is effective July 1, 2008, effective November 2, 2007; Sept. Sp. Sess. P.A. 09-2 amended Subsec. (a) by increasing aggregate authorization from \$961,030,000 to \$1,066,030,000, of which \$40,000,000 is effective July 1, 2010, and amended Subsec. (d) by increasing aggregate authorization from \$1,753,400,000 to \$1,913,400,000, of which \$80,000,000 is effective July 1, 2010, effective September 25, 2009; P.A. 10-44 amended Subsec. (a) by decreasing aggregate authorization from \$1,066,030,000 to \$1,041,025,976 and by deleting provision re authorization amount effective on July 1, 2010, and amended Subsec. (d) by increasing aggregate authorization from \$1,913,400,000 to \$1,953,400,000, of which \$120,000,000 is effective July 1, 2010, effective July 1, 2010.

Attachment A.2.

This document contains the Connecticut regulations for Clean Water Fund. This document was prepared by the State of Connecticut Department of Environmental Protection and is provided for the convenience of the reader. This is not the official version of the regulations. The official regulations are published by the State of Connecticut, Judicial Branch, Commission on Official Legal Publications in the Connecticut Law Journal. In the event there is inconsistency between this document and the regulations as published in the Connecticut Law Journal, the Connecticut Law Journal publication will serve as the official version.

Clean Water Fund

Sec. 22a-482-1 Introduction and Priority Management System

Sec. 22a-482-1 (a) Purpose and Limitations

- (a) Definitions as used in Sections 22a-482-1 to 22a-482-4 inclusive.
- (1) "Act" means the Federal Clean Water Act (33 U.S.C. 1251 et seq., as amended).
 - (2) "Ad valorem tax" means a tax based upon the value of real property.
 - (3) "Applicant" means a municipality as defined in C.G.S. Section 22a-475.
 - (4) "Architectural or engineering services" means consultation, investigations, reporting and design services offered within the scope of the practice of architecture or professional engineering as defined by the laws of the State of Connecticut.
 - (5) "Building" means the erection, acquisition, alteration, remodeling, improvement or extension of pollution abatement facilities.
 - (6) "Cash flow projection" means a schedule of expenditures to municipal prime contracts throughout the life of the project.
 - (7) "Clean Water Fund" means the fund created under section 22a-475 to 22a-483 inclusive of the General Statutes
 - (8) "Collector sewer" means the common lateral sewers, within a publicly owned sewer system, which are primarily installed to receive wastewaters directly from facilities which convey wastewaters from individual systems, or from private property, and which include service "Y" connections designed for connection with those facilities including:
 - (A) Crossover sewers connecting more than one property on one side of a major street, road, or highway to a lateral sewer on the other side when more cost effective than parallel sewers and
 - (B) Pumping units and pressurized lines serving individual structures or groups of structures when such units are cost-effective and are owned and maintained by the municipality.

This definition excludes other facilities which convey wastewater from individual structures, from private property to the public lateral sewer, or its equivalent and also excludes facilities associated with alternatives to conventional pollution abatement facilities in small communities.
 - (9) "Combined sewer" means a sewer that is designed as a sanitary sewer and a storm sewer.
 - (10) "Compatible industrial wastewater" means wastewater that is produced by an industrial

user, has a pollutant strength and other characteristics similar to those of domestic wastewater, and can be efficiently and effectively transported and treated with domestic wastewater.

- (11) "Complete waste treatment system" means a complete waste treatment system that consists of all the pollution abatement facilities necessary to meet the requirements of Title III of the Act, involving the transport of wastewater from individual homes or buildings to a plant or facility where treatment of the wastewater is accomplished; the treatment of the wastewater to remove pollutants; and the ultimate disposal, including recycling or reuse, of the treated wastewater and residues which result from the treatment process.
- (12) "Construction" means the erection, building, acquisition, alteration, remodeling, improvement or extension of pollution abatement facilities or the inspection and supervision of any of the foregoing items.
- (13) "Cost Analysis" means the review and evaluation of each element of subagreement cost to determine reasonableness, allocability and allowability.
- (14) "Design" means studies, surveys, plans, working drawings, specifications, procedures, field testing of innovative and alternative wastewater treatment processes and techniques (excluding operation and maintenance) requisite for the construction of pollution abatement facilities.
- (15) "Excessive infiltration/inflow" means the quantity of infiltration/inflow which can be economically eliminated from a sewer system as determined in a cost-effectiveness analysis that compares the costs for correcting the infiltration/inflow conditions to the total costs for transportation and treatment of the infiltration/inflow.
- (16) "Grantee" means a municipality as defined in C.G.S. Section 22a-475.
- (17) "Individual systems" means privately owned alternative pollution abatement facilities (including dual waterless/gray water systems) serving one or more principal residences or small commercial establishments. Normally these are onsite systems with localized treatment and disposal of wastewater, but may include systems serving a cluster of principal residences or small commercial establishments.
- (18) "Infiltration" means water other than wastewater that enters a sewer system (including sewer service connections and foundation drains) from the ground through such means as defective pipes, pipe joints, connections, or manholes. Infiltration does not include, and is distinguished from, inflow.
- (19) "Inflow" means water other than wastewater that enters a sewer system (including sewer service connections) from sources such as, but not limited to: roof leaders, cellar drains, yard drains, area drains, drains from springs and swampy areas, manholes covers, connections between storm sewers and sanitary sewers, catch basins, cooling towers, storm waters, surface runoff, street wash waters, or drainage. Inflow does not include, and is distinguished from, infiltration.
- (20) "Initiation of operation" means the date specified by the municipality on which use of the

project begins for the purpose that it was planned, designed and built.

- (21) "Interceptor sewer" means a sewer which is designed for one or more of the following purposes:
 - (A) To intercept wastewater from collector sewers and convey such wastes directly to a treatment facility or another interceptor.
 - (B) To replace an existing pollution abatement facility and transport the waste to an adjoining collector sewer or interceptor sewer for conveyance to a treatment plant.
 - (C) To transport wastewater from one or more municipal collector sewers to another municipality or to a regional plant for treatment.
 - (D) To intercept an existing discharge of raw or inadequately treated wastewater for transport directly to another interceptor or to a pollution abatement facility.
- (22) "Municipality" is as defined in C.G.S. Section 22a-475.
- (23) "Nonexcessive infiltration" means the quantity of wastewater flow which cannot be economically and effectively eliminated from a sewer system as determined in a cost-effectiveness analysis.
- (24) "Nonexcessive inflow" means the rainfall induced peak inflow rate which does not result in chronic operational problems related to hydraulic overloading of the pollution abatement facility during storm events. These problems may include surcharging, backups, bypasses, and overflows.
- (25) "Operation and maintenance" means activities required to assure the dependable and economical function of pollution abatement facilities.
 - (A) Maintenance: Preservation of functional integrity and efficiency of equipment and structures. This includes preventive maintenance, corrective maintenance and replacement of equipment as needed during the useful life of the facility.
 - (B) Operation: Control of the unit processes and equipment which make up the pollution abatement facility. This includes financial and personnel management, records, laboratory control, process control, safety and emergency operation planning.
- (26) "Pollution abatement facility" is as defined in. Section 22a-475 of the General Statutes and is synonymous with the terms project, treatment works, treatment system, and treatment facility.
- (27) "Pollution abatement facility phase or segment" means any portion of a complete pollution abatement facility described in an approved engineering report which can be identified as a contract or discrete sub-item or subcontract. Completion of building of a pollution abatement facility phase or segment may, but need not in and of itself, result in an operable pollution abatement facility.

- (28) "Planning" means all necessary engineering reports and studies to determine the feasibility of pollution abatement facilities including pertinent engineering, architectural, legal, fiscal and economic investigations prior to design.
- (29) "Project performance standards" means the performance and operations requirements applicable to a project including the enforceable requirements of the Act and the specifications which the project is planned and designed to meet.
- (30) "Price analysis" means the process of evaluating a prospective price without regard to the contractor's separate cost elements and proposed profit. Price analysis determines the reasonableness of the proposed subagreement price based on adequate price competition, previous experience with similar work, established catalog or market price, law, or regulation.
- (31) "Principal residence" means the habitation of a family or household for at least 51 percent of the year. Second homes, vacation or recreation residences are not included in this definition.
- (32) "Profit" means the net proceeds obtained by deducting all allowable costs (direct and indirect) from the price.
- (33) "Project schedule" means a timetable specifying the dates of key project events including public notices of proposed procurement actions, subagreement awards, issuance of notice to proceed with building, key milestones in the building, initiation of operation and completion of the project.
- (34) "Replacement" means expenditures for obtaining and installing equipment, accessories, or appurtenances which are necessary during the useful life of the pollution abatement facility to maintain the capacity and performance for which such works were designed and constructed. The term "operation and maintenance" includes replacement.
- (35) "Sanitary sewer" means a conduit intended to carry liquid and water - carried wastes from residences, commercial buildings, industrial plants and institutions together with minor quantities of ground, storm and surface waters that are not admitted intentionally.
- (36) "Services" means a contractor's labor, time or efforts which do not involve the delivery of a specific end item, other than documents which may result from the contractor's labor, time or efforts (e.g., reports, design drawings, specifications). This term does not include employment agreements or collective bargaining agreements.
- (37) "Small commercial establishments" means for purposes of the provisions contained in these regulations providing funding for privately owned individual systems, private commercial establishments such as" restaurants, hotels, stores, filling stations, or recreational facilities; or private, non-profit entities such as: churches, schools, hospitals, or charitable organizations having dry weather wastewater flows of less than 25,000 gallons per day.
- (38) "Small community" means for purposes of the provisions contained in these regulations

providing funding for small community systems, any municipality with a population of 5,000 or less, or highly dispersed sections of large municipalities, as determined by the Commissioner.

- (39) "Storm sewer" means a sewer designed to carry only storm waters, surface runoff, street wash waters and drainage.
- (40) "Subagreement" means a written agreement between a grant recipient and another party (other than another public agency) and any lower tier agreement for services, supplies, equipment, or construction necessary to complete the project. Subagreements include contracts and subcontracts for personal and professional services, agreements with consultants and purchase orders.
- (41) "Useful life" means the period during which a pollution abatement facility will be operated.
- (42) "User charge" means a charge levied on users of a pollution abatement facility, or that portion of the ad valorem taxes paid by a user, for the user's proportionate share of the cost of operation and maintenance (including replacement) of such facility.
- (43) "Value engineering" means a specialized cost control technique which uses a systematic and creative approach to identify and to focus on unnecessarily high cost in a project in order to arrive at a cost saving without sacrificing the reliability or efficiency of the project.

Sec. 22a-482-1 (b) Development and Format of Project Priority List.

- (1) The Commissioner shall make funding assistance available for projects on a state priority list as established under this section for such periods as authorized by the Legislature under Chapter 446k;
- (2) The Commissioner shall prepare an ordered priority listing of projects for which state funding assistance shall be made available for the period effective October 1st to the following September 30th corresponding to the federal fiscal year;
- (3) The priority list shall contain two portions: (i) a fundable portion consisting of those highest priority projects ready for construction and anticipated to be funded within the current federal fiscal year, and (ii) a planning portion consisting of those projects that may be funded from future authorized allotments.

Sec. 22a-482-1 (c) State Priority System and Project Priority List.

- (1) **Priority Rating Criteria.** All projects eligible for funding assistance shall be evaluated and assigned a priority rating in accordance with the criteria set forth below and will appear on the project priority list. The Commissioner may determine that large-scale, multi-phase projects be segregated and rated separately. Each project shall be evaluated and given points as applicable for each of the following rating criteria, the sum of which shall determine its priority number. These criteria are consistent with the rating system used to establish Federal funding priorities and are shown in the following table:

PRIORITY RATING POINT SYSTEM

- I. Benefit of project upon adversely impacted potable water supplies. (10 points maximum)
 - A. Impaired water supply affecting less than 25 people - 2 points.
 - B. Impaired water supply affecting 26 to 100 people - 4 points.
 - C. Impaired water supply affecting 101 to 1,000 people - 6 points.
 - D. Impaired water supply affecting 1001 to 5,000 people - 8 points.
 - E. Impaired water supply affecting more than 5,000 people - 10 points.

- II. Benefit of project toward attainment of designated water quality standards and goals. (28 points maximum)
 - A. Project is necessary for attainment of water quality standards where the impacted water resource is:
 - 1. Smaller than main stem of a sub-regional drainage basin or groundwater goals will be attained - 5 points.
 - 2. Main stem of sub-regional drainage basin - 10 points.
 - 3. Main stem of regional drainage basin - 15 points.
 - 4. Main stem of major drainage basin - 20 points.
 - 5. Projects which impact coastal areas are considered the equivalent of a regional drainage basin and assigned 15 points.

 - B. Project will enable impacted waters to meet minimum dissolved oxygen standards - 8 points.

For the purposes of the Priority Rating Point System, the drainage basin designations are defined on the map entitled "Natural Drainage Basins in Connecticut: 1981" prepared by the Natural Resources Center of the Department of Environmental Protection in cooperation with the United State Geological Services.

 - C. Project will enable impacted waters to meet minimum dissolved oxygen standards – 8 points.

- III. Project will enhance specific water resource values. (24 points maximum)
 - A. Fishery resources - (6 points maximum).
 - 1. Project will improve recreational fisheries - 3 points.
 - 2. Project will improve anadromous fisheries - 6 points.
 - 3. Project will open new steams for fish stocking programs - 6 points.

 - B. Shellfish resources - (6 points maximum).
 - 1. Project will lower coliform bacteria levels in the waters of shellfish beds - 3 points.
 - 2. Project will open new areas for shellfishing - 6 points.

C. Swimming (6 points maximum).

1. Project will enhance existing swimming opportunities - 3 points.
2. Project will allow for new swimming opportunities - 6 points.

D. Eutrophication - (6 points maximum).

1. Project will reduce eutrophication of a lake or impoundment by diverting septic system discharges out of a drainage basin - 3 points.
2. Project will reduce eutrophication of a lake or impoundment by providing nutrient removal in a municipal treatment plant or by relocating an existing treatment plant discharge - 6 points.

IV. Population equivalent (including commercial and industrial waste) initially served by the project. (12 points maximum)

- A. Less than 5000 - 2 points.
- B. 5,000 but less than 10,000 - 4 points.
- C. 10,000 but less than 20,000 - 6 points.
- D. 20,000 but less than 40,000 - 8 points.
- E. 40,000 but less than 75,000 - 10 points.
- F. 75,000 or greater - 12 points

V. Health and Sanitation Impacts. (6 points)

Project will eliminate ponding of sewage from failing septic systems, backup of sewage into basements, or overflow of sewage in streets (combined sewer overflow correction projects are not eligible for points).

VI. Miscellaneous. (20 points maximum)

- A. Project involves the upgrading of an existing primary facility in order to comply with secondary treatment standards - 5 points.
- B. Project that will result in Commissioner rescinding an Order concerning a sewer connection moratorium - 5 points.
- C. Project will eliminate nuisance odors associated with treatment processes or pump stations but exclusive of large-scale expansion or upgrading of pollution abatement facilities - 5 points.
- D. Remedial action will improve treatment plant operations where treatment standards are already being achieved - 5 points.

VII. Connecticut Housing Partnership Program – Development Designation Community has received development designation – 3 points.

Note: In cases where the priority rating or score is the same for two or more projects, the order is determined by highest score assigned cumulatively in criteria II (total), III (total), and IV. If a tie still remains, preference will be given to those projects ready to proceed at the earliest date within the limit of funds available.

- (2) Project Ranking Mechanism - The relative position or rank of a project on the priority list for funding will be determined by its priority number and its readiness to proceed to construction during the funding year under consideration. The Commissioner may choose to assign a higher rank for projects which fall into one of the following categories:
- (A) Category I- Consists of projects for which a construction application was submitted for review during the previous funding period and which were on the fundable portion of that year's priority list. These applications have undergone preliminary review, are essentially complete and represent the good faith efforts of municipalities to comply with grant program requirements. Only those projects from the fundable portion of the previous year's priority list can be placed in this category;
 - (B) Category II - Consists of projects where previously funded segments of pollution abatement facilities have been built and are not usable or are severely restricted in use until the downstream project(s) are fully constructed and operational. This category enables these projects to be highly ranked for construction and thus allow full use of all facilities; or
 - (C) Category III - Consists of projects which remedy documented pollution of potable water supplies. In order to qualify for high ranking for funding within this special category, projects must meet the following basic criteria: 1. the scope of the pollution problem is significant; 2. the affected water supply is not potable, i.e. does not meet minimum drinking water standards and requires treatment beyond chlorination; and 3. pollution abatement facilities are the cost-effective solution to the problem. This category does not apply to potential emergency use of class B waters for potable water supply as defined in the Connecticut Water Quality Standards adopted pursuant to Section 22a-426.
- (3) Order of Funding Priority. The Commissioner shall distribute funds subject to the requirements for public hearing set forth in this section. It is the goal to establish a balance between planning, design and construction. Therefore, all needs within the highest funding designation need not be fulfilled before proceeding to the next highest funding designation. The following paragraphs establish the general order in which assistance is made:
- (A) Funds to finance temporary loans for planning and design pursuant to C.G.S. Section 22a-478(e) necessary for planning and design for sewage facility projects;
 - (B) A reserve of funds to finance unanticipated cost increases for Projects previously funded;
 - (C) A reserve of funds sufficient to finance at least one small community project;
 - (D) Additional set asides which the Commissioner may establish if he or she determines that serious health or water quality problems caused by wastewater facilities are in the public interest to correct but will not receive sufficient priority to correct in a time frame he or she considers reasonable; and

- (E) Funds available for construction.
- (4) Annual Public Hearing. The amount of funds applied to each paragraph described in (3) above shall be determined annually by the Commissioner based upon available funds and shall be designated in a draft priority list. The draft priority list will indicate which specific projects are proposed to receive funding within each funding designation for the upcoming fiscal year and shall be made available to appropriate local officials at least 30 days prior to a specified date for Public Hearing. The Commissioner will consider all written and oral testimony presented at the Hearing and may elect to modify the draft priority list on the basis of such testimony. The Commissioner shall also indicate his or her reasons for accepting or rejecting any suggested revisions as part of the Hearing record. Following notice of any changes to the priority list which may result from the Hearing, the priority list shall be deemed final except for minor revisions allowable under Section 22a-482-1(d) (5).
- (5) Revisions to the Priority List.
 - (A) The priority system shall include a project bypass procedure. The Commissioner may bypass a project on the fundable portion of the priority list if he or she determines that the bypassed project will not be ready to proceed within the first six months of the funding year. The Commissioner shall advise, in writing, each municipality he or she intends to bypass and the reasons therefore. Projects that are bypassed will retain their relative priority rating for consideration in future years. Projects bypassed will be replaced by the next highest ranking project ready to proceed. Projects will be removed from the priority list the following year after they receive funding.
 - (B) Revisions to the priority list may be made at any time during the funding period. If the Commissioner determines the change to be significant, a public hearing with appropriate notice will be held and all affected by such a change will be notified directly.

(Effective March 5, 1992)

Sec. 22a-482-2. Requirements for funding Project Agreements.

Sec. 22a-482-2 (a) Types of Projects.

The Commissioner is authorized to award assistance for the following types of projects:

- (1) Planning: the preparation of engineering reports;
- (2) Design: the preparation of contract plans and specifications; and
- (3) Construction: the building of pollution abatement facilities and sewers.

Sec. 22a-482-2 (b) Level of State Assistance.

The amount of state funding assistance shall be based on the Commissioner's determination of eligibility and the provisions of section 22a-475 through 22a-483, inclusive, of the General Statutes.

Sec. 22a-482-2 (c) Applications for Funding Assistance.

A municipality applying for funding assistance shall file properly executed forms and applications prescribed by the Commissioner. In addition, the following supporting documentation shall be submitted as appropriate:

- (1) An application for Engineering Report Funding Assistance which shall include:
 - (A) A Plan of Study including:
 - (i) The proposed planning area;
 - (ii) An identification of the entity or entities that will be conducting the planning;
 - (iii) The nature and scope of the proposed planning project and public participation program, including a schedule for the completion of specific tasks; and
 - (iv) An itemized description of the estimated engineering report costs;
 - (B) Proposed subagreements, or an explanation of the intended method of awarding subagreements, for performance of any substantial portion of the project;
 - (C) A resolution adopted by the municipality's Water Pollution Control Authority authorizing a specific person to file the application and execute the agreement. The resolution must be certified and sealed by the Town/City Clerk; and
 - (D) A cash flow projection.
- (2) An Application for Design Funding Assistance which shall include:
 - (A) an engineering report meeting all the requirements set forth in Section 22a-482-3(a);
 - (B) proposed subagreements, or an explanation of the intended method of awarding subagreements, for performance of any substantial portion of the project;
 - (C) a resolution adopted by the municipality's Water Pollution Control Authority authorizing a specific person to file the application and execute the agreement. The resolution must be certified and sealed by the Town/City Clerk;
 - (D) a value engineering (VE) commitment in compliance with Section 22a-482-3(d) for all design funding assistance applications for projects with a projected total building cost of \$10 million or more, including the cost for interceptor and collector sewers. For those projects requiring VE, the municipality may propose,

subject to the Commissioner's approval, to exclude interceptor and collector sewers from the scope of the VE analysis;

- (E) proposed or executed (as determined appropriate by the Commissioner) intermunicipal agreements necessary for the construction and operation of the proposed pollution abatement facility for any facility serving two or more municipalities;
 - (F) a schedule for initiation and completion of the project work;
 - (G) evidence that local authority to construct the facilities has been obtained; and
 - (H) a Cash flow projection.
- (3) An Application for Construction Assistance which shall include:
- (A) All requirements for design funding assistance as specified in Section 22a-482-2(c)(2);
 - (B) a final legal opinion stating that the acquisition of all sites, easements or rights-of-way necessary to assure undisturbed construction and operation and maintenance of the proposed project have been acquired. The cost of any real property eligible for funding assistance must reflect fair market value as determined by standard recognized appraisal methods;
 - (C) two copies of contract plans and specifications for the review and approval of the Commissioner;
 - (D) a schedule for submission of a proper operation and maintenance program including a preliminary plan of operation;
 - (E) an approved user charge system developed in accordance with the requirements set forth in Section 22a-482-3(e);
 - (F) a Cash flow projection; and
 - (G) amounts and terms of any other Financial Assistance.

Sec. 22a-482-2 (d) Terms of Funding Assistance:

- (1) No financial assistance shall be made for a pollution abatement facility that would provide capacity for new connections or other developments to be located in environmentally sensitive land such as wetlands, floodplains, prime agricultural lands, or regulated coastal zones. Appropriate and effective funding conditions (e.g. restricting sewer hook-ups) should be used where necessary to protect these resources from new development.
- (2) The prime purpose in the award of construction assistance is to solve existing pollution problems and not intended to assist in new development.

- (3) For engineering reports and design, no financial assistance will be allowed for any engineering work performed before award without the prior written approval of the Commissioner.
- (4) Except as otherwise provided in this paragraph, no assistance for construction may be awarded for any construction which is initiated prior to the date of award. Preliminary construction work, such as advance acquisition of major equipment items requiring long lead times, acquisition of an option for the purchase of eligible land, or advance construction of minor portions of a pollution abatement facility, including associated engineering costs, in emergencies or instances where delay could result in significant cost increases, may be approved by the Commissioner after completion of environmental review, but only if the municipality submits a written and adequately substantiated request.
- (5) The approval of a plan of study, an engineering report, plans and specifications or advance acquisition of equipment or advance construction will not constitute a commitment or approval of assistance for a subsequent phase of the project. In instances where such approval is obtained the applicant proceeds at its own risk, since payment for such costs cannot be made unless assistance for the project is awarded.
- (6) The municipality shall notify the Commissioner that it has complied or will comply with the applicable procurement provisions of C.G.S. Section 22a-482-4(f), (g) and (h) before the award of any assistance.
- (7) Within ninety (90) days after receipt of a completed application (excluding suspension periods for submission of supplemental information), the Commissioner will take one of the following actions: 1. approve for award; 2. defer due to lack of funding; or 3. disapprove the application. The applicant shall be promptly notified in writing of any deferral or disapproval. A deferral or disapproval of an application shall not preclude its reconsideration or a reapplication.
- (8) The Commissioner will transmit the funding agreement to the applicant for execution. The agreement must be executed by the applicant and returned within 3 calendar weeks after receipt. The agreement shall set forth the approved project scope, budget (cash flow analysis), total project costs, and the approved commencement and completion dates for the project or major phases thereof.
- (9) The project funding agreement shall set forth the amount of funding assistance. The amount may not exceed the amount of funds available.
- (10) The amount and term of funding assistance shall be determined at the time of award. The time period is subject to extension for excusable delay, at the discretion of the Commissioner.
- (11) The amount of financial assistance shall not exceed 100% of the cost eligible for a loan. Calculation of a grant or loan available shall first include a deduction of financial assistance available from other sources.
- (12) The municipality may finance short term debt through the marketplace or from the Clean Water Fund.

- (A) Accrued interest on funds borrowed from the marketplace shall be paid at the time of borrowing.
- (B) Accrued interest on amounts borrowed from the fund may be either paid at the time of such borrowing or become part of the principal to be repaid over the term of the project and shall be determined by the Commissioner at the time of issuances of funding obligation the project funding obligation. Short term interest shall be charged at the rate of 2% per year compounded annually for all outstanding loan balances. Interest on short term obligations shall be computed on the basis of a year of 360 days and the number of days elapsed. Interest shall be charged from the date a check is issued from the fund to the municipality.
- (13) Grant proceeds shall be disbursed only upon a determination by the Commissioner that satisfactory documentation of eligible grant cost has been received.
- (14) The Commissioner shall establish a procedure for disbursement of grant and loan proceeds to the municipalities.
- (15) The municipality shall use the proceeds of the Project Loan and the Project Grant solely for the purpose of funding the Project. The Municipality shall promptly disburse to all contractors the proceeds of such Project Loan and Project Grant on the same day that it receives proceeds from the state.
- (16) The Municipality shall agree and covenant in the project funding agreement that it shall at all times do and perform all acts and things reasonably requested by the state to insure interest paid on any tax exempt obligations issued by the State to fund the Clean Water Fund shall for the purposes of Federal income taxation be excludable from the gross income of the recipients thereof under the Internal Revenue Code of 1986, as amended.
- (17) The municipality shall have all project costs, loans, and grants audited by an auditor approved by the Commissioner.
- (18) The Municipality shall repay the Clean Water Fund all outstanding loan balances including principal and interest accrued within twenty years from the scheduled completion date of the project.
- (19) The Municipality shall establish a dedicated source of repayment of the loan satisfactory to the Commissioner.
- (20) Each project loan obligation shall be paid in substantially equal annual installments of principal and interest or in annual installments of principal plus interest which shall be substantially equal and which shall be arranged that no principal installment payable in any year shall be less than the amount of any installment payable in any subsequent year.
- (21) Payments on long term loan shall begin one year from the scheduled completion date of the project. Should excusable delay cause the actual completion to go beyond scheduled completion the Commissioner and the municipality shall enter into a project funding agreement to cover project cost incurred after the specified date.

- (22) The commissioner shall make loans to the municipalities at an interest rate not to exceed two percent compounded annually.
- (23) Interest on the loan shall be computed on the basis of 360 days and the actual number of days elapsed.
- (24) The Commissioner may provide short term loans to municipalities for planning and design, as applicable, of an eligible water quality project. The Municipalities may not be required to begin repaying its short term loan for planning or design, as applicable, until six months after the date of completion of such planning or design provided the municipality must commence design or construction, as applicable, within six months.
- (25) The municipality shall comply with the following Federal Laws and Executive Orders:
 - (A) Archeological and Historic Preservation Act of 1974, P.L. 93-291;
 - (B) Coastal Barrier Resources Act, 16 U.S.C. 3501 et seq.;
 - (C) Coastal Zone Management Act of 1972, P.L. 92-583;
 - (D) Endangered Species Act, 16 U.S.C. 1531, et seq.;
 - (E) Executive Order 11593, Protection and Enhancement of the Cultural Environment;
 - (F) Executive Order 11990, Protection of Wetlands;
 - (G) Farmland Protection Policy Act, 7 U.S.C. 4201 et. seq.;
 - (H) Fish and Wildlife Coordination Act, P.L. 85-624;
 - (I) National Historic Preservation Act of 1966, P.L. 89-665;
 - (J) Safe Drinking Water Act, section 1424(e), P.L. 92-523;
 - (K) Wild and Scenic Rivers Act, P.L. 90-542;
 - (L) Demonstration Cities and Metropolitan Development Act of 1966, P.L. 89-754;
 - (M) Section 306 of the Clean Air Act and Section 508 of the Clean Water Act, including Executive Order 11738;
 - (N) Brooks Murkowski Act;
 - (O) Age Discrimination Act, P.L. 135;
 - (P) Civil Rights Act of 1964, P.L. 88-352;
 - (Q) Section 13 of P.L. 92-500, prohibition against sex discrimination;

- (R) Executive Order 11246, Equal Employment Opportunity;
 - (S) Executive Orders 11625 and 12138, Women's and Minority Business Enterprise;
 - (T) Rehabilitation Act of 1973, P.L. 93-112, including Executive Orders 11914 and 11250;
 - (U) Uniform Relocation and Real Property Acquisition Policies Act of 1970, P.L. 91-646;
 - (V) Executive Order 12549, Debarment and Suspension;
 - (W) Executive Order 11988, Flood Plain Management; and
 - (X) Clean Air Act, 42 U.S.C. 7506(c).
- (Effective March 5, 1992)

Sec. 22a-482-3. Technical Program Elements

Sec. 22a-482-3 (a) Engineering Report Requirements

- (1) General. Engineering reports consist of those necessary plans and studies which directly relate to the development of pollution abatement strategies and the construction of pollution abatement facilities necessary to comply with an Order to Abate Pollution as defined in C.G.S. Section 22a-423. The engineering report will demonstrate the need for the proposed pollution abatement facility through an evaluation of all feasible alternatives and shall demonstrate that the selected alternative is cost-effective, i.e. is the most economical means of meeting effluent and water quality goals while recognizing environmental considerations.
- (2) Content of Engineering Reports. The content of the engineering report shall be determined by the Commissioner based on a pre-report conference with the municipality and its engineering consultant regarding the precise plan of study (engineering report outline) and resulting scope of services to be performed. Engineering reports must address as a minimum each of the following as determined appropriate by the Commissioner:
 - (A) A detailed evaluation of the existing and potential wastewater treatment and disposal problems in the study area;
 - (B) A cost-effective analysis of alternatives available to correct the pollution problems identified. The final selection of alternative(s) to correct the problems noted shall be based on the results of the cost-effectiveness analysis. The monetary costs to be considered must include the present worth or equivalent annual value of all capital costs and operation, maintenance and replacement costs. The interest rate used for this analysis shall be the rate established by the Federal Water Resources Council

for use in federally funded projects. The population forecasting in the analysis shall be consistent with current projections of the Connecticut Office of Policy and Management. A cost-effective analysis shall include:

- (i) The relationship of the size and capacity of the recommended facilities to the needs to be served, including any reserve capacity;
 - (ii) An evaluation of alternative flow and waste reduction measures, including nonstructural methods;
 - (iii) An evaluation of improved effluent quality attainable by upgrading the operation and maintenance and efficiency of existing facilities as an alternative or supplement to construction of new pollution abatement facilities;
 - (iv) An evaluation of the capability of each alternative to meet applicable effluent limitations and water quality standards;
 - (v) Various treatment techniques including: conventional biological or physical-chemical treatment and discharge systems; land application techniques and other innovative and alternative techniques which may result in recycling of water and pollutants; onsite and nonconventional systems, both community and individual;
 - (vi) An evaluation of the alternative methods for the ultimate disposal of treated wastewater and sludge materials resulting from the treatment process and a justification for the method(s) chosen; and
 - (vii) An adequate assessment of the expected environmental impact of alternatives (including sites) under the requirements of Section 22a-1a to 1f, inclusive, of the Connecticut General Statutes;
- (C) If applicable, a demonstration of the non-existence or possible existence of excessive infiltration/inflow in the affected sewerage system;
- (D) An identification of proposed effluent discharge limits if appropriate and a description of how the proposed project will result in compliance with any pollution abatement order issued by the Commissioner;
- (E) A summary of public participation in the development of the engineering report;
- (F) A brief statement demonstrating that the local authorities who will be implementing the plan have the necessary legal, financial, institutional, and managerial resources available to insure the construction, operation and maintenance of the proposed pollution abatement facilities;
- (G) A brief description of potential opportunities for recreation, open space, and access to bodies of water afforded by the recommended project; and

- (H) For the selected alternative, a concise description of at least the following:
 - (i) Estimated capital construction, and operation and maintenance costs;
 - (ii) Estimated cost of future expansion and long term needs for reconstruction of pollution abatement facilities following their useful life;
 - (iii) Cost impacts on pollution abatement facility users; and
 - (iv) A statement concerning the availability and estimated cost of any proposed treatment sites.

- (3) Public Participation.
 - (A) The scope and level of detail of the public participation program shall be determined during the development of the plan of study. The program shall be comprised of public forums such as workshops, meetings and hearing(s) as necessary to promote public awareness and input into the planning process.
 - (B) At a minimum, prior to adoption of the engineering report, the municipality must hold a public hearing to describe the proposed program and action(s) and to assure that the public's concerns are fully considered.
 - (C) The time and place of the public hearing shall be conspicuously and adequately announced at least 10 days in advance, or for such longer period as may be required by local ordinance or charter. Copies of the engineering report must be made available for inspection by the public at least 10 days prior to the hearing.
 - (D) A request to waive the public hearing on an engineering report may be submitted in writing to the Commissioner when the municipality determines a public hearing is not necessary and would not serve the public interest.

- (4) Environmental Review. Prior to the award of a project funding agreement for design or construction, the requirements of the Connecticut Environmental Policy Act (Section 22a-1) shall have been met. The municipality must prepare an adequate environmental assessment of expected environmental impacts consistent with the requirements of Section 22a-1a to 1f of the Connecticut General Statutes as part of facility planning. Projects receiving financial assistance shall comply with the following:
 - (A) For any project not required in the environmental classification document to undergo an environmental impact evaluation or finding of no significant impact, the Commissioner shall publish a notice in a newspaper of community-wide circulation indicating the determination that a finding of no significant impact is not necessary and that supporting documentation for this determination is available for inspection;
 - (B) When in the determination of the Commissioner that significant changes in the project or environmental conditions have occurred, an amendment to the environmental impact evaluation or the finding of no significant impact or the

determination that a finding of no significant impact is not necessary will be issued in accordance with the Connecticut Environmental Policy Act;

- (C) For environmental impact evaluations or findings of no significant impact or determinations that a finding of no significant impact is not necessary five or more years old on projects seeking a construction project funding agreement, the Commissioner shall re-evaluate the project, environmental conditions and public comments and prior to financial award shall either:
 - (i) Issue a public notice in a newspaper of community-wide circulation reaffirming the decision to proceed with the project without revising the finding of no significant impact or environmental impact evaluation or reaffirming that a finding of no significant is not necessary;
 - (ii) Update information and prepare or amend the environmental impact evaluation or finding of no significant impact in accordance with the Connecticut Environmental Policy Act;
 - (iii) Withdraw the finding of no significant impact and prepare an environmental impact evaluation in accordance with the Connecticut Environmental Policy Act;
- (D) In the development of the finding of no significant impact, the Commissioner shall include a description and analysis of the reasonable alternatives to the proposed action including no action.

Sec. 22a-482-3 (b) Small Community Systems.

Projects proposed to be funded from the reserve for small communities shall be for improvements to existing wastewater treatment systems or new collector sewers, interceptor sewers and treatment works serving small communities. Routine interceptor sewer extensions within municipalities that do not meet the definition of a small community are not eligible for funding from this reserve. Categories of projects eligible for assistance under this reserve are (1) projects involving improvements to or construction of collector sewers, interceptor sewers and treatment works for which the entire proposed service area within the municipality meets the definitions of a small community and (2) projects for interceptor sewers connecting a service area meeting the definition of a small community to a wastewater treatment facility in another municipality. In order to be eligible for funding under this reserve, the applicant must demonstrate to the satisfaction of the Commissioner that the only alternative to the proposed project would be the construction of new treatment works which would involve a discharge of treated wastewater which would result in violation of or require a revision to the State's Water Quality Standards and Criteria as adopted pursuant to C.G.S. Section 22a-426.

Sec. 22a-482-3 (c) Privately Owned Individual Systems.

- (1) A municipality may apply for a funding assistance to construct privately owned pollution abatement facilities serving one or more principal residences or small commercial establishments.
- (2) In addition to the engineering report requirements set forth in Section 22a-482-3(a) the municipality shall:

- (A) Demonstrate that the total present worth cost and environmental impact of building the individual systems will be less than the present worth cost of a larger municipally owned pollution abatement facility;
- (B) Demonstrate to the satisfaction of the Commissioner that the individual systems proposed are part of a technically feasible and implementable program which will successfully address all existing and potential wastewater treatment needs within the planning area;
- (C) Certify that the principal residence or small commercial establishment was constructed before July 11, 1983, and inhabited or in use on or before that date;
- (D) Apply on behalf of a number of individual units to be served in the planning area;
- (E) Certify that, where public ownership of such works is not feasible, the municipality will have unlimited right of access to the site and to the system for the purpose of necessary inspection, maintenance, and repair;
- (F) Certify that such treatment works will be properly operated and maintained and will comply with all other requirements of these regulations, state statutes, and the regulations of Connecticut State Agencies; and
- (G) Certify that a user charge system established in compliance with these regulations will be developed and implemented to ensure the availability of financial resources sufficient to ensure the proper operation, maintenance, and eventual repair or replacement of funded facilities and those individual systems which are within the service area identified in paragraph (B) above but which are not required and replaced with the assistance funds.

Sec. 22a-482-3 (d) Value Engineering (VE)

- (1) Value engineering proposal. All design funding assistance applications for projects having a projected total building cost of \$10 million or more, including the cost for interceptor and collector sewers, will contain a VE commitment. The VE proposal must contain sufficient information for the Commissioner to determine the adequacy of the VE effort and the justification of the proposed VE fee. Essential information shall include the scope of VE analysis, VE team and VE coordinator (names and background), level of VE effort, VE cost estimate, and VE schedule in relation to project schedule (including completion of VE analysis and submittal of VE summary reports). The VE coordinator and a majority of the VE team members shall be employed by a firm (or firms) other than the design engineering consultant.
- (2) Value engineering analysis. When the VE analysis is completed, a preliminary report summarizing the VE findings and a final report describing implementation of the VE recommendations must be submitted to the Commissioner.
- (3) Value Engineering Implementation. For those projects on which a VE analysis has been performed, VE recommendations shall be implemented to the maximum extent feasible as

determined by the municipality, subject to the approval of the Commissioner. Rejection of any recommendations shall be on the basis of cost-effectiveness, reliability, and other factors that may be critical to the treatment processes and the environmental impact of the project and the extent of project delays.

Sec. 22a-482-3 (e) User Charge System.

The user charge system must be designed to produce adequate revenues required for the operation, maintenance, and replacement of the pollution abatement facilities. It shall provide that each user which discharges wastewaters to the system that cause an increase in the cost of operating and maintaining pollution abatement facilities shall pay for such increased cost. The user charge system shall be based on either actual use or ad valorem taxes as follows:

- (1) User charge system based on actual use. A municipality's user charge system based on actual use (or estimated use) of wastewater treatment services shall provide that each user (or user class) pays its proportionate share of operation and maintenance (including replacement) costs of pollution abatement facilities within the municipality's service area, based on the user's proportionate contribution to the total wastewater loading from all users (or user classes);
- (2) User charge system based on ad valorem taxes. A municipality's user charge system which is based on ad valorem taxes shall provide that:
 - (A) On the effective date of these regulations, the municipality had in existence a system of dedicated ad valorem taxes which collected revenues to pay the cost of operation and maintenance of pollution abatement facilities within the municipality's service area and the municipality has continued to use that system;
 - (B) Each member of the industrial user and commercial user class which discharges more than 25,000 gallons per day of sanitary waste pays its share of the costs of operation and maintenance (including replacement) of the pollution abatement facilities based upon charges for actual use; and
 - (C) If the Commissioner determines that the municipality has historically demonstrated that the ad valorem system has resulted in proper operation and maintenance and management of the pollution abatement facilities including the sewer system;
- (3) Notification. Each user charge system must provide that each user be notified, at least annually, in conjunction with a regular bill, of the rate and that portion of the user charges or ad valorem taxes which are attributable to wastewater treatment services;
- (4) Financial management system. Each user charge system must include an adequate financial management system that will accurately account for revenues generated by the system and expenditures for operation and maintenance (including replacement) of the treatment system;
- (5) Charges for operation and maintenance for extraneous flows. The user charge system shall provide that the costs of operation and maintenance for all flow not directly attributable to users (i.e., infiltration/inflow) be distributed among all users based upon either of the following:

- (A) In the same manner that it distributes the costs for their actual use; or
 - (B) Under a system which uses one or any combination of the following factors on a reasonable basis:
 - (i) Flow volume of the users;
 - (ii) Land area of the users;
 - (iii) Number of hookups or discharges of the users; or
 - (iv) Property valuation of the users, if the municipality has an approved user charge system based on ad valorem taxes;
- (6) Adoption of system. One or more municipal legislative enactments or other appropriate authority must incorporate the user charge system. If the project is a treatment system accepting wastewaters from other municipalities, the subscribers receiving waste treatment services from the municipality shall adopt user charge systems in accordance with this section. These user charge systems shall also be incorporated in appropriate municipal legislative enactments or other appropriate authority of all municipalities contributing wastes to the pollution abatement facilities. Grant payments shall not exceed 90% of the total construction grant award until the municipality has adopted the approved user charge system; and
- (7) Implementation of system. The municipality shall implement its user charge system before the pollution abatement facility is placed in operation.

Sec. 22a-482-3 (f) Sewer Use Ordinance.

- (1) Each municipality applying for funding assistance shall demonstrate to the satisfaction of the Commissioner that a sewer use ordinance or other legally binding requirement has been or will be enacted and will be enforced in each jurisdiction served by the pollution abatement facility before the completion of construction. The ordinance shall prohibit any new connections from inflow sources into the sanitary sewer portions of the pollution abatement facility, shall insure that new sewers and connections to the pollution abatement facility are properly designed and constructed, and shall require that all wastewaters introduced into the pollution abatement facility will not contain toxics or other pollutants in amounts or concentrations that endanger public safety and physical integrity of the pollution abatement facility, cause violation of the conditions of any permit issued by the Commissioner, or preclude the selection of the most cost-effective alternative for wastewater treatment and sludge disposal.
- (2) Grant payments shall not exceed 50% of the total construction grant award until the municipality has submitted a copy of its sewer use ordinance to the Commissioner for review.
- (3) Grant payments shall not exceed 90% of the total construction grant award until the municipality's sewer use ordinance has been approved by the Commissioner and enacted

by the municipality.

- (4) The municipality shall adopt and implement its sewer use ordinance before the pollution abatement facility is placed in operation.

Sec. 22a-482-3 (g) Infiltration/Inflow

- (1) General. The municipality shall demonstrate to the Commissioner's satisfaction that each sewer system discharging into the proposed pollution abatement facility is not or will not be subject to excessive infiltration/inflow. For combined sewers, inflow is not considered excessive in any event.
- (2) Inflow. If the rainfall induced peak inflow rate results or will result in chronic operational problems during storm events, the municipality shall perform a study of the sewer system to determine the quantity of excessive inflow and to propose a rehabilitation program to eliminate the excessive inflow. All cases in which pollution abatement facilities are planned for the specific storage and/or treatment of inflow shall be subject to a cost-effective analysis.
- (3) Infiltration.
 - (A) If the flow rate at the existing pollution abatement facility is 150 gallons per capita per day or less during periods of high groundwater, the municipality shall build the project including sufficient capacity to transport and treat any existing infiltration. However, if the municipality believes any specific portion of its sewer system is subject to excessive infiltration, the municipality may confirm its belief in a cost-effective analysis and propose a sewer rehabilitation program to eliminate that specific excessive infiltration.
 - (B) If the flow rate at the existing pollution abatement facility is significantly more than 150 gallons per capita per day during periods of high groundwater, the municipality shall perform a study of the sewer system to determine the quantity of excessive infiltration and to propose a sewer rehabilitation program to eliminate the excessive infiltration.
 - (C) If the flow rate at the existing pollution abatement facility is not significantly more than 150 gallons per capita per day, the municipality may request the Commissioner to determine that the project proceed without further study.
 - (D) The Commissioner may authorize the municipality to perform minor sewer system rehabilitation concurrently with the sewer system evaluation survey if there is no adverse environmental impact. Rehabilitation which would be a part of the municipality's normal operation and maintenance responsibilities shall not be fundable.

Sec. 22a-482-3 (h) Reserve Capacity.

The Commissioner will limit grant assistance for reserve capacity in pollution abatement facilities as follows:

- (1) No grant shall be made to provide reserve capacity for a project for secondary or more stringent treatment or new interceptors and appurtenances. Grants for such projects shall be based on capacity necessary to serve existing needs as determined on the date of award of the construction grant and shall be consistent with the definition for eligible capacity established for the Federal Construction Grants Program in 40 CFR 35.2123; and
- (2) The Commissioner shall require the construction of reasonable reserve capacity.

(Effective March 5, 1992)

Sec. 22a-482-4. Administrative Program Elements.

Sec. 22a-482-4 (a) Allowable grant costs.

Those costs associated with the planning, design and construction of pollution abatement facilities eligible for state grant assistance are as follows:

- (1) Costs of salaries, benefits, and expendable materials the municipality incurs for the project, except as provided for in Section 22a-482-4(b)(8);
- (2) Costs under construction contracts;
- (3) Professional and consultant services;
- (4) Engineering report costs directly related to the pollution abatement facility;
- (5) Sewer system evaluation;
- (6) Project feasibility and related engineering reports;
- (7) Costs of complying with the Connecticut Environmental Policy Act including costs of public notices and hearings;
- (8) Preparation of construction drawings, specifications, estimates and construction contract documents;
- (9) Reasonable landscaping;
- (10) Materials acquired, consumed, or expended specifically for the project;
- (11) Shop equipment installed at the pollution abatement facility necessary to the operation of the facility;
- (12) A reasonable inventory of laboratory chemicals and supplies necessary to initiate plant operations;
- (13) Development and preparation of a preliminary and final plan of operation and an operation and maintenance manual;
- (14) Start-up services for new pollution abatement facilities;

- (15) Project identification signs;
- (16) Costs of Complying with the procurement requirements of these regulations;
- (17) The costs of technical services for assessing the merits of or negotiating the settlement of a claim by or against the municipality provided:
 - (A) A formal grant amendment is executed specifically covering the costs before they are incurred;
 - (B) The costs are not incurred to prepare documentation that should be prepared by the contractor to support a claim against the municipality; and
 - (C) The Commissioner determines that there is a significant State interest in the issues involved in the claim;
- (18) Change orders and the costs of meritorious contractor claims for increased costs provided the costs are not caused by the municipality's mismanagement or vicarious liability for the improper action of others. Settlements, arbitration awards, and court judgements which resolve contractor claims shall be reviewed by the Commissioner and shall be allowable only to the extent they are not caused by municipality mismanagement, are reasonable, and do not attempt to pass on to the State of Connecticut the costs of events that were the responsibility of the municipality, contractor or others;
- (19) Costs necessary to mitigate only direct, adverse, or physical impacts resulting from the building of the pollution abatement facility;
- (20) The cost of groundwater monitoring facilities necessary to determine the possibility of groundwater deterioration, depletion or modification resulting from the project;
- (21) For individual and small community systems, allowable costs which include:
 - (A) The cost of major rehabilitation, upgrading, enlarging and installing small and onsite systems, but in the case of privately owned systems, only for principal residences;
 - (B) Conveyance pipes from property line to an offsite treatment unit which serves a cluster of buildings;
 - (C) Treatment and treatment residue disposal portions of toilets with composting tanks, oil flush mechanisms, or similar in house devices;
 - (D) Treatment or pumping units from the incoming flange when located on private property and conveyance pipes, if any, to the collector sewer; and
 - (E) The cost of restoring individual system building sites to their original condition;
- (22) Necessary safety equipment applicable to Federal, State and local requirements;

- (23) A portion of the costs of collection system maintenance equipment as determined by the Commissioner;
- (24) The cost of mobile equipment necessary for the operation of the overall pollution abatement facility, transmission of wastewater or sludge or for the maintenance of equipment. These items include:
 - (A) Portable stand-by generators;
 - (B) Large portable emergency pumps to provide "pump-around" capability in event of pump station failure or pipeline breaks; and
 - (C) Sludge or septic tank trucks, trailers, and other vehicles having as their sole purpose the transportation of liquid or dewatered wastes from the collector point (including individual or on-site systems) to the pollution abatement facility or disposal site;
- (25) Replacement parts identified and approved in advance by the Commissioner as necessary to assure uninterrupted operation of the pollution abatement facility, provided they are critical parts or major system components which are:
 - (A) Not immediately available and/or whose procurement involves an extended "lead-time";
 - (B) Identified as critical by the equipment supplier(s); or
 - (C) Critical but not included in inventory provided by the equipment supplier(s);
- (26) Allowable costs for infiltration/inflow include:
 - (A) The cost of sewer system and pollution abatement facility capacity adequate to transport and treat nonexcessive infiltration/inflow;
 - (B) The costs of sewer system rehabilitation necessary to eliminate excessive infiltration/inflow as determined in a sewer system evaluation study under Section 22a-482-3(g);
- (27) The costs of royalties for the use of rights in a patented process or product with the prior approval of the Commissioner;
- (28) The cost of legal and engineering services incurred by the municipality in deciding procurement protests and defending their decisions in protest appeals with the prior approval of the Commissioner;
- (29) The cost of the services of the prime engineer required under Section 22a-482-4(p)(10) during the first year following initiation of operation of the pollution abatement facility; and

- (30) The costs of municipal employees attending training workshops/seminars that are necessary to provide instruction in administrative, fiscal or contracting procedures required to complete the construction of the pollution abatement facility, if approved in advance by the Commissioner.

Sec. 22a-482-4 (b) Unallowable Grant Project Costs.

Costs which are not necessary for the construction of a pollution abatement facility are unallowable. Such costs include, but are not limited to:

- (1) Basin or areawide planning not directly related to the project;
- (2) Bonus payments not legally required for completion of construction before a contractual completion date;
- (3) Personal injury compensation or damage arising out of the project whether determined by arbitration, negotiation, or otherwise;
- (4) Unallowable costs for small and onsite systems which include:
 - (A) Modification to physical structure of homes or commercial establishments;
 - (B) Conveyance pipes from the house to the treatment unit located on users property;
and
 - (C) Wastewater generating fixtures such as commodes, sinks, tubs and drains;
- (5) Fines and penalties due to violations of, or failure to comply with Federal, State, or local laws and regulations;
- (6) Costs outside the scope of the approved project;
- (7) Approval, preparation, issuance and sale of bonds or other forms of indebtedness required to finance the project and the interest on them;
- (8) Ordinary operating expenses of local government, such as salaries and expenses of a mayor, city council members, or city attorney, except as provided in Section 22a-482-4(h)(13);
- (9) The costs of acquisition (including associated legal, administrative, and engineering) of sewer rights-of-way, pollution abatement facility sites (including small systems sites), sanitary landfill sites and sludge disposal sites, except as provided in Section 22a-482-4(c);
- (10) Costs for which payment has been or will be received under any Federal assistance program;
- (11) The cost of vehicles used primarily for transportation, such as pickup trucks;
- (12) Costs of equipment or materials acquired in violation of the procurement provisions of these requirements;

- (13) The cost of furnishings including draperies, furniture and office equipment;
- (14) The cost of ordinary site and building maintenance equipment such as lawn mowers, snowblowers and vacuum cleaners;
- (15) Costs of monitoring equipment used by industry for sampling and analysis of industrial discharges to a municipal pollution abatement facility;
- (16) Construction of privately-owned pollution abatement facilities, including pretreatment facilities, except for individual systems;
- (17) Preparation of applications, including a plan of study and permits required by Federal, State or local laws and regulations;
- (18) Administrative, engineering and legal activities associated with the establishment of special departments, agencies, commissions, regions, districts or other units of government;
- (19) The cost of a pollution abatement facility or any part thereof that would provide capacity for new habitation or other establishments to be located on environmentally sensitive land such as wetlands, floodplains, or prime agricultural lands;
- (20) The costs of legal services of defending or negotiating the settlement of a claim by or against the municipality; and
- (21) All incremental costs of delay due to the award of any significant subagreements for construction more than 12 months after the construction grant award.

Sec. 22a-482-4 (c) Allowable Grant Project Costs, If Approved.

- (1) The cost (including associated legal, administrative and engineering costs) of land acquired in fee simple or by lease or easement that will be an integral part of the treatment process or that will be used for the ultimate disposal of residues resulting from such treatment provided the Commissioner approves it in the grant agreement. These costs include:
 - (A) The cost of a reasonable amount of land, considering irregularities in application patterns, and the need for buffer areas, berms, and dikes;
 - (B) The cost of land acquired for a soil absorption system for a group of two or more homes;
 - (C) The cost of land acquired for composting or temporary storage of compost residues which result from wastewater treatment;
 - (D) The cost of land acquired for storage of treated wastewater in land treatment systems before land application; and

- (E) The cost paid by the municipality for eligible land in excess of just compensation based on the appraised value, the municipality's record of negotiation or a condemnation proceeding, as determined by the Commissioner, shall be unallowable;
- (2) The cost associated with the preparation of the pollution abatement facility site before, during and, to the extent agreed on in the grant agreement, after building. These costs include:
 - (A) The cost of demolition of existing structures on the pollution abatement facilities site (including rights-of-way) if building cannot be undertaken without such demolition;
 - (B) The cost of removal, relocation or replacement of utilities, for which the municipality is legally obligated to pay under C.G.S. Section 22a-470; and
 - (C) The cost of restoring streets and rights-of-way to their original condition. The need for such restoration must result directly from the construction and is generally limited to repaving the width of trench;
- (3) The cost of acquiring all or part of existing publicly or privately owned pollution abatement facilities provided all following criteria are met:
 - (A) The acquisition, in and of itself considered apart from any upgrade, expansion or rehabilitation, provides new pollution control benefits;
 - (B) The acquired pollution abatement facility was not built with previous Federal or State financial assistance; and
 - (C) The primary purpose of the acquisition is not the reduction, elimination, or redistribution of public or private debt.

Sec. 22a-482-4 (d) Allowable loan project costs:

- (1) All cost allowable for grant participation under Section 22a-482-4(a) and 4(c);
- (2) All costs necessary to complete the project including land, legal, rights of way, interest and claim settlements;
- (3) All costs associated with incremental capacity for growth; and
- (4) Costs a reasonable businessperson would incur when operating his or her own business necessary to construct the project.

Sec. 22a-482-4 (e) Unallowable loan project costs:

- (1) Costs associated with improvements to municipal or private property not related to pollution control;

- (2) Costs associated with the liability of other contractors and subcontractors; and
- (3) Costs associated with waste, fraud or abuse.

Sec. 22a-482-4 (f) Required Provisions for Architectural/Engineering Contracts

- (1) Subagreement Enforcement.
 - (A) Commissioner's Authority. At a municipality's request the Commissioner may provide technical and legal assistance in the administration and enforcement of any subagreement related to a pollution abatement facility for which a State financial assistance was made and intervene in any civil action involving the enforcement of such subagreements, including subagreement disputes which are the subject of either arbitration or court action. Any assistance to be provided is at the discretion of the Commissioner and in a manner determined by him or her to best serve the public interest. Factors which the Commissioner may consider in determining whether to provide assistance include:
 - (i) Available department sources;
 - (ii) Planned or ongoing enforcement action;
 - (iii) The municipality's demonstration of good faith in attempting to resolve the contract matters at issue;
 - (iv) The municipality's adequate documentation of the need for assistance; and
 - (v) The state's interest in the contract matters at issue.
 - (B) Municipality request. The municipality's request for technical or legal assistance should be submitted in writing and be accompanied by documentation adequate to inform the Commissioner of the nature and necessity of the requested assistance.
 - (C) Privity of subagreement. The Commissioner's technical or legal involvement in any subagreement dispute will not make the Commissioner a party to any subagreement entered into by the municipality.
 - (D) Municipality responsibility. The provisions of technical or legal assistance under this section in no way releases the municipality from its obligations under these regulations or affects the Commissioner's right to take remedial action against a municipality that fails to carry out those obligations.
- (2) Subagreement Provisions.
 - (A) Each subagreement must include provisions defining a sound and complete agreement, including the:
 - (i) Nature, scope, and extent of work to be performed;

- (ii) Time frame for performance;
 - (iii) Total cost of the subagreement; and
 - (iv) Payment provisions.
 - (B) All subagreements awarded in excess of \$10,000 shall contain provisions requiring compliance with State and Federal equal employment opportunity laws and regulations.
- (3) Model Subagreement Clauses. Municipalities must include the following clauses or their equivalent in all subagreements for architectural or engineering services. (Municipalities may substitute other terms for "municipality" and "engineer" in their subagreements.)
- (A) Supersession. The municipality and the engineer agree that this and other appropriate clauses in this section or their equivalent apply to the state grant eligible work to be performed under this subagreement and that these clauses supersede any conflicting provisions of this subagreement.
 - (B) Privity of Subagreement. This subagreement is expected to be funded in part with funds from the State of Connecticut, Department of Environmental Protection (DEP). Neither the State nor any of its departments, agencies, or employees is or will be a party to this subagreement or any lower tier subagreement. This subagreement is subject to regulations adopted pursuant to Section 22a-482 of the Connecticut General Statutes in effect on the date of the grant award for the project.
 - (C) Changes may be made as follows:
 - (i) The municipality may at any time, by written order, make changes within the general scope of this subagreement in the services or work to be performed. If such changes cause an increase or decrease in the engineer's cost or time required to perform any services under this agreement, whether or not changed by any order, an equitable adjustment shall be made and this subagreement shall be modified in writing. The engineer must assert any claim for adjustment under this clause in writing within 30 days from the date of receipt by the engineer of the notification of change unless the municipality grants additional time before the date of final payment; and
 - (ii) No services for which an additional compensation will be charged by the engineer shall be furnished without the written authorization of the municipality; and
 - (iii) In the event that there is a modification of the Commissioner's requirements relating to the services to be performed under this agreement after the date of execution of this agreement, the increased or decreased cost of performance of the services provided for in the agreement shall be reflected in an appropriate modification of this agreement.

- (D) Termination may occur as follows:
- (i) This subagreement may be terminated in whole or in part in writing by either party in the event of substantial failure by the other party to fulfill its obligations under this subagreement through no fault of the terminating party. However, no termination may be effected unless the other party is given not less than ten (10) calendar days written notice (delivered by certified mail, return receipt requested) of intent to terminate and an opportunity for consultation with the terminating party prior to termination;
 - (ii) This subagreement may be terminated in whole or in part in writing by the municipality for its convenience, provided that the engineer is given not less than ten (10) calendar days written notice (delivered by certified mail, return receipt requested) of intent to terminate and an opportunity for consultation with the terminating party prior to termination;
 - (iii) If termination for default is effected by the municipality, an equitable adjustment in the price provided for in this subagreement shall be made, but no amount shall be allowed for anticipated profit on unperformed services or other work and any payment due to the engineer at the time of termination may be adjusted to cover any additional costs to the municipality because of the engineer's default. If termination for default is effected by the engineer; or if termination for convenience is effected by the municipality; the equitable adjustment shall include a reasonable profit for services or other work performed. The equitable adjustment for any termination shall provide for payment to the engineer for services rendered and expenses incurred prior to the termination, in addition to termination and settlement costs reasonably incurred by the engineer relating to commitments which had become firm prior to the termination;
 - (iv) Upon receipt of a termination action pursuant to paragraphs (i) or (ii) above, the engineer shall promptly discontinue all services affected (unless the notice directs otherwise) and deliver or otherwise make available to the municipality all data, drawings, specifications, reports, estimates, summaries and such other information and materials as may have been accumulated by the engineer in performing this subagreement, whether completed or in process;
 - (v) Upon termination under paragraphs (i) or (ii) above, the municipality may take over the work and prosecute the same to completion by subagreement with another party or otherwise; and
 - (vi) If, after termination for failure of the engineer to fulfill contractual obligations, it is determined that the engineer had not failed to fulfill contractual obligations, the termination shall be deemed to have been for the convenience of the municipality. In such event, adjustment of the price provided for in this subagreement shall be made as provided in paragraph (iv) of this clause.

- (E) Remedies. Except as may be otherwise provided in this subagreement, all claims, counter-claims, disputes, and other matters in question between the municipality and the engineer arising out of or relating to this subagreement or the breach thereof will be decided by arbitration, if the parties mutually agree, or in a court of competent jurisdiction within the district in which the municipality is located.
- (F) Price Reduction for Defective Cost or Pricing Data (This clause is applicable if the amount of the agreement exceeds \$100,000). The engineer warrants that cost and pricing data submitted for evaluation with respect to negotiation of prices for negotiated subagreements and lower tier subagreements is based on current, accurate, and complete data supported by books and records. If the municipality or Commissioner determines that any price, including profit, negotiated in connection with this subagreement, any lower tier subagreement, or any amendment thereunder was increased by any significant sums because the data provided was incomplete, inaccurate, or not current at the time of submission, then such price, cost or profit shall be reduced accordingly, and the subagreement shall be modified in writing to reflect such reduction.

(NOTE - Since the subagreement is subject to reduction under this clause by reason of defective cost or pricing data submitted in connection with certain subcontractors, the engineer may wish to include a clause in each such subcontract requiring the subcontractor to appropriately indemnify the engineer. It is also expected that any subcontractor subject to such indemnification will generally require substantially similar indemnification for defective cost or pricing data required to be submitted by lower tier subcontractors.)

- (G) Audit; Access to Records.
 - (i) The engineer shall maintain books, records, documents, and other evidence directly pertinent to performance on grant work under this agreement in accordance with generally accepted accounting principles and practices consistently applied. The engineer shall also maintain the financial information and data used by the engineer in the preparation or support of the cost submission required for any negotiated subagreement or change order in effect on the date of execution of this agreement and a copy of the cost summary shall be submitted to the municipality. The Commissioner or any of his duly authorized representatives shall have access to all such books, records, documents, and other evidence for inspection, audit, and copying during normal business hours. The engineer will provide proper facilities for such access and inspection.
 - (ii) The engineer agrees to include paragraphs (i) through (v) of this clause in all his contracts and all lower tier subcontracts directly related to project performance that are in excess of \$10,000, and to make paragraphs (i) through (v) of this clause applicable to all change orders directly related to project performance;
 - (iii) Audits conducted under this provision shall be in accordance with generally accepted auditing standards and established procedures and guidelines of the reviewing or audit department and meeting the requirements of Section 20-282 of the Connecticut General Statutes;

- (iv) The engineer agrees to the disclosure of all information and reports resulting from access to records under paragraphs (i) and (ii) of this clause, to any of the department referred to in paragraph (i), provided that the engineer is afforded the opportunity for an audit exit conference and an opportunity to comment and submit any supporting documentation on the pertinent portions of the draft audit report and that the final audit report will include written comments of reasonable length, if any, of the engineer; and
 - (v) The engineer shall maintain and make available records under paragraphs (i) and (ii) of this clause during performance on grant funded work under this agreement and until 3 years from the date of final grant payment for the project. In addition, those records which relate to any "Dispute" appeal under a grant agreement, to litigation, to the settlement of claims arising out of such performance, or to costs or items to which an audit exception has been taken, shall be maintained and made available until 3 years after the date of resolution of such appeal, litigation, claim, or exception.
- (H) **Covenant Against Contingent Fees.** The engineer warrants that no person or selling agency has been employed or retained to solicit or secure this subagreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except bona fide employees or bona fide established commercial or selling agencies maintained by the engineer for the purpose of securing business. For breach or violation of this warranty the municipality shall have the right to annul this agreement without liability or in its discretion to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.
- (I) **Gratuities.**
 - (i) If the municipality or finds after a notice and hearing that the engineer, or any of the engineer's agents or representatives, offered or gave gratuities (in the form of entertainment, gifts, or otherwise), to any official, employee, or agent of the municipality or the State, in an attempt to secure a subagreement or favorable treatment in awarding, amending, or making any determinations related to the performance of this agreement, the municipality may, by written notice to the engineer, terminate this agreement. The municipality may also pursue other rights and remedies that the law or this subagreement provides. However, the existence of the facts on which the municipality bases such findings shall be in issue and may be reviewed in proceedings under the Remedies clause of the agreement;
 - (ii) In the event this subagreement is terminated as provided in paragraph (i), the municipality may pursue the same remedies against the engineer as it could pursue in the event of a breach of the subagreement by the engineer and, as a penalty, in addition to any other damages to which it may be entitled by law, to exemplary damages in an amount (as determined by the municipality) which shall be not less than three nor more than ten times the costs the engineer incurs in providing any such gratuities to any such officer or employee.
- (J) **Responsibility of the Engineer.**

- (i) The engineer shall be responsible for the professional quality, technical accuracy, timely completion, and the coordination of all designs, drawings, specifications, reports, and other services furnished by the engineer under this subagreement. The engineer shall, without additional compensation, correct or revise any errors, omissions, or other deficiencies in his designs, drawings, specifications, reports, and other services
- (ii) The engineer shall perform the professional services necessary to accomplish the work required to be performed under this subagreement, in accordance with this subagreement and applicable requirements of the Commissioner in effect on the date of execution of the assistance agreement for this project;
- (iii) Approval by the municipality or the Commissioner of drawings, designs, specifications, reports, and incidental work or materials furnished hereunder shall not in any way relieve the engineer of responsibility for the technical adequacy of his work. Neither the municipality's nor Commissioner's review, approval, acceptance, or payment for any of the services shall be construed as a waiver of any rights under this subagreement or of any cause of action arising out of the performance of this subagreement;
- (iv) The engineer shall be and shall remain liable, in accordance with applicable law, for all damages to the municipality or the State caused by the engineer's negligent performance of any of the services furnished under this subagreement, except for errors, omissions, or other deficiencies to the extent attributable to the municipality, municipality-furnished data, or any third party. The engineer shall not be responsible for any time delays in the project caused by circumstances beyond the engineer's control;
- (v) The engineer's obligations under this clause are in addition to the engineer's other expressed or implied warranties under this subagreement or State law and in no way diminish any other rights that the municipality may have against the engineer for faulty materials, equipment, or work.

(K) Payment.

- (i) Payment shall be made in accordance with the payment schedule incorporated in this subagreement as soon as practicable upon submission of statements requesting payment by the engineer to the municipality. If no such payment schedule is incorporated in this subagreement, the payment provisions of paragraph (ii) of this clause shall apply;
- (ii) The engineer may request monthly progress payments and the municipality shall make them as soon as practicable upon submission of statements requesting payment by the engineer to the municipality. When such progress payments are made, the municipality may withhold up to ten (10) percent of the vouchered amount until satisfactory completion by the engineer of work and services within a step called for under this subagreement. When the municipality determines that the work under this subagreement or any specified task hereunder is substantially

complete and that the amount of retained percentages is in excess of the amount considered by the municipality to be adequate for its protection, it shall release to the engineer such excess amount;

- (iii) No payment request made under paragraph (i) or (ii) of this clause shall exceed the estimated amount and value of the work and services performed by the engineer under this subagreement. The engineer shall prepare the estimates of work performed and shall supplement them with such supporting data as the municipality may require; and
- (iv) Upon satisfactory completion of the work performed under this subagreement, as a condition precedent to final payment under this subagreement or to settlement upon termination of the subagreement, the engineer shall execute and deliver to the municipality a release of all claims against the municipality arising under or by virtue of this subagreement, other than such claims, if any, as may be specifically exempted by the engineer from the operation of the release in stated amounts to be set forth therein.

(L) Copyrights and Rights in Data.

- (i) The engineer agrees that any plans, drawings, designs, specifications, computer programs (which are substantially financed by State funds), technical reports, operating manuals, and other work submitted with an engineering report, or with a design or construction financing assistance or which are specified to be delivered under this subagreement or which are developed or produced and paid for under this subagreement (referred to in this clause as "Subject Data") and including all raw data obtained or generated by the engineer during the course of his work under this subagreement are subject to certain rights in the United States. These rights include the right to use, duplicate, and disclose such subject data, in whole or in part, in any manner for any purpose whatsoever, and to have others do so. If the material is copyrightable, the engineer may copyright it, subject to the rights of the State described herein, but the municipality and the State reserve a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, and use such materials, in whole or in part, and to authorize others to do so. The engineer shall include appropriate provisions to achieve the purpose of this condition in all subcontracts expected to produce copyrightable subject data; and
- (ii) All such subject data furnished by the engineer pursuant to this subagreement are instruments of his services in respect to the project. It is understood that the engineer does not represent such subject data to be suitable for reuse on any other project or for any other purpose. If the municipality reuses the subject data without the engineer's specific written verification or adaptation, such reuse will be at the risk of the municipality without liability to the engineer. Any such verification or adaptation will entitle the engineer to further compensation at rates agreed upon by the municipality and the engineer.

Sec. 22a-482-4 (g) Required Provisions for Construction Contracts.

Municipalities must include, when appropriate, the following clauses or their equivalent in each subagreement and may substitute other terms for "grantee" and "contractor" in their subagreements.

- (1) Supersession. The municipality and the contractor agree that the following general provisions or their equivalent apply to eligible work to be performed under this contract and that these provisions supersede any conflicting provisions of this contract;
- (2) Privity of contract. This contract is expected to be funded in part by the State of Connecticut. Neither the State, nor any of its departments, agencies, or employees is or will be a party to this contract or any lower tier subcontract. This contract is to be subject to regulations adopted in accordance with Section 22a-482 of the Connecticut General Statutes.
- (3) Changes for contracts for construction.
 - (A) The municipality may, at any time, without notice to any surety, by written order designated or indicated to be a change order, make any change in the work within the general scope of the subagreement, including but not limited to changes:
 - (i) In the specifications (including drawings and designs);
 - (ii) In the time, method, or manner of performance of the work;
 - (iii) In the municipality-furnished facilities, equipment, materials, services, or site; or
 - (iv) Directing acceleration in the performance of the work.
 - (B) A change order shall also be any other written or oral order (including direction, instruction, interpretation or determination) from the municipality which causes any change, provided the contractor gives the municipality written notice stating the date, circumstances, and source of the order and that the contractor regards the order as a change order.
 - (C) Except as provided in this clause, no order, statement, or conduct of the municipality shall be treated as a change under this clause or entitle the contractor to an equitable adjustment.
 - (D) If any change under this clause causes an increase or decrease in the contractor's cost or the time required to perform any part of the work under this contract, whether or not changed by any order, an equitable adjustment shall be made and the subagreement modified in writing. However, for claims based on defective specifications, no claim for any change under (B) above shall be allowed for any costs incurred more than 20 days before the contractor gives written notice as required in paragraph (B). In the case of defective specifications for which the municipality is responsible, the equitable adjustment shall include any increased cost reasonably incurred by the contractor in attempting to comply with those defective specifications.
 - (E) If the contractor intends to assert a claim for an equitable adjustment under this clause, he must, within thirty (30) days after receipt of a written change order under

(A) of this change clause or the furnishing of a written notice under (B) of this clause, submit to the grantee a written statement setting forth the general nature and monetary extent of such claim. The municipality may extend the 30-day period. The statement of claim may be included in the notice under (B) of this clause.

(F) No claim by the contractor for an equitable adjustment shall be allowed if made after final payment under this contract.

(4) Changes for contracts for supplies.

(A) The municipality may at any time, by a written order and without notice to the sureties, make changes within the general scope of this subagreement in any one or more of the following:

(i) Drawings, designs, or specifications, where the supplies to be furnished are to be specially manufactured for the municipality;

(ii) Method of shipment or packing; and

(iii) Place of delivery.

(B) If any change causes an increase or decrease in the cost or the time required to perform any part of the work under this subagreement, whether or not changed by any such order, an equitable adjustment shall be made in the subagreement price or delivery schedule, or both, and the subagreement shall be modified in writing. Any claim by the contractor for adjustment under this clause must be asserted within 30 days from the date of receipt by the contractor of the notification of change. If the municipality decides that the facts justify such action, the municipality may receive and act upon any such claim asserted at any time before final payment under this subagreement. Where the cost of property made obsolete or excess as a result of a change is included in the contractor's claim for adjustment, the grantee shall have the right to prescribe the manner of disposition of such property. Nothing in this clause shall excuse the contractor from proceeding with the subagreement as changed.

(5) Differing site conditions.

(A) The contractor shall promptly, and before such conditions are disturbed, notify the municipality in writing of:

(i) Subsurface or latent physical conditions at the site differing materially from those indicated in this subagreement; or

(ii) Unknown physical conditions at the site, of an unusual nature, differing materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in this subagreement. The municipality shall promptly investigate the conditions and, if it finds that conditions are materially different and will cause an increase or decrease in the contractor's cost or the time required to perform any part of the work

under this subagreement, whether or not changed as a result of such conditions, an equitable adjustment shall be made and the subagreement modified in writing.

- (B) No claim of the contractor under this clause shall be allowed unless the contractor has given notice required in (A) of this clause. However, the municipality may extend the prescribed time.
 - (C) No claim by the contractor for an equitable adjustment shall be allowed if asserted after final payment under this subagreement.
- (6) Suspension of work.
- (A) The municipality may order the Contractor, in writing, to suspend, delay, or interrupt all or any part of the work for such period of time as the municipality may determine to be appropriate for the convenience of the municipality.
 - (B) If the performance of all or any part of the work is suspended, delayed, or interrupted for an unreasonable period of time by an act of the municipality in administration of the contract, (or if no time is specified, within a reasonable time), an adjustment shall be made for any increase in the cost of performance of this contract (excluding profit) necessarily caused by such unreasonable suspension, delay, or interruption and the contract modified in writing. However, no adjustment shall be made under this clause for any suspension, delay, or interruption to the extent that performance would have been so suspended, delayed, or interrupted by any other cause, including the fault or negligence of the contractor, or for which an equitable adjustment is provided for or excluded under any other provision of the contract.
 - (C) No claim under this clause shall be allowed for any costs incurred more than 20 days before the contractor notified the municipality in writing of the act or failure to act involved (this requirement does not apply to a claim resulting from a suspension order), and unless the claim, in an amount stated, is asserted in writing as soon as practicable after the termination of such suspension, delay, or interruption, but not later than the date of final payment under the contract.
- (7) Termination.
- (A) This contract may be terminated in whole or in part in writing by either party in the event of substantial failure by the party to fulfill its obligations under this subagreement through no fault of the terminating party, provided that no termination may be effected unless the other party is given not less than ten (10) calendar days written notice (delivered by certified mail, return receipt requested) of intent to terminate and an opportunity for consultation with the terminating party prior to termination.
 - (B) This contract may be terminated in whole or in part in writing by the municipality for its convenience, provided that the contractor is given not less than ten (10) calendar days written notice (delivered by certified mail, return receipt requested)

of intent to terminate and an opportunity for consultation with the terminating party prior to termination.

- (C) If termination for default is effected by the municipality, an equitable adjustment in the price provided for in this contract shall be made but no amount shall be allowed for anticipated profit on unperformed services or other work, and any payment due to the contractor at the time of termination may be adjusted to cover any additional costs to the municipality because of the contractor's default. If termination for default is effected by the contractor, or if termination for convenience is effected by the municipality, the equitable adjustment shall include a reasonable profit for services or other work performed. The equitable adjustment for any termination shall provide for payment to the contractor for services rendered and expenses incurred prior to the termination in addition to termination settlement costs reasonably incurred by the contractor relating to commitments which had become firm prior to the termination.
 - (D) Upon receipt of a termination action pursuant to (A) or (B) above, the contractor shall promptly discontinue all services affected (unless the notice directs otherwise), and deliver or otherwise make available to the recipient all data, drawings, specifications, reports, estimates, summaries and such other information and materials as may have been accumulated by the contractor in performing this contract whether completed or in process.
 - (E) Upon termination under (A) or (B) of this clause the municipality may take over the work and may award another party a contract to complete the work under this contract.
 - (F) If, after termination for failure of the contractor to fulfill contractual obligations, it is determined that the contractor had not failed to fulfill contractual obligations, the termination shall be deemed to have been for the convenience of the municipality. In such event, adjustment of the price provided for in this contract shall be made as provided in (C) of this clause.
- (8) Remedies. Except as may be otherwise provided in this contract, all claims, counter-claims, disputes, and other matters in question between the municipality and the contractor arising out of or relating to this contract or the breach thereof will be decided by arbitration if the parties mutually agree or in a court of competent jurisdiction within the district in which the municipality is located.
 - (9) Price reduction for defective cost or pricing data.

NOTE - This clause is applicable to any contract negotiated between the municipality and its contractor in excess of \$500,000; negotiated change orders in excess of \$500,000 or 10 percent of the contract, whichever is less, affecting the price of a formally advertised, competitively awarded, fixed price contract; or any lower tier subcontract or purchase order in excess of \$500,000 or 10 percent of the assistance agreement, whichever is less, under a contract other than a formally advertised, competitively awarded, fixed price subagreement. This clause is not applicable for contracts to the extent that they are awarded on the basis of effective price competition.

The contractor and subcontractor, where appropriate, warrant that cost and pricing data submitted for evaluation with respect to negotiation of prices for negotiated contracts, lower tier subcontracts and change orders is based on current, accurate, and complete data supported by their books and records. If the municipality or the Commissioner determines that any price (including profit) negotiated in connection with this contract, any lower tier subcontract, or any amendment thereunder was increased by any significant sums because the data provided was incomplete, inaccurate, or not current at the time of submission, then such price, cost or profit shall be reduced accordingly, and the contract shall be modified in writing to reflect such reduction. Failure to agree on a reduction shall be subject to the remedies clause of this agreement.

NOTE - Since the contract is subject to reduction under this clause by reason of defective cost or pricing data submitted in connection with lower tier subcontracts, the contractor may wish to include a clause in each lower tier subcontract requiring the lower tier subcontractor to appropriately indemnify the contractor. It is also expected that any lower tier subcontractor subject to such indemnification will generally require substantially similar indemnification for defective cost or pricing data required to be submitted by lower tier contractors.

- (10) Audit; Access to records.
- (A) The contractor shall maintain books, records, documents, and other evidence directly pertinent to performance on grant work under this contract in accordance with generally accepted accounting principles and practices consistently applied. The contractor shall also maintain the financial information and data used by the contractor in the preparation or support of the cost submission required under Section 22a-482-4(g)(8) for any negotiated contract or change order and a copy of the cost summary submitted to the municipality. The municipality and the Commissioner or any of his authorized representatives shall have access to all such books, records, documents, and other evidence for the purpose of inspection, audit and copying during normal business hours. The contractor will provide proper facilities for such access and inspection.
 - (B) If this is a formally advertised, competitively awarded, fixed price contract, the contractor agrees to make (A) through (F) of this clause applicable to all negotiated change orders and contract amendments affecting the contract price. In the case of all other types of prime contracts, the contractor agrees to include (A) through (F) of this clause in all his subcontracts in excess of \$10,000 and to make paragraphs (A) through (F) of this clause applicable to all change orders directly related to project performance.
 - (C) Audits conducted under this provision shall be in accordance with generally accepted auditing standards and established procedures and guidelines of the reviewing or audit departments and meeting the requirements of Section 20-282 of the Connecticut General Statutes.
 - (D) The contractor agrees to disclose all information and reports resulting from access to records under (A) and (B) of this clause.

- (E) Records under (A) and (B) above shall be maintained and made available during performance on assisted work under this contract and until three years from the date of final State payment for the project. In addition, those records which relate to any dispute appeal arising under a grant assistance agreement, to litigation, to the settlement of claims arising out of such performance, or to costs or items to which an audit exception has been taken, shall be maintained and made available until three years after the date of resolution of such appeal, litigation, claim, or exception.
- (F) This right of access clause (with respect to financial records) applies to:
 - (i) Negotiated prime subagreements;
 - (ii) Negotiated change orders or contract amendments in excess of \$10,000 affecting the price of any formally advertised, competitively awarded, fixed price contract; and
 - (iii) Subcontracts or purchase orders under any contract other than a formally advertised, competitively awarded, fixed price contract. However, this right of access does not apply to a prime contract, lower tier subcontract, or purchase order awarded after effective price competition, except with respect to records pertaining directly to contract performance, (excluding any financial records of the contractor); if there is any indication that fraud, gross abuse, or corrupt practices may be involved or if the contract is terminated for default or for convenience.
- (11) Covenant against contingent fees. The contractor warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the contractor for the purpose of securing business. For breach or violation of this warranty the grantee shall have the right to annul this agreement without liability or, at its discretion, to deduct from the contract price or consideration, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.
- (12) Gratuities.
 - (A) If the municipality finds, after a notice and hearing, that the contractor, or any of the contractor's agents or representatives, offered or gave gratuities (in the form of entertainment, gifts, or otherwise), to any official, employee, or agent of the municipality or the State, in an attempt to secure a contract or favorable treatment in awarding, amending, or making any determinations related to the performance of this agreement, the municipality may, by written notice to the contractor, terminate this agreement. The municipality may also pursue other rights and remedies that the law or this agreement provides. However, the existence of the facts on which the municipality bases such findings shall be in issue and may be reviewed in proceedings under the Remedies clause of this agreement.
 - (B) In the event this contract is terminated, as provided in (A) in this clause, the

recipient may pursue the same remedies against the contractor as it could pursue in the event of a breach of the contract by the contractor and, as a penalty, in addition to any other damages to which it may be entitled by law, to exemplary damages in an amount (as determined by the grantee) which shall be not less than three nor more than ten times the costs the contractor incurs in providing any such gratuities to any such officer or employee.

- (13) Responsibility of the contractor.
- (A) The contractor agrees to perform all work under this agreement in accordance with this agreement's designs, drawings, and specifications.
 - (B) The contractor warrants and guarantees for a period of one (1) year from the date of substantial completion of the system that the completed system is free from all defects due to faulty materials, equipment or workmanship; and the contractor shall promptly make whatever adjustments or corrections necessary to cure such defects, including repairs of any damage to other parts of the system resulting from such defects. The municipality shall give notice to the contractor of observed defects with reasonable promptness. In the event that the contractor fails to make adjustments, repairs, corrections or other work that may be made necessary by such defect, the municipality may do so and charge the contractor the cost incurred. The performance bond shall remain in full force and effect through the guarantee period.
 - (C) The contractor's obligations under this clause are in addition to the contractor's other express or applied warranties under this agreement or State law and in no way diminish any other rights that the municipality may have against the contractor for faulty material, equipment, or work.
- (14) Final payment. Upon satisfactory completion of the work performed under this agreement, as a condition before final payment under this agreement, or as a termination settlement under this agreement, the contractor shall execute and deliver to the municipality a release of all claims against the municipality arising under or by virtue of this agreement, except claims which are specifically exempted by the contractor to be set forth therein. Unless otherwise provided in this agreement or by State law or otherwise expressly agreed to by the parties to this agreement, final payment under this agreement or settlement upon termination of this agreement shall not constitute a waiver of the municipality's claims against the contractor or his sureties under this agreement or applicable performance and payment bonds.

Sec. 22a-482-4 (h) Procurement Requirements-General

- (1) Applicability. This defines the responsibilities of the State and the municipality and the minimum procurement standards for each municipality's procurement system.
- (2) Municipality responsibility.
 - (A) The municipality is responsible for the settlement and satisfactory completion in accordance with sound business judgement and good administrative practice of all

contractual and administrative issues arising out of subagreements entered into under the assistance agreement. This includes issuance of invitations for bids or requests for proposals, selection of contractors, award of subagreements, settlement of protests, claims, disputes and other related procurement matters.

- (B) The municipality shall maintain a subagreement administration system to assure that contractors perform in accordance with the terms, conditions and specifications of their subagreements.
 - (C) The municipality shall review its proposed procurement actions to avoid purchasing unnecessary or duplicative items.
 - (D) The municipality shall consider consolidating its procurement or dividing it into parts to obtain a more economical purchase.
 - (E) Where appropriate, the municipality shall make an analysis of lease versus purchase alternatives in its procurement actions.
 - (F) A municipality may request technical assistance from the Commissioner for the administration and enforcement of any subagreement awarded under this section. However, such assistance does not relieve the municipality of its responsibilities under this section.
 - (G) A municipality may use innovative procurement methods or procedures only if it receives the Commissioner's prior written approval.
- (3) Municipality reporting requirements. The municipality shall request, in writing, the Commissioner's authorization to award each construction subagreement which has an aggregate value over \$10,000. The request shall include:
- (A) Name, address, telephone number and employee identification number of the construction contractor;
 - (B) Amount of the award;
 - (C) Estimated starting and completion dates;
 - (D) Project number, name and site location of the project; and
 - (E) Copy of the tabulations of bids or offers and the name of each bidder or offeror.
- (4) Copies of contract documents. The municipality must promptly submit to the Commissioner copies of any prime contract or modification thereof, and revisions to plans and specifications.
- (5) Limitations on subagreement award.
- (A) The municipality shall award subagreements only to responsible contractors that possess the potential ability to perform successfully under the terms and conditions

of a proposed procurement. A responsible contractor is one that has:

- (i) Financial resources, technical qualifications, experience, an organization and facilities adequate to carry out the project, or a demonstrated ability to obtain these;
 - (ii) Resources to meet the completion schedule contained in the subagreement;
 - (iii) A satisfactory performance record for completion of subagreements;
 - (iv) Accounting and auditing procedures adequate to control property, funds and assets; and
 - (v) Demonstrated compliance or willingness to comply with the civil rights, equal employment opportunity, labor laws and other statutory requirements.
- (B) The municipality shall not make awards to contractors who have been suspended or debarred by Connecticut State Agencies.
- (6) Violations. The municipality shall refer violations of law to the local or State officials having the proper jurisdiction.
- (7) Competition.
- (A) The municipality shall conduct all procurement transactions in a manner that provides maximum open and free competition.
- (B) Procurement practices shall not unduly restrict or eliminate competition. Examples of practices considered to be unduly restrictive include:
- (i) Noncompetitive practices between firms;
 - (ii) Organizational conflicts of interest;
 - (iii) Unnecessary, experience and bonding requirements;
 - (iv) Local laws, ordinances, regulations or procedures which give local bidders or proposers preference over other bidders or proposers in evaluating bids or proposals; and
 - (v) Placing unreasonable requirements on firms in order for them to qualify to do business.
- (C) The municipality may use a prequalification list(s) of persons, firms or products if it:
- (i) Updates its prequalified list(s) at least every six months;
 - (ii) Reviews and acts on each request for prequalification made more than thirty

(30) days before the closing date for receipt of proposals or bid opening;
and

(iii) Gives adequate public notice of its prequalification procedures in accordance with the public notice procedures.

(D) A municipality may not use a prequalified list(s) of persons or firms if the procedure unnecessarily restricts competition.

(8) Profit.

(A) Municipalities must assure that only fair and reasonable profits are paid to contractors awarded subagreements under State assistance agreements.

(B) The municipality shall negotiate profit as a separate element of price for each subagreement in which there is no price competition, or where price is based on cost analysis.

(C) Where the municipality receives two or more bids, profit included in a formally advertised, competitively bid, fixed price subagreement shall be considered reasonable.

(D) Off-the-shelf or catalog supplies are exempt from this section.

(9) Use of small, minority, and women's businesses. The municipality must take affirmative steps to assure that small, minority, and women's businesses are used to the maximum extent practicable. The Commissioner may impose goals as conditions of financial assistances.

(10) Privity of subagreement. The State shall not be a party to any subagreement nor to any solicitation or request for proposals.

(11) Documentation.

(A) Procurement records and files for procurements in excess of \$10,000 shall include the following:

(i) Basis for contractor selection;

(ii) Written justification for selection of the procurement method;

(iii) Written justification for use of any specification which does not provide for maximum free and open competition;

(iv) Written justification for the type of subagreement;

(v) Basis for award cost or price, including a copy of the cost or price analysis made and documentation of negotiations; and

- (vi) A municipality must state the reasons in writing for rejecting any or all bids and the justification for procurements on a noncompetitively negotiated basis and make them available for public inspection.

(12) Specifications.

- (A) Nonrestrictive specifications.
 - (i) No specification for bids or statement of work in connection with such works shall be written in such a manner as to contain proprietary, exclusionary or discriminatory requirements other than those based upon performance, unless such requirements are necessary to test or demonstrate a specific thing or to provide for necessary interchangeability of parts and equipment, or at least two brand names or trade names of comparable quality or utility are listed and are followed by the words "or equal". If brand or trade names are specified, the municipality must be prepared to identify to the Commissioner, or in any protest action, the salient requirements (relating to the minimum needs of the project) which must be met by any offeror. The single base bid method of solicitation for equipment and parts for determination of a low, responsive bidder may not be utilized. With regard to materials, if a single material is specified, the municipality must be prepared to substantiate the basis for the selection of the material.
 - (ii) Project specifications shall, to the extent practicable, provide for maximum use of structures, machines, products, materials, construction methods, and equipment which are readily available through competitive procurement, or through standard or proven production techniques, methods, and processes.
- (B) Sole source restriction. A specification shall not require the use of structures, materials, equipment, or processes which are known to be available only from a sole source, unless the Commissioner determines in advance that the municipality's engineer has adequately justified in writing that the proposed use meets the particular project's minimum needs or the Commissioner determines that use of a single source is necessary to promote innovation.
- (C) Experience clause restriction. The general use of experience clauses requiring equipment manufacturers to have a record of satisfactory operation for a specified period of time or of bonds or deposits to guarantee replacement in the event of failure is restricted to special cases where the municipality's engineer adequately justifies any such requirement in writing. Where such justification has been made, submission of a bond or deposit shall be permitted instead of a specified experience period. The period of time for which the bond or deposit is required should not exceed the experience period specified.

(13) Force account work.

- (A) The municipality must receive the Commissioner's prior written approval for use of the force account method for any planning, design work or construction work.

- (B) The Commissioner may approve the force account method upon the municipality's demonstration that it possesses the necessary competence required to accomplish such work and that the work can be accomplished more economically by use of the force account method, or emergency circumstances dictate its use.
- (C) Use of the force account method for construction work shall generally be limited to minor portions of a project.

(14) Code of conduct.

- (A) The municipality shall maintain a written code or standards of conduct which shall govern the performance of its officers, employees, or agents engaged in the award and administration of subagreements supported by State funds. No employee, officer or agent of the municipality shall participate in the selection, award or administration of a subagreement supported by State funds if a conflict of interest, real or apparent, would be involved.
- (B) Such a conflict would arise when:
 - (i) Any employee, officer or agent of the municipality, any member of the immediate families, or their partners, have a financial or other interest in the firm selected for award; or
 - (ii) An organization which may receive or has been awarded a subagreement employs, or is about to employ, any person under (B)(i) of this Section.
- (C) The municipality's officers, employees or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors or other parties to subagreements.
- (D) Municipalities may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal value.
- (E) To the extent permitted by State or local law or regulations, the municipality's code of conduct shall provide for penalties, sanctions or other disciplinary actions for violations of the code by the municipality's officers, employees or agents or by contractors or their agents.

(15) Payment to consultants.

- (A) For all State assistance agreements, the State will limit its participation in the salary rate (excluding overhead) paid to individual consultants retained by a municipality or by a municipality's contractors or subcontractors to the maximum daily rate for a GS-18 federal employee. (Municipality's may, however, pay contractors and subcontractors more than this amount.) This limitation applies to consultation services of designated individuals with specialized skills who are paid at a daily or hourly rate. The rate does not include transportation and subsistence costs for travel performed; municipality's will pay these in accordance with their

normal travel reimbursement practices.

- (B) Subagreements with firms for services which are awarded using these procurement requirements are not affected by this limitation.
- (16) Cost and price considerations.
- (A) The municipality shall conduct a cost analysis of all negotiated change orders and all negotiated subagreements estimated to exceed \$10,000.
 - (B) The municipality shall conduct a price analysis of all formally advertised procurements estimated to exceed \$10,000 if there are fewer than three bidders.
 - (C) For negotiated procurement, contractors and subcontractors shall submit cost or pricing data in support of their proposals to the municipality.
- (17) Small purchases.
- (A) Small Purchase Procurement. If the aggregate amount involved in any one procurement transaction does not exceed \$10,000, including estimated handling and freight charges, overhead and profit, the municipality may use small purchase procedures.
 - (B) Small Purchase Procedures. Small purchase procedures are relatively simple procurement methods that are sound and appropriate for procurement of services, supplies or other property costing in the aggregate not more than \$10,000.
 - (C) Requirements for Competition.
 - (i) Municipalities shall not divide a procurement into smaller parts to avoid the dollar limitation for competitive procurement.
 - (ii) Municipalities shall obtain price or rate quotations from an adequate number of qualified sources.
- (18) Negotiation and award of subagreements.
- (A) Unless the request for proposals states that award may be based on initial offers alone, the municipality must conduct meaningful negotiations with the best qualified offerors with acceptable proposals within the competitive range, and permit revisions to obtain best and final offers. The best qualified offerors must have equal opportunities to negotiate or revise their proposals. During negotiations, the municipality must not disclose the identity of competing offerors or any information from competing proposals.
 - (B) The municipality must award the subagreement to the responsible offeror whose proposal is determined in writing to be the most advantageous to the municipality, taking into consideration price and other evaluation criteria set forth in the request for proposals.

- (C) The municipality must promptly notify unsuccessful offerors that their proposals were rejected.
 - (D) The municipality must document its procurement file to indicate how proposals were evaluated, what factors were used to determine the best qualified offerors within the competitive range, and what factors were used to determine the subagreement award.
- (19) Optional selection procedure for negotiation and award of subagreement for architectural and engineering services.
- (A) The municipality may evaluate and select an architect or engineer using the procedures in this subdivision in place of the procedures in "Negotiation and award of subagreements" in subdivision (18).
 - (B) The municipality may use responses from requests for statement of qualifications to determine the most technically qualified architects or engineers.
 - (C) After selecting and ranking the most qualified architects or engineers, the municipality will request technical proposals from those architects or engineers and inform them of the evaluation criteria the municipality will use to rank the proposals.
 - (D) The municipality shall then select and determine, in writing, the best technical proposal.
 - (E) After selecting the best proposal, the municipality shall attempt to negotiate fair and reasonable compensation with that offeror.
 - (F) If the municipality and the offeror of the best proposal cannot agree on the amount of compensation, the municipality shall formally terminate negotiations with that offeror. The municipality shall then negotiate with the offeror with the next best proposal. This process will continue until the municipality reaches agreement on compensation with an offeror with an acceptable proposal. Once the municipality terminates negotiations with an offeror, the municipality cannot go back and renegotiate with that offeror.
- (20) Noncompetitive negotiation procurement method. Noncompetitive negotiation may be used only when the award of a subagreement is not feasible under small purchase, formal advertising, or competitive negotiation procedures. The municipality may award a noncompetitively negotiated subagreement only under the following circumstances:
- (A) The item is available only from a single source;
 - (B) A public exigency or emergency exists and the urgency for the requirement will not permit a delay incident to competitive procurement; or
 - (C) After solicitation from a number of sources, competition is determined to be

inadequate.

- (21) Use of the same architect or engineer during construction
 - (A) If the municipality is satisfied with the qualifications and performance of the architect or engineer who provided any or all of the planning or design services for the project, it may wish to retain that firm or individual during construction of the project. The municipality may do so without further public notice and evaluation of qualifications provided that it received financial assistance for the planning and/or design services and selected the architect or engineer in accordance with these procurement regulations.
 - (B) However, if the municipality uses the procedures in (A) to retain an architect or engineer, any construction subagreements between the architect or engineer and the municipality must meet the procurement provisions of Section 22a-482-4(i)(5).
- (22) Negotiation of subagreements.
 - (A) Formal advertising, with adequate purchase descriptions, sealed bids, and public openings shall be the required method of procurement unless negotiation under (B) of this section is necessary to accomplish sound procurement.
 - (B) All negotiated procurement shall be conducted in a manner to provide to the maximum practicable extent open and free competition appropriate to the type of project work to be performed. The municipality is authorized to negotiate subagreements if any of the following conditions exist:
 - (i) Public exigency will not permit the delay incident to formally advertised procurement (e.g. an emergency procurement);
 - (ii) The aggregate amount involved does not exceed \$10,000;
 - (iii) The material or service to be procured is available from only one person or entity. If the procurement is expected to aggregate more than \$10,000, the municipality must document its file with a justification of the need for noncompetitive procurement, and provide such documentation to the Commissioner on request;
 - (iv) The procurement is for personal or professional services (including architectural or engineering services) or for any service that a university or other educational institution may render;
 - (v) No responsive, responsible bids at acceptable price levels have been received after formal advertising, and the Commissioner's prior written approval has been obtained;
 - (vi) The procurement is for materials or services where the price is established by law;

- (vii) The procurement is for technical items or equipment requiring standardization and interchangeability of parts with existing equipment; or
 - (viii) The procurement is for experimental, developmental or research services.
- (23) Enforcement. If the Commissioner determines that the municipality has failed to comply with any of these procurement provisions, he or she may impose any of the following sanctions:
- (A) The grant may be terminated or annulled under Section 22a-482-4(t).
 - (B) Project costs directly related to the noncompliance may be disallowed.
 - (C) Payment otherwise due to the municipality of up to 10 percent may be withheld.
 - (D) Project work may be suspended under Sec. 22a-482-4(g) (5).
 - (E) A noncomplying municipality may be found nonresponsible or ineligible for future state funding assistance or a noncomplying contractor may be found nonresponsible or ineligible for approval for future contract award under state grants.
 - (F) An injunction may be entered or other equitable relief afforded by a court of appropriate jurisdiction.
 - (G) Such other administrative or judicial action may be instituted if it is legally available and appropriate.
- (24) Contract Enforcement. Commissioner authority. At the request of a municipality, the Commissioner is authorized to provide technical and legal assistance in the administration and enforcement of any contract related to pollution abatement facilities for which a State grant was made and to intervene in any civil action involving the enforcement of such contracts, including contract disputes which are the subject of either arbitration or court action in accordance with the requirements of Section 22a-482-4(f)(1).

Sec. 22a-482-4 (i) Architectural/Engineering Procurement Requirements

- (1) Type of Contract (Subagreement).
 - (A) General. Cost-plus-percentage-of-cost and percentage-of-construction-cost contracts are prohibited. Cost reimbursement, fixed price, or per diem contracts or combinations of these may be negotiated for architectural or engineering services. A fixed price contract is generally used only when the scope and extent of work to be performed is clearly defined. In most other cases, a cost reimbursement type of contract is more appropriate. A per diem contract may be used if no other type of contract is appropriate. An incentive fee may be used if the municipality submits an adequate independent cost estimate and price comparison.
 - (B) Cost reimbursement contract. Each cost reimbursement contract must clearly

establish a cost ceiling which the engineer may not exceed without formally amending the contract and a fixed dollar profit which may not be increased except in the case of a contract amendment to increase the scope of work.

- (C) Fixed price contract. An acceptable fixed price contract is one which establishes a guaranteed maximum price which may not be increased unless a contract amendment increases the scope of work.
- (D) Compensation procedures. If, under either a cost reimbursement or fixed price contract, the municipality desires to use a multiplier type of compensation, all of the following must apply:
 - (i) The multiplier and the portions of the multiplier allocable to overhead and allocable to profit have been specifically negotiated;
 - (ii) The portion of the multiplier allocable to overhead includes only allowable items of cost under the cost principles;
 - (iii) The portions of the multiplier allocable to profit and allocable to overhead have been separately identified in the contract; and
 - (iv) The fixed price contract includes a guaranteed maximum price for completion of the specifically defined scope of work; and the cost reimbursement contract includes a fixed dollar profit which may not be increased except in the case of a contract amendment which increases the scope of work.
- (E) Per diem contracts. A per diem agreement may be utilized only after a determination that a fixed price or cost reimbursement type contract is not appropriate. Per diem agreements should be used only to a limited extent, e.g., where the first task under the planning share involves establishing the scope and cost of succeeding planning tasks, or for incidental services such as expert testimony or intermittent professional or testing services. (Resident engineer and resident inspection services should generally be compensated at cost plus fixed fee). Cost and profit included in the per diem rate must be specifically negotiated and displayed separately in the engineer's proposal.

The contract must clearly establish a price ceiling which may not be exceeded without formally amending the contract.

- (2) Public Notice. Adequate public notice must be given of the requirement for architectural or engineering services for all subagreements.
 - (A) Public announcement. A notice of request for qualifications should be published in professional journals, newspapers, or publications of general circulation over a reasonable area and, in addition, if desired, through posted public notices or written notification directed to interested persons, firms, or professional organizations inviting the submission of statements of qualifications. The announcement must clearly state the deadline and place for submission of qualification statements.

- (B) Exceptions. Public notice is not required under the following circumstances:
 - (i) For design or construction phases of a grant funded project if the municipality is satisfied with the qualifications and performance of any engineer who performed all or any part of the planning or design work and the engineer has the capacity to perform the subsequent steps; and
 - (ii) The municipality desires the same engineer to provide architectural or engineering services for the subsequent steps or for subsequent segments of design work in one project if a single pollution abatement facilities is segmented into two or more construction projects. If the design work is accordingly segmented so that the initial contract for preparation of construction drawings and specifications does not cover the entire pollution abatement facilities to be built under one grant then the municipality may use the same engineering firm that was selected for the initial segment of design work for subsequent segments.

- (3) Evaluation of Qualifications.
 - (A) The municipality shall review the qualifications of firms which responded to the announcement or were on the prequalified list and shall uniformly evaluate the firms.
 - (B) Qualifications shall be evaluated through an objective process (e.g., the appointment of a board or committee which, to the extent practicable, should include persons with technical skills).
 - (C) Criteria which should be considered in the evaluation of candidates for submission of proposals should include:
 - (i) Specialized experience and technical competence of the candidate or firm and its personnel (including a joint venture, association or professional subcontractor) considering the type of services required and the complexity of the project;
 - (ii) Past record of performance on contracts with the municipality, other government agencies or public bodies, and with private industry., including such factors as control of costs, quality of work, and ability to meet schedules;
 - (iii) The candidate's capacity to perform the work (including any specialized services) within the time limitations, considering the firm's current and planned workload;
 - (iv) The candidate's familiarity with the types of problems applicable to the project; and
 - (v) Avoidance of personal and organizational conflicts of interest.

- (4) Solicitation and Evaluation of Proposals.
 - (A) Solicitation of Professional Services Proposals.
 - (i) Requests for professional services proposals must be sent to no fewer than three candidates who either responded to the public announcement or were selected from the prequalified list, unless, after good faith effort to solicit qualifications, fewer than three qualified candidates respond, in which case all qualified candidates must be provided request for proposals;
 - (ii) Requests for professional services proposals must be in writing and must contain the information necessary to enable a prospective offeror to prepare a proposal properly. The request for proposals must include a solicitation statement and must inform offerors of the evaluation criteria; and
 - (iii) Submission deadline. Requests for proposals must clearly state the deadline and place for submission.
 - (B) Evaluation of Proposals.
 - (i) All proposals submitted in response to the request for professional services proposals must be uniformly evaluated. The municipality shall also evaluate the candidate's proposed method of accomplishing the work required;
 - (ii) Proposals shall be evaluated through an objective process (e.g., the appointment of a board or committee) which, to the extent practicable, should include persons with technical skills. Oral (including telephone) or written interviews should be conducted with top rated proposers, and information derived therefrom shall be treated on a confidential basis; and
 - (iii) Municipalities must base their determinations of qualified offerors and acceptable proposals solely on the evaluation criteria stated in the request for proposals.
- (5) Negotiation.
 - (A) Municipalities are responsible for negotiation of their contracts for architectural or engineering services. Contract procurement including negotiation may be performed by the municipality directly or by another person or firm retained for the purpose. Contract negotiations may include the services of technical, legal, audit, or other specialists to the extent appropriate.
 - (B) Negotiations may be conducted in accordance with State or local requirements, as long as they meet the minimum requirements as set forth in this section.
 - (C) The object of negotiations with any candidate shall be to reach agreement on the provisions of the proposed contract. The municipality and the candidate shall

discuss, as a minimum:

- (i) The scope and extent of work and other essential requirements;
 - (ii) Identification of the personnel and facilities necessary to accomplish the work within the required time including, where needed, employment of additional personnel, subcontracting, joint venture, etc;
 - (iii) Provisions of the required technical services in accordance with regulations and criteria established for the project; and
 - (iv) A fair and reasonable price for the required work, to be determined in accordance with the cost and profit considerations.
- (6) Cost and Price Considerations.
- (A) The candidate(s) selected for negotiation shall submit to the municipality for review sufficient cost and pricing data to enable the municipality to ascertain the necessity and reasonableness of costs and amounts proposed and the allowability and eligibility of costs proposed.
 - (B) The municipality shall submit to the Commissioner for review:
 - (i) Documentation of the public notice of need for architectural or engineering services and selection procedures.
 - (ii) The cost and pricing data the selected engineer submitted.
 - (iii) A certification of review and acceptance of the selected engineer's cost and price.
 - (iv) A copy of the proposed subagreement.
 - (C) The Commissioner shall review the complete subagreement procurement procedure and approve the municipality's compliance with appropriate procedures before the municipality awards the subagreement.
 - (D) Cost review.
 - (i) The municipality shall review proposed subagreement costs.
 - (ii) As a minimum, proposed subagreement costs shall be presented on EPA form 5700-41 on which the selected engineer shall certify that the proposed costs reflect complete, current, and accurate cost and pricing data applicable to the date of anticipated subagreement award.
 - (iii) In addition to the specific elements of cost, the estimated amount of profit shall be set forth separately in the cost summary for fixed price contracts and a maximum total dollar amount of profit shall be set forth separately in

the cost summary for cost reimbursement contracts.

- (iv) The municipality may require more detailed cost data than the form requires in order to substantiate the reasonableness of proposed subagreement costs. The Commissioner may require more detailed documentation only when the selected engineer is unable to certify that the cost and pricing data used are complete, current, and accurate. The Commissioner may on a selected basis, perform a pre-award cost analysis on any subagreement. A provisional overhead rate should be agreed upon before contract award.
 - (v) The engineer shall have an accounting system which accounts for costs in accordance with generally accepted accounting principles. This system shall provide for the identification, accumulation, and segregation of allowable and unallowable project costs among projects. Allowable project costs shall be determined by the Commissioner. The engineer must propose and account for costs in a manner consistent with his normal accounting procedures.
 - (vi) Subagreements awarded on the basis of a review of a cost element summary and a certification of complete, current, and accurate cost and pricing data shall be subject to downward renegotiation or recoupment of funds where the Commissioner determines that such certification was not based on complete, current, and accurate cost and pricing data or was not based on allowable costs at the time of award.
- (7) Profit. The objective of negotiations shall be the exercise of sound judgement and good administrative practice including the determination of a fair and reasonable profit based on the firm's assumption of risk and input to total performance and not merely the application of a predetermined percentage factor. For the purpose of subagreements under State grants, profit is defined as the net proceeds obtained by deducting all allowable costs (direct and indirect) from the price. (This definition of profit may vary from the firm's definition of profit for other purposes.) Profit on a subagreement and each amendment to a subagreement under a grant should be sufficient to attract engineers who possess the talent and skills necessary for the accomplishment of project objectives, and to stimulate efficient and expeditious completion of the project. Where cost review is performed, the municipality should review the estimate of profit as it reviews all other elements of price.
- (8) Award of Subagreement.
- (A) The municipality shall obtain the written approval of the Commissioner prior to the award of any subagreement or amendment.
 - (B) The municipality shall promptly notify unsuccessful candidates.
- (9) Required Solicitation and Subagreement Provisions.
- (A) Required solicitation statement. Requests for qualifications or proposals must include the following statement, as well as the proposed terms of the subagreement.

Any contract awarded under this request for (qualifications/professional proposals) is expected to be funded in part by the State of Connecticut, Department of Environmental Protection. This procurement will be subject to requirements contained in Section 22a-482-4(h),(i), and (o) of the regulations of Connecticut State Agencies. The State of Connecticut will not be a party to this request for (qualifications/ professional proposals) or any resulting contract.

- (B) Content of subagreement. Each subagreement must adequately define the scope and extent of project work; the time for performance and completion of the contract work including, where appropriate, dates for completion of significant project tasks; personnel and facilities necessary to accomplish the work within the required time; the extent of subcontracting and consultant agreements; and payment provisions. If any of these elements cannot be defined adequately for later tasks or steps at the time of contract execution, the contract should not include the subsequent tasks or steps at that time.
- (10) Subagreement Payments-Architectural or Engineering Services. The municipality shall make payment to the engineer in accordance with the payment schedule incorporated in the engineering agreement. Any retainage is at the option of the municipality. No payment request made by the engineer under the agreement may exceed the estimated amount and value of the work and services performed.
- (11) Subcontracts under Subagreements for Architectural or Engineering Services. Neither award and execution of subcontracts under a prime contract for architectural or engineering services nor the procurement and negotiation procedures used by the engineer in awarding such subcontracts are required to comply with any of the provisions, selection procedures, policies or principles set forth herein.

Sec. 22a-482-4 (j) Construction Contract Procurement Requirements

(This section applies to construction contracts in excess of \$10,000 awarded by municipalities for any construction projects.)

- (1) Type of Contract. Each contract shall be a fixed price (lump sum or unit price or a combination of the two) contract, unless the Commissioner gives advance written approval for the municipality to use some other acceptable type of contract. The cost-plus-percentage-of-cost contract shall not be used in any event.
- (2) Formal Advertising. Each contract shall be awarded after formal advertising, unless negotiations are permitted in accordance with Sec. 22a-482-4(h)(18). Formal advertising shall be in accordance with the following:
 - (A) Adequate public notice. The municipality will cause adequate notice to be given of the solicitation by publication in newspapers or journals of general circulation beyond the municipality's locality (statewide, generally), inviting bids on the project work and stating the method by which bidding documents may be obtained or examined. Where the estimated cost of construction is \$10 million or more, the municipality should publish the notice in trade journals of nationwide distribution. The municipality may solicit bids directly from bidders if it maintains a bidders list;

- (B) Adequate time for preparing bids. Adequate time, generally not less than 30 days, must be allowed between the date when public notice is first published and the date by which bids must be submitted. Bidding documents (including specifications and drawings) shall be available to prospective bidders from the date when such notice is first published;
- (C) Adequate bidding documents. The municipality shall prepare a reasonable number of bidding documents (invitations for bids) and shall furnish them upon request on a first-come, first-served basis. The municipality shall maintain a complete set of bidding documents and shall make them available for inspection and copying by any party. The bidding documents shall include:
 - (i) A complete statement of the work to be performed, including necessary drawings and specifications, and the required completion schedule;
 - (ii) The terms and conditions of the contract to be awarded;
 - (iii) A clear explanation of the method of bidding and the method of evaluation of bid prices, and the basis and method for award of the contract;
 - (iv) Responsibility requirements or criteria which will be employed in evaluating bidders;
 - (v) The following statement:

Any contract or contracts awarded under this invitation for bids are expected to be funded in part by the State of Connecticut (Department of Environmental Protection). Neither the State of Connecticut nor any of its departments, agencies or employees is or will be a party to this invitation for bids or any resulting contract. This procurement will be subject to the requirements contained in Section 22a-482-4, (h), (j) and (o) of the regulations of Connecticut State Agencies;
 - (vi) A copy of Sec. 22a-482-4, (h), (j) and (o); and
 - (vii) The prevailing State Wage Determination as applicable.
- (D) Sealed bids. The municipality shall provide for bidding by sealed bid and for the safeguarding of bids received until public opening.
- (E) Addenda to bidding documents. If a municipality desires to amend any part of the bidding documents (including drawings and specifications) during the period when bids are being prepared, the addenda shall be communicated in writing to all firms which have obtained bidding documents at least five (5) working days prior to the bid opening.
- (F) Bid modifications. A firm which has submitted a bid shall be allowed to modify or withdraw its bid before the time of bid opening.

- (G) Public opening of bids. The municipality shall provide for a public opening of bids at the place, date and time announced in the bidding documents.
- (H) Award to the low, responsive, responsible bidder.
 - (i) After bids are opened, the municipality shall evaluate them in accordance with the methods and criteria set forth in the bidding documents.
 - (ii) The municipality may reserve the right to reject all bids. Unless all bids are rejected for good cause, award shall be made to the low, responsive, responsible bidder.
 - (iii) If the municipality intends to make the award to a firm which did not submit the lowest bid, it shall prepare a written statement before any award, explaining why each lower bidder was deemed nonresponsive or nonresponsive. The Municipality shall retain such statement in its files and forward a copy to the Commissioner for review.
 - (iv) Local laws, ordinances, regulations or procedures which are designed or which operate to give local bidders preference over other bidders shall not be employed in evaluating bids.
 - (v) If an unresolved procurement review issue or a protest relates only to award of a subcontract or procurement of an item under the prime contract, and resolution of that issue or protest is unduly delaying performance of the prime contract, the Commissioner may authorize award and performance of the prime contract before resolution of the issue or protest, if the Commissioner determines that resolution of the protest will not affect the placement of the prime contract bidders and will not materially affect initial performance of the prime contract; and that award of the prime contract is in the State's best interest, will not materially affect resolution of the protest, and is not barred by State or local law.
 - (vi) The municipality shall not reject a bid as nonresponsive for failure to list or otherwise indicate the selection of a subcontractor(s) or equipment, unless the municipality has unambiguously stated in the solicitation documents that such failure to list shall render a bid nonresponsive and shall cause rejection of a bid.

Sec. 22a-482-4 (k) Negotiation of Contract Amendments (Change Orders)

- (1) The Municipality is responsible for the negotiation of construction contract change orders. This function may be performed by the municipality directly or, if authorized, by its engineer. During negotiations with the contractor the municipality shall:
 - (A) Make certain that the contractor has a clear understanding of the scope and extent of work and other essential requirements;

- (B) Assure that the contractor demonstrates that he will make available or will obtain the necessary personnel, equipment and materials to accomplish the work within the required time; and
 - (C) Assure a fair and reasonable price for the required work.
- (2) The contract price or time may be changed only by a change order. When negotiations are required, they shall be conducted in accordance with Section 22a-482(k)(3) and (4) as appropriate. The value of any work covered by a change order or of any claim for increase or decrease in the contract price shall be determined by the method set forth in paragraphs (2)(A) through (2)(C) of this section, whichever is most advantageous to the municipality.
- (A) Unit prices.
 - (i) Original bid items. Unit prices previously approved are acceptable for pricing changes of original bid items. However, when changes in quantities exceed 15 percent of the original bid quantity and the total dollar change of that bid item is significant, the municipality shall review the unit price to determine if a new unit price should be negotiated.
 - (ii) New items. Unit prices of new items shall be negotiated.
 - (B) A lump sum to be negotiated.
 - (C) Cost reimbursement. The actual cost for labor, direct overhead, materials, supplies, equipment, and other services necessary to complete the work plus an amount to be agreed upon to cover the cost of general overhead and profit to be negotiated.
- (3) For each change order not in excess of \$100,000 the contractor shall submit sufficient cost and pricing data to the municipality to enable the municipality to determine the necessity and reasonableness of costs and amounts proposed, and the allowability and eligibility of costs proposed.
- (4) For each change order in excess of \$100,000, the contractor shall submit to the municipality for review sufficient cost and pricing data as described in paragraphs (4)(A) through (4)(E) of this section to enable the municipality to ascertain the necessity and reasonableness of costs and amounts proposed, and the allowability and eligibility of costs proposed.
- (A) The contractor shall certify that proposed costs reflect complete, current, and accurate cost and pricing data applicable to the date of the change order.
 - (B) In addition to the specific elements of cost, the estimated amount of profit shall be set forth separately in the cost summary for fixed price change orders and a specific total dollar amount of profit will be set forth separately in the cost summary for cost reimbursement change orders.
 - (C) The municipality may require more detailed cost data in order to substantiate

the reasonableness of proposed change order costs. The Commissioner may, on a selected basis, perform a detailed cost analysis on any change order.

- (D) For costs under cost reimbursement change orders, the contractor shall have an accounting system which accounts for such costs in accordance with generally accepted accounting principles. This system shall provide for the identification, accumulation and segregation of allowable and unallowable change orders. Allowable change order costs shall be determined in accordance with Sections 22a-482-4(a), (b) and (c). The contractor must propose and account for such costs in a manner consistent with his normal accounting procedures.
 - (E) Change orders awarded on the basis of review of a cost element summary and a certification of complete, current, and accurate cost and pricing data shall be subject to downward renegotiation and recoupment of funds where a subsequent audit substantiates that such certification was not based on complete, current and accurate cost and pricing data.
- (5) Review by Commissioner. The municipality shall submit, before the execution of any change order in excess of \$100,000, to the Commissioner for review and approval:
- (A) The cost and pricing data the contractor submitted;
 - (B) A certification of review and acceptance of the contractor's cost or price; and
 - (C) A copy of the proposed change order.
- (6) Profit. The objective of negotiations shall be the exercise of sound business judgement and good administrative practice including the determination of a fair and reasonable profit based on the contractor's assumption of risk and input to total performance and not merely the application of a predetermined percentage factor. For the purpose of negotiated change orders to construction contracts profit is defined as the net proceeds obtained by deducting all allowable costs (direct and indirect) from the price. The municipality should review the estimate of profit as it reviews all other elements of price.
- (7) Related work. Related work shall not be split into two amendments or change orders merely to keep it under \$100,000 and thereby avoid the requirements of (4) of this section. For change orders which include both additive and deductive items:
- (A) If any single item (additive or deductive) exceeds \$100,000 the requirements of (4) of this section shall be applicable;
 - (B) If no single additive or deductive item has a value of \$100,000 but the total price of the change order is over \$100,000, the requirements of (4) of this section shall be applicable; and
 - (C) If the total of additive items of work in the change order exceeds \$100,000 or the total of deductive items of work in the change order exceeds \$100,000 and the net price of the change order is less than \$100,000, the requirements of (4) of this section shall be applicable.

Sec. 22a-482-4 (l) Subcontracts under Construction Contracts

- (1) The award or execution of subcontracts by a prime contractor under a construction contract awarded to the prime contractor by the municipality, and the procurement and negotiation procedures used by prime contractors in awarding or executing subcontracts are not required to comply with any of the provisions, selection procedures, policies or principles set forth in Section 22a-482-4(h) or (j) except those specifically stated in this section. In addition, the bid protest procedures of Section 22a-482-4(o) are not available to parties executing subcontracts with prime contractors except as specifically provided in that section.
- (2) The award or execution of subcontracts by a prime contractor under a formally advertised, competitively bid, fixed price construction contract awarded to the prime contractor by the municipality, and the procurement and negotiation procedures used by such prime contractors in awarding or executing such subcontracts must comply with any municipality procurement system, State small, minority and women's business policy, (Section 22a-482-4(f)(9)), negotiation of contract amendments (Section 22a-482-4(i)), and clauses (8) and (9) of Section 22a-482-4(e).

Sec. 22a-482-4 (m) Progress Payments to Contractors

- (1) Except as State law otherwise provides, municipalities must make prompt progress payments to prime contractors and prime contractors should make prompt progress payments to subcontractors and suppliers for eligible construction, material, and equipment costs, including those of undelivered, specifically manufactured equipment, incurred under a contract under this program. The Clean Water Fund shall only be obligated to pay the municipality amounts that the municipality is actually going to pay contractors..
- (2) Conditions of progress payments. For purposes of this section, progress payments are defined as follows:
 - (A) Payments for work in place;
 - (B) Payments for materials or equipment which have been delivered to the construction site, or which are stockpiled in the vicinity of the construction site, in accordance with the terms of the contract, when conditional or final acceptance is made by or for the municipality. The municipality shall assure that items for which progress payments have been made are adequately insured and are protected through appropriate security measures. Costs of such insurance and security are allowable costs; or
 - (C) Payments for undelivered specifically manufactured items or equipment (excluding off-the-shelf or catalog items) as work on them progresses. Such payments must be made if provisions therefor are included in the bid and contract documents. Such provisions may be included at the option of the municipality only when all of the following conditions exist:

- (i) The equipment is so designated in the project specifications;
 - (ii) The equipment to be specifically manufactured for the project could not be readily utilized on nor diverted to another job; and
 - (iii) A fabrication period of more than 6 months is anticipated.
- (3) Protection of progress payments made for specifically manufactured equipment. The municipality will assure protection of the State's interest in progress payments made for items or equipment referred to in (2)(C) of this section. The protection must be acceptable to the municipality and must take the form of:
 - (A) Securities negotiable without recourse, condition or restrictions, a progress payment bond, or an irrevocable letter of credit provided to the municipality through the prime contractor by the subcontractor or supplier; and
 - (B) For items or equipment in excess of \$200,000 in value which are manufactured in a jurisdiction in which the Uniform Commercial Code is applicable, the creation and perfection of a security interest under the Uniform Commercial Code which is reasonably adequate to protect the interests of the municipality.
- (4) Limitations on progress payments for specifically manufactured equipment.
 - (A) Progress payments made for specifically manufactured equipment or items shall be limited to the following:
 - (i) A first payment upon submission by the prime contractor of shop drawings for the equipment or items in an amount not exceeding 15 percent of the contract or item price plus appropriate and allowable higher tier costs; and
 - (ii) Subsequent to the municipality's release or approval for manufacture, additional payments not more frequently than monthly thereafter up to 75 percent of the contract or item price plus appropriate and allowable higher tier costs. However, payment may also be made in accordance with the contract and grant terms and conditions for ancillary onsite work before delivery of the specifically manufactured equipment or items.
 - (B) In no case may progress payments for undelivered equipment or items under (4)(A)(i) or (4)(A)(ii) of this section be made in an amount greater than 75 percent of the cumulative incurred costs allocable to contract performance with respect to the equipment or items. Submission of a request for any such progress payments must be accompanied by a certification furnished by the fabricator of the equipment or item that the amount of progress payment claimed constitutes not more than 75 percent of cumulative incurred costs allocable to contract performance and, in addition, in the case of the first progress payment request a certification that the amount claimed does not exceed 15 percent of the contract or item price quoted by the fabricator.

- (C) As used in this section, the term "costs allocable to contract performance" with respect to undelivered equipment or items includes all expenses of contract performance which are reasonable, allocable to the contract, consistent with sound and generally accepted accounting principles and practices consistently applied and which are not excluded by the contract.
- (5) Enforcement. A subcontractor or supplier which is determined by the Commissioner to have frustrated the intent of the provisions regarding progress payments for major equipment or specifically manufactured equipment through intentional forfeiture of its bond or failure to deliver the equipment may be determined nonresponsible and ineligible for further work under State funded projects.
- (6) Contract provisions. Where applicable, appropriate provisions regarding progress payments must be included in each contract and subcontract.
- (7) Implementation. The foregoing progress payments policy should be implemented in invitations for bids for project funded by the Clean Water Fund. If provision for progress payments is made after contract award, it must be for consideration that the municipality deems adequate.

Sec. 22a-482-4 (n) Retention from Progress Payments

- (1) The municipality may retain a portion of the amount otherwise due the contractor. The amount the municipality retains shall be limited to the following:
 - (A) Withholding of not more than 5 percent of the payment claimed until work is 50 percent complete;
 - (B) When work is 50 percent complete, reduction of the withholding to 2 percent of the dollar value of all work satisfactorily completed to date, provided that the contractor is making satisfactory progress and there is no specific cause for greater withholding;
 - (C) When the work is substantially complete (operational or beneficial occupancy), the withheld amount shall be further reduced below 2 percent to only that amount necessary to assure completion;
 - (D) The municipality may reinstate up to 5 percent withholding if the municipality determines, at its discretion, that the contractor is not making satisfactory progress or there is other specific cause for such withholding; and
 - (E) The municipality may accept securities negotiable without recourse, condition or restrictions, a release of retainage bond, or an irrevocable letter of credit provided by the contractor instead of all or part of the cash retainage.
- (2) The foregoing retention policy shall be implemented with respect to all construction projects. Appropriate provision to assure compliance with this policy must be included in the bid documents for such projects initially or by addendum before the bid submission date and as a special condition in the funding agreement or in an amendment which is

issued by the Commissioner.

- (3) A municipality which delays disbursement to contractors of funds will be required to credit to the Clean Water Fund all interest earned on those funds and will be responsible for any and all tax law violations which occur as a result of their actions.

Sec. 22a-482-4 (o) Protests

- (1) General. A protest based upon an alleged violation of the procurement requirements may be filed against a municipality's procurement action by a party with an adversely affected direct financial interest. Any such protest must be received by the municipality within the time period in (2)(A) of this section. The municipality is responsible for resolution of the protest before taking the protested action, in accordance with (4) of this section, except as otherwise provided by (9) of this section or 22a-482-4(j)(2)(H)(v).
- (2) Time limitations.
 - (A) A protest under (4) of this section should be made as early as possible during the procurement process to avoid disruption of or unnecessary delay to the procurement process. A protest authorized by (4) of this section must be received by the municipality within one week after the basis for the protest is known or should have been known, whichever is earlier.
 - (i) In the case of an alleged violation of the specification requirements of Section 22a-482-4(h)(12), relating to specifications (e.g., that a product fails to qualify as an "or equal") a protest need not be filed prior to the opening of bids. The municipality may resolve the issue before receipt of bids or proposals through a written or other formal determination, after notice and opportunity to comment is afforded to any party with a direct financial interest.
 - (ii) When an alleged violation of the specification requirements of Section 22a-482-4(h)(12) first arises subsequent to the receipt of bids or proposals, the municipality must decide the protest if the protest was received by the municipality within one week of the time that the municipality's written or other formal notice is first received.
 - (B) A protest appeal authorized by this section must be filed in a court of competent jurisdiction within the locality of the municipality within one week after the complainant has received the municipality's determination.
 - (C) If a protest is mailed, the complaining party bears the risk of nondelivery within the required time period. All documents transmitted in accordance with this section shall be mailed by certified mail (return receipt requested) or otherwise delivered in a manner which will objectively establish the date of receipt. Initiation of protest actions under (4) or (5) of this section may be made by brief telegraphic notice accompanied by prompt mailing or other delivery of a more detailed statement of the basis for the protest. Telephone protests will not be considered.

- (3) Other initial requirements.
 - (A) The initial protest document must briefly state the basis for the protest and should:
 - (i) Refer to the specific portions of these regulations which allegedly prohibit the procurement action;
 - (ii) Specifically request a determination pursuant to this section;
 - (iii) Identify the specific procurement document(s) or portion(s) of them in issue; and
 - (iv) Include the name, telephone number, and address of the person representing the protesting party.
 - (B) The party filing the protest must concurrently transmit a copy of the initial protest document and any attached documentation to all other parties with a direct financial interest which may be adversely affected by the determination of the protest (all bidders or proposers who appear to have a substantial and reasonable prospect of receiving an award if the protest is denied or sustained) and to the Commissioner.
- (4) Municipality determination.
 - (A) The municipality is responsible for the initial resolution of protests based upon alleged violations of the procurement requirements.
 - (B) When the municipality receives a timely written protest, it must defer the protested procurement action in accordance with (7) of this section and:
 - (i) Afford the complaining party and interested parties an opportunity to present arguments in support of their views in writing or at a conference or other suitable meeting (such as a city council meeting);
 - (ii) Inform the complainant and other interested parties of the procedures which the municipality will observe for resolution of the protest;
 - (iii) Obtain an appropriate extension of the period for acceptance of the bid and bid bond(s) of each interested party, where applicable (failure to agree to a suitable extension of such bid and bid bond(s) by the party which initiated the protest shall be cause for summary dismissal of the protest by the municipality or the Commissioner); and
 - (iv) Promptly deliver (by certified mail, return receipt requested, or by personal delivery) its written determination of the protest to the complaining party and to each other participating party.
 - (C) The municipality's determination must be accompanied by a legal opinion addressing issues arising under State, or local law, if any and, when construction is

involved, by an engineering report, if appropriate.

- (D) The municipality should decide the protest as promptly as possible - generally within 3 weeks after receipt of a protest, unless extenuating circumstances require a longer period of time for proper resolution of the protest.
- (5) Procedures.
- (A) Where resolution of an issue properly raised with respect to a procurement requirement necessitates prior or collateral resolution of a legal issue arising under State or local law, and such law is not clearly established in published legal decisions of the State or other relevant jurisdiction, the municipality may rely upon:
 - (i) An opinion of the municipality's legal counsel adequately addressing the issue;
 - (ii) The established or consistent practice of the municipality, to the extent appropriate;
 - (iii) The law of other local jurisdictions as established in published legal decisions; or
 - (iv) If none of the foregoing adequately resolve the issue, published decisions of the Comptroller General of the United States (U.S. General Accounting Office) or of the Federal or State courts addressing Federal or State requirements comparable to procurement requirements of this section.
 - (B) A party who submits a document subsequent to initiation of a protest proceeding must simultaneously furnish each of the other parties with a copy of such document.
 - (C) The procedures established herein are not intended to preclude informal resolution or voluntary withdrawal of protests. A complainant may withdraw its appeal at any time, and the protest proceedings shall thereupon be terminated.
 - (D) A protest may be dismissed for failure to comply with procedural requirements set forth in this section.
- (6) Burden of proof.
- (A) In protest proceedings, if the municipality proposes to award a formally advertised, competitively bid, fixed price contract to a party who has submitted the apparent lowest price, the party initiating the protest will bear the burden of proof.
 - (B) In protest proceedings:
 - (i) If the municipality proposes to award a formally advertised, competitively bid, fixed price contract to a bidder other than the bidder which submitted the apparent lowest price, the municipality will bear the burden of proving

that its determination concerning responsiveness is in accordance with these regulations; and

- (ii) If the basis for the municipality's determination is a finding of nonresponsibility, the municipality must establish and substantiate the basis for its determination and must adequately establish that such determination has been made in good faith.
- (7) Deferral of procurement action. Upon receipt of a protest, the municipality must defer the protested procurement action (for example, defer the issuance of solicitations, contract award, or issuance of notice to proceed under a contract) until ten days after delivery of its determination to the participating parties. The municipality may receive or open bids at its own risk, if it considers this to be in its best interest. When the Commissioner has received a written protest, he or she must notify the municipality promptly to defer its protested procurement action until notified of the formal or informal resolution of the protest.
- (8) Enforcement. Noncompliance with the procurement provisions by the municipality shall be cause for enforcement action in accordance with one or more of the provisions of Section 22a-482-4(f)(23).
- (9) Limitation. A protest may not be filed with respect to the following:
- (A) Issues not arising under the procurement provisions;
 - (B) Issues relating to the selection of a consulting engineer, provided that a protest may be filed only with respect to the mandatory procedural requirements of Section 22a-482-4(i);
 - (C) Issues primarily determined by local law or ordinance and as to which the Commissioner, upon review, determines that there is no contravening state requirement and that the municipality's action has a rational basis;
 - (D) Provisions of State regulations applicable to direct State contracts unless such provisions are explicitly referred to or incorporated in these regulations;
 - (E) Basic project design determinations; or
 - (F) Award of subcontracts or issuance of purchase orders under formally advertised, competitively bid, lump sum construction contracts. However, protest may be made to alleged violations of the following:
 - (i) Specification requirements of Section 22a-482-4(h)(12); or
 - (ii) Provisions applicable to the procurement procedures, negotiation or award of subcontracts or issuance of purchase orders under Section 22a-482-4(l).

Sec. 22a-482-4 (p) Funding Assistance Conditions.

Financing for pollution abatement facilities shall be subject to the following conditions:

- (1) Municipality Responsibilities.
 - (A) Review or approval of engineering reports, plans and specifications or other documents by the Commissioner is for administrative purposes only and does not relieve the municipality of its responsibility to properly plan, design, build and effectively operate and maintain the pollution abatement facilities described in the funding assistance agreement as required under law, regulations, permits, and good management practices. The Commissioner is not responsible for increased building costs resulting from defects in the plans, design drawings and specifications or other subagreement documents.
 - (B) By its acceptance of financing, the municipality agrees to complete the pollution abatement facilities in accordance with the engineering report, plans and specifications and related documents approved by the Commissioner and to maintain and operate the pollution abatement facilities to meet the enforceable requirements of the permit issued pursuant to Section 22a-430 of the Connecticut General Statutes for the design life of the pollution abatement facilities. The Commissioner may seek specific enforcement or recovery of funds from the municipality, or take other appropriate action if he determines that the municipality has failed to make good faith efforts to meet its obligations under the grant/loan agreement.
 - (C) The municipality agrees to pay the non-State costs of the pollution abatement facilities construction associated with the project and commits itself to complete the construction of the operable pollution abatement facilities, and the complete pollution abatement facilities of which the project is a part.
- (2) Nondiscrimination. All Contracts are subject to the Governor's Executive Order No. Three and to the Guidelines and Rules issued by the State Labor Commission to implement Executive Order No. Three.
- (3) Wage Rates. Contracts involving construction work are subject to the appropriate State wage rates issued by the State Labor Commissioner and Federal wage rates issued by the United States Department of Labor.
- (4) Access. The municipality must insure that the Commissioner and his duly authorized agents will have access to the project work whenever it is in preparation or progress. The municipality must provide proper facilities for access and inspection. The municipality must allow any authorized agent of the State to have access to any books, documents, plans, reports, papers, and other records of the contractor which are pertinent to the project for the purpose of making audit, examination, excerpts, copies and transcriptions. The municipality must insure that a party to a subagreement will provide access to the project work, sites, documents, and records.
- (5) Project Changes.
 - (A) Minor changes in the project work that are consistent with the objectives of the project and within the scope of the funding agreement do not require the execution

of a formal amendment before the municipality's implementation of the change. However, if such changes increase the costs of the project, the amount of the funding provided by the funding agreement may only be increased by a formal amendment.

- (B) The municipality must receive from the Commissioner a formal amendment before implementing changes which:
 - (i) Alter the project performance standards;
 - (ii) Alter the type of treatment facilities provided by the project;
 - (iii) Delay or accelerate the project schedule; or
 - (iv) Substantially alter the engineering report, design drawings and specifications, or the location, size, capacity, or quality of any major part of the project.

(6) Operation and Maintenance.

- (A) The municipality must make provisions satisfactory to the Commissioner for assuring economical and effective operation and maintenance of the pollution abatement facilities in accordance with a plan of operation approved by the Commissioner.
- (B) The Commissioner shall not pay more than 50 percent of the grant share of any project unless the municipality has an approved final plan of operation, and shall not pay more than 90 percent of the grant share of any project unless the municipality has an approved operation and maintenance manual.

(7) Adoption of User Charge System and Sewer Use Ordinance.

The municipality shall adopt the sewer use ordinance and implement the user charge system developed under Section 22a-482-3(e) and (f) and approved by the Commissioner before the pollution abatement facilities are placed in operation. Further, the municipality shall implement the user charge system and sewer use ordinance for the useful life of the pollution abatement facilities.

(8) Value Engineering.

The municipality must comply with the applicable requirements of Section 22a-482-3(d) for value engineering.

(9) Project Initiation and Completion.

- (A) The municipality shall expeditiously initiate and complete the project in accordance with the project schedule contained in the funding agreement.
- (B) The municipality shall initiate procurement action for building the project promptly

after award financing. The Commissioner may annul or terminate the funding agreement if the municipality has not awarded the subagreements and issued a notice to proceed, where one is required, for building all significant elements of the project within twelve (12) months of the closing. Failure to promptly award all subagreement(s) for building the project will result in a limitation on allowable grant costs.

(10) Municipality Responsibility for Project Performance.

- (A) The municipality shall select the engineer or engineering firm principally responsible for either supervising construction or providing architectural and engineering services during construction as the prime engineer to provide the following services during the first year following the initiation of operation:
 - (i) Direct the operation of the project and revise the operation and maintenance manual for the project as necessary to accommodate actual operation experience;
 - (ii) Train or provide for training of operating personnel including the preparation of curricula and training material for operating personnel; and
 - (iii) Advise the municipality whether the project is capable of meeting the project performance standards.
- (B) On the date one year after the initiation of operation of the project the municipality shall certify to the Commissioner whether the project is capable of meeting the project performance standards. If the project does not meet the project performance standards, the municipality shall submit the following:
 - (i) A corrective action report which includes an analysis of the cause of the project's inability to meet the performance standards including infiltration/inflow reduction, and estimates of the nature, scope and cost of the corrective action necessary to bring the project into compliance. Such corrective action report shall be prepared at other than State expense;
 - (ii) The schedule for undertaking in a timely manner the corrective action necessary to bring the project into compliance; and
 - (iii) The scheduled date for certifying to the Commissioner that the project is capable of meeting the project performance standards.
- (C) Corrective action necessary to bring a project into compliance with the project performance standards shall be undertaken by the municipality at other than State expense.
- (D) Nothing in this section shall be construed to prohibit a municipality from requiring more assurances, guarantees, or indemnity or other contractual requirements from any party performing project work.

- (11) Final Inspection. The municipality shall notify the Commissioner of the completion of project construction. The Commissioner shall cause final inspection to be made within 60 days of the receipt of the notice. When final inspection is completed and the Commissioner determines that the treatment works have been satisfactorily constructed in accordance with the funding assistance agreement, the municipality may make a request for final payment under 22a-482-4(s)(5).

Sec. 22a-482-4 (q) Amendments

- (1) Agreements may be amended for project changes in accordance with this section. No agreement may be amended to increase the amount of assistance unless the funds are available for obligation. A formal amendment shall be effected only by a written amendment to the agreement.
- (2) For financial assistance awarded under these regulations, an amendment to increase the amount may be made for:
 - (A) Change orders, claims and arbitration settlements.
 - (B) Revised bid documents.
 - (C) Project changes required by the Commissioner.
 - (D) Increased costs on architectural/engineering agreements.

Sec. 22a-482-4 (r) Enforcement.

If the Commissioner determines that the municipality has failed to comply with any provision of these regulations, he or she may impose any of the following:

- (1) The grant portion of the financing may be withheld under Section 22a-482-4(t)(3) and (4);
- (2) Grant Project costs directly related to the noncompliance may be disallowed;
- (3) Project work may be suspended;
- (4) A noncomplying municipality may be found nonresponsible or ineligible for future State assistance;
- (5) An injunction may be entered or other equitable relief afforded by a court or appropriate jurisdiction; or
- (6) Such other administrative or judicial action may be instituted if it is legally available and appropriate.

Sec. 22a-482-4 (s) Grant and loan Payments.

The municipality shall be paid the allowable project costs incurred within the scope of an approved project and which are currently due and payable from the municipality (i.e. not including withheld or deferred amounts), up to the amount set forth in the agreement and any amendments thereto. Payments for engineering services shall be made in accordance with Section 22a-482-4(f) and payments for

construction contracts shall be made in accordance with Section 22a-482-4(m) and (n). All allowable costs incurred before initiation of construction of the project must be claimed in the application for assistance for that project before the award of the assistance or no subsequent payment will be made for the costs.

- (1) Initial request for payment. Upon award of financial assistance, the municipality may request payment for the unpaid share of allowable project costs incurred before the award. Payment for such costs shall be made in accordance with the negotiated payment schedule included in the agreement.
- (2) Interim requests for payment. The municipality may submit requests for payments for allowable costs in accordance with the negotiated payment schedule included in the agreement. Generally, payments will be made within 13 days after receipt of a request for payment.
- (3) Adjustment. At any time before final payment under the agreement, the Commissioner may cause any request(s) for payment to be reviewed or audited and make appropriate adjustment.
- (4) Refunds, rebates, credits, etc. The State share of any refunds, rebates, credits or other amounts (including any interest) that accrue to or are received by the municipality for the project, and that are properly allocable to costs for which the municipality has received funding assistance must be credited to the current State allotment. Reasonable expenses incurred by the municipality for the purpose of securing such refunds, rebates, credits, or other amounts shall be allowable when approved by the Commissioner.
- (5) Final payment. After completion of final inspection under Section 22a-482-4(p)(11), receipt and approval of the request for payment which the municipality designates as the "final payment request", and the municipality is deemed in compliance with all applicable requirements of the funding agreement, the Commissioner shall pay to the municipality any balance of the share of allowable project costs which has not already been paid. The municipality must submit the final payment request within six (6) months of the scheduled completions.
- (6) Assignment and release. By its acceptance of final payment, the municipality agrees to assign to the State the share of refunds, rebates, or credits or other amounts, including any interest, properly allocable to costs for which the municipality has been paid by the State under the assistance agreement. The municipality thereby also releases and discharges the State, its officers, agents and employees from all liabilities, obligations, and claims arising out of the project work subject only to exceptions previously specified in writing between the Commissioner and the municipality.
- (7) Audit upon completion of the project. The Municipality shall certify to the State that the project has been completed in accordance with the final plans and specifications approved by the Commissioner. The Municipality shall within 120 days of such certification, prepare an audit of the Project performed by an independent public accountant meeting the requirements of Section 20-282 of the Connecticut General Statutes. Such audit shall be performed in accordance with generally accepted accounting principles and shall identify any expenditures made by the municipality not in conformance with the Agreement. The

Municipality further agrees that the auditors of Public Accounts of the State shall have access to all records and accounts of the municipality concerning the project. To provide such access the municipality agrees that it shall preserve all its records and accounts concerning the project for a period of 3 years after the date such audit is delivered to the state.

Sec. 22a-482-4 (t) Administrative changes

- (1) Transfer of agreements; Change of name agreements. Transfer of an agreement and change of name agreements require the prior written approval of the Commissioner. The municipality may not approve any transfer of an agreement without the concurrence of the Commissioner. The Commissioner shall prepare the necessary transfer documents upon receipt of appropriate information and documents submitted by the municipality.
- (2) Suspension of work (stop work orders). Work on a project or on a portion or phase of a project for which funding assistance has been awarded may be ordered stopped by the Commissioner.
 - (A) Use of stop-work orders. Work stoppage may be required for good cause such as default by the municipality, failure to comply with the terms and conditions of the funding agreement realignment of programs, lack of adequate funding, or advancements in the state of the art. Inasmuch as stop-work orders may result in increased costs to the State by reason of standby costs, such orders will be issued only after a review by the Commissioner. generally, use of a stop-work order will be limited to those situations where it is advisable to suspend work on the project or a portion or phase of the project for important program or agency considerations and a supplemental agreement providing for such suspension is not feasible. Although a stop-work order may be used pending a decision to terminate by mutual agreement or for other cause, it will not used in lieu of the issuance of a termination notice after a decision to terminate has been made.
 - (B) Contents of stop-work orders should be discussed with the municipality and should be appropriately modified in light of such discussions. Stop-work orders should include a clear description of the work to be suspended, instructions to the issuance of further orders by the municipality for materials or services, guidance as to action to be taken on subagreements, and other suggestions to the municipality for minimizing costs.
 - (C) Issuance of stop-work order. After appropriate review of the proposed action has occurred, the Commissioner may, by written order to the municipality, require the municipality to stop all or any part of the project work for a period of not more than forty-five (45) days after the order is delivered to the municipality, and for any further period to which the parties may agree. The Commissioner shall prepare the necessary documents for the stop-work order. Any such order shall be specifically identified as a stop-work order issued pursuant to this section.
 - (D) Effect of stop-work order.
 - (i) Upon receipt of a stop-work order, the municipality shall forthwith comply with

its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. Within the suspension period or within any extension of that period to which the parties shall have agreed, the State shall either cancel the stop-work order, in full or in part, terminate the work covered by such order as provided in Section 22a-482-4(t)(3), or authorize resumption of work.

- (ii) If a stop-work order is cancelled or the period of the order or any extension thereof expires, the municipality shall promptly resume the previously suspended work. An equitable adjustment shall be made in the grant period, the project period, the grant amount, the funding assistance amount, or all of these, and the funding assistance instrument shall be amended accordingly if the stop-work order results in an increase in the time required for, or an increase in the municipality's cost properly allocable to, the performance of any part of the project and the municipality asserts a written claim for such adjustment within sixty (60) days after the end of the period of work stoppage.
 - (iii) If a stop-work order is not cancelled and the grant-related project work covered by such order is within the scope of a subsequently-issued termination order, the reasonable cost resulting from the stop-work order shall be allowed in arriving at the termination settlement.
 - (iv) Costs incurred by the municipality or its contractors, subcontractors, or representatives, after a stop-work order is delivered, or within any extension of the stop-work period to which the parties shall have agreed, with respect to the project work suspended by such order or agreement which are not authorized by this section or specifically authorized in writing by the Commissioner, shall not be allowable costs.
- (3) Termination of Funding agreements. A funding agreement may be terminated in whole or in part by the Commissioner in circumstances where good cause can be demonstrated.
- (A) Termination agreement. The parties may enter into an agreement to terminate the agreement at any time pursuant to terms which are consistent with these regulations. The agreement shall establish the effective date of termination of the project the basis for settlement termination costs, the amount and date of payment of any sums due either party, and the schedule of repayment of all sums borrowed from the Clean Water Fund by the Municipality

The Commissioner will prepare the necessary termination documents.

- (B) Project termination by municipality. A municipality may not unilaterally terminate the project work except for good cause. The municipality must promptly give written notice to the Commissioner of any complete or partial termination of the project work by the municipality. If the Commissioner determines that there is good cause for the termination of all or any portion of a project he may enter into a termination agreement or unilaterally terminate. Effective with the date of cessation

of the project work by the municipality. If the Commissioner determines that a municipality has ceased work on the project without good cause, he may unilaterally terminate.

- (C) Termination by commissioner.
 - (i) Notice of intent to terminate. The Commissioner shall give not less than ten (10) days written notice to the municipality of intent to terminate a funding agreement in whole or in part.
 - (ii) Termination action. The municipality must be afforded an opportunity for consultation prior to any termination. After the Commissioner has been informed of any expressed views of the municipality and concurs in the proposed termination, the Commissioner may, in writing, terminate the agreement in whole or in part.
 - (iii) Basis for termination. An agreement may be terminated by the Commissioner for good cause subject to negotiation and payment of appropriate termination settlement costs.
- (D) Effect of termination. Upon termination, the municipality must refund or credit to the State any funds paid or owed to the municipality and allocable to the terminated project work, except such portion thereof as may be required to meet commitments which had become firm prior to the effective date of termination and are otherwise allowable. The municipality shall not make any new commitment without State approval. The municipality shall reduce the amount of outstanding commitments insofar as possible and report to the Commissioner the uncommitted balance of funds awarded under the funding agreement.

(4) Annulment of Agreement

The Commissioner may annul the funding agreement if he or she determines that there has been no substantial performance of the project work without good cause, there is convincing evidence the funding assistance was obtained by fraud, or there is convincing evidence of gross abuse or corrupt practices in the administration of the project. In addition to such remedies as may be available to the State under State, or local law, all funds previously paid to the municipality shall be returned or credited to the State and no further payments shall be made to the municipality.

- (5) Deviations. The Commissioner is authorized to approve deviations from requirements of these regulations when he or she determines that such deviations are essential to effect necessary actions or where special circumstances make such deviations in the best interest of the State.
 - (A) Request for deviation. A request for a deviation shall be submitted in writing to the Commissioner as far in advance as the exigencies of the situation will permit. Each request for a deviation shall contain as a minimum:
 - (i) The name of the municipality, the project identification number, and the

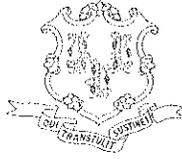
dollar value, if appropriate;

- (ii) Identification of the section of these regulations from which a deviation is sought;
 - (iii) An adequate description of the deviation and the circumstances in which it will be used, including all appropriate justification for the deviation request; and
 - (iv) A statement as to whether the same or a similar deviation has been required previously and, if so, circumstances of the previous request.
- (B) Approval of deviation. Deviations may be approved only by the Commissioner. A copy of each such written approval shall be retained in the official State project file.

(Effective March 5, 1992)

STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH

Jewel Mullen, M.D., M.P.H., M.P.A.
Commissioner



Dannel P. Malloy
Governor
Nancy Wyman
Lt. Governor

TO: Kathryn Keenan, Staff Attorney 2
FROM: Jewel Mullen, M.D., M.P.H., M.P.A., Commissioner 
DATE: July 24, 2015
RE: Drinking Water State Revolving Fund (DWSRF) Public Hearing on
August 12, 2015

I hereby designate you to sit as hearing officer in the above-captioned matter to conduct a Public Hearing concerning the DWSRF process for DPH's Drinking Water Section.



Phone: (860) 509-7333 • Fax: (860) 509-7359 • VP: (860) 899-1611
410 Capitol Avenue, MS#51WAT, P.O. Box 340308
Hartford, Connecticut 06134-0308
www.ct.gov/dph

Affirmative Action/Equal Opportunity Employer

STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC HEALTH

Jewel Mullen, M.D., M.P.H., M.P.A.
Commissioner



Dannel P. Malloy
Governor
Nancy Wyman
Lt. Governor

To: Community Public Water Systems
Non-Community Public School Administrators

From: Lori Mathieu, Public Health Section Chief
Cam Walden, Supervising Sanitary Engineer

Subject: Drinking Water State Revolving Fund (DWSRF) Program

Date: November 25, 2014

****IMPORTANT ANNOUNCEMENT****

CALL FOR PUBLIC DRINKING WATER PROJECTS NOTICE

If you have important drinking water infrastructure projects expected during State Fiscal Years (SFY) 2016 and 2017, they may be eligible for a long-term, low interest loan, with the potential for subsidy, through the Connecticut Department of Public Health's (DPH) Drinking Water State Revolving Fund (DWSRF). Please see the attached Call for Projects announcement for more information on how your public drinking water system can take advantage of this funding opportunity in SFY 2016 and 2017.

The DPH is continuing the Emergency Power Generator Program, which is available to all eligible public water systems. Projects funded under this program must have a total cost less than \$100,000, in addition to meeting other program provisions. Emergency generator projects that fall outside of this specific program may still be eligible for funding through the regular DWSRF.

Eligibility applications for all projects must be received by the DPH Drinking Water Section no later than noon on Friday, January 30, 2015. The hyperlinks provided in the Call for Projects notice will link you directly to forms and information on the [DWSRF webpage](#).

This message is being sent to the administrative contacts of all Community Public Water Systems and Non-Community Public Schools that are eligible to receive DWSRF assistance as indicated in our DPH records. Please pass this message along to all appropriate contacts for the community and/ or non-profit non-community public water systems you represent.

For additional DWSRF information or if you have any questions, go to the DPH Drinking Water Section website: www.ct.gov/dph/publicdrinkingwater, the DWSRF webpage: www.ct.gov/dph/dwsrf or contact a DWSRF representative @ 860-509-7333.

Cc: Ellen Blaschinski, Public Health Branch Chief, Regulatory Services, DPH
Local Health Directors



Phone: (860) 509-7333 • Fax: (860) 509-7359 • VP: (860) 899-1611
410 Capitol Avenue, MS#51WAT, P.O. Box 340308
Hartford, Connecticut 06134-0308
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**CALL FOR PUBLIC DRINKING WATER
PROJECTS NOTICE**
CONNECTICUT DEPARTMENT OF PUBLIC HEALTH
DRINKING WATER STATE REVOLVING FUND (DWSRF) PROGRAM
2 YEAR FUNDING PERIOD: July 1, 2015- June 30, 2017
ELIGIBLE PUBLIC WATER SYSTEMS INCLUDE:
COMMUNITY WATER SYSTEMS &
NON-PROFIT NON-COMMUNITY SYSTEMS

Do you have drinking water projects that will need funding within the next 2 years (July 1, 2015 to June 30, 2017)? Your project may be eligible for a low-interest loan with the potential for subsidy through the Connecticut Department of Public Health's (DPH) Drinking Water State Revolving Fund (DWSRF). These low interest loans can be repaid in up to 20 years, making the DWSRF an attractive financing option for Public Water Systems (PWSs).

The DPH may provide subsidization to eligible projects in the form of principal forgiveness to the extent allowed by Federal and/or State law. The amounts of subsidization, if available, and method of distributing such subsidies will be determined annually and detailed in the Intended Use Plan. A project which is eligible for subsidy must execute a loan for the remaining amount of principal in order to receive the subsidy.

To apply for DWSRF financing, your project must be deemed eligible by the DPH. To begin the eligibility review process, please visit our website at: www.ct.gov/dph/dwsrf and complete a [DWSRF Project Eligibility Application](#) for each project and a [General Application Form](#). DPH must receive all applications **no later than 12:00 noon on Friday, January 30, 2015**. If your project is eligible for funding, it will be ranked according to the DPH's [Priority Ranking Criteria](#) and included in the DPH's Project Priority List. Please provide as much detail as possible about your project when completing your eligibility application. You will be notified of the eligibility status of your project following DPH's review of your completed application. If your project is deemed eligible, you will be requested to complete a Financial Assistance Application. The eligibility application is a prerequisite to the Financial Assistance Application (the loan application).

When feasible, applicants are encouraged to include qualifying green elements into their projects including green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities. In order to qualify your project as "green", you must complete a Green Project Information Form (GPIF) and include it with your DWSRF Eligibility Application. The GPIF includes guidance information and examples to assist applicants in completing the form.

Emergency Power Generator Program: As a result of widespread and prolonged power outages caused by severe weather, the DWSRF will continue to offer a program to provide subsidized loans for the purchase and installation of emergency power generators to operate critical drinking water infrastructure during these events. This program is open to projects costing less than \$100,000.

A simplified [DWSRF Emergency Power Generator Program – Eligibility Application](#) is available online to apply for funding from this program. Small systems in need of emergency power to operate their water systems during prolonged power outages are strongly encouraged to apply. Applicants under this program **do not** need to complete a separate DWSRF Eligibility Application or General Application Form. Generator projects valued at over \$100,000 must complete the [DWSRF Project Eligibility Application](#) and [General Application Form](#).

For more information or to request assistance, please contact the Connecticut Department of Public Health's Drinking Water Section at (860) 509-7333 and ask for a DWSRF Program representative.

Please send completed applications via mail or E-mail to:

Connecticut Department of Public Health
Drinking Water Section
DWSRF Unit
410 Capitol Avenue, MS# 51WAT
P.O. Box 340308
Hartford, CT 06134-0308
DPH.CTDWSRF@ct.gov

Attachment A.5.

Public Water System (PWS) Name _____ CT _____ Proj. #: _____ DWSRF #: _____
 PWSID _____ DWSRF Project Identifiers (DPH to assign) _____

**State of Connecticut – Department of Public Health
 Drinking Water State Revolving Fund (DWSRF) – Project Eligibility Application**

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) |
| Authorized Legal Representative (Individual(s) Authorized to Sign Loan Documents) | | |
| 3. Name: | | 4a. Title: |
| 4b. Mailing Address: | | |
| 5a. Telephone: | 5b. Fax: | |
| 5c. Email: | | |
| Project Contact Person (If different than the Authorized Legal Representative) | | |
| 6. Name: | | 7a. Title: |
| 7b. Mailing Address: | | |
| 8a. Telephone: | 8b. Fax: | |
| 8c. Email: | | |
| 9. Please indicate the name/title of the project. | | |

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. Is this PWS a Not-for-Profit water company? <input type="checkbox"/> Yes <input type="checkbox"/> No a) Has the "Not-for-Profit Water Company Determination Form" been completed and submitted previously? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, complete the form & submit with the eligibility application(s) If yes, has the Water Company's incorporation status changed since it was submitted? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, complete a new "Not-for-Profit Water Company Determination Form" and submit. (Only one copy per Water Company is necessary, regardless of the number of Eligibility Applications submitted.) |
| 12. a) Does this PWS have an Asset Management (AM) Plan? <input type="checkbox"/> Yes <input type="checkbox"/> No b) Does this PWS have a Fiscal Management (FM) Plan? <input type="checkbox"/> Yes <input type="checkbox"/> No * Please note that these plans are required in order to qualify the PWS to be eligible to receive state subsidy. |
| 13. Total population served by water system: _____ 14. Population to be served by the proposed project (see instructions): _____ 15. Current number of service connections supplied by the water system: _____ 16. Number of service connections supplied by the proposed project (see instructions): _____ 17. 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 on to question #17) 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 |
| 18. Is the PWS regulated by the DEEP Public Utilities Regulatory Authority (PURA)? <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 PURA prior to a funding award. |

PROJECT COSTS & FUNDING SOURCES

| | Amount |
|---|--------|
| 19. Estimated Total DWSRF Project Funding Amount requested: (costs including contingencies, closing costs and accrued interest, as applicable) | \$ |
| Source | |
| 20. List other funding source(s) and amount(s) for project: | \$ |
| | \$ |
| 21. Estimated Total Project Cost: | \$ |
| 22. Basis of Estimate: | |

**State of Connecticut – Department of Public Health
 Drinking Water State Revolving Fund (DWSRF) – Project Eligibility Application**

FINANCING REQUEST

INCLUDES (check all that apply)

**Anticipated
 Procurement Date**

**Anticipated Contract
 Execution Date**

Estimated Costs

| | | | |
|---|--|--|----|
| 23. <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: | | \$ |
| <input type="checkbox"/> Easement | Anticipated Easement Agreement Execution Date: | | \$ |
| 24. 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: | | | |
| 25. Will this financial assistance include refinancing? <input type="checkbox"/> Yes (please provide explanation) <input type="checkbox"/> No | | | |

PROJECT DESCRIPTION

26. Provide a brief description (summary) of your project. Include other options that were considered and why this project was preferred. Also explain the impact this project will have on the water system. If possible, please include an approximate age of the current infrastructure in your description. (Attach a separate sheet if necessary):

PROJECT LOCATION & ENVIRONMENTAL CONSIDERATIONS

27. Please identify the physical location (address) of the project. Attach a scaled map showing the project location, the delineated Conservation and Development areas, and other pertinent environmental information. If available, please provide the nearest GPS coordinates of the project location. For a water main, provide the start and end points.

28. Identify any potential obstacles that could prevent or delay this project from moving forward, including environmental considerations.

**State of Connecticut – Department of Public Health
Drinking Water State Revolving Fund (DWSRF) – Project Eligibility Application**

PROJECT BENEFITS

29. Describe any environmental and/or public health benefits that would be achieved with this project. (attach a separate sheet if necessary):

GREEN PROJECT RESERVE

To the extent required by Federal Law and to the extent there are sufficient eligible projects, the DWSRF will include a goal of utilizing funds for “green” projects. Please refer to the “Green Project Information Form” for more information when answering the question below.

30. Does this project include “green” components, including water or energy efficiency?
- Yes Submit a completed “Green Project Information Form” along with sufficient justification
 - No

State of Connecticut – Department of Public Health
Drinking Water State Revolving Fund (DWSRF) – Project Eligibility Application

PROJECT READINESS INFORMATION

Only those elements (planning, design, construction) of eligible projects that can result in executed contracts and DWSRF loan agreements within the July 1, 2015 to June 30, 2017 funding cycle may receive funding. Elements of eligible projects that cannot result in executed contracts and DWSRF loan agreements will be eligible to receive funding in future funding cycles. This section must be completed in order for the DPH to determine those elements of a project that can be funded during this funding cycle.

PROJECT READINESS

31. Have local resolution(s) that authorize funding for this project been obtained?
32. Indicate type(s) of resolution(s) (i.e. town council, referendum, local board, etc.) necessary for this project:
33. Is the final design of the project complete?
34. Have bid specifications been prepared for this project?
35. Have all sites, easements or rights-of-way necessary to assure undisturbed construction and operation and maintenance of the proposed project been acquired?
36. Has the project obtained all required local approvals to proceed (e.g. planning & zoning, inland wetlands, etc.)?
37. Has the project obtained all State permits or approvals needed for this project (i.e. DEEP diversion permits, DOT permits, DPH change of use permits, etc.)?
38. What is the anticipated start date for construction of this project?

NOTE: For purposes of answering Question #37, state permits include 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).

**State of Connecticut – Department of Public Health
Drinking Water State Revolving Fund (DWSRF) – Project Eligibility Application**

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 deficiencies or violations 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 only, 50 points. Project will correct a deficiency resulting in water being delivered to consumers exceeding an MCL for Nitrate, Nitrite and Nitrogen.

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

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

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.

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 (AL), 15 points. Project will correct any inorganic, organic, pesticide, herbicide, PCB and radiological level that has exceeded DPH ALs, but has not received an MCL violation. The DPH's AL 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.

**State of Connecticut – Department of Public Health
Drinking Water State Revolving Fund (DWSRF) – Project Eligibility Application**

- 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 (PHC) Violations, 20 points.** Project will provide water to existing private wells that have PHC 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.
- 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.

**State of Connecticut – Department of Public Health
Drinking Water State Revolving Fund (DWSRF) – Project Eligibility Application**

- 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 (as part of larger project)

- CC. Sustainability Planning, 10 points each; 10 points maximum**
- Project is consistent with system improvements identified in a DPH approved Water Supply Plan [RCSA Section 25-32d-3(e)] (attach supporting documentation)
 - Project has been prioritized for undertaking in accordance with an on-going Asset Management Plan (attach supporting documentation)

DD. Source / Distribution Violations or RCSA Section 19-13-B51a-m Non-Conformance 10 points. Must relate only to construction projects. Projects eligible for these points include projects involving corrective actions to water supply wells drilled prior to January 12, 1971 that will result in conformance with the applicable requirements of RCSA Section 19-13-B51a-m for wells constructed after this date.

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

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

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

HH. Affordability, 10 points. Systems having projects that serve a city or town determined to be a "distressed municipality" by the Department of Economic and Community Development (DECD) according to CGS Section 32-9p. The following represents the current list of Cities and Towns which qualify for these additional points:

Ansonia, Bridgeport, Bristol, Derby, East Hartford, Enfield, Groton, Hartford, Killingly, Meriden, Montville, Naugatuck, New Britain, New Haven, New London, North Canaan, Plainfield, Plymouth, Putnam, Sprague, Torrington, Waterbury, West Haven, Windham, and Winchester.

**State of Connecticut – Department of Public Health
Drinking Water State Revolving Fund (DWSRF) – Project Eligibility Application**

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

*** 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.**

JJ. Emergency Generator, maximum 50 points. If a project qualifies under item BB above, no points will be awarded under this category.

- New generator ----- 50 points
- Replacement generator ----- 25 points

**State of Connecticut – Department of Public Health
Drinking Water State Revolving Fund (DWSRF) – Project Eligibility Application**

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 (or address) to be consolidated, whether public or private. Water main extensions to private wells with public health code (PHC) violations will need to provide the number of homes to be served and documentation of the well(s) PHC 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 |
|------------------------|-----------------------|-------------------------------------|-----------------------|
| | | | |

OR

| Proposed address of private well to be served | Type of residence or connection | 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 or private well experienced documented instances of water distribution outages? Yes No (if yes, provide documentation)
5. Does the system or private well 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. If private well, has there been documented instances of water contaminants exceeding the MCL or Action Level standards for private wells? Yes No (if yes, provide documentation)
11. 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 list above (Item #) | Proposed Solution |
|---|-------------------|
| | |
| | |
| | |
| | |
| | |
| | |

**State of Connecticut – Department of Public Health
Drinking Water State Revolving Fund (DWSRF) – Project Eligibility Application**

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 affect 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, Section 1-7 through Section 1-211, as amended.

I understand that entering into any contracts or agreements for this project without receiving prior written approval from the Department may prevent a particular service from being funded by the DWSRF.

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

Date _____

Print Name of Person Signing

Print Title of Person Signing

STATE OF CONNECTICUT, DEPARTMENT OF PUBLIC HEALTH
Drinking Water State Revolving Fund
Emergency Power Generator Program Project Eligibility Application

DWS Project # _____

DWSRF ID # _____
(OFFICE USE ONLY)

This form is only to be used for generator projects estimated to cost less than \$100,000. Generator projects estimated to cost \$100,000 or more must use the DWSRF Project Eligibility Application. The DWS will make the final determination as to whether a project qualifies for the Emergency Power Generator Program.

| | | | |
|---|--|-----------------------|--|
| 1. Public Water System Name | | 2. PWSID Number CT | |
| Authorized Legal Representative (Official authorized to sign for applicant) | | | |
| 3. Name: | | 4. Title: | |
| 5. Mailing address: | | | |
| 6. Telephone #: | | 7. Fax #: | |
| 8. Email Address: | | | |
| Contact Person (if different than Authorized Legal Representative) | | | |
| 9. Name: | | 10. Title: | |
| 11. Mailing address: | | | |
| 12. Telephone #: | | 13. Fax #: | |
| 14. Email Address: | | | |
| 15. Is this PWS a Not-for-Profit water company? Yes <input type="checkbox"/> No <input type="checkbox"/> | | | |
| a) Has the "Not-for-Profit Water Company Determination Form" been completed and submitted previously? Yes <input type="checkbox"/> No <input type="checkbox"/> If No, complete the form & submit with the eligibility application(s) | | | |
| If yes, has the Water Company's incorporation status changed since it was submitted? Yes <input type="checkbox"/> No <input type="checkbox"/> | | | |
| If yes, complete a new "Not-for-Profit Water Company Determination Form" and submit. | | | |
| (Only one copy per Water Company is necessary, regardless of the number of Eligibility Applications submitted.) | | | |
| 16. a) Does this PWS have an Asset Management (AM) Plan? Yes <input type="checkbox"/> No <input type="checkbox"/> | | | |
| b) Does this PWS have a Fiscal Management (FM) Plan? Yes <input type="checkbox"/> No <input type="checkbox"/> | | | |
| 17. Population served by the Public Water System (number of persons): | | | |
| 18. Population served by this project (number of persons): | | | |
| 19. Does your water system require multiple generators to operate separate water system facilities (well house, pump stations, valve chambers, etc.)? Yes <input type="checkbox"/> No <input type="checkbox"/> | | | |
| If Yes, provide the name of the facility for this application: (separate applications are required for each facility in need of a generator) | | | |
| 20: Are you installing a new or replacement generator? New <input type="checkbox"/> Replacement <input type="checkbox"/> If you are replacing a generator, please provide answers to questions 20a-e; If it is a new generator, skip to question 21 | | | |
| 20a: What is the source of fuel for the generator? Gasoline <input type="checkbox"/> Diesel <input type="checkbox"/> Propane <input type="checkbox"/> Natural Gas <input type="checkbox"/> | | | |
| 20b: What is the age of the generator (in years)? | | | |
| 20c: What is the size of the generator (in kilowatts)? | | | |
| 20d: Does the generator provide sufficient capacity to maintain critical water system electrical components during a prolonged power outage? Yes <input type="checkbox"/> No <input type="checkbox"/> | | | |
| 20e: What electrical requirements does the generator currently provide (check all that apply)? Three-phase <input type="checkbox"/> Single-Phase <input type="checkbox"/> | | | |
| 21. Provide the location (street address) of the proposed generator installation: | | | |
| 22. Project components and associated costs: | | | |
| Generator (purchase only) | | \$ | |
| Installation | | \$ | |
| Electrical work to accept generator | | \$ | |
| Fuel storage, piping, etc. (actual fuel is not to be included) | | \$ | |
| Security measures | | \$ | |
| Incidental site work | | \$ | |
| Legal Costs | | \$ | |
| Other (please specify): | | \$ | |

**STATE OF CONNECTICUT, DEPARTMENT OF PUBLIC HEALTH
 Drinking Water State Revolving Fund
 Emergency Power Generator Program Project Eligibility Application**

_____ DWS Project #

_____ DWSRF ID #
 (OFFICE USE ONLY)

This form is only to be used for generator projects estimated to cost less than \$100,000. Generator projects estimated to cost \$100,000 or more must use the DWSRF Project Eligibility Application. The DWS will make the final determination as to whether a project qualifies for the Emergency Power Generator Program.

| | |
|---|----|
| 23. Estimated Total Cost of Project (In dollars): | \$ |
| Reminder: If the project is estimated to cost \$100,000 or more, the DWSRF Project Eligibility Application must be submitted. | |
| 24. Will other sources of funding (non-DWSRF) be used to pay for a portion of this project? Yes <input type="checkbox"/> No <input type="checkbox"/> | |
| If Yes, please specify the amount(s) and source(s) of other funding: | |
| 25. What electrical requirements will the generator need to provide (check all that apply)? | |
| Three-phase <input type="checkbox"/> Single-Phase <input type="checkbox"/> | |
| 26. Is the generator located on property owned by the PWS? Yes <input type="checkbox"/> No <input type="checkbox"/> | |
| If no, please provide legal easement documentation. | |
| 27. Project start and completion dates: | |
| 28. Does the PWS and the Authorized Legal Representative(s) have the authority to take out a loan? Yes <input type="checkbox"/> No <input type="checkbox"/> | |

These supporting documents will be required to be submitted for loan processing but do not need to be included with this application.

| | |
|---|--|
| 1 | Tax return from the last year (IRS Form 990 for non-profits) |
| 2 | Annual financial statements showing account balances for the Public Water System. |
| 3 | A resolution adopted by the PWS to file the application and execute the loan agreement. The resolution should contain: brief description of the project description, how much the board/committee approved, date of approval and who has the authority to sign for loan documents. In the case of a municipality, the resolution must be certified and sealed by the Town/City Clerk; and in the case of a private entity, a notarized authorization must be evidenced by the appropriate parties. Provide original resolution with live signature & stamp or embossed seal. |
| 4 | Certificate of Incumbency. |

Authorized Legal Representative Signature: _____ **Date:** _____

Print Name: _____ **Title:** _____

Please send completed applications via mail or E-mail to:

**Connecticut Department of Public Health
 Drinking Water Section – DWSRF Unit
 410 Capitol Avenue, MS# 51WAT
 P.O. Box 340308
 Hartford, CT 06134-0308**

Email: DPH.CTDWSRF@ct.gov

If you have any questions or need assistance, please contact the appropriate person listed:

Administrative: Theodore Dunn, DPH (860) 509-7333

Technical: Ron Chalecki, DPH (860) 509-7333

Financial: Kristen Wirtanen, OTT (860) 702-3153

Public Water System (PWS) Name _____ CT _____ Proj. #: _____ DWSRF #: _____
 PWSID _____ DWSRF Project Identifiers (DPH to assign) _____

**State of Connecticut – Department of Public Health
 Drinking Water State Revolving Fund (DWSRF) – Project Eligibility Application
 PROJECT ROLLOVER UPDATE FORM**

DWSRF Project Applications may be rolled over for one additional funding cycle if the project did not move forward during the initial funding cycle. In order to adequately compare these projects with the new applications, updated information is necessary. Please review and complete this “Project Rollover Update Form” for each project that you wish to be rolled over and considered for funding.

Important - Project Scope Change: If a project scope has changed sufficiently to cause a change to the point categories you wish to request, other than those noted in this form, a new [Eligibility Application](#) must be completed in its entirety and submitted by noon on January 30, 2015.

| | |
|---|-----------------------------|
| 1. Full Legal Name of Public Water System | 2. PWSID Number (CTxxxxxxx) |
| Authorized Legal Representative (Individual(s) Authorized to Sign Loan Documents) | |
| 3. Name: | 4a. Title: |
| 4b. Mailing Address: | |
| 5a. Telephone: | 5b. Fax: |
| 5c. Email: | |
| Project Contact Person (If different than the Authorized Legal Representative) | |
| 6. Name: | 7a. Title: |
| 7b. Mailing Address: | |
| 8a. Telephone: | 8b. Fax: |
| 8c. Email: | |
| 9. Please indicate the name/title of the project. | |
| 10. Is this PWS a Not-for-Profit water company? <input type="checkbox"/> Yes <input type="checkbox"/> No a) Has the “Not-for-Profit Water Company Determination Form” been completed and submitted previously? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, complete the form & submit with the eligibility application(s) If yes, has the Water Company’s incorporation status changed since it was submitted? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, complete a new “Not-for-Profit Water Company Determination Form” and submit. (Only one copy per Water Company is necessary, regardless of the number of Eligibility Applications submitted.) | |
| 11. a) Does this PWS have an Asset Management (AM) Plan? <input type="checkbox"/> Yes <input type="checkbox"/> No b) Does this PWS have a Fiscal Management (FM) Plan? <input type="checkbox"/> Yes <input type="checkbox"/> No * Please note that these plans are required in order to qualify the PWS to be eligible to receive state subsidy. | |

PROJECT COSTS & FUNDING SOURCES Have amounts changed from original application: Yes No
 If yes, please complete table below Amount

| | |
|---|--------|
| 12. Estimated Total DWSRF Project Funding Amount requested: (costs including contingencies, closing costs and accrued interest, as applicable) | \$ |
| | Source |
| 13. List other funding source(s) and amount(s) for project: | \$ |
| | \$ |
| 14. Estimated Total Project Cost: | \$ |
| 15. Basis of Estimate: | |

FINANCING REQUEST INCLUDES Have categories/dates changed from original application: Yes No
 If yes, please complete table Anticipated Procurement Date Anticipated Contract Execution Date Estimated Costs

| (check all that apply) | Anticipated Procurement Date | Anticipated Contract Execution Date | Estimated Costs |
|---|--|-------------------------------------|-----------------|
| 16. <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: | | \$ |
| <input type="checkbox"/> Easement | Anticipated Easement Agreement Execution Date: | | \$ |

17. Have you retained an engineer or consultant for any work associated with this project? Yes No
If yes, list services:

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

PROJECT ENVIRONMENTAL CONSIDERATIONS

19. Please identify any potential obstacles that could prevent or delay this project from moving forward, including environmental considerations.

GREEN PROJECT RESERVE

Please note the guidance on “green” components and projects. Whether or not “green” information was submitted with the original eligibility application, please review the guidance included in the Green Project Information Form (GPIF) when answering this question. All rollover projects that previously submitted a GPIF will be reevaluated based on the current guidance.

Was a Green Project Information Form previously submitted for this project? Yes No

If Yes, you need only submit updated information or information that would be pertinent based on the current guidance.

To the extent required by Federal Law and to the extent there are sufficient eligible projects, the DWSRF funding will include a goal of utilizing funds for “green” projects. Please refer to the “Green Project Information Form” for more information when answering the question below.

Does this project include “green” components, including water or energy efficiency?
 Yes Submit a completed “Green Project Information Form” along with sufficient justification
 No

SUSTAINABILITY PLANNING – 10 Additional Priority Points

Up to 10 priority points may be awarded to projects that are consistent with a water system’s sustainability planning. If points were not previously requested or awarded under this category and you believe this project meets the criteria for these points, please check the appropriate box and submit any necessary supporting documentation.

Sustainability Planning, 10 points each; 10 points maximum

- Project is consistent with system improvements identified in a DPH approved Water Supply Plan [RCSA Section 25-32d-3(e)] (attach supporting documentation)
- Project has been prioritized for undertaking in accordance with an on-going Asset Management Plan (attach supporting documentation)

AFFORDABILITY – 10 Additional Priority Points

Systems having projects that serve a city or town determined to be a “distressed municipality” by the Department of Economic and Community Development (DECD) according to CGS Section 32-9p. The following represents the current list of Cities and Towns which qualify for these additional points: Ansonia, Bridgeport, Bristol, Derby, East Hartford, Enfield, Groton, Hartford, Killingly, Meriden, Montville, Naugatuck, New Britain, New Haven, New London, North Canaan, Plainfield, Plymouth, Putnam, Sprague, Torrington, Waterbury, West Haven, Windham, and Winchester.

- If the project serves one of the following municipalities which has been added to the list, 10 points will be added to your project: Ansonia, Bristol, Enfield, Groton, Montville, Naugatuck, Plainfield, Plymouth, Sprague, Winchester
- If the project serves one of the following municipalities which is no longer on the list, 10 points may be deducted from your project: Norwich

PROJECT READINESS INFORMATION

Only those elements (planning, design, construction) of eligible projects that can result in executed contracts and DWSRF loan agreements within the current July 1, 2015 to June 30, 2017 funding cycle may receive funding. Elements of eligible projects that cannot result in executed contracts and DWSRF loan agreements will be eligible to receive funding in future funding cycles. **This section must be completed in order for the DPH to determine those elements of projects that can be completed in the current funding cycle.**

PROJECT READINESS

20. Have local resolution(s) that authorize funding for this project been obtained?
 Yes Submit a copy of this resolution(s)
 No Anticipated date they will be obtained: _____
 If No, outline the steps required to obtain the resolution: _____

 What phase(s) of the project does this resolution authorize funding for? (check all that apply)
 Planning Design Construction

21. Indicate type(s) of resolution(s) (i.e. town council, referendum, local board, etc.) necessary for this project:

22. Is the final design of the project complete?
 Yes Date final design was complete: _____
 No Anticipated date the design will be completed: _____

23. Have bid specifications been prepared for this project?
 Yes Is the project ready for competitive bidding?
 Yes
 No Anticipated date it will be ready for competitive bidding: _____
 No Anticipated date bid specifications will be available: _____

24. Have all sites, easements or rights-of-way necessary to assure undisturbed construction and operation and maintenance of the proposed project have been acquired?
 Yes Submit a list of those sites, easements and rights-of-way
 No Submit a list of those sites, easements, or rights-of-way that are necessary, their status, and when they are anticipated to be acquired.
 Not determined yet

25. Has the project obtained all required local approvals to proceed (e.g. planning & zoning, inland wetlands, etc.)?
 Yes Submit a list of all necessary local approvals and/or permits for this project, the local issuing entity, and date at which the approval or permit was obtained.
 No Submit a list of all necessary local permits or approvals for this project, the local issuing entity and the current status of each
 Not determined yet

26. Has the project obtained all State permits or approvals needed for this project (i.e. DEEP diversion permits, DOT permits, DPH change of use permits, etc.)? ** See note below #25 **
 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 all necessary state agency approvals and/or permits for this project, the state issuing entity and a status for each
 Not determined yet

27. What is the anticipated start date for construction of this project? . _____.

NOTE: For purposes of answering Question #26, state permits include 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).

Public Water System (PWS) Name

CT _____
PWSID

Proj. #: _____

DWSRF #: _____
DWSRF Project Identifiers (DPH to assign)

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 affect 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, Section 1-7 through Section 1-211, as amended.

I understand that entering into any contracts or agreements for this project without receiving prior written approval from the Department may prevent a particular service from being funded by the DWSRF.

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

Date _____

Print Name of Person Signing

Print Title of Person Signing

**State of Connecticut – Department of Public Health
Drinking Water State Revolving
Fund (DWSRF)**

GREEN PROJECT INFORMATION FORM

If your project contains “green” elements, you may utilize this form to identify those components that are for Green Infrastructure, Energy Efficiency, Water Efficiency, or other Environmentally Innovative activity. Currently, there are no federal requirements to provide a minimum amount of funding for “green” elements, however, should this become a requirement in the future, the Department of Public Health will use the information provided to determine potential funding priorities. Applicants that wish their project to be considered to have a green component must complete this form and provide justification.

If a project is not considered categorical “green”, a business case is required for justification to consider an item or activity “green”. The US Environmental Protection Agency (EPA) has provided guidance and business case examples to assist in evaluating the green elements of a project. For each project that will incorporate a “green” component(s), complete this cover sheet and a business case for all applicable green project items. Business cases shall be developed based on the guidance noted on page 9 of this document.

PWS Name: _____ PWSID: _____

Project Name: _____

Total Estimated Project Cost: \$ _____

Type of “Green” Element(s) included in this project. This cover page and for each box that is checked, a corresponding business case must be completed and submitted with the **DWSRF Eligibility Application**.

- Green Infrastructure (G)
- Energy Efficiency (E)
- Water Efficiency (W)
- Environmentally Innovative (O)

Completed by:

Name: _____
(please print)

Title: _____

Signature: _____

Date: _____

For additional DWSRF information or if you have any questions, go to the DPH-Drinking Water Section DWSRF website: www.ct.gov/dph/dwsrf or contact Sara Ramsbottom @ 860-509-7333.

For DPH use only:

Project #: _____ Amount of justified “green” project components: \$ _____

DWSRF #: _____ Categories of justified “green” components: _____

Reviewed by: _____ Date: _____

**State of Connecticut – Department of Public Health
Drinking Water State Revolving
Fund (DWSRF)**

GREEN PROJECT INFORMATION FORM

EPA has provided the following guidance on the “Green” elements. For additional information, please also refer to the EPA document: Planning for Sustainability – A Handbook for Water & Wastewater Utilities and <http://water.epa.gov/infrastructure/greeninfrastructure/>.

DWSRF Eligibility Principles

State SRF programs are responsible for identifying projects contain “green” elements. The following overarching principles, or decision criteria, apply to all projects that contain “green” elements and will help states identify projects.

- 0.1 All “green” projects and activities must otherwise be eligible for DWSRF funding. There is specific funding for these types of projects.
- 0.2 “Green” projects and activities must meet the definition of one of the four categories. The individual categories do not create new eligibility for the DWSRF.
- 0.3 Projects and activities that utilize the DWSRF set-asides can also be counted as “Green”. Planning and assessment activities, such as conducting water or energy audits, are eligible, as well as green-oriented capacity development, source water protection, and total/integrated water resources management planning activities. Where applicable, the pertinent set-asides that can be used are noted in the next section.

DWSRF Technical Guidance

The following sections outline the technical aspects for the DWSRF “green” projects. It is organized by the four categories of green projects: green infrastructure, water efficiency, energy efficiency, and environmentally innovative activities. Categorically green projects are listed, as well as projects that are ineligible. Design criteria for business cases and example projects that would require a business case are also provided.

1.0 GREEN INFRASTRUCTURE

- 1.1 Definition: Green stormwater infrastructure includes a wide array of practices at multiple scales that manage wet weather and that maintains and restores natural hydrology by infiltrating, evapotranspiring and harvesting and using stormwater. On a regional scale, green infrastructure is the preservation and restoration of natural landscape features, such as forests, floodplains and wetlands, coupled with policies such as infill and redevelopment that reduce overall imperviousness in a watershed. On the local scale, green infrastructure consists of site- and neighborhood-specific practices, such as bioretention, trees, green roofs, permeable pavements and cisterns.
- 1.2 Categorical Projects The following types of projects, done at a utility-owned facility or as part of a water infrastructure project, can be counted as “green” if they are a part of an eligible DWSRF project:
 - 1.2-1 Pervious or porous pavement
 - 1.2-2 Bioretention
 - 1.2-3 Green roofs
 - 1.2-4 Rainwater harvesting/cisterns
 - 1.2-5 Gray water use
 - 1.2-6 Xeriscape
 - 1.2-7 Landscape conversion programs

**State of Connecticut – Department of Public Health
Drinking Water State Revolving
Fund (DWSRF)**

GREEN PROJECT INFORMATION FORM

- 1.2-8 Retrofitting or replacing existing irrigation systems with moisture and rain sensing equipment

- 1.3 Projects That Do Not Meet the Definition of Green Infrastructure
 - 1.3-1 Stormwater controls that have impervious or semi-impervious liners and provide no compensatory evapotranspirative or harvesting function for stormwater retention.
 - 1.3-2 Stormwater ponds that serve an extended detention function and/or extended filtration. This includes dirt lined detention basins.
 - 1.3-3 In-line and end-of-pipe treatment systems that only filter or detain stormwater.
 - 1.3-4 Underground stormwater control and treatment devices such as swirl concentrators, hydrodynamic separators, baffle systems for grit, trash removal/floatables, oil and grease, inflatable booms and dams for in-line underground storage and diversion of flows.
 - 1.3-5 Stormwater conveyance systems that are not soil/vegetation based (swales) such as pipes and concrete channels. Green infrastructure projects that include pipes to collect stormwater may be justified as innovative environmental projects pursuant to Section 4.4 of this guidance.

- 1.4 Decision Criteria for Business Cases
 - 1.4-1 Green infrastructure projects are designed to mimic the natural hydrologic conditions of the site or watershed.
 - 1.4-2 Projects capture, treat, infiltrate, or evapotranspire stormwater on the parcels where it falls and does not include inter basin transfers of water.
 - 1.4-3 “Green” project is in lieu of or to supplement municipal hard/gray infrastructure.
 - 1.4-4 Projects considering both landscape and site scale will be most successful at protecting water quality.
 - 1.4-5 More information and design criteria is available at <http://water.epa.gov/infrastructure/greeninfrastructure/index.cfm> and http://water.epa.gov/infrastructure/greeninfrastructure/gi_policy.cfm

2.0 WATER EFFICIENCY

- 2.1 Definition: [EPA's WaterSense program](#) defines water efficiency as the use of improved technologies and practices to deliver equal or better services with less water. Water efficiency encompasses conservation and reuse efforts, as well as water loss reduction and prevention, to protect water resources for the future.

- 2.2 Categorical Projects
 - 2.2-1 Installing or retrofitting water efficient devices such as plumbing fixtures and appliances
 - 2.2-1a For example – showerheads, toilets, urinals, and other plumbing devices
 - 2.2-1b Implementation of incentive programs to conserve water such as rebates
 - 2.2-1c WaterSense labeled products (<http://www.epa.gov/watersense>)
 - 2.2-2 Installing any type of water meter in previously unmetered areas:
 - 2.2-2a If rate structures are based on metered use,
 - 2.2-2b Can include backflow prevention devices if installed in conjunction with water meter.
 - 2.2-3 Replacing existing broken/malfunctioning water meters with:
 - 2.2-3a Automatic meter reading systems (AMR), for example:
 - 2.2-3a(i) Advanced metering infrastructure (AMI).
 - 2.2-3a(ii) Smart meters.
 - 2.2-3b Meters with built in leak detection,

**State of Connecticut – Department of Public Health
Drinking Water State Revolving
Fund (DWSRF)**

GREEN PROJECT INFORMATION FORM

- 2.2-3c Can include backflow prevention devices if installed in conjunction with water meter replacement.
 - 2.2-4 Retrofitting/adding AMR capabilities or leak equipment to existing meters (not replacing the meter itself).
 - 2.2-5 Conducting water utility audits, leak detection studies, and water use efficiency baseline studies, which are reasonably expected to result in a capital project or in a reduction in demand to alleviate the need for additional capital investment.
 - 2.2-5a Funded through set-asides: Small Systems Technical Assistance, State Program Management – Capacity Development, or Local Assistance & Other State Programs – Capacity Development; where consistent with the state capacity development strategy
 - 2.2-5b For standard practices, see AWWA M36 *Water Audits and Loss Control Programs*.
 - 2.2-6 Developing conservation plans/programs reasonably expected to result in a water conserving capital project or in a reduction in demand to alleviate the need for additional capital investment.
 - 2.2-6a Funded through set-asides: Small Systems Technical Assistance, State Program Management – Capacity Development, or Local Assistance & Other State Programs – Capacity Development; where consistent with the state capacity development strategy
 - 2.2-6b For standard practices, see AWWA M52 *Water Conservation Programs – A Planning Manual*
 - 2.2-7 Recycling and water reuse projects that replace potable sources with non-potable sources,
 - 2.2-7a Gray water, condensate, and wastewater effluent reuse systems (where local codes allow the practice).
 - 2.2-7b Extra treatment costs and distribution pipes associated with water reuse.
 - 2.2-8 Retrofit or replacement of existing landscape irrigation systems to more efficient landscape irrigation systems, including moisture and rain sensing controllers.
 - 2.2-9 Projects that result from a water efficiency related assessments (such as water audits, leak detection studies, conservation plans, etc.) as long as the assessments adhered to the standard industry practices referenced above.
 - 2.2-10 Distribution system leak detection equipment, portable or permanent.
 - 2.2-11 Automatic flushing systems (portable or permanent).
 - 2.2-12 Pressure reducing valves (PRVs).
 - 2.2-13 Internal plant water reuse (such as backwash water recycling).
- 2.3 Projects That Do Not Meet the Definition of Water Efficiency
- 2.3-1 Covering open finished water reservoirs – Federally mandated, so not considered “above and beyond.”
- 2.4 Decision Criteria For Business Cases
- 2.4-1 Water efficiency can be accomplished through water saving elements or reducing water consumption. This will reduce the amount of water taken out of rivers, lakes, streams, groundwater, or from other sources.
 - 2.4-2 Water efficiency projects should deliver equal or better services with less net water use as compared to traditional or standard technologies and practices.
 - 2.4-3 Efficient water use often has the added benefit of reducing the amount of energy required by a drinking water system, since less water would need to be treated and transported; therefore, there are also energy and financial savings.

**State of Connecticut – Department of Public Health
Drinking Water State Revolving
Fund (DWSRF)**

GREEN PROJECT INFORMATION FORM

2.4-4 Proper water infrastructure management should address where water losses could be occurring in the system and fix or avert them. This could be achieved, for example, by making operational changes or replacing aging infrastructure.

2.5 Example Projects Requiring a Business Case

2.5-1 Water meter replacement with traditional water meters (see AWWA M6 *Water Meters – Selection, Installation, Testing, and Maintenance*).

2.5-2 Distribution pipe replacement or rehabilitation to reduce water loss and prevent water main breaks (see AWWA M28 *Rehabilitation of Water Mains*).

2.5-3 Storage tank replacement/rehabilitation to reduce water loss.

2.5-4 New water efficient landscape irrigation system (where there currently is not one).

3.0 ENERGY EFFICIENCY

3.1 Definition: Energy efficiency is the use of improved technologies and practices to reduce the energy consumption of water projects, use energy in a more efficient way, and/or produce/utilize renewable energy.

3.2 Categorical Projects¹

3.2-1 Renewable energy projects, which are part of a public health project, such as wind, solar, geothermal, and micro-hydroelectric that provide power to a utility (<http://www.epa.gov/cleanenergy>). Micro-hydroelectric projects involve capturing the energy from pipe flow.

3.2-1a Utility-owned renewable energy projects can be located on-site or off-site.

3.2-1b Includes the portion of a publicly owned renewable energy project that serves the utility's energy needs.

3.2-1c Must feed into the grid that the utility draws from and/or there is a direct connection.

3.2-2 Utility energy management planning, including energy assessments, energy audits, optimization studies, and sub-metering of individual processes to determine high energy use areas, which are reasonably expected to result in energy efficiency capital projects or in a reduction in demand to alleviate the need for additional capital investment.

3.2-2a Funded through set-asides: Small Systems Technical Assistance, State Program Management – Capacity Development, or Local Assistance & Other State Programs – Capacity Development; where consistent with the state capacity development strategy

3.2-2b For standard energy management practices, see *Ensuring a Sustainable Future: An Energy Management Guidebook for Wastewater and Water Utilities*, located at http://www.epa.gov/waterinfrastructure/pdfs/guidebook_si_energymanagement.pdf

3.2-2c Energy Efficiency Step-By-Step Guide: <http://www.epa.gov/region09/waterinfrastructure/howto.html>

3.2-3 National Electric Manufacturers Association (NEMA) Premium energy efficiency motors (<http://www.nema.org/Policy/Energy/Efficiency/Pages/NEMA-Premium-Motors.aspx>)

¹ EPA has concluded that existing literature does not support a 20% energy efficiency improvement threshold for drinking water systems; therefore, there is no categorical 20% threshold for pumping/treatment systems for the DWSRF. A business case is required.

**State of Connecticut – Department of Public Health
Drinking Water State Revolving
Fund (DWSRF)**

GREEN PROJECT INFORMATION FORM

- 3.3 Projects That Do Not Meet the Definition of Energy Efficiency
- 3.3-1 Simply replacing a pump, or other piece of equipment, because it is at the end of its useful life, with something of average efficiency. (Note: replacing it with higher efficiency equipment requires a business case)
- 3.3-2 Hydroelectric facilities, except micro-hydroelectric projects. Micro-hydroelectric projects involve capturing the energy from pipe flow.
- 3.4 Decision Criteria for Business Cases
- 3.4-1 Projects should include products and practices which will decrease environmental impacts, such as reducing greenhouse gas emissions, and provide financial savings.
- 3.4-2 Projects should include approaches to integrate energy efficient practices into daily management and long-term planning
(<http://water.epa.gov/infrastructure/sustain/energyefficiency.cfm>).
- 3.4-3 Operator training in conjunction with any energy savings project is strongly encouraged in order to maximize the energy savings potential.
- 3.4-4 Using existing tools such as Energy Star's Portfolio Manager
(http://www.energystar.gov/index.cfm?c=evaluate_performance.bus_portfoliomanager) or Check Up Program for Small Systems (CUPSS) (<http://www.epa.gov/cupss/>) to document current energy usage and track anticipated savings.
- 3.5 Example Projects Requiring a Business Case
- 3.5-1 Energy efficient retrofits, upgrades, or new pumping systems and treatment processes (including variable frequency drives (VFDs)).
- 3.5-2 Pump refurbishment to optimize pump efficiency (such as replacing or trimming impellers if pumps have too much capacity, replacing damaged or worn wearing rings/seals/bearings, etc.).
- 3.5-3 Projects that result from an energy efficiency related assessments (such as energy audits, energy assessment studies, etc.), that are not otherwise designated as categorical.
- 3.5-4 Projects that cost effectively eliminate pumps or pumping stations.
- 3.5-5 Projects that achieve the remaining increments of energy efficiency in a system that is already very efficient.
- 3.5-6 Upgrade of lighting to energy efficient sources (such as metal halide pulse start technologies, compact fluorescent, light emitting diode, etc.).
- 3.5-7 Automated and remote control systems (SCADA) that achieve substantial energy savings (see AWWA M2 *Instrumentation and Control*).

4.0 ENVIRONMENTALLY INNOVATIVE

- 4.1 Definition: Environmentally innovative projects include those that demonstrate new and/or innovative approaches to delivering services or managing water resources in a more sustainable way.
- 4.2 Categorical Projects
- 4.2-1 Total/integrated water resources management planning, or other planning framework where project life cycle costs (including infrastructure, energy consumption, and other operational costs) are minimized, which enables communities to adopt more efficient and cost-effective infrastructure solutions.
- 4.2-1a Funded through set-asides: Small Systems Technical Assistance, State Program Management, or Local Assistance & Other State Programs.

**State of Connecticut – Department of Public Health
Drinking Water State Revolving
Fund (DWSRF)**

GREEN PROJECT INFORMATION FORM

- 4.2-1b Plans to improve water quantity and quality associated with water system technical, financial, and managerial capacity.
- 4.2-1c Eligible source water protection planning.
 - 4.2-1c(i) Periodic, updated, or more detailed source water delineation or assessment as part of a more comprehensive source water protection program.
 - 4.2-1c(ii) Source water monitoring (not compliance monitoring) and modeling as part of a more comprehensive source water protection program.
 - 4.2-1c(iii) <http://www.epa.gov/safewater/dwsrf/pdfs/source.pdf>
- 4.2-1d Planning activities by a utility to prepare for adaptation to the long-term effects of climate change and/or extreme weather.
 - 4.2-1d(i) Office of Water – Climate Change and Water website: <http://water.epa.gov/scitech/climatechange/>
- 4.2-2 Utility Sustainability Plan consistent with EPA’s SRF sustainability policy.
- 4.2-3 Greenhouse gas (GHG) inventory or mitigation plan and submission of a GHG inventory to a registry (such as Climate Leaders or Climate Registry), as long as it is being done for a facility which is eligible for DWSRF assistance.
 - 4.2-3a EPA Climate Leaders: <http://www.epa.gov/climateleaders/basic/index.html>
 - 4.2-3b Climate Registry – <http://www.theclimateregistry.org/>
- 4.2-4 Source Water Protection Implementation Projects
 - 4.2-4a Voluntary, incentive based source water protection measures pursuant to Section 1452(k)(1)(A)(ii), where the state primacy agency has determined that the use of such measures will reduce or preclude the need for treatment. Under the FY 2010 appropriation, additional subsidization for these measures may be provided in the form of principal forgiveness or negative interest rate loans.
- 4.2-5 Construction of US Green Building Council LEED certified buildings, or renovation of an existing building, owned by the utility, which is part of an eligible DWSRF project.
 - 4.2-5a Any level of certification (Platinum, Gold, Silver, Certified).
 - 4.2-5b All building costs are eligible, not just stormwater, water efficiency and energy efficiency related costs. Costs are not limited to the incremental additional costs associated with LEED certified buildings.
 - 4.2-5c US Green Building Council LEED webpage: <http://www.usgbc.org/LEED>
- 4.3 Projects That Do Not Meet the Definition of Environmentally Innovative
 - 4.3-1 Higher sea walls to protect water infrastructure facilities from sea level rise.
 - 4.3-2 Reflective roofs at water infrastructure facilities to combat heat island effect.
- 4.4 Decision Criteria for Business Cases
 - 4.4-1 State programs are allowed flexibility in determining what projects qualify as innovative in their state based on unique geographical and climatological conditions.
 - 4.4-1a Technology or approach whose performance is expected to address water quality but the actual performance has not been demonstrated in the state; or
 - 4.4-1b Technology or approach that is not widely used in the state, but does perform as well or better than conventional technology/approaches at lower cost; or
 - 4.4-1c Conventional technology or approaches that are used in a new application in the state.

**State of Connecticut – Department of Public Health
Drinking Water State Revolving
Fund (DWSRF)**

GREEN PROJECT INFORMATION FORM

- 4.5 Example Projects Requiring A Business Case
- 4.5-1 Projects, or components of projects, that result from total/integrated water resources management planning (including climate change) consistent with the Decision Criteria for environmentally innovative projects and that are DWSRF eligible.
 - 4.5-2 Application of innovative treatment technologies or systems that improve environmental conditions and are consistent with the Decision Criteria for environmentally innovative projects, such as:
 - 4.5-2a Projects that significantly reduce or eliminate the use of chemicals in water treatment.
 - 4.5-2b Treatment technologies or approaches that significantly reduce the volume of residuals, minimize the generation of residuals, or lower the amount of chemicals in the residuals (Cornwell, 2009; *Water Treatment Residuals Engineering*; Water Research Foundation).
 - 4.5-2c Trenchless or low impact construction technology.
 - 4.5-2d Using recycled materials or re-using materials on-site.
 - 4.5-3 Educational activities and demonstration projects for water or energy efficiency (such as rain gardens).
 - 4.5-4 Projects that achieve the goals/objectives of utility asset management plans (http://www.epa.gov/safewater/smallsystems/pdfs/guide_smallsystems_assetmanagement_bestpractices.pdf; http://water.epa.gov/infrastructure/sustain/asset_management.cfm).

**State of Connecticut – Department of Public Health
Drinking Water State Revolving
Fund (DWSRF)**

GREEN PROJECT INFORMATION FORM

DWSRF Business Case Development

This guidance is intended to be comprehensive; however, EPA understands our examples projects requiring a business case may not be all inclusive. A business case is a due diligence document. For those projects, or portions of projects, which are not included in the categorical projects lists provided above, a business case will be required to demonstrate that an assistance recipient has thoroughly researched anticipated ‘green’ benefits of a project. Business cases will be reviewed by the State. An approved business case must be included in the State’s project files and contain clear documentation that the project achieves identifiable and substantial benefits. The following sections provide guidelines for business case development.

5.0 Length of a Business Case

5.0-1 Business cases should be adequate but not exhaustive.

5.0-1a There are many formats and approaches. EPA does not require any specific one.

5.0-1b Some projects will require detailed analysis and calculations, while others may not require more than one page.

5.0-1c Limit the information contained in the business case to only the pertinent ‘green’ information needed to justify the project.

5.0-2 A business case can simply summarize results from, and then cite, existing documentation – such as engineering reports, water or energy audits, results of water system tests, etc.

5.1 Content of a Business Case

5.1-1 Business cases must address the decision criteria for the category of project.

5.1-2 Quantifiable water and/or energy savings or water loss reduction for water and energy efficiency projects should be included.

5.1-3 The cost and financial benefit of the project should be included, along with the payback time period, where applicable.

5.2 Items Which Strengthen Business Case, but Are Not Required

5.2-1 Showing that the project was designed to enable equipment to operate most efficiently.

5.2-2 Demonstrating that equipment will meet or exceed standards set by professional associations.

5.2-3 Including operator training or committing to utilizing existing tools such as Energy Star’s Portfolio Manager or CUPSS for energy efficiency projects.

Drinking Water State Revolving Fund Draft Intended Use Plan SFY 2016

State Of Connecticut
Department Of Public Health



Table of Contents

- List of Acronyms Used in this Document
- I. Introduction
 - A. State of Connecticut’s Drinking Water State Revolving Fund
 - B. What’s New for SFY 2016
- II. Structure of the DWSRF
 - A. Eligibility of Projects for Planning, Design, and Construction
 - B. Set-Asides
- III. DWSRF Goals
 - A. Short-Term Goals
 - B. Long-Term Goals
- IV. Criteria and Method for Distribution of Project Funds
 - A. Priority Ranking System
 - B. Capacity Assessments
 - C. Small System Funding
 - D. Emergency Power Generator Program
 - E. Projects to be Funded
 - F. Additional Subsidization
 - G. Readiness to Proceed
 - H. Project Bypass Procedures
 - I. Other DWSRF Provisions
 - J. Connecticut Plan of Conservation and Development
- V. DWSRF Policies and Requirements
 - A. Letter of Authorization to Award for Eligible Projects
 - B. Project Application Carryovers and Rollovers
 - C. Multi-Year Projects
 - D. Tie-Breaking Procedures
 - E. Pre-Review Policy (Construction Only)
 - F. Reimbursements
 - G. Refinancing Existing Loans
 - H. Withdrawal of Project from Funding Consideration
- VI. Financial Management
 - A. Rationale for Determining Amounts of Capitalization Grant Intended for Projects and Set-Aside Funds
 - B. Sources and Uses of Funds
 - C. The DWSRF Financing Plan and Issuance of Bonds for Leveraging
 - D. State Matching Requirements
 - E. Federal Cash Draw Proportionality
 - F. Financial Terms of Loans
 - G. Transfer of Capitalization Grant Funds between the DWSRF and CWSRF
 - H. Expected Loan Demand
 - I. Impact of Program on Long-Term Financial Status of the DWSRF
- VII. Set-Aside Activities
 - A. DWSRF Administrative Funds
 - B. State Program Management
 - C. Small Systems Technical Assistance
 - D. Local Assistance
- VIII. Audits and Reporting
- IX. Public Outreach and Comment

- X. Attachments
 - A. Sources and Uses for DWSRF Project Funds and Set-Aside Accounts
 - B. Priority Ranking System
 - C. SFY 2016 Comprehensive Project List – Alphabetical Order
 - D. SFY 2016 Comprehensive Project List – By Expected Funding Year and Points
 - E. SFY 2016 Carryover Project List
 - F. To be inserted with Final IUP [SFY 2016 Fundable Project Priority List]
 - G. Asset Management Plan Checklist
 - H. Fiscal Management Plan Checklist
 - I. December 22, 2014 EPA Memo

DRAFT

Acronyms Used in This Document:

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

I. INTRODUCTION

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

In 1996, Congress passed amendments to the Safe Drinking Water Act (SDWA) establishing the Drinking Water State Revolving Fund (DWSRF). Section 1452 of the SDWA authorizes the Administrator of the United States Environmental Protection Agency (EPA) to award capitalization grants to states. Each state annually receives a minimum of 1% of the funds available for the total allotment. From the inception of Connecticut's DWSRF program to Federal Fiscal Year (FFY) 2013, Connecticut's annual allocation has been 1% of the national allotment. Our participation in the 2011 Drinking Water Infrastructure Needs Survey and Assessment (DWINSA) identified increased need from the state's public water systems (PWS) for infrastructure improvement projects, which resulted in an increase in the annual allocation. Starting with the FFY 2014 DWSRF Capitalization Grant and ending with FFY 2017 grant, Connecticut's allocation increased from 1% to 1.01%. The 2015 DWINSA will determine the allocation after FFY 2017. Connecticut is eligible to receive \$8,962,000 from the \$906,896,000 appropriated by Congress for FFY 2015.

The Department of Public Health (DPH) is the primacy agency for Connecticut's drinking water program and the designated agency that is authorized to enter into capitalization grant agreements with the EPA, accept capitalization grant awards, and otherwise manage the DWSRF. This Intended Use Plan (IUP) is part of our application for the FFY 2015 Capitalization Grant. The SDWA requires that each State annually prepare an IUP to describe how the State intends to use DWSRF program funds to support the overall goals of the DWSRF program and meet the SDWA objectives. This IUP highlights the State of Connecticut's ongoing improvement of the DWSRF program and seeks to further maximize the program's resources. The DWSRF program is an essential component of Connecticut's efforts to protect public health and improve the quality and availability of water to all its citizens. The IUP communicates our plans to stakeholders who include: public water systems, the public, EPA and other state agencies.

The IUP discusses how DPH intends to utilize its allotment of FFY 2015 funds, state legislative funding authorizations, and unobligated project funds carried forward from previous IUPs during the State Fiscal Year (SFY) 2016 time period (July 1, 2015 – June 30, 2016). The available funding includes unliquidated obligations (ULO) from previous federal capitalization grants. The IUP details the short-term and long-term goals that the DPH has developed to support the overall objectives of the DWSRF program of ensuring public health protections, complying with the SDWA, ensuring affordable drinking water, and maintaining the long-term financial health of the DWSRF. The IUP also provides the financial status of the DWSRF. Finally, the IUP describes the criteria and methods that DPH will use to distribute the funds, including the ranking criteria under which the eligible projects were ranked and placed on the fundable and comprehensive project lists and the procedures that allow DPH to bypass projects on the fundable list.

During State Fiscal Year (SFY) 2016, the DPH will continue to focus on implementing the public health aspects of the SDWA and will work to ensure that funds move expeditiously and responsibly from the time the State of Connecticut is awarded the capitalization grant to the time the funds are awarded to projects. These efforts are instrumental in achieving the requirements of the SDWA. The DPH works closely together with other state and federal agencies to identify opportunities for funding specific projects and to coordinate funding efforts.

Connecticut has legislation enabling it to establish and operate a DWSRF program and to apply for and receive federal funds, which is contained in Connecticut General Statutes (CGS) Sections 22a-

475 through 22a-483, inclusive. As the administrator of the DWSRF program for the State of Connecticut, the DPH coordinates the activities of two different state agencies, which are the Office of the State Treasurer (OTT), the Department of Energy and Environmental Protection (DEEP), and within DEEP, the Public Utilities Regulatory Authority (PURA), with the charge of implementing certain aspects of and overseeing the DWSRF program. The DPH, DEEP, OTT, and PURA entered into a DWSRF Interagency Memorandum of Understanding (DWSRF Interagency MOU), which details the roles and responsibilities of each agency. The DWSRF Interagency MOU is an attachment to the Operating Agreement (OA) between the State of Connecticut and the EPA. The OA was filed with the EPA as part of the DPH's 1997 Capitalization Grant application and established the basic framework and procedures of the DWSRF program that are not expected to change annually.

The DPH is responsible for programmatic and fiscal administration of DWSRF projects, 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 the State Bond Commission (SBC) authorization requests for DWSRF projects to the DEEP for processing under the Clean Water Fund (CWF). The DEEP is responsible for administration of the CWF, of which the DWSRF is a sub-account. The DEEP processes the DPH's biennial DWSRF capital budget request and processes DWSRF SBC authorization requests for projects as part of the CWF, with the exception of any state subsidy funds, which are processed by the DPH. The PURA is responsible for programmatic and fiscal input for those water companies that it regulates. The OTT is responsible for the fiscal administration of all DWSRF accounts, oversight of loans, oversight of the bonding process, and administration of a DWSRF financial plan, as well as reviewing the financial viability of borrowers.

Figure 1 on page 3 displays the role the IUP plays in the DWSRF funding process.

B. What's New for SFY 2016?

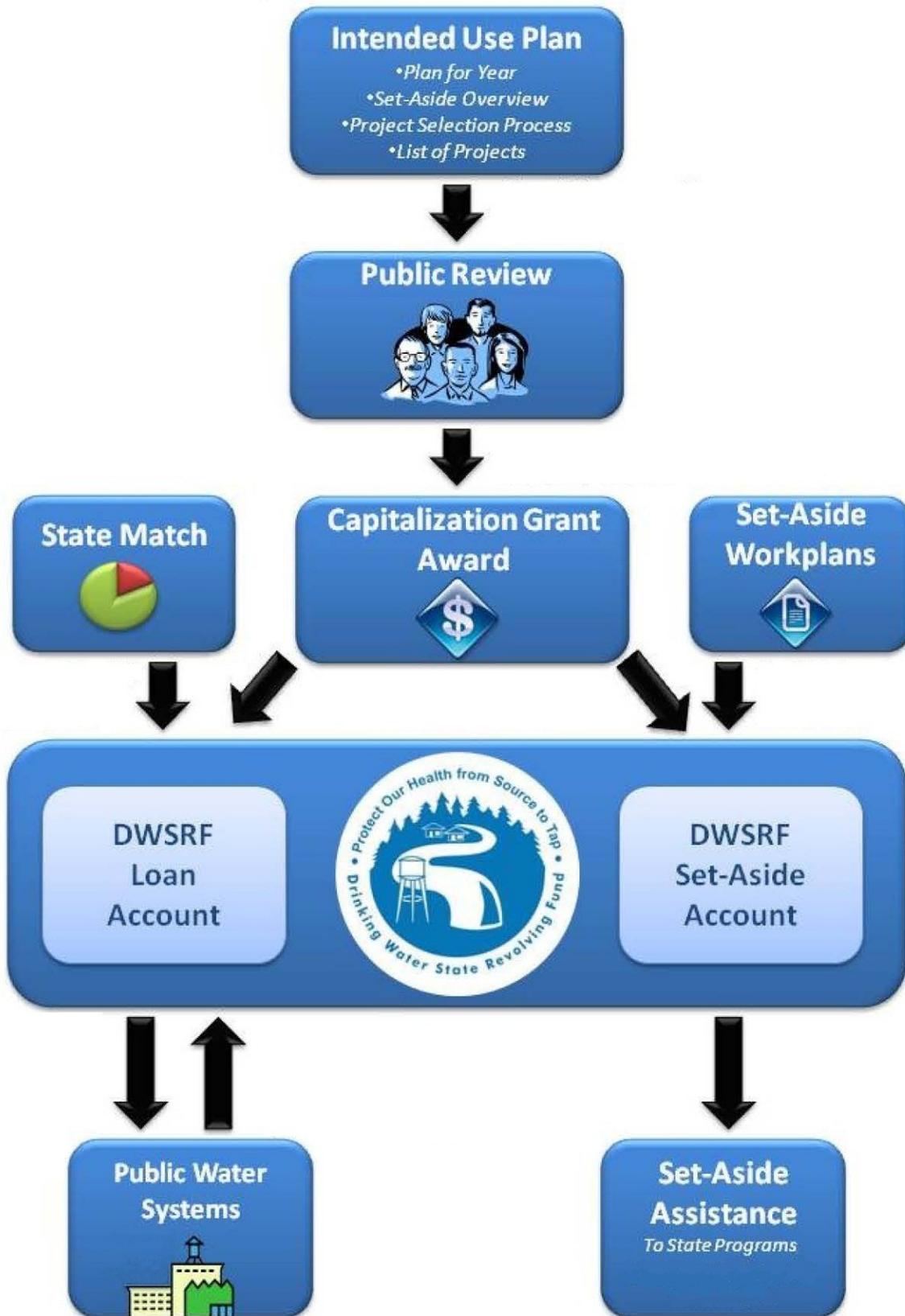
During SFY 2015, a state law took effect that provides for up to \$50 million for the subsidization of certain qualifying DWSRF applicants and projects. This law requires a recipient to have an asset and fiscal management plan to receive any of these funds, which can subsidize up to 30% or 50% of the eligible project costs, depending on the size of the PWS.

Since the inception of the Emergency Power Generator Program (EPGP), the DPH has seen a marked increase in the number of very small loans under \$100,000 being executed. As a result, the DPH and OTT have made adjustments in the maximum term a loan may be, dependent on the size of the loan.

In an effort to more quickly execute funding agreements and disburse funds, the readiness criterion outlined in the Priority Ranking System (PRS) has been tied more closely to the generation of the Fundable Project Priority List (PPL).

The DPH has chosen to change the Local Assistance Set-aside percentage split it will take. Rather than 10% for Capacity Development and 5% for Wellhead Protection, as has been done for many years, the 15% will be split equally at 7.5% for each. This is being done in an effort to make ULOs more uniform amongst the set-asides.

Figure 1 - The DWSRF Funding Process



II. STRUCTURE OF THE DWSRF

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

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

- Installation or upgrade of facilities to improve the quality of drinking water to comply with primary or secondary standards and point of entry or central treatment;
- Rehabilitation of wells or development of eligible sources to replace contaminated sources;
- Installation or replacement of transmission and distribution pipes to improve water pressure to safe levels or to prevent contamination caused by leaks or breaks in the pipes;
- Installation or upgrade of eligible storage facilities to prevent microbiological contaminants from entering a PWS;
- Those needed to consolidate water supplies where, for example, a supply has become contaminated or a system is unable to maintain compliance for technical, financial, or managerial reasons;
- Creation of a community water system to address existing public health problems with serious risks caused by unsafe drinking water provided by individual wells or surface water sources.

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

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

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

B. Set-Asides

The State of Connecticut will use the amount of its capitalization grant set-asides to provide additional support to promote and implement the State's safe drinking water efforts and for activities to assist water systems in developing enhanced capabilities for the future. The set-asides help systems build capacity to assist in compliance with the SDWA and may aid their readiness to proceed to an infrastructure project. Additional information may be found in Section VII.

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

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

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

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

III. DWSRF GOALS

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

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

A. Short-Term Goals

1. Apply for the FFY 2015 capitalization grant award by June 30, 2015. Upon award, implement the provisions of the FFY 2015 federal appropriation, including the capitalization grant terms and conditions.
2. Approve financial assistance agreements for projects funded in accordance with this IUP with an overall goal of committing all available project funds during the IUP period and increasing the pace of the DWSRF program.
3. Continue to implement existing DWSRF elements, including re-evaluation and improvement when necessary:
 - a. Effective and efficient fiscal management of DWSRF funds;
 - b. Routine procedures for entering into project funding agreements with recipients;
 - c. Effective and efficient communications between State agencies for all components of the DWSRF program;
 - d. Improve the efficiency of review of project submittals and execution of funding agreements, where possible.
 - e. Review of the PRS;
 - f. Responsibilities delineated in the DWSRF Interagency MOU;
 - g. Routine procedures for monitoring oversight and contract compliance of DWSRF set-aside projects;
 - h. Procedures for evaluating technical and managerial capacity of DWSRF applicants and sustainability aspects of proposed projects.

4. Input project information into the DWSRF Project Benefits Reporting (PBR) and the Drinking Water National Information Management System (DWNIMS) on-line databases and continue to monitor program pace to assure meeting or exceeding national goals and measures for awarding funds in a timely manner.
5. Maintain a financing plan that secures the perpetuity of the DWSRF and meets loan demand.
6. Provide oversight, tracking, and continued implementation of the DPH's January 2013 Cash Management Plan.
7. Continue to reduce the DPH's ULOs associated with capitalization grant awards (project funds and set-asides) received from EPA and work towards achieving EPA's ULO goals. This effort includes the implementation of improved project readiness criteria.
8. Maintain a pipeline of projects through frequent interaction with public water systems.
9. Continue using a 2-year project planning period to coincide with the biennial State of Connecticut budget cycle.
10. Continue to implement improvements identified during the 2014 DWSRF LEAN process, including:
 - a. Revise the DWSRF Interagency MOU to reflect modifications made with respect to each agency's responsibilities to the DWSRF program to reflect the statutory changes approved in 2010.
 - b. Revise the OA to reflect revisions that have been made to the DWSRF program.
11. Continue to utilize the EPGP as a model for streamlining DWSRF requirements for small systems that undertake other projects with a total project cost of less than \$100,000.
12. Provide education to PWSs to improve the sustainable infrastructure and asset management programs of PWSs.
13. Continue transitioning into the Loans and Grants Tracking System (LGTS) database that will improve communication between State agencies and information sharing with the EPA for projects funded through the DWSRF program.
14. Manage the 2015 DWINSA for the State of Connecticut, including frequent interaction with the selected PWSs. The goal is to accurately reflect the infrastructure needs for the State of Connecticut.

B. Long-Term Goals

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

1. Make a commitment to monitor, track, and continue to improve the pace of the DWSRF program.
2. Maintain low levels of ULOs associated with capitalization grant awards received from the EPA.

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

IV. CRITERIA AND METHOD FOR DISTRIBUTION OF PROJECT FUNDS

A. Priority Ranking System

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

Modifications were made to Connecticut's PRS for the SFY 2016 and 2017 funding cycle. The PRS was made available to all applicants for their reference in completing and submitting project eligibility applications. These changes include the following:

- Utilization of the "Distressed Municipalities" list maintained and updated annually by the Connecticut Department of Economic and Community Development (DECD) as the source for cities or towns that qualify for affordability points.
- Increased the point value for generator projects in the EPGP.

- Added a point category for projects strictly for new or replacement generators costing more than \$100,000.

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

All projects deemed eligible are shown in alphabetical order by the town of the PWS in a Comprehensive Project List (Attachment C). This list of projects is also shown alphabetically by town by the SFY during which the project is expected to proceed (Attachment D). From this comprehensive list, a fundable PPL will be determined when the total amount of available funding for SFY 2016 is known. Projects that are determined by the DPH as not ready to proceed during SFY 2016 will not be considered in preparing the SFY 2016 PPL regardless of the priority points that the project received. These projects will be maintained on the comprehensive list and will be considered for funding during SFY 2017, or may bypass a project on the SFY 2016 fundable PPL according to the bypass procedure explained in Section IV.

Projects identified on the SFY 2016 Fundable PPL may be bypassed by a project identified on the comprehensive list if the fundable 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 V will be used to determine which project will be ranked higher on the PPL. The lowest ranking project on the SFY 2016 Fundable PPL may be only partially funded based on the amount of total funds that remain available.

B. Capacity Assessments

The SDWA requires that a PWS applying for a DWSRF loan must show that it has the technical, financial and managerial capacity to ensure compliance. If a system does not have adequate capacity, assistance may only be provided if it will help the system to achieve capacity. The goal of this requirement is to ensure that DWSRF assistance is not used to create or support non-viable systems. The DPH is in the process of developing Capacity Development Assessment Scorecards for PWSs serving fewer than 1,000 people to better evaluate their overall capacity. PWSs serving 1,000 or more are required to develop and maintain a Water Supply Plan, which are reviewed and approved by the DPH.

Incentives for PWS to improve their capacity have been built into the distribution of the required subsidy, as described in Section IV. Starting in SFY 2014 additional subsidy was offered to small PWSs which developed an asset management plan. This will continue in SFY 2016. Beginning in SFY 2015, qualified applicants of all sizes that wish to qualify to receive state subsidy must have asset and fiscal management plans. The criteria for these plans were developed by referencing EPA guidance. Checklists of required information for each plan were developed and are included as Attachments G and H. The criteria were chosen so that these plans would address all three areas of capacity.

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

Technical Capacity

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

Financial Capacity

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

Managerial Capacity

To demonstrate managerial capacity, the PWS must have personnel with expertise to manage the entire water system operation. Managerial capacity of a PWS is evaluated during a sanitary survey. All community and NTNC PWS are required to have a Certified Operator responsible for the operation of the water system, in accordance with the State's operator certification program. As part of reviewing an applicant's managerial capacity, the DPH will review the PWS's records and most recent sanitary survey report to assure that the PWS is being properly operated and maintained.

C. Small System Funding

The SDWA Amendments of 1996 also require 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 PWSs, which are PWSs that regularly serve less than or equal to a population of 10,000. In cases where an applicant owns more than one community PWS, the applicant's population will be determined on the combined population of all of its individually owned PWSs.

Once the amount of available funds is known for SFY 2016, the DPH will evaluate whether or not we achieved the EPA goal of dedicating at least 15% of the available DWSRF funding to small PWSs. In response to the Call for Projects, the DPH received applications for 22 small system projects, including 6 EPGP projects, totaling approximately \$26.1 million in eligible project costs for the 2-year funding period.

D. Emergency Power Generator Program

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

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

E. Projects Expected to be Funded

Funding for new projects is limited to eligible PWSs that submitted eligible project applications in response to the DPH's SFY 2016 and SFY 2017 Call for Projects. The Call for Projects solicitation period ended on January 31, 2015. The total amount of funding available will be determined when the state budget for SFYs 2016 and 2017 is approved, which is anticipated to happen in June 2015. Projects that will be on the SFY 2016 Fundable PPL are expected to receive funding under this IUP. Funds will also be made available to projects carried forward from a prior IUP, but for which binding commitments (i.e. financial assistance agreements) with the DPH have not yet been executed. These projects are being carried over, in accordance with the procedure described in Section V, and are listed in Attachment E. These carryover projects went through public comment and ranking for during the year in which they appeared on the PPL and are not being re-ranked.

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

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

The DPH utilized the PRS and readiness criteria to determine the SFY in which the project can reasonably be expected to proceed. Once the state budget is finalized, the SFY 2016 Fundable PPL will be generated. The PPL will identify projects, or portions of projects, for which funding is expected to be available and that can reasonably be expected to proceed during SFY 2016 based on

project readiness information provided by the applicants in their DWSRF Eligibility Application or Emergency Power Generator Eligibility Application.

All project eligibility applications were reviewed and evaluated to ensure that the proposed projects meet the eligibility criteria and that the applicant is prioritizing projects based on their identified needs and any applicable regulatory compliance concerns. All projects were awarded appropriate points based on the current PRS, as discussed previously. DPH put an increased emphasis on project readiness in development of the Comprehensive Project List and which projects are expected to proceed during SFY 2016, in response to the December 22, 2014 memo from EPA (Attachment I), which included guidance on applying project readiness-to-proceed criteria.

The Comprehensive Project List includes all projects submitted in response to the Call For Projects. A total of 77 projects are on this comprehensive project list. Some applicants have requested funding for planning, design, and construction phases of a project; however all phases may not necessarily receive funding. Projects which requested funding for multiple phases may be listed more than once, with the phases identified. The projects expected to receive funding during SFY 2016 have not yet been determined. Once the total amount available is known, the SFY 2016 Fundable PPL will include those projects proposed to move forward during the SFY ranked by priority points awarded, and for which sufficient funds are expected to be available. The Comprehensive Project List includes three unranked projects at the bottom which were determined to be ineligible for DWSRF assistance. The total amount requested for all eligible projects is \$199,869,960.

Projects to be considered for funding during SFY 2017 will be those from the Comprehensive Project List that are still in need of funding. These projects will be identified in the SFY 2017 IUP.

F. Additional Subsidization

Federal Subsidy Funds

The DPH has the statutory authority to provide subsidization in the form of grants, principal forgiveness, negative interest rates, or any combination thereof under CGS Section 22a-477(s)(2)(F). The federal DWSRF appropriation for FFY 2015 requires that not less than 20%, but not more than 30%, of the capitalization grant amount be used by the State to provide additional subsidization to eligible recipients in the form of grants, principal forgiveness, or negative interest loans, or any combination thereof. The DPH is therefore required to provide an equivalent of at least \$1,792,400, but not more than \$2,688,600, in subsidization. All subsidization will be provided in the form of loan principal forgiveness.

The DPH expects to use at least 20% of the capitalization grant to subsidize certain qualifying drinking water projects. All federal subsidy is expected to be distributed on a first come, first served basis until all the available funding has been awarded, based on the readiness of a project to proceed and the PWS to execute a funding agreement, with the exception of small systems, as described below. There is no guarantee that every project eligible for subsidy will actually receive subsidy. Projects funded under the EPGP are eligible to receive up to 25% or 45% of their total eligible project cost in subsidization, as described in Section IV. Other drinking water infrastructure projects on the SFY 2016 Fundable PPL are also eligible for subsidization, as outlined below:

- a) Subsidization for small PWSs with EPGP projects, as described in Section IV, shall be reserved as long as funding agreements are drafted with DPH for those projects during SFY 2016.
- b) Small PWSs will be eligible for up to 20% of the total eligible project cost in subsidization, as follows:
 - 1) A 10% subsidy, not to exceed a total of \$125,000 per project. These funds will not be reserved unless the PWS is pursuing an Asset Management Plan, as described in item 2 below.
 - 2) An additional 10% subsidy, not to exceed a total of \$125,000 per project, will be available to small systems on the SFY 2016 Fundable PPL that have an Asset Management Plan in place, or agree to prepare and implement such a plan as part of their DWSRF financial assistance agreement. In order to assist small PWS with producing a plan, the DPH will provide training opportunities at no cost to the system, as well as free onsite technical assistance, as needed, to complete and implement the Asset Management Plan. Subsidization shall be reserved for small PWSs that need and agree to prepare an Asset Management Plans as long as a funding agreement with DPH is drafted during SFY 2016 and that plan is completed.
- c) Large systems, defined as PWSs serving more than 10,000 people, with projects on the SFY 2016 Fundable PPL which meet the “Sustainability Planning” criteria (i.e. Water Supply Plans and/or Asset Management Plans) and “Affordability” criteria, as outlined in Sections IV and VI, respectively, of the PRS, will be eligible to receive up to 15% of their total eligible project cost, not to exceed \$450,000 per project, in subsidy.

For a project which receives subsidy, the actual amount of subsidization will be determined at the time the financial assistance agreement for that individual project is drafted.

The purpose of this plan for the distribution of subsidy is to meet the DPH’s obligations to quickly commit and disburse federal DWSRF funds. The DWS may reevaluate subsidization levels based on the available project cost and readiness information once the Fundable PPL is finalized, if necessary. Projects which are eligible to receive federal subsidization are identified on the Comprehensive Project List. Not all eligible projects will receive federal subsidy. Projects listed as eligible for federal subsidization from the FFY 2015 capitalization grant on the SFY 2016 Fundable PPL will not be eligible for federal subsidization from the FFY 2016 capitalization grant for SFY 2017.

State Subsidy Funds

On May 22, 2014, [Public Act 14-98](#) (PA 14-98) was signed into law, which under Section 46 provides the SBC the power to authorize bonds up to an aggregate \$50 million to be used by the DPH to implement a public water system improvement program. This program provides grants-in-aid, in the form of loan principal forgiveness, to certain eligible PWSs for DWSRF projects. A project which is eligible for any subsidy from the DWSRF must execute a loan for the remaining amount of principal in order to receive the grants-in-aid.

Eligibility criteria for the supplemental grants-in-aid contained within PA 14-98 follows the same eligibility criteria for DWSRF loans with the following exceptions, which are explicitly contained within PA 14-98:

- Public service companies, as defined in Section 16-1 of the CGS, **are not** eligible for grants-in-aid.
- For-profit companies **are not** eligible for grants-in-aid.
- Grants-in-aid may only be provided to eligible PWSs for eligible drinking water projects for which a DWSRF project funding agreement is executed **after July 1, 2014**.

PA 14-98 also requires eligible PWSs to submit an Asset and Fiscal Management Plan with their DWSRF application. The DWS will review these plans and determine if they are satisfactory before a PWS may receive a grant-in-aid. Eligible PWSs that serve 10,000 or fewer persons may receive up to 50% grant-in-aid for project costs that qualify for funding through the DWSRF. Eligible PWSs that serve more than 10,000 persons may receive up to 30% grant-in aid for project costs that qualify for funding through the DWSRF. This funding is expected to be distributed on a first come, first served basis until all the available funding has been awarded based on the readiness of a project to proceed and execute a funding agreement.

As of June 30, 2015, the DPH still has not received the allocation of these funds from the SBC, which is necessary to commit the funds in executed funding agreements. As a result, the execution of several funding agreements has been delayed.

Certain PWSs may be eligible to receive both Federal and State subsidies for a particular project. In these cases, the project may not receive more than the maximum amount of subsidy noted for the State Subsidy, with the exception of projects for PWSs serving more than 10,000 persons funded through the EPGP. Projects that are potentially eligible to receive federal subsidization based on available funding will be identified on the SFY 2016 Fundable PPL when it is available. It is not currently known how much state subsidy may be available to eligible projects during SFY 2016.

Prior Years' Federal Subsidization

EPA Region 1 requested that the status of prior years' federal subsidization be addressed by the DPH in the IUP for the FFY 2015 capitalization grant. The status of the commitment and disbursement for the FFY 2010 through FFY 2014 grants are individually identified below, along with a table summarizing the amounts. The actual projects and individual subsidy amounts will be identified in the 2015 Annual Report, along with the status of meeting the disbursement requirement. The delay in the ability to utilize the state subsidy funds has had a direct impact on the commitment of federal subsidy funds. Funding agreements that would have otherwise been executed and committed federal subsidy are being delayed so as to include the state subsidy, if and when it becomes available.

FFY 2010

The minimum required subsidization has been committed and disbursed for FFY 2010. As of April 30, 2015, \$4,723,405 is committed under executed funding agreements and \$4,457,307 has been disbursed.

FFY 2011

The minimum required subsidization has been committed for FFY 2011. As of April 30, 2015, \$2,952,273 is committed under executed funding agreements and \$2,347,947 has been disbursed. These projects are continuing to progress towards completion with a goal to complete the minimum required disbursements by 12/31/2015.

FFY 2012

The minimum required subsidization has been committed for FFY 2012. As of April 30, 2015, \$2,096,471 is committed under executed funding agreements and \$1,004,663 has been disbursed. These projects are continuing to progress towards completion with a goal to complete the minimum required disbursements by 9/30/2016.

FFY 2013

The minimum required subsidization has not yet been committed for FFY 2013. As of April 30, 2015, \$277,874 is committed under executed funding agreements and none has been disbursed. The funding agreements that will commit the required funds are pending, with the goal for them to be executed by 9/30/2015, and complete the minimum required disbursements by 9/30/2016.

FFY 2014

The minimum required subsidization has not yet been committed for FFY 2014. As of April 30, 2015, none of the federal subsidy has been committed under executed funding agreements. The funding agreements that will commit the required funds are pending, with the goal for them to be executed by 9/30/2015, and complete the minimum required disbursements by 9/30/2016.

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

| Cap Grant FFY | Minimum Amount of Federal Subsidy to Disburse | Maximum Amount of Federal Subsidy to Disburse | Total Federal Subsidy Amount Committed as of April 30, 2015 | Additional Federal Subsidy Expected to be Committed | Federal Subsidy Amount Disbursed as of April 30, 2015 | Remaining Federal Subsidy Amount Expected to be Disbursed | Estimated Month for Disbursement of Minimum Federal Subsidy |
|---------------|---|---|---|---|---|---|---|
| 2010 | \$4,071,900 | N/A | \$4,723,405 | \$0 | \$4,457,307 | \$266,098 | - |
| 2011 | \$2,825,400 | N/A | \$2,952,273 | \$118,227 | \$2,347,947 | \$722,553 | December 2015 |
| 2012 | \$1,795,000 | \$2,692,500 | \$2,096,471 | \$390,941 | \$1,004,663 | \$1,482,749 | September 2016 |
| 2013 | \$1,684,200 | \$2,526,300 | \$277,874 | \$1,827,376 | \$0 | \$2,105,250 | September 2016 |
| 2014 | \$1,792,400 | \$2,688,600 | \$0 | \$2,023,250 | \$0 | \$2,023,250 | September 2016 |

G. Readiness-To-Proceed

Only those elements (planning, design, construction) of eligible projects that are expected to result in executed contracts and DWSRF funding agreements within the current biennial funding cycle may receive funding during that cycle. Elements of eligible projects that are not expected to result in executed contracts and DWSRF funding agreements may be eligible to receive funding in future funding cycles. The Fundable PPL for SFY 2016 was generated based on the readiness of an element of a project to proceed to a loan agreement during SFY 2016, and its number of priority points.

The DPH has developed objective criteria to determine those elements of projects for which a funding agreement is expected to be executed during SFY 2016. This readiness determination process is necessary to ensure that available DWSRF funds will be disbursed in a timely fashion. The factors in these criteria are:

- Local funding resolutions and any other necessary approvals have been identified and will be secured;
- Required local permits or approvals have been identified and will be secured;
- Required State permits or approvals have been identified and will be secured;
- Project is consistent with the State of Connecticut Plan of Conservation and Development

- (For Planning/Design Projects) professional services qualification-based selection process followed and will be completed, with the exception of actual award of the contract, pending DPH authorization to award the contract;
- (For Planning/Design Projects) Consultant is scheduled to be under contract during the current SFY;
- (For Construction Projects) Status of final design;
- (For Construction Projects) Status of bid specifications;
- (For Construction Projects) All necessary sites, easements and rights-of-way have been identified and will be secured;
- (For Construction Projects) Construction is scheduled to begin during the current SFY.

Projects, or project phases, will be grouped by the calendar quarter (i.e. 9/30/15, 12/31/15, and 3/31/16) during which it is expected a project will have satisfied the above criteria and be able to submit to the DPH the all information necessary to proceed with that phase of a project.

The information that the DPH used to make a determination on project readiness is included in the DWSRF Eligibility Application and Emergency Power Generator Eligibility Application. 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 and eligible project that is ready-to-proceed for funding based on that PWS's ability to initiate the project during the current SFY.

H. Project Bypass Procedures

Bypass for Readiness-to-Proceed, etc.

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

- a. 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 that is ready-to-proceed for funding based on that PWSs ability to initiate the project during the current SFY funding cycle. A project will also be bypassed if the applicant has withdrawn its DWSRF application. This bypass process is necessary to ensure that available DWSRF funds will be disbursed in a timely fashion.
- b. Only those elements (planning, design, construction) of eligible projects that are expected to result in executed contracts and DWSRF loan agreements within the current SFY funding cycle may receive funding during that cycle. Elements of eligible, fundable projects that are not expected to result in executed contracts and DWSRF loan agreements may be eligible to receive funding in future funding cycles, based on the rollover procedure in Section V.

Emergency Bypass

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

I. Other DWSRF Provisions

Davis-Bacon Prevailing Wage Requirements

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

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

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

The DPH is required to identify projects that will be used to satisfy federal equivalency requirements, including project signage that will be required beginning with the FFY 2015 capitalization grant award. The DPH has elected to also impose federal equivalency requirements to all projects and activities for which the DPH provides DWSRF assistance. The only exception to this is for federal Disadvantage Business Enterprise (DBE) requirements which the DPH will only apply to PWS infrastructure projects costing \$100,000 or more and DPH will only report to EPA on DBE compliance in an amount equivalent to the federal capitalization grant. All PWS infrastructure projects funded by the DWSRF are reviewed under a State Environmental Review Process (SERP) administered by the DPH and considered by the EPA to be equivalent to a National Environmental Policy Act (NEPA) review.

For the purposes of satisfying capitalization grant reporting requirements under the Federal Financial Accountability and Transparency Act (FFATA), the DPH will only report on DWSRF projects in an equivalent amount of each capitalization grant as requested by EPA. A list of projects that may be used to satisfy the FFATA reporting requirements will be generated once the SFY 2016 Fundable PPL has been finalized. The actual projects reported under FFATA will be stated in the DWSRF annual report. Any contracts over \$25,000 utilizing set-aside funds will also be reported under FFATA.

Use of American Iron and Steel

On January 17, 2014, federal Public Law 113-76 was enacted, which added a new federal Use of American Iron and Steel (AIS) requirement in Section 436. The FFY 2015 appropriation also requires that DWSRF assistance recipients use iron and steel products produced in the United States for the construction, alteration, maintenance or repair of a public water system or treatment works if the project is funded through an assistance agreement executed through the end of FFY 2015 (September 30, 2015). The EPA has issued guidance on the implementation of this provision and created a [State Revolving Fund American Iron and Steel Requirement website](#). The DPH has

also created a [Use of American Iron and Steel](#) webpage to assist DWSRF applicants in understanding and complying with AIS requirements.

J. Connecticut Plan of Conservation and Development

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

The advisory report on the IUP's conformance with the C&D Plan is important because CGS Section 16a-31(c) also requires the OPM to advise the SBC prior to the allocation of funding to the DPH for these DWSRF projects. Finally, CGS Section 16a-31(a)(3) requires the DPH to determine the consistency with the C&D Plan of individual actions regarding the acquisition, development, or improvement of real property, it undertakes using state or federal funds, such as the drinking water infrastructure improvement projects contained in the SFY 2016 IUP, when those costs are in excess of two hundred thousand dollars.

V. DWSRF POLICIES and REQUIREMENTS

A. Letter of Authorization to Award for Eligible Projects

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

B. Project Application Carryovers and Rollovers

Project Progressing Towards a Loan Agreement (Carryover)

A project that has been identified as fundable on the PPL, or for which funds are now available through the bypass procedure, and is progressing through the DWSRF process toward a financial assistance agreement, but for which an agreement is not executed during the IUP period/funding cycle for its PPL, may be carried over to the subsequent IUP period/funding cycle with respect to allotment and use of project funds. Projects in this category are considered to have already gone through the public hearing process and will not be re-ranked on the subsequent PPL. These projects are identified on the SFY 2016 Carryover Project List. If a project or portion of a project from the previous IUP has not yet executed a funding assistance agreement and is not listed on the carryover list or comprehensive list, then that project is considered to have been withdrawn and is no longer being considered for funding. A PWS will be notified in writing by the DPH if their project is considered withdrawn. Any federal subsidy that may be provided to a project on the Carryover List is also carried forward under the criteria associated the IUP under which the project was identified as fundable.

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

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

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

The construction of some of the projects on a particular PPL may take place over multiple years. For such multi-year projects, the DPH reserves the right to require the applicant to break the project into phases and to limit the amount of funding reserved for the project on a PPL to the amount of funds the PWS reasonably projects it will need for the phase to be designed and/or constructed during the SFY of the PPL. This allows the timely access to DWSRF funds by other DWSRF applicants that are ready to use them. Subsequent phases of these multi-year projects will automatically be rolled over to the PPL for the next IUP and will retain its assigned ranking points, subject to changes in the "Affordability" criteria. These subsequent phases will not automatically receive DWSRF funding in the next IUP but will be ranked against other new and rolled-over projects on the PPL.

D. Tie-Breaking Procedures

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

1. The size of the population served by the project; the project with the larger population served will be given preference.
2. The percentage of total 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. Pre-Review Policy (Construction Only)

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

for DWSRF funding after the start of the SFY. The DWS may include these projects on a Fundable PPL provided that all of the following conditions are met:

- The PWS has submitted a DWSRF Eligibility Application to the DPH during the Call for Projects for the SFY
- The funding agreement will be drafted during the SFY under which the project is listed on the Comprehensive Project List
- The project cannot begin and be completed prior to the start of the SFY
- The project is consistent with the C&D Plan
- The project is considered an action that does not require an environmental review under the Connecticut Environmental Policies Act and qualifies for a categorical exclusion from the National Environmental Policies Act
- The project has satisfied all other state and federal DWSRF requirements prior to placing the construction contract out to bid
- The project has received written authorization from the DPH to award a construction contract prior to the execution of the contract
- The project continues to adhere to all state and federal DWSRF requirements during construction

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

- The DPH provides no guarantee of DWSRF funding for their project
- The PWS shall be responsible for paying all costs associated with their project and will only be eligible for reimbursement from the DWSRF if their project is on the fundable PPL
- A project may be able to bypass a higher-ranked project, if that higher-ranked project is not sufficiently ready to proceed, per the procedures outlined in this IUP
- A DWSRF funding agreement cannot be executed until after Fundable PPL for the SFY is finalized

F. Reimbursement

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

G. Refinance Existing Loans

The DWSRF may be used to buy or refinance debt obligations for DWSRF projects, if the DPH determines the refinance is in the best interest of public health. The SDWA and DWSRF regulations only permits use of the DWSRF for refinancing for municipal projects incurring debt and initiating construction after June 30, 1993. Projects will still have to be eligible for DWSRF funding and meet project review requirements, including an environmental review, and must receive written authorization from the DPH prior to commencement of construction. Private systems are not eligible for refinancing. The project must adhere to all state and federal DWSRF requirements during construction. Consideration for refinance applications will be entertained only after projects addressing public health protection and compliance have been funded.

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

H. Withdrawal of Project from Funding Consideration

If a PWS chooses not to pursue funding of a project through the DWSRF, or chooses to not go forward with the implementation of a project, the PWS shall be requested to submit a letter to the DPH indicating the withdrawal of the project. The letter should include a statement as to why the project was withdrawn. Upon receipt, the project will be removed from the appropriate SFY 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 DWSRF funding cycle. If a PWS does not submit a letter as requested, the DPH may withdraw the project based on the initial notification. A PWS will be notified if their application is withdrawn by the DPH.

Projects for which an Eligibility Application is received and the project is placed on the SFY 2016 Fundable PPL, but for which the DPH does not receive a Financial Assistance Application by the established deadline will be considered withdrawn. A PWS will be notified if their application is withdrawn by the DPH.

VI. FINANCIAL MANAGEMENT

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

Section 1452 of the SDWA authorizes states to use a portion of the capitalization grant to support various drinking water programs through set-asides funds. The DPH has chosen to take the maximum amount allowable and uses these set-aside funds to promote and implement safe drinking water efforts integral to Connecticut's multiple barrier approach to protection of public drinking water supplies and public health. Additionally, the DPH uses these funds to foster greater appreciation of drinking water among the general public and the regulated community. Both of these intended uses address proactive and preventive measures endorsed by Congress in its authorization of the SDWA.

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

B. Sources and Uses of DWSRF Funds

Sources

The total DWSRF funding available for direct loans and subsidization to PWSs in SFY 2016 will be known when the final state budget is determined. Attachment A provides a breakdown of the sources of these funds. These sources include carry-over revenue bond authorizations from previous IUPs that were not allocated to projects and new requested bond authorizations for SFY 2016. Funds from previous bond authorizations will be used for the carryover projects. The total amount that may be used to fund drinking water projects is limited to the total amount authorized by the state legislature as part of the state budget.

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

The funds authorized by PA 14-98, as discussed in Section IV.F., have not yet been made available by the SBC to the DPH to commit to projects. The DPH has submitted a request to the SBC for those funds to be allocated, however it is not certain when or if the funds will be approved. This IUP is written with the expectation that the funds will be available and used for projects during SFY 2016.

The breakdown of sources and uses reflects the total amounts projected for the DWSRF project fund and set-aside accounts that will be made available to the DPH upon EPA approval of the DPH's FFY 2015 capitalization grant application. The amount of the bond authorization for SFY 2016 reflects the amount requested by the DPH.

Uses

Projects that are currently anticipated to be funded during SFY 2016 include all projects that are being carried forward from the previous IUP and new projects submitted in response to the Call for Projects which are expected to proceed during SFY 2016. The SFY 2016 Carryover List identifies those projects and the estimated cost. The SFY 2016 Fundable PPL will be generated when the state budget is finalized and the amount for the DWSRF program is known. Funding requests for small systems total \$26.1 million over the two-year period, of which approximately \$3.6 million is for projects expected to proceed during SFY 2016. Once the Fundable PPL is generated, it will be determined if the goal of providing at least 15% of the available funding to small systems is expected to be met for SFY 2016. The Comprehensive Project List identifies the SFY during which a project is expected to proceed and execute a funding agreement.

The ULO project balance is \$9,511,555 as of April 1, 2015. Due to program requirements, all monies provided as federal subsidy must come directly from the federal capitalization grant. As a result, a balance of project ULOs must be maintained in an amount sufficient to fund federal subsidy payments for qualifying projects currently under funding agreements and those for which funds are being carried over.

The DPH closely monitors DWSRF ULOs to ensure it will meet an unofficial EPA goal of fully expending FFY2013 and prior capitalization grants by September 30, 2016. Additionally, EPA expects FFY2014 and subsequent capitalization grants to be expended within two years of their award date. In September 2013, the DPH developed a CT ULO Reduction Plan outlining strategies to reduce DWSRF project and set-aside ULOs. The DPH expects that once desirable ULO percentages are achieved, they will be maintained. The practice of spending the capitalization grants down on a yearly basis will lead to very low, sustainable ULO percentages. This will present new challenges, however, as additional funding sources are required in the near future in order to sustain current drinking water program operating costs, primarily to retain current staffing levels.

The sources and uses amounts for set-aside activities are explained in detail in Section VII.

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

The DWSRF financing plan is similar to the plan for the State's CWF program. This plan includes leveraging, when appropriate, where project funding comes from the proceeds of revenue bonds

supported by the capitalization grants. A more detail financial analysis of the DWSRF program can be found in the [DWSRF Annual Reports](#), which are available on the OTT's website.

States may issue bonds through the DWSRF program using the federal capitalization grant as security to provide for higher funding levels in the current year of the program. Leveraging of federal funds is a useful financial option available to states with a high demand of shovel ready projects for immediate DWSRF funding. Consistent with Connecticut's financing strategy for the CWF, the DWSRF includes leveraged financing. Since 2001, with the EPAs approval, bonds have been issued on an as-needed basis to fund DWSRF projects. 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 more loans with a lower interest rate at favorable terms to more of the PWS applicants.

Connecticut's program is a leveraged program and has established itself as a highly rated (AAA) borrower in the bond market. We have used capitalization grants to leverage multiple series of bonds, aggregating over \$89.9 million in outstanding principal for the DWSRF program as of May 31, 2015 to fund loans.

The leveraging process has been successful because it has allowed the State of Connecticut to fund projects that would not be normally funded using capitalization grant funds alone. Examples include: The \$55 million New Britain Water Treatment project, which was built using \$36.6 million in DWSRF funds. This project, which replaced an antiquated system, provides excellent quality water to its over 90,000 customers, and keeps the water rates relatively low. The \$29 million water treatment plant upgrade for the South Norwalk Electric and Water utility was built using \$24.7 million in DWSRF funds to replace an antiquated water treatment plant that was badly in need of upgrades. Meriden Water Division has secured over \$21 million in DWSRF funds to fund the design and construction for major improvements to Broad Brook Water Treatment Plant and Pumping Station to maintain purity and adequacy of water to its 60,000 customers. Over \$8.0 million in DWSRF funds was used to cover the cost for design and construction of the East Lyme Sewer and Water Regional Interconnection project. This project is critical for East Lyme to meet its summertime peak demands, address other public health and water system operational needs, and provide fire protection for enhanced public safety. Another major project that is expected to be funded using DWSRF funding is the proposed Water Treatment Plant upgrade of Groton Utilities. Groton proposes to make significant improvements to its plant to address water quality issues. The majority of the existing components are antiquated (originally constructed in 1938), and improvements to the facility are crucial for infrastructure sustainability. Approximately \$42.0 million in DWSRF funding is expected to be used to cover the construction and project oversight. Without leveraging, the DPH would not be able to fund larger projects like these.

In SFY 2015 bonds were issued for the CWSRF and the DWSRF in anticipation of several significant projects moving forward over the next two years, including the Groton Utilities Water Treatment Plant upgrade project. The state does not plan to issue bonds again until SFY 2017.

D. State Matching Requirement

The required 20% state match for the FFY 2015 capitalization grant is \$1,792,400. These funds are required to be in place prior to drawing down the award. The State of Connecticut expects to have the required state match amount deposited prior to the expenditure of any federal FFY 2015 capitalization grant dollars. The state match is provided through the proceeds of state General

Obligation Bonds issued prior to 2001 and cash contributions from the state. Since 2007, additional state match has been provided by the contribution of principal and interest payments collected from the State of Connecticut on General Obligation Bonds issued to provide interest subsidy for the CWF and held outside the CWF until payments are received by Connecticut. These funds are no longer needed by the CWF for debt service because of the issuance of lower cost refunding bonds and additional contributions by Connecticut. These payments are held and deposited as cash contributions for the DWSRF state match. As of March 31, 2015, the DWSRF has received and deposited \$34.3 million for the required match.

E. Federal Cash Draw Proportionality

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

F. Financial Terms of Loans

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

CGS Sections 22a-475 through 22a-483, inclusive, also allows Connecticut to offer project loans with reduced interest rates or an extended term, if permitted by Federal law, to eligible PWSs that qualify as disadvantaged communities. Attachment 10 to the OA contains an explanation of what a disadvantaged community is. Connecticut does not currently offer a disadvantaged community assistance program for the DWSRF.

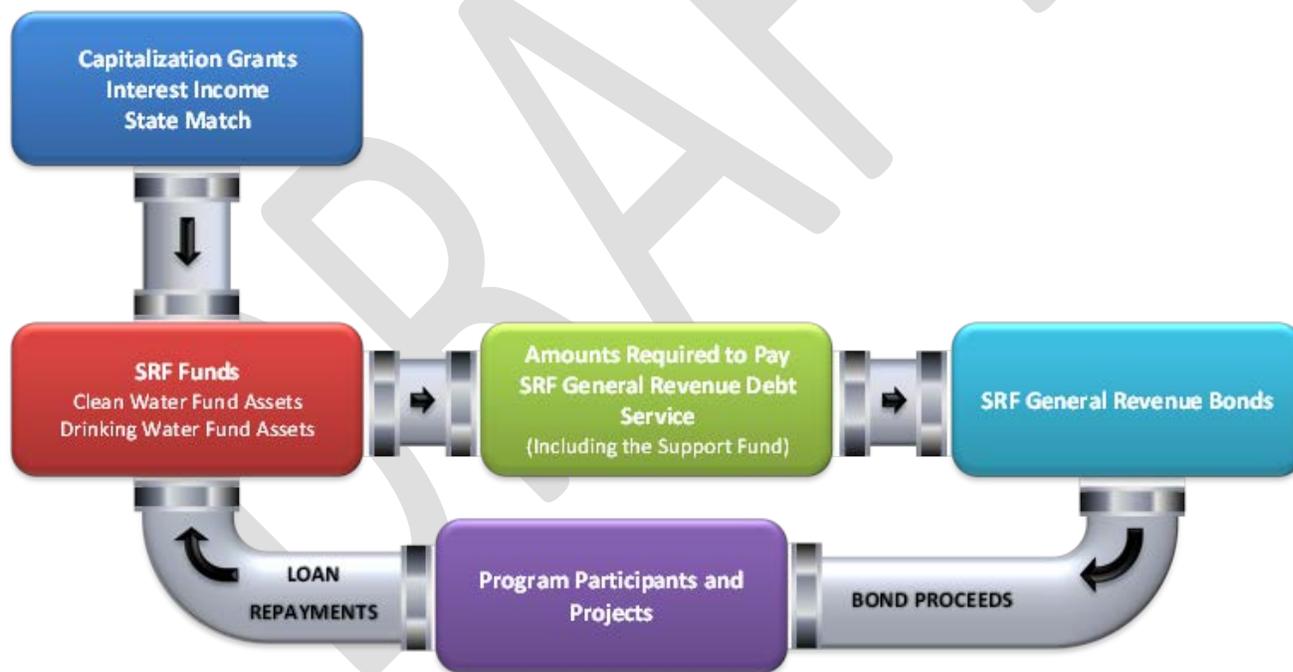
Within the provisions of CGS Sections 22a-475 through 22a-483, inclusive, Connecticut will consider appropriate financial terms for refinancing and the acquisition of land and sanitary easements on a case-by-case basis. The DPH policy for refinancing is discussed in Section V. Additional lending policies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

The term of a loan (in years) may be determined based on the dollar amount of the loan (not including any subsidy) as outlined in the table below.

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

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

Figure 2 – The Revolving Flow of Funds



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

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

H. Expected Loan Demand

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

The 2011 DWINSA assessed the cost and types of drinking water needs throughout the nation for the period January 1, 2011 to December 31, 2030. The results of the survey were used to determine the DWSRF allocation for FFYs 2014 through 2017. The results of the 2011 survey, which were released in June 2013, showed that the State of Connecticut's estimated need had grown from \$1.394 billion in 2007 to \$3.587 billion in 2011. Starting with the FFY 2014 capitalization grant, the state's allotment has increased from 1% to 1.01%. The breakdown was as follows:

| | |
|-------------------------------|-----------------|
| Transmission and Distribution | \$2.584 billion |
| Treatment | \$545.1 million |
| Storage | \$267.3 million |
| Source | \$146.6 million |
| Other | \$35.0 million |

As the cost and need for infrastructure projects continue to increase, the demand for low-cost loans will most likely also increase. The availability of federal subsidization since 2009 for DWSRF projects has also increased the demand for loans. For SFY 2016 and SFY 2017, the DPH received requests for loans for 77 infrastructure projects totaling approximately \$205 million in eligible project costs. This includes 6 applications under the EPGP and 7 larger generator projects totaling approximately \$6.7 million in eligible project costs. This is the highest amount of requests ever received.

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

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

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

VII. SET-ASIDE ACTIVITIES

Taken together, 31 percent of a Connecticut’s DWSRF capitalization grant is used for set aside activities. The DPH DWS receives funds under four set-asides to support various drinking water and DWSRF program activities. They include the Administration, State Program Management, Small Systems Technical Assistance, and Local Assistance set-aside funds. The following pages provide anticipated set-aside activities during the time period covered in this IUP. Prior to requesting disbursement of these funds, the DPH submits work plans to EPA Region 1 as part of the FFY 2015 capitalization grant application, which provides specific details for each set-aside fund request. At any time in which a modification is necessary, the DPH contacts EPA Region 1 to discuss, submit an amendment if deemed necessary, and seek approval. The DPH DWS expects to meet all set-aside reporting requirements as detailed in the capitalization grant award conditions.

A. DWSRF Administrative Funds

Maximum Percentage Allowed: 4% of the Capitalization Grant
Taking from FFY 2015 Grant: 4% (\$358,480)

The DPH intends to use funds in the Administrative set-aside to support existing staff at DPH and OTT dedicated to administrative and fiscal management of the DWSRF accounts, oversight and tracking of the DPH’s January 2013 Cash Management Plan, as well as providing assistance to borrowers in preparing their loan applications and satisfying program requirements. In addition, the DPH intends to utilize funds from this set-aside for the development and use of a state specific project financing, loan and accounting management system for the DWSRF program.

B. State Program Management

Maximum Percentage Allowed: 10% of the Capitalization Grant
Taking from FFY 2015 Grant: 10% (\$896,200)

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

- Coordinate DWS grant administration/lead interaction with EPA for grant administration, applications and reporting
- Prepare guidance documents, work plans and long-term strategies for DWSRF program management and EPA required program management reports (i.e. QAPP, PPA),
- Prepare contracts related to technical assistance to PWSs to assist the DWS in capacity development efforts
- 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.
- Provide legal assistance to the DWS regarding the DWSRF program
- Coordinate activities with the Environmental Health Section’s Laboratory Certification Program in assisting PWSs regarding water quality testing issues
- Identify water systems that would most benefit from collaboration or regionalization and assisting in developing and evaluating processes to aid in the success of DWS capacity development efforts
- Assist in coordinating long-range water supply planning by addressing water quality and quantity issues from area-wide perspectives in regional coordinated plans

- Performance of general office functions, such as reception, typing, filing, and bookkeeping in support of the PWSS and DWSRF Programs.
- Continuously update and maintain DWS's Geographic Information System(GIS) data layers in the DWS GIS system
- Review and approval of proposed sources of supply, including verification that the water system has ownership or control of the sanitary radius for proposed groundwater sources.
- Provide support for DWSRF Program Management activities by performing a wide variety of general clerical functions including basic processing, reception, filing, record keeping, bookkeeping and typing
- Review DWSRF project funding applications and perform subsequent engineering tasks as required
- Attend workshops and trainings to improve the efficiency of the DWSRF program
- Continue Memorandum of Agreements between DPH and UCONN that allows UCONN students to intern with the DPH DWS
- Coordinate the preparation of DWSRF loan agreements with the DPH Fiscal Office, Office of Grants and Contracts and the Office of the State Treasurer

C. Small Systems Technical Assistance

Maximum Percentage Allowed: 2% of the Capitalization Grant

Taking from FFY 2015 Grant: 2% (\$179,240)

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

- Conducting sanitary surveys of community, NTNC and transient non-community (TNC) PWS serving fewer than 10,000 persons (small systems)
- Assessing existing small PWS's technical, financial and managerial capacity during sanitary surveys
- Educating and assisting small systems in applying for DWSRF loans for infrastructure projects
- Contracting with Technical Assistance Provider to provide training and direct one-on-one assistance to teach small system trustees, operators, and municipal officials the value and method of asset management to improve technical, financial and managerial capacity of those involved in managing the utility.

D. Local Assistance

Maximum Percentage Allowed: 15% of the Capitalization Grant

Taking from FFY 2015 Grant: 7.5% (\$672,150) – Wellhead Protection

7.5% (\$672,150) – Capacity Development

The DPH uses this set-aside for wellhead protection and capacity development activities. The Wellhead Protection Program will use 7.5% of the set-aside funds and the Capacity Development Program will use the remaining 7.5%. Each program is described below.

a) Wellhead Protection

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

- Implementing continually revised statutes and regulations for source water protection, including the provisions of the federal Groundwater Rule
- Reviewing and approving/denying all proposed sources of public water supply

- Permitting of proposed sales or changes to water company owned land (i.e. land owned by PWSs that are within source water protection areas)
- Permitting of monitored recreational activities on water company land
- Coordinating of the process of conducting annual watershed inspection; and annual submission of Watershed Survey Reports
- Active and committed involvement with the improvement of the GIS application and database which is critical for adequate source assessment and protection
- Linking the protection of public water supplies with subsurface sewage disposal system approval, maintenance, training, and repair
- Linking the Clean Water Act to the SDWA through working with EPA, DEEP, and other stakeholders
- Continually working with local, regional and state partnerships on Environmental Reviews for projects that could potentially impact drinking water quality
- Collaborating with stakeholders at the community and state level to implement source water protection concepts and best management practices to enhance drinking water source protection
- Contracting with the New England Interstate Water Pollution Control Commission (NEIWPCC) to hire a Regulatory Advisor

b) Capacity Development

The DPH will use 7.5% of the Local Assistance set-aside allocation for capacity development initiatives that are consistent with the DWS's EPA-approved Capacity Development Strategy and help to improve the technical, financial and managerial capacity of PWSs. The DPHs strategies account for both immediate and long-term sustainability initiatives, including education, technical assistance, enforcement, consolidation, DWSRF assistance, and water system restructuring. These funds will be used primarily to support staff within the DWS that:

- Conduct sanitary surveys of community, NTNC and TNC PWSs
- Provide technical assistance to PWSs on violations and deficiencies noted during sanitary surveys
- Perform technical, financial and managerial capacity assessments of PWSs during sanitary surveys
- Provide technical assistance and enforcement referral to local health departments for maximum contaminant level violations, source water construction violations and cross-connections identified at NTNC and TNC food service establishments
- Conduct reviews of water quality and quantity of newly-developed drinking water sources and review engineering plans and specifications for new water system designs in accordance with CGS Section 16-262m, and regulations adopted thereunder, and under the authority of RCSA Section 19-13-B102
- Support the DWSRF program by soliciting for DWSRF projects; providing technical assistance to DWSRF applicants and their consultants on program requirements; determining project eligibility and reviewing and ranking project applications; reviewing project plans and specifications; tracking projects through completion including site visits; reviewing and approving DWSRF payment requests from loan recipients; entering and maintaining data in the federal DWSRF Project Benefits Reporting (PBR) system and Drinking Water National Information Management System (DWNIMS) on-line databases; preparing state and federal DWSRF reports; coordinating, conducting and attending the Public Hearing on the IUP and PPLs; meeting with stakeholders and applicants as needed; and attending workshops and trainings to improve the efficiency of the DWSRF Program.

- Provide technical assistance to PWSs that have received a significant violation as a result of a site visit or as noted in a sanitary survey report
- Participate as necessary in training programs related to the technical, managerial and financial capacity of PWSs for PWS operators and public health officials
- Work with the Connecticut drinking water industry, the Association of State Drinking Water Administrators, and the EPA with a goal of achieving optimization of existing surface water treatment plants

VIII. AUDITS AND REPORTING

Ensuring transparency and accountability, all program materials are posted on our website (www.ct.gov/dph/dwsrf). DWSRF Annual Reports are posted on the OTT website (http://www.ott.ct.gov/debt_drinkingwaterfund.html). Financial audits are conducted annually by the OTT and included with the Annual Report. We commit to entering project and benefits data into the DWNIMS and PBR System to evaluate the benefits of Connecticut's DWSRF program. Among other parameters, the reporting systems will evaluate the number of DWSRF projects that provide public health benefits, including those that achieve compliance with the SDWA, those that maintain compliance with the SDWA, and those that are intended to meet future requirements of the SDWA.

Project benefits information is entered into PBR as soon as possible following execution of a funding agreement, preferably within two weeks. If a project contains "green" components, we will report on the "green" projects and/or "green" portion of projects in PBR.

IX. PUBLIC OUTREACH AND COMMENT

The DPH has engaged in a determined effort to prepare and provide accurate and understandable information on the DWSRF to potential loan applicants and other interested persons. The DWSRF loan applicant pool in Connecticut consists of approximately 900 PWSs. Outreach to these systems, as well as to other interested persons, has and will continue to occur simultaneously with the implementation of the DWSRF program. Outreach is accomplished through posting information on the DWS website, meeting with applicants, distributing program information, and participating in various water-related forums. In addition, during sanitary surveys PWS are encouraged to consider the DWSRF program for their infrastructure financing needs. The DPH directly solicits for DWSRF projects to all community PWSs and all NTNC public schools.

In conformance with 40 CFR 35.3555(b), the DPH will seek meaningful public review and comment on this IUP. In addition, RCSA Section 22a-482-1(c)(4) requires that a public hearing be held to allow for the opportunity to comment on the draft comprehensive project list. As has been done in previous years, this IUP will be made available to all applicants and other interested persons for review and comment at least 30 days prior to the public hearing. A Notice of Hearing will be formally advertised in newspapers of statewide and regional distribution and in two minority newspapers. The Draft IUP and Notice of Hearing will also be sent to all DWSRF applicants with projects appearing on the Comprehensive Project List. Interested persons will be invited to provide oral or written testimony at a public hearing and to submit written comments.

The public hearing will be followed by an Open Forum where attendees or other interested parties will have an opportunity to meet directly with DWSRF program staff to answer questions and learn more about the loan program. Following the public hearing, all testimony and comments will be reviewed and considered by the DPH and a Final IUP containing the Final Fundable PPL, and Hearing Report will be published.

X. ATTACHMENTS

- A. [Sources and Uses of Estimated Amounts of DWSRF Funds](#)
- B. [Priority Ranking System](#)
- C. [SFY 2016 Comprehensive Project List – Alphabetical Order](#)
- D. [SFY 2016 Comprehensive Project List – By Expected Funding Year and Points](#)
- E. [SFY 2016 Carryover Project List](#)
- F. To be inserted with Final IUP [SFY 2016 Fundable Project Priority List]
- G. [Asset Management Plan Checklist](#)
- H. [Fiscal Management Plan Checklist](#)
- I. [December 22, 2014 EPA Memo](#)

Attachment A - Sources and Uses of DWSRF Funds

| | Cumulative Total through 6/19/15 | 7/1/15 - 6/30/16 (This IUP) | Cumulative Total Through 6/30/16 |
|---|-------------------------------------|--------------------------------|-------------------------------------|
| <u>SOURCES</u> | | | |
| Funds Transferred From (to) CWSRF | \$ - | \$ - | \$ - |
| Federal Capitalization Grant Set-Asides | \$ 53,805,509 | \$ 2,778,220 | \$ 56,583,729 |
| Previous Bond Authorization Committed to Projects ¹ | \$ 178,804,374 | - | \$ 178,804,374 |
| Previous Bond Authorization Available for Projects ² | | \$ 183,808,094 | \$ 183,808,094 |
| SFY 2016 Requested General Obligation Bond Authorization ³ Includes FFY 2015 State Match Requirement - \$1,792,400 | | \$ 2,500,000 | \$ 2,500,000 |
| SFY 2016 Requested State Revenue Bond Authorization ³ Includes FFY 2015 Capitalization Grant Projects - \$6,183,780 | | \$ 26,920,000 | \$ 26,920,000 |
| State Funding Authorized by Public Act 14-98 ⁴ | | \$ 50,000,000 | \$ 50,000,000 |
| Sources Total | \$ 232,609,883 | \$ 266,006,314 | \$ 498,616,197 |
| <u>USES</u> | | | |
| Funds Transferred From (to) CWSRF | \$ - | \$ - | \$ - |
| <u>Set-Asides</u> | | | |
| Administrative | \$ 7,251,356 | \$ 358,480 | \$ 7,609,836 |
| State Program Management | \$ 17,993,390 | \$ 896,200 | \$ 18,889,590 |
| Small System Technical Assistance | \$ 3,618,178 | \$ 179,240 | \$ 3,797,418 |
| Local Assistance / Other State Programs | \$ 24,942,585 | \$ 1,344,300 | \$ 26,286,885 |
| <u>Projects</u> | | | |
| Previous Bond Authorization Committed to Projects | \$ 178,804,374 | | \$ 178,804,374 |
| Previous Bond Authorization Used for Carryover Projects | | \$ 121,278,844 | \$ 121,278,844 |
| Previous Bond Authorization Used for New Projects | | \$ 62,529,250 | \$ 62,529,250 |
| Requested FY 2016 Bond Authorizations to Commit to New Projects ³ Includes General Obligation and Revenue Bond Authorizations | | \$ 29,420,000 | \$ 29,420,000 |
| State Funding Authorized by Public Act 14-98 Used for Projects ⁴ | | \$ 50,000,000 | \$ 50,000,000 |
| Uses Total | \$ 232,609,883 | \$ 266,006,314 | \$ 498,616,197 |

Footnotes:

1 - The capitalization grant project funds and state match amounts are included in the amount of bond authorization. This amount also includes proceeds generated by leveraging, interest earnings, and principal repayments. Refer to the text of the IUP for an explanation. Funds have been committed to projects.

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

3 - Funds are subject to legislative approval as part of the Capital Budget process

4 - As of June 2015 funds have not been approved by the State Bond Commission

Attachment B

CONNECTICUT DEPARTMENT OF PUBLIC HEALTH PRIORITY RANKING SYSTEM FOR PROJECTS ELIGIBILITY FOR DRINKING WATER STATE REVOLVING FUND (DWSRF) FUNDING (Revised 10/28/2014)

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 (PWSs). In establishing such priority list and ranking system, the Commissioner of DPH shall consider all factors which are deemed relevant, including but not limited to the following:

1. Public health and safety
2. Protection of environmental resources
3. Population affected
4. Risk to human health
5. PWSs most in need 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, including the Regulations of Connecticut State Agencies (RCSA)
8. Consistency with the plan of conservation and development
9. Consistency with the water resources policies delineated in CGS Section 22a-380
10. Consistency with the coordinated water system plan in accordance with subsection (f) of CGS 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 biennial 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 and project readiness. 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 such assistance will ensure compliance and the owner(s) and/or operator(s) of the systems agree to undertake feasible and appropriate changes in operations to ensure compliance over the long term.
3. Systems that are in significant noncompliance with any state regulation, national primary drinking water regulation or variance unless such assistance will ensure compliance.

Attachment B

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 SDWA
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 and/or State law. The amounts of subsidization, if available, and method of distributing such subsidies will be determined annually and detailed in the Intended Use Plan. A project which is eligible for subsidy must execute a loan for the remaining amount of principal in order to receive the subsidy.

INTENDED USE PLAN (IUP)

Annually the DPH will prepare an Intended Use Plan (IUP) that identifies how the State intends to use available DWSRF funds. The IUP will be submitted to the U.S. Environmental Protection Agency (EPA) as part of the DPH's annual capitalization grant application for 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

Every two years 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. Projects for 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:

Attachment B

- addresses the most serious risk to human health
- are necessary to ensure compliance with the requirements of the SDWA including requirements for filtration
- assist systems most in need according to state affordability criteria

Connecticut's ranking system 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
- 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 that have been identified by the Connecticut Department of Economic and Community Development as "distressed municipalities."
- Category VII awards points to projects that will address Significant Deficiencies under the Ground Water Rule.
- Category VIII awards points to projects for emergency power generators, whether a new installation or replacement

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. 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 with respect to funding small systems. In cases where an applicant owns more than one community PWS, the applicant's population will be determined on the combined population of all of its individually owned community PWSs.

Every two years, the DPH will compile a comprehensive priority list of drinking water projects which applied for DWSRF assistance in the IUP. The IUP will identify which projects are expected to receive funding during the biennial funding cycle. Some projects on the list may include planning, design and construction elements (i.e. multi-phase projects). For these multi-phase projects, the DPH will only fund those phases of the project that can be started during the biennial DWSRF funding cycle. The non-funded phases of these projects will be eligible for DWSRF assistance in future years.

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.

There will be 4 factors taken into consideration when compiling the final draft Project Priority List. Those factors are:

Attachment B

1. The total numerical points assigned to a project which is arrived at by tallying points from each of the 8 priority point categories.
2. A PWS's readiness to proceed with the activities they have requested funding for during the biennial 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 required by federal law, a portion of DPH's capitalization grant shall be dedicated to projects that address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities.

GREEN PROJECT RESERVE (GPR)

Applicants for DWSRF financial assistance are also strongly encouraged to submit projects that address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities. To the extent required by Federal law, which may vary from year to year, the DPH will establish a Green Project Reserve to reserve certain DWSRF funds for projects that include qualifying "green" components. The GPR is typically equal to a percentage of the DPH's annual federal capitalization grant award. GPR requirements, as applicable, will be announced by the DPH during the biennial DWSRF application solicitation process if they are known at the time of the announcement. The GPR will also be described in the DPH's IUP.

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. Actual point values for common qualifying project elements associated with each Category are provided in Appendix A.

- I. **Water 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 exceedance 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 MCLs 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 RCSA Section 19-13-B101, can be

Attachment B

assigned ranking points, if the solution is to extend water service to the affected wells from the applicant's public water supply.

II. Water 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 RCSA 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 RCSA Section 19-13-B102(o). 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 RCSA Section 19-13-B102(p).

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

Attachment B

To encourage public water systems to develop or maintain plans for existing drinking water infrastructure improvements, additional priority points will be given to proactive water system improvements that:

- are consistent with improvements identified in a DPH approved individual Water Supply Plan for the most recent planning period as described in RCSA Section 25-32d-3(e)
- are consistent infrastructure priorities established within an on-going Asset Management Plan

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:

- the purchase of land expressly needed for the new source(s) as to what is needed to construct treatment facilities, or pumping stations, etc.
- the 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
- 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 a project that serves a city or town determined to be a “distressed municipality” by the Department of Economic and Community Development (DECD) according to C.G.S. Section 32-9p. The following towns and cities currently qualify under this category: Ansonia, Bridgeport, Bristol, Derby, East Hartford, Enfield, Groton, Hartford, Killingly, Meriden, Montville, Naugatuck, New Britain, New Haven, New London, North Canaan, Plainfield, Plymouth, Putnam, Sprague, Torrington, Waterbury, West Haven, Windham, and Winchester.

VII. **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.

Attachment B

VIII. EMERGENCY GENERATORS

Emergency Power Generator Program (EPGP)

As result of the widespread and prolonged power outages caused by two major statewide storms in the fall of 2011, the DPH DWS introduced an Emergency Power Generator Program (EPGP) to provide subsidized loans for the purchase and installation of emergency power generator systems costing less than \$100,000. Projects eligible to be funded through this program will be confirmed by the DPH. This program is open to all public water systems eligible for DWSRF funding. Eligible projects under this program will receive 25 points for replacement generators or 50 points for new generators, and will be eligible to receive additional points under Category VI (Affordability) if the project serves a qualifying town or city, and/or Category IV (Sustainability Planning) is to be used if the PWS has an approved water supply plan or on-going asset management plan.

If a public water system incorporates an emergency power generator system installation project into a larger scale project then the combined project will only receive an additional 5 points for “emergency power provisions” under Category IV (Proactive Infrastructure Upgrades) for the generator system installation. This is intended to prevent a public water system from using the EPGP program as a mechanism to gain a significant priority ranking advantage for a larger scale higher cost project. By keeping EPGP project costs low the DPH hopes to be able to provide funding for a large number of generator projects during each funding cycle.

Generators Projects Costing over \$100,000

Generator projects with costs estimated at \$100,000 or greater will be required to follow the guidelines as part of the full DWSRF program. Such projects will receive 25 points for replacement generators or 50 points for new generators, and will be eligible to receive additional points under Category VI (Affordability) if the project serves a qualifying town or city, and/or Category IV (Sustainability Planning) is to be used if the PWS has an approved water supply plan or on-going asset management plan.

GREEN PROJECT RESERVE (GPR)

Green projects include those that promote green infrastructure and energy or water efficiency, as well as projects that demonstrate new or innovative ways to manage water resources in a sustainable way. To the extent required by Federal law, which may change from year to year, priority may be given to eligible projects where sufficient documentation has demonstrated to the satisfaction of DPH that the project achieves identifiable and substantial benefits that qualify as green project benefits. A “business case” is required of all green project applications unless the project is categorically excluded from this requirement under federal guidelines. Business cases shall include supporting documentation of how the project or portion of the project achieves green project benefits. Specific GPR amounts available each year will be identified in the DPH’s IUP. The DPH will solicit for qualifying GPR projects during the biennial DWSRF application process.

TOTAL POINTS AND TIE-BREAKERS

The total numeric score for a project is determined by summing the points from each of the eight 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:

Attachment B

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 eight categories.

PROJECT BY-PASS AND READINESS TO PROCEED

Only those elements (planning, design, construction) of eligible projects that can result in executed contracts and DWSRF loan agreements within the current biennial funding cycle may receive funding during that cycle. Elements of eligible projects that cannot result in executed contracts and DWSRF loan agreements may be eligible to receive funding in future funding cycles. The information that the DPH will use to make a determination on project readiness is included in the DWSRF Eligibility Application.

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 SFY funding cycle.

Only those elements (planning, design, construction) of eligible projects that can result in executed contracts and DWSRF loan agreements within the current July 1, 2015 to June 30, 2017 funding cycle may receive funding. The DPH has developed objective criteria to determine those elements of projects that can be completed in the current funding cycle. This By-Pass process is necessary to ensure that available DWSRF funds will be disbursed in a timely fashion. The factors in these criteria are:

1. Local resolutions are in place.
2. Required local permits or approvals have been identified.
3. Required State permits or approvals have been identified.
4. Project is consistent with the State of Connecticut Plan of Conservation and Development
5. (For Construction Projects) Status of final design.
6. (For Construction Projects) Status of bid specifications.
7. (For Construction Projects) All necessary sites, easements and rights-of-way have been identified

EMERGENCY BY-PASS PROCEDURE

The DPH Commissioner may make a project loan or loans with respect to an eligible drinking water project without regard to the priority list of eligible drinking water projects if a public drinking water supply emergency exists, pursuant to CGS Section 25-32(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 on the project priority list. Note that any loan made under the Emergency By-Pass Procedure must also follow all program requirements.

Attachment B

Appendix A

Connecticut Department of Public Health – Drinking Water Section Drinking Water State Revolving Fund Priority Point Values for Common Qualifying Elements of Projects

| Category I: Water Quality | Points |
|--|---------------|
| A. Immediate: Surface Water Treatment Rule Violation(s) | 50 |
| Microbiological Violation | 50 |
| Inorganic Violation | |
| Nitrate/Nitrite/Nitrogen | 50 |
| Lead/Copper Exceedance | 40 |
| Arsenic | 40 |
| B. Long-Term: Radioactivity Violations | 40 |
| Inorganic Chemical Violations | 30 |
| (other than lead, copper, arsenic, sodium, nitrate) | |
| Organic Chemical Violations | 30 |
| Pesticides, Herbicides & PCBs Violations | 30 |
| Treatment Technique Violations | 20 |
| (Fluoride, Chlorine Residual, Phosphates) | |
| Sodium Exceedance | 10 |
| C. Goals: Exceeding DPH Action Levels | 15 |
| Approaching MCL (50% of current MCL) | 25 |
| (does not include physical parameters) | |
| D. Physical: Color Violation | 10 |
| PH Violation | 10 |
| Odor Violation | 10 |
| Turbidity (Ground Water) Violation | 10 |
| E. Private Wells: Water main extension to existing private wells with RCSA Violations (20 points maximum) | 20 |
| Category II: Water Quantity: | |
| A. Source Deficit or Insufficient Margin of Safety | 40 |
| B. System Capacity Deficits | 20 |
| C. Lack of Source (production) Meters | 20 |
| D. Pressure Violation (pressure drops to less than 25 psi) | 20 |
| E. Source Development (additional and/or replacement) | 20 |
| F. Implementation of Conservation Measures | 15 |
| Category III: Acquisition/Transfer | |
| A. Acquisition / Transfer of System | 25 |
| B. Interconnection: | |
| PWS Absorbed (15 points per each PWS) | 15 |
| System remains as consecutive | 15 |

Attachment B

Category IV: Proactive Infrastructure **Points**

| | |
|--|----|
| A. Upgrades (maximum of 25 points from this category): | |
| Treatment Facilities (facility structures, treatment process, etc.) | 15 |
| Pumping Facilities | 5 |
| Main Replacement/Improvement | 5 |
| Treatment Residuals Management | 5 |
| Storage Tanks (replace, repair, repaint, new, etc.) | 5 |
| Main Extension for Interconnection | 5 |
| System Automation | 5 |
| Leak Detection | 5 |
| Distribution Meters | 5 |
| Posting/Fencing/Security Measures | 10 |
| B. Emergency Power Provisions (as part of a larger project) | 5 |
| C. Sustainability Planning (maximum of 10 points from this category): | |
| Project identified in approved Water Supply Plan | 10 |
| Project prioritized within on-going Asset Management Plan | 10 |

Category V: Water System Protection*

| | |
|--|----|
| A. Source/Distribution Violations | 10 |
| B. Implementation Best Management Practices (BMP) on watersheds as a result of construction | 10 |
| C. Source Protection improvements | 5 |
| D. Purchase of Land | 5 |
| * (must relate to a construction project to qualify for points) | |

Category VI: Affordability 10

A. Systems having projects that serve a city or town determined to be a “distressed municipality” by the Department of Economic and Community Development (DECD) according to C.G.S. Section 32-9p. The following towns and cities currently qualify under this category: Ansonia, Bridgeport, Bristol, Derby, East Hartford, Enfield, Groton, Hartford, Killingly, Meriden, Montville, Naugatuck, New Britain, New Haven, New London, North Canaan, Plainfield, Plymouth, Putnam, Sprague, Torrington, Waterbury, West Haven, Windham, and Winchester.

Category VII: Ground Water Rule

| | |
|---|----|
| A. Project corrects Significant Deficiencies | |
| Points awarded based on percentage of total eligible project cost that corrects Significant Deficiencies as shown below (rounded to nearest 10%) | |
| 100% | 20 |
| 90% | 18 |
| 80% | 16 |
| 70% | 14 |
| 60% | 12 |
| 50% | 10 |
| 40% | 8 |
| 30% | 6 |
| 20% | 4 |
| 10% (>0 & up to 10%) | 2 |

Attachment B

Category VIII: Emergency Generator (maximum of 50 points from this category)

Note: If points are awarded under Category IV B (Emergency Power Provisions) above, no points will be awarded under this category.

A. Emergency Power Generator Program

This category is for projects estimated to cost less than \$100,000. Either 25 or 50 points will be awarded for this category.

| | |
|----------------------------|----|
| New generator installation | 50 |
| Replacement generator | 25 |

B. Emergency Power Generator

This category is for projects with estimated costs of \$100,000 and over. Either 25 or 50 points will be awarded for this category.

| | |
|----------------------------|----|
| New generator installation | 50 |
| Replacement generator | 25 |

| Project # | PWSID | Public Water System | Town of PWS | Project Name | Estimated SFY for Funding | Points | Amount Requested | Received Affordability Points ¹ | Small System ² |
|-----------|-----------|---|-------------|--|---------------------------|--------|------------------|--|---------------------------|
| 2015-0036 | CT0090011 | BETHEL WATER DEPT | BETHEL | DWSRF - Hoyts Hill Booster Pump | 2016 | 55 | \$1,063,836 | No | Yes |
| 2015-0038 | CT0090011 | BETHEL WATER DEPT | BETHEL | DWSRF - Maple Avenue Well #1 and #2 | 2016 | 25 | \$689,000 | No | Yes |
| 2015-0039 | CT0090011 | BETHEL WATER DEPT | BETHEL | DWSRF - New East Swamp Well Field | 2017 | 30 | \$2,600,000 | No | Yes |
| 2015-0041 | CT0090011 | BETHEL WATER DEPT | BETHEL | DWSRF - Water Main Replacement | 2016 | 15 | \$580,000 | No | Yes |
| 2015-0034 | CT0279044 | INDIAN RIVER RECREATIONAL COMPLEX | CLINTON | DWSRF - Rocky Ledge Area Water Main Extension | 2017 | 30 | \$3,000,000 | No | Yes |
| 2015-0084 | CT0320292 | COVENTRY HIGH & NATHAN HALE SCHOOLS | COVENTRY | DWSRF - Water main ext for consolidation (Planning/Design) | 2016 | 40 | \$550,000 | No | Yes |
| 2015-0084 | CT0320292 | COVENTRY HIGH & NATHAN HALE SCHOOLS | COVENTRY | DWSRF - Water main ext for consolidation (Construction) | 2017 | 40 | \$5,550,000 | No | Yes |
| 2015-0040 | CT0330011 | CROMWELL FIRE DISTRICT WATER DEPARTMENT | CROMWELL | DWSRF - Raymond Place Neighborhood Water Main Replacement | 2016 | 15 | \$1,500,000 | No | No |
| 2015-0114 | CT0450011 | EAST LYME WATER & SEWER COMMISSION | EAST LYME | DWSRF - Greensand Filtration - Wells 1A & 2A (Design) | 2016 | 25 | \$500,000 | No | No |
| 2015-0114 | CT0450011 | EAST LYME WATER & SEWER COMMISSION | EAST LYME | DWSRF - Greensand Filtration - Wells 1A & 2A (Construction) | 2017 | 25 | \$5,500,000 | No | No |
| 2015-0035 | CT0609094 | BITTNER PARK | GUILFORD | DWSRF - Mulberry Point Water Main Extension | 2017 | 30 | \$2,716,880 | No | Yes |
| 2012-0029 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replace Buckingham St. area, Hartford | 2016 | 25 | \$5,000,000 | Yes | No |
| 2012-0030 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replace Bond Street, Hartford | 2016 | 25 | \$3,904,000 | Yes | No |
| 2012-0036 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replace Simmons Rd, East Hartford | 2016 | 25 | \$2,520,000 | Yes | No |
| 2012-0038 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Raw Water Pipeline-Phase I - Res#6 to Res #5 | 2017 | 25 | \$5,000,000 | Yes | No |
| 2015-0037 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Garden Street Area Water Main Replacement, Wethersfield | 2016 | 15 | \$3,000,000 | No | No |
| 2015-0043 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Various Storage Tank Rehab | 2017 | 40 | \$4,000,000 | Yes | No |
| 2015-0045 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Raw Water Pipeline - Phase II - Res 6 to Res 5 | 2017 | 25 | \$5,000,000 | Yes | No |
| 2015-0046 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Church Street Water Main Replacement Phases I & II | 2016 | 25 | \$8,000,000 | Yes | No |
| 2015-0047 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replacements - Various East Hartford (2017) | 2017 | 25 | \$3,300,000 | Yes | No |
| 2015-0052 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Bloomfield Transmission Main Extension | 2016 | 15 | \$13,000,000 | No | No |
| 2015-0053 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Madison Avenue Area Water Main Replacement, Hartford | 2016 | 25 | \$3,600,000 | Yes | No |
| 2015-0056 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Eastbury Water Storage Basin Improvements, Glastonbury | 2016 | 15 | \$2,800,000 | No | No |
| 2015-0060 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - West Hartford Water Treatment Facility - Rehab of 6 MG Basin | 2016 | 35 | \$3,000,000 | Yes | No |
| 2015-0063 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Farmington Ave #11 Water Main Replacement | 2016 | 25 | \$3,500,000 | Yes | No |
| 2015-0064 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Bear Ridge Drive - Pump Station Upgrade & Water Main Extension | 2017 | 35 | \$1,800,000 | No | No |
| 2015-0066 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Transmission Main Extension - Long Hill Road | 2017 | 15 | \$3,400,000 | No | No |

| Project # | PWSID | Public Water System | Town of PWS | Project Name | Estimated SFY for Funding | Points | Amount Requested | Received Affordability Points ¹ | Small System ² |
|-----------|-----------|----------------------------------|-------------|--|---------------------------|--------|------------------|--|---------------------------|
| 2015-0067 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replacements - Hartford (2016) | 2017 | 25 | \$13,000,000 | Yes | No |
| 2015-0068 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replacements - Various West Hartford (segments progressing in 2016) | 2016 | 15 | \$4,500,000 | No | No |
| 2015-0068 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replacements - Various West Hartford (segments progressing in 2017) | 2017 | 15 | \$4,500,000 | No | No |
| 2015-0008 | CT0690141 | CRANBERRY BOG APARTMENTS | KILLINGLY | DWSRF - Generator | 2016 | 50 | \$20,000 | No | Yes |
| 2015-0116 | CT0770021 | MANCHESTER WATER DEPARTMENT | MANCHESTER | DWSRF - Water Main Replacement - Valley St. area | 2017 | 15 | \$1,000,000 | No | No |
| 2015-0117 | CT0770021 | MANCHESTER WATER DEPARTMENT | MANCHESTER | DWSRF - New State Rd. Well #7 replacement | 2016 | 20 | \$250,000 | No | No |
| 2015-0032 | CT0790021 | HILLSIDE CORPORATION | MARLBOROUGH | DWSRF - Storage Tank & Pump House Improvements | 2017 | 25 | \$115,000 | No | Yes |
| 2015-0092 | CT0800011 | MERIDEN WATER DIVISION | MERIDEN | DWSRF - Elmere WTP & Storage Tank Rehab (design) | 2016 | 55 | \$1,440,000 | Yes | No |
| 2015-0093 | CT0800011 | MERIDEN WATER DIVISION | MERIDEN | DWSRF - Williams St. PS (new) (design) | 2016 | 45 | \$120,000 | Yes | No |
| 2015-0094 | CT0800011 | MERIDEN WATER DIVISION | MERIDEN | DWSRF - Merimere Storage Tank Rehab (Design) | 2016 | 40 | \$120,000 | Yes | No |
| 2015-0094 | CT0800011 | MERIDEN WATER DIVISION | MERIDEN | DWSRF - Merimere Storage Tank Rehab (Construction) | 2017 | 40 | \$840,000 | Yes | No |
| 2015-0095 | CT0800011 | MERIDEN WATER DIVISION | MERIDEN | DWSRF - Fleming Road Storage Tank Rehab/ Replacement (Design) | 2016 | 45 | \$200,000 | Yes | No |
| 2015-0095 | CT0800011 | MERIDEN WATER DIVISION | MERIDEN | DWSRF - Fleming Road Storage Tank Rehab/ Replacement (Construction) | 2017 | 45 | \$880,000 | Yes | No |
| 2015-0112 | CT0860302 | MONTVILLE HIGH SCHOOL | MONTVILLE | DWSRF - Montville Center Waterline Interconnection | 2017 | 20 | \$6,800,000 | No | Yes |
| 2015-0030 | CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Water Main Improvement on Batterson Park Road (Design) | 2016 | 25 | \$50,000 | Yes | No |
| 2015-0030 | CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Water Main Improvement on Batterson Park Road (Construction) | 2017 | 25 | \$600,000 | Yes | No |
| 2015-0048 | CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Redevelopment of the Lower White Bridge Well (Design) | 2016 | 60 | \$700,000 | Yes | No |
| 2015-0048 | CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Redevelopment of the Lower White Bridge Well (Construction) | 2017 | 60 | \$2,800,000 | Yes | No |
| 2015-0051 | CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Whtbrg Raw Water Supply (Pond) Station Electric, Mechanical & SCADA (Design) | 2016 | 30 | \$291,280 | Yes | No |
| 2015-0051 | CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Whtbrg Raw Water Supply (Pond) Station Electric, Mechanical & SCADA (Construction) | 2017 | 30 | \$1,960,864 | Yes | No |
| 2015-0134 | CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Hydroelectric Turbine and Generator (Design) | 2016 | 15 | \$169,000 | Yes | No |
| 2015-0134 | CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Hydroelectric Turbine and Generator (Construction) | 2017 | 15 | \$1,131,000 | Yes | No |
| 2014-0234 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF - Lake Saltonstall Intake and Raw Water PS Improvements | 2017 | 40 | \$2,400,000 | Yes | No |
| 2014-0245 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF - Lake Gaillard WTP Generator | 2016 | 35 | \$2,200,000 | Yes | No |
| 2015-0085 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF - West River WTP DAF | 2017 | 35 | \$4,000,000 | Yes | No |
| 2015-0086 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF - Tank Painting (various) | 2017 | 35 | \$2,000,000 | Yes | No |
| 2015-0087 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF - Burwell Hill Tank Replacement | 2017 | 25 | \$3,000,000 | Yes | No |

| Project # | PWSID | Public Water System | Town of PWS | Project Name | Estimated SFY for Funding | Points | Amount Requested | Received Affordability Points ¹ | Small System ² |
|-----------|-----------|--------------------------------------|-------------|---|---------------------------|--------|------------------|--|---------------------------|
| 2015-0088 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF - Adv Metering Infrastructure Phase IVb | 2017 | 50 | \$4,200,000 | Yes | No |
| 2015-0089 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF - Ansonia-Derby Atm Storage Tank | 2017 | 40 | \$2,500,000 | Yes | No |
| 2015-0090 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF - North Sleeping Giant Well Replacement | 2017 | 50 | \$1,000,000 | Yes | No |
| 2015-0054 | CT1040011 | NORWICH PUBLIC UTILITIES | NORWICH | DWSRF - Deep River Trans Main Rehab - East Section (Design) | 2016 | 15 | \$579,000 | No | No |
| 2015-0054 | CT1040011 | NORWICH PUBLIC UTILITIES | NORWICH | DWSRF - Deep River Trans Main Rehab - East Section (Construction) | 2017 | 15 | \$8,621,000 | No | No |
| 2015-0057 | CT1040011 | NORWICH PUBLIC UTILITIES | NORWICH | DWSRF - Deep River Trans Main Rehab - Central Section | 2017 | 15 | \$9,400,000 | No | No |
| 2015-0058 | CT1040011 | NORWICH PUBLIC UTILITIES | NORWICH | DWSRF - AMI Water Meter Replacement Program | 2016 | 40 | \$3,600,000 | No | No |
| 2015-0102 | CT1050141 | LYME REGIS, INC. | OLD LYME | DWSRF - Generator | 2016 | 50 | \$20,000 | No | Yes |
| 2015-0103 | CT1220061 | SALISBURY SCHOOL | SALISBURY | DWSRF - Generator Salisbury School | 2016 | 50 | \$37,300 | No | Yes |
| 2015-0061 | CT1280011 | TARIFFVILLE FIRE DISTRICT WATER DEPT | SIMSBURY | DWSRF - Wellhead Protection Improvements | 2016 | 30 | \$200,000 | No | Yes |
| 2015-0172 | CT1280011 | TARIFFVILLE FIRE DISTRICT WATER DEPT | SIMSBURY | DWSRF - Water Main Improvements | 2016 | 5 | \$300,000 | No | Yes |
| 2015-0091 | CT1310011 | SOUTHINGTON WATER DEPARTMENT | SOUTHINGTON | DWSRF - AMR/AMI Upgrade | 2017 | 40 | \$3,600,000 | No | No |
| 2015-0115 | CT1420041 | WOODLAND SUMMIT COMMUNITY WATER ASSN | TOLLAND | DWSRF - Infrastructure Improvements (Planning/Design) | 2016 | 25 | \$30,000 | No | Yes |
| 2015-0115 | CT1420041 | WOODLAND SUMMIT COMMUNITY WATER ASSN | TOLLAND | DWSRF - Infrastructure Improvements (Construction) | 2017 | 25 | \$70,000 | No | Yes |
| 2015-0071 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Rehabilitations and Replacement of Water Mains (Fiscal year 2016) | 2016 | 25 | \$1,600,000 | Yes | No |
| 2015-0072 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Rehabilitations and Replacement of Water Mains (Fiscal year 2017) | 2017 | 25 | \$1,600,000 | Yes | No |
| 2015-0073 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Generator Hamilton Avenue Pump Station (Planning/Design) | 2016 | 70 | \$10,000 | Yes | No |
| 2015-0073 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Generator Hamilton Avenue Pump Station (Construction) | 2017 | 70 | \$140,000 | Yes | No |
| 2015-0074 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Generator North Main Street Pump Station (Planning/Design) | 2016 | 70 | \$15,000 | Yes | No |
| 2015-0074 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Generator North Main Street Pump Station (Construction) | 2017 | 70 | \$285,000 | Yes | No |
| 2015-0075 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Generator Pierpont Road Pump Station (Planning/Design) | 2016 | 70 | \$15,000 | Yes | No |
| 2015-0075 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Generator Pierpont Road Pump Station (Construction) | 2017 | 70 | \$185,000 | Yes | No |
| 2015-0076 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Generator Rumford Street Pump Station (Planning/Design) | 2016 | 70 | \$10,000 | Yes | No |
| 2015-0076 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Generator Rumford Street Pump Station (Construction) | 2017 | 70 | \$140,000 | Yes | No |
| 2015-0077 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Generator at the Water Treatment Plant | 2017 | 45 | \$2,250,000 | Yes | No |

| Project # | PWSID | Public Water System | Town of PWS | Project Name | Estimated SFY for Funding | Points | Amount Requested | Received Affordability Points ¹ | Small System ² |
|-----------|-----------|---------------------------------------|-------------|--|---------------------------|--------|------------------|--|---------------------------|
| 2015-0078 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Water Treatment Plant Sludge Removal Equipment (Planning/Design) | 2016 | 45 | \$500,000 | Yes | No |
| 2015-0078 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Water Treatment Plant Sludge Removal Equipment (Construction) | 2017 | 45 | \$2,300,000 | Yes | No |
| 2015-0042 | CT1530021 | WATERTOWN WATER & SEWER AUTHORITY | WATERTOWN | DWSRF - Bunker Hill Sewer & Water Extension | 2017 | 30 | \$4,000,000 | No | No |
| 2015-0050 | CT1530021 | WATERTOWN WATER & SEWER AUTHORITY | WATERTOWN | DWSRF - Davis Street Water Main Replacement: Maple to Russel | 2017 | 15 | \$700,000 | No | No |
| 2015-0011 | CT1600061 | NORTH WILLINGTON VILLAGE CONDO ASSOC. | WILLINGTON | DWSRF - Generator | 2016 | 50 | \$11,800 | No | Yes |
| 2015-0055 | CT1680031 | WOODLAKE TAX DISTRICT | WOODBURY | DWSRF - Generator IMF Bldg | 2016 | 25 | \$58,000 | No | Yes |
| 2015-0059 | CT1680031 | WOODLAKE TAX DISTRICT | WOODBURY | DWSRF - Generator Pre Treatment Bldg | 2016 | 25 | \$32,000 | No | Yes |
| 2015-0065 | CT1680031 | WOODLAKE TAX DISTRICT | WOODBURY | DWSRF - Distribution System Improvements & Trans Line Cleaning | 2017 | 20 | \$75,000 | No | Yes |
| 2015-0069 | CT1680031 | WOODLAKE TAX DISTRICT | WOODBURY | DWSRF - Replacement of Bedrock Supply Well PW-7 | 2017 | 30 | \$85,000 | No | Yes |
| 2015-0070 | CT1680031 | WOODLAKE TAX DISTRICT | WOODBURY | DWSRF - Treatment System Improvements & Water System Automation Project | 2017 | 35 | \$940,000 | No | Yes |
| 2015-0062 | CT1680031 | WOODLAKE TAX DISTRICT | WOODBURY | DWSRF - Solar Panel Installation ³ | 2017 | 0 | \$600,000 | No | Yes |

Total amount of eligible funds requested: \$199,869,960

The following projects were determined to be ineligible for DWSRF funding

| | | | | | | | | | |
|-----------|-----------|----------------------------------|-------------|--|---|---|-------------|--|--|
| 2015-0044 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Simsbury Road Pump Station Upgrade | - | 0 | \$2,677,000 | | |
| 2015-0031 | CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Shadow Meadow Reservoir West Canal Leakage | - | 0 | \$990,600 | | |
| 2015-0111 | CT1051021 | MIAMI BEACH WATER COMPANY | OLD LYME | DWSRF - Water Main Replacement | - | 0 | \$2,400,000 | | |

Footnotes:

- 1 Projects which were awarded Affordability points are qualified to receive federal subsidy.
- 2 These PWSs serve a population less than or equal to 10,000 and are considered "small" for the purposes of DWSRF and are qualified to receive federal subsidy.
This project is eligible for DWSRF under federal rules, however, there is no point category in the current Priority Ranking System for which this project qualifies, therefore, no ranking points have been awarded.
- 3

| Project # | PWSID | Public Water System | Town | Project Name | Estimated SFY for Funding | Points | Amount Requested | Received Affordability Points ¹ | Small System ² |
|---|-----------|---------------------------------------|-------------|--|---------------------------|--------|------------------|--|---------------------------|
| Projects Expected to be Ready to Proceed During SFY 2016 | | | | | | | | | |
| 2015-0073 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Generator Hamilton Avenue Pump Station (Planning/Design) | 2016 | 70 | \$10,000 | Yes | No |
| 2015-0074 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Generator North Main Street Pump Station (Planning/Design) | 2016 | 70 | \$15,000 | Yes | No |
| 2015-0075 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Generator Pierpont Road Pump Station (Planning/Design) | 2016 | 70 | \$15,000 | Yes | No |
| 2015-0076 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Generator Rumford Street Pump Station (Planning/Design) | 2016 | 70 | \$10,000 | Yes | No |
| 2015-0048 | CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Redevelopment of the Lower White Bridge Well (Design) | 2016 | 60 | \$700,000 | Yes | No |
| 2015-0036 | CT0090011 | BETHEL WATER DEPT | BETHEL | DWSRF - Hoyts Hill Booster Pump | 2016 | 55 | \$1,063,836 | No | Yes |
| 2015-0008 | CT0690141 | CRANBERRY BOG APARTMENTS | KILLINGLY | DWSRF - Generator | 2016 | 50 | \$20,000 | No | Yes |
| 2015-0102 | CT1050141 | LYME REGIS, INC. | OLD LYME | DWSRF - Generator | 2016 | 50 | \$20,000 | No | Yes |
| 2015-0103 | CT1220061 | SALISBURY SCHOOL | SAILSBUY | DWSRF - Generator Salisbury School | 2016 | 50 | \$37,300 | No | Yes |
| 2015-0011 | CT1600061 | NORTH WILLINGTON VILLAGE CONDO ASSOC. | WILLINGTON | DWSRF - Generator | 2016 | 50 | \$11,800 | No | Yes |
| 2015-0092 | CT0800011 | MERIDEN WATER DIVISION | MERIDEN | DWSRF - Elmere WTP & Storage Tank Rehab (design) | 2016 | 45 | \$1,440,000 | Yes | No |
| 2015-0093 | CT0800011 | MERIDEN WATER DIVISION | MERIDEN | DWSRF - Williams St. PS (new) (design) | 2016 | 45 | \$120,000 | Yes | No |
| 2015-0078 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Water Treatment Plant Sludge Removal Equipment (Planning/Design) | 2016 | 45 | \$500,000 | Yes | No |
| 2015-0084 | CT0320292 | COVENTRY HIGH & NATHAN HALE SCHOOLS | COVENTRY | DWSRF - Water main ext for consolidation (Planning/Design) | 2016 | 40 | \$550,000 | No | Yes |
| 2015-0094 | CT0800011 | MERIDEN WATER DIVISION | MERIDEN | DWSRF - Merimere Storage Tank Rehab (Design) | 2016 | 40 | \$120,000 | Yes | No |
| 2015-0095 | CT0800011 | MERIDEN WATER DIVISION | MERIDEN | DWSRF - Fleming Road Storage Tank Rehab/ Replacement (Design) | 2016 | 40 | \$200,000 | Yes | No |
| 2015-0058 | CT1040011 | NORWICH PUBLIC UTILITIES | NORWICH | DWSRF - AMI Water Meter Replacement Program | 2016 | 40 | \$3,600,000 | No | No |
| 2015-0060 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - West Hartford Water Treatment Facility - Rehab of 6 MG Basin | 2016 | 35 | \$3,000,000 | Yes | No |
| 2014-0245 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF - Lake Gaillard WTP Generator | 2016 | 35 | \$2,200,000 | Yes | No |
| 2015-0051 | CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Whtbrg Raw Water Supply (Pond) Station Electric, Mechanical & SCADA (Design) | 2016 | 30 | \$291,280 | Yes | No |
| 2015-0061 | CT1280011 | TARIFFVILLE FIRE DISTRICT WATER DEPT | SIMSBURY | DWSRF - Wellhead Protection Improvements | 2016 | 30 | \$200,000 | No | Yes |
| 2015-0038 | CT0090011 | BETHEL WATER DEPT | BETHEL | DWSRF - Maple Avenue Well #1 and #2 | 2016 | 25 | \$689,000 | No | Yes |
| 2015-0114 | CT0450011 | EAST LYME WATER & SEWER COMMISSION | EAST LYME | DWSRF - Greensand Filtration - wells 1A & 2A (Design) | 2016 | 25 | \$500,000 | No | No |
| 2012-0029 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replace Buckingham St. area, Hartford | 2016 | 25 | \$5,000,000 | Yes | No |
| 2012-0030 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replace Bond Street, Hartford | 2016 | 25 | \$3,904,000 | Yes | No |

| Project # | PWSID | Public Water System | Town | Project Name | Estimated SFY for Funding | Points | Amount Requested | Received Affordability Points ¹ | Small System ² |
|-------------------------------------|-----------|---|-------------|--|---------------------------|--------|---------------------|--|---------------------------|
| 2012-0036 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replace Simmons Rd, East Hartford | 2016 | 25 | \$2,520,000 | Yes | No |
| 2015-0046 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Church Street Water Main Replacement Phases I & II | 2016 | 25 | \$8,000,000 | Yes | No |
| 2015-0053 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Madison Avenue Area Water Main Replacement, Hartford | 2016 | 25 | \$3,600,000 | Yes | No |
| 2015-0063 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Farmington Ave #11 Water Main Replacement | 2016 | 25 | \$3,500,000 | Yes | No |
| 2015-0030 | CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Water Main Improvement on Batterson Park Road (Design) | 2016 | 25 | \$50,000 | Yes | No |
| 2015-0115 | CT1420041 | WOODLAND SUMMIT COMMUNITY WATER ASSN | TOLLAND | DWSRF - Infrastructure Improvements (Planning/Design) | 2016 | 25 | \$30,000 | No | Yes |
| 2015-0071 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Rehabilitations and Replacement of Water Mains (Fiscal year 2016) | 2016 | 25 | \$1,600,000 | Yes | No |
| 2015-0055 | CT1680031 | WOODLAKE TAX DISTRICT | WOODBURY | DWSRF - Generator IMF Bldg | 2016 | 25 | \$58,000 | No | Yes |
| 2015-0059 | CT1680031 | WOODLAKE TAX DISTRICT | WOODBURY | DWSRF - Generator Pre Treatment Bldg | 2016 | 25 | \$32,000 | No | Yes |
| 2015-0117 | CT0770021 | MANCHESTER WATER DEPARTMENT | MANCHESTER | DWSRF - New State Rd. Well #7 replacement | 2016 | 20 | \$250,000 | No | No |
| 2015-0041 | CT0090011 | BETHEL WATER DEPT | BETHEL | DWSRF - Water Main Replacement | 2016 | 15 | \$580,000 | No | Yes |
| 2015-0040 | CT0330011 | CROMWELL FIRE DISTRICT WATER DEPARTMENT | CROMWELL | DWSRF - Raymond Place Neighborhood Water Main Replacement | 2016 | 15 | \$1,500,000 | No | No |
| 2015-0037 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Garden Street Area Water Main Replacement, Wethersfield | 2016 | 15 | \$3,000,000 | No | No |
| 2015-0052 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Bloomfield Transmission Main Extension | 2016 | 15 | \$13,000,000 | No | No |
| 2015-0056 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Eastbury Water Storage Basin Improvements, Glastonbury | 2016 | 15 | \$2,800,000 | No | No |
| 2015-0068 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replacements - Various West Hartford (segments progressing in 2016) | 2016 | 15 | \$4,500,000 | No | No |
| 2015-0134 | CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Hydroelectric Turbine and Generator (Design) | 2016 | 15 | \$169,000 | Yes | No |
| 2015-0054 | CT1040011 | NORWICH PUBLIC UTILITIES | NORWICH | DWSRF - Deep River Trans Main Rehab - East Section (Design) | 2016 | 15 | \$579,000 | No | No |
| 2015-0172 | CT1280011 | TARIFFVILLE FIRE DISTRICT WATER DEPT | SIMSBURY | DWSRF - Water Main Improvements | 2016 | 5 | \$300,000 | No | Yes |
| Total requested for SFY 2016 | | | | | | | \$70,285,216 | | |

Projects Expected to be Ready to Proceed During SFY 2017

| | | | | | | | | | |
|-----------|-----------|----------------------------|-----------|---|------|----|-----------|-----|----|
| 2015-0073 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Generator Hamilton Avenue Pump Station (Construction) | 2017 | 70 | \$140,000 | Yes | No |
| 2015-0074 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Generator North Main Street Pump Station (Construction) | 2017 | 70 | \$285,000 | Yes | No |

| Project # | PWSID | Public Water System | Town | Project Name | Estimated SFY for Funding | Points | Amount Requested | Received Affordability Points ¹ | Small System ² |
|-----------|-----------|-------------------------------------|-------------|--|---------------------------|--------|------------------|--|---------------------------|
| 2015-0075 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Generator Pierpont Road Pump Station (Construction) | 2017 | 70 | \$185,000 | Yes | No |
| 2015-0076 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Generator Rumford Street Pump Station (Construction) | 2017 | 70 | \$140,000 | Yes | No |
| 2015-0048 | CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Redevelopment of the Lower White Bridge Well (Construction) | 2017 | 60 | \$2,800,000 | Yes | No |
| 2015-0088 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF - Adv Metering Infrastructure Phase IVb | 2017 | 50 | \$4,200,000 | Yes | No |
| 2015-0090 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF - North Sleeping Giant Well Replacement | 2017 | 50 | \$1,000,000 | Yes | No |
| 2015-0077 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Generator at the Water Treatment Plant | 2017 | 45 | \$2,250,000 | Yes | No |
| 2015-0078 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Water Treatment Plant Sludge Removal Equipment (Construction) | 2017 | 45 | \$2,300,000 | Yes | No |
| 2015-0084 | CT0320292 | COVENTRY HIGH & NATHAN HALE SCHOOLS | COVENTRY | DWSRF - Water main ext for consolidation (Construction) | 2017 | 40 | \$5,550,000 | No | Yes |
| 2015-0043 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Various Storage Tank Rehab | 2017 | 40 | \$4,000,000 | Yes | No |
| 2015-0094 | CT0800011 | MERIDEN WATER DIVISION | MERIDEN | DWSRF - Merimere Storage Tank Rehab (Construction) | 2017 | 40 | \$840,000 | Yes | No |
| 2015-0095 | CT0800011 | MERIDEN WATER DIVISION | MERIDEN | DWSRF - Fleming Road Storage Tank Rehab/ Replacement (Construction) | 2017 | 40 | \$880,000 | Yes | No |
| 2014-0234 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF - Lake Saltonstall Intake and Raw Water PS Improvements | 2017 | 40 | \$2,400,000 | Yes | No |
| 2015-0089 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF - Ansonia-Derby Atm Storage Tank | 2017 | 40 | \$2,500,000 | Yes | No |
| 2015-0091 | CT1310011 | SOUTHINGTON WATER DEPARTMENT | SOUTHINGTON | DWSRF - AMR/AMI Upgrade | 2017 | 40 | \$3,600,000 | No | No |
| 2015-0064 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Bear Ridge Drive - Pump Station Upgrade & Water Main Extension | 2017 | 35 | \$1,800,000 | No | No |
| 2015-0085 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF - West River WTP DAF | 2017 | 35 | \$4,000,000 | Yes | No |
| 2015-0086 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF - Tank Painting (various) | 2017 | 35 | \$2,000,000 | Yes | No |
| 2015-0070 | CT1680031 | WOODLAKE TAX DISTRICT | WOODBURY | DWSRF - Treatment System Improvements & Water System Automation Project | 2017 | 35 | \$940,000 | No | Yes |
| 2015-0039 | CT0090011 | BETHEL WATER DEPT | BETHEL | DWSRF - New East Swamp Well Field | 2017 | 30 | \$2,600,000 | No | Yes |
| 2015-0034 | CT0279044 | INDIAN RIVER RECREATIONAL COMPLEX | CLINTON | DWSRF - Rocky Ledge Area Water Main Extension | 2017 | 30 | \$3,000,000 | No | Yes |
| 2015-0035 | CT0609094 | BITTNER PARK | GUILFORD | DWSRF - Mulberry Point Water Main Extension | 2017 | 30 | \$2,716,880 | No | Yes |
| 2015-0051 | CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Whtbrg Raw Water Supply (Pond) Station Electric, Mechanical & SCADA (Construction) | 2017 | 30 | \$1,960,864 | Yes | No |
| 2015-0042 | CT1530021 | WATERTOWN WATER & SEWER AUTHORITY | WATERTOWN | DWSRF - Bunker Hill Sewer & Water Extension | 2017 | 30 | \$4,000,000 | No | No |
| 2015-0069 | CT1680031 | WOODLAKE TAX DISTRICT | WOODBURY | DWSRF - Replacement of Bedrock Supply Well PW-7 | 2017 | 30 | \$85,000 | No | Yes |
| 2015-0114 | CT0450011 | EAST LYME WATER & SEWER COMMISSION | EAST LYME | DWSRF - Greensand Filtration - wells 1A & 2A (Construction) | 2017 | 25 | \$5,500,000 | No | No |
| 2012-0038 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Raw Water Pipeline-Phase I - Res#6 to Res #5 | 2017 | 25 | \$5,000,000 | Yes | No |

| Project # | PWSID | Public Water System | Town | Project Name | Estimated SFY for Funding | Points | Amount Requested | Received Affordability Points ¹ | Small System ² |
|-----------|-----------|--------------------------------------|-------------|--|---------------------------|--------|------------------|--|---------------------------|
| 2015-0045 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Raw Water Pipeline - Phase II - Res 6 to Res 5 | 2017 | 25 | \$5,000,000 | Yes | No |
| 2015-0047 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replacements - Various East Hartford (2017) | 2017 | 25 | \$3,300,000 | Yes | No |
| 2015-0067 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replacements - Hartford (2016) | 2017 | 25 | \$13,000,000 | Yes | No |
| 2015-0032 | CT0790021 | HILLSIDE CORPORATION | MARLBOROUGH | DWSRF - Storage Tank & Pump House Improvements | 2017 | 25 | \$115,000 | No | Yes |
| 2015-0030 | CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Water Main Improvement on Batterson Park Road (Construction) | 2017 | 25 | \$600,000 | Yes | No |
| 2015-0087 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF - Burwell Hill Tank Replacement | 2017 | 25 | \$3,000,000 | Yes | No |
| 2015-0115 | CT1420041 | WOODLAND SUMMIT COMMUNITY WATER ASSN | TOLLAND | DWSRF - Infrastructure Improvements (Construction) | 2017 | 25 | \$70,000 | No | Yes |
| 2015-0072 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Rehabilitations and Replacement of Water Mains (Fiscal year 2017) | 2017 | 25 | \$1,600,000 | Yes | No |
| 2015-0112 | CT0860302 | MONTVILLE HIGH SCHOOL | MONTVILLE | DWSRF - Montville Center Waterline Interconnection | 2017 | 20 | \$6,800,000 | No | Yes |
| 2015-0065 | CT1680031 | WOODLAKE TAX DISTRICT | WOODBURY | DWSRF - Distribution System Improvements & Trans Line Cleaning | 2017 | 20 | \$75,000 | No | Yes |
| 2015-0066 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Transmission Main Extension - Long Hill Road | 2017 | 15 | \$3,400,000 | No | No |
| 2015-0068 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replacements - Various West Hartford (segments progressing in 2017) | 2017 | 15 | \$4,500,000 | No | No |
| 2015-0116 | CT0770021 | MANCHESTER WATER DEPARTMENT | MANCHESTER | DWSRF - Water Main Replacement - Valley St. area | 2017 | 15 | \$1,000,000 | No | No |
| 2015-0134 | CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Hydroelectric Turbine and Generator (Construction) | 2017 | 15 | \$1,131,000 | Yes | No |
| 2015-0054 | CT1040011 | NORWICH PUBLIC UTILITIES | NORWICH | DWSRF - Deep River Trans Main Rehab - East Section (Construction) | 2017 | 15 | \$8,621,000 | No | No |
| 2015-0057 | CT1040011 | NORWICH PUBLIC UTILITIES | NORWICH | DWSRF - Deep River Trans Main Rehab - Central Section | 2017 | 15 | \$9,400,000 | No | No |
| 2015-0050 | CT1530021 | WATERTOWN WATER & SEWER AUTHORITY | WATERTOWN | DWSRF - Davis Street Water Main Replacement: Maple to Russel | 2017 | 15 | \$700,000 | No | No |
| 2015-0062 | CT1680031 | WOODLAKE TAX DISTRICT | WOODBURY | DWSRF - Solar Panel Installation ³ | - | 0 | \$600,000 | No | Yes |

Total requested for SFY 2017 \$129,584,744

The following projects were determined to be ineligible for DWSRF funding

| | | | | | | | | | |
|-----------|-----------|----------------------------------|-------------|--|---|---|-------------|--|--|
| 2015-0044 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Simsbury Road Pump Station Upgrade | - | 0 | \$2,677,000 | | |
| 2015-0031 | CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Shadow Meadow Reservoir West Canal Leakage | - | 0 | \$990,600 | | |
| 2015-0111 | CT1051021 | MIAMI BEACH WATER COMPANY | OLD LYME | DWSRF - Water Main Replacement | - | 0 | \$2,400,000 | | |

Footnotes:

| Project # | PWSID | Public Water System | Town | Project Name | Estimated SFY for Funding | Points | Amount Requested | Received Affordability Points ¹ | Small System ² |
|-----------|-------|---------------------|------|--------------|---------------------------|--------|------------------|--|---------------------------|
|-----------|-------|---------------------|------|--------------|---------------------------|--------|------------------|--|---------------------------|

- 1 Projects which were awarded Affordability points are eligible to receive federal subsidy.
- 2 These PWSs serve a population less than or equal to 10,000 and are considered "small" for the purposes of DWSRF and are eligible to receive federal subsidy.
This project is eligible for DWSRF under federal rules, however, there is no point category in the current Priority Ranking System for which this project qualifies, therefore, no ranking points have been awarded.
- 3

Attachment E - SFY 2016 Carryover Project List

| PWSID | PWS Name | Town of PWS | Project Name | Amount requested |
|-----------|---------------------------------------|-------------|--|------------------|
| CT0090011 | BETHEL WATER DEPARTMENT | BETHEL | DWSRF - Euerka Water Storage Tank | \$1,952,066 |
| CT0110031 | SHARON HEIGHTS WATER ASSOCIATION | BLOOMFIELD | Emergency Power Generator Program | \$14,000 |
| CT0170011 | BRISTOL WATER DEPARTMENT | BRISTOL | DWSRF - Dewitt Drive Storage Tank Improvements | \$531,000 |
| CT0270041 | EVERGREEN TRAILER PARK SYSTEM #1 | CLINTON | Emergency Power Generator Program | \$25,000 |
| CT0270091 | EVERGREEN TRAILER PARK SYSTEM #2 | CLINTON | Emergency Power Generator Program | \$25,000 |
| CT0270101 | EVERGREEN TRAILER PARK SYSTEM #3 | CLINTON | Emergency Power Generator Program | \$25,000 |
| CT0270111 | EVERGREEN TRAILER PARK SYSTEM #4 | CLINTON | Emergency Power Generator Program | \$30,000 |
| CT0330011 | CROMWELL FIRE DISTRICT | CROMWELL | Emergency Power Generator Program | \$250,000 |
| CT0340111 | AQUA VISTA ASSOC., INC - UPPER SYSTEM | DANBURY | Emergency Power Generator Program | \$10,000 |
| CT0347051 | AQUA VISTA ASSOC., INC - LOWER SYSTEM | DANBURY | Emergency Power Generator Program | \$12,000 |
| CT0400051 | OLD NEWGATE RIDGE WATER COMPANY | EAST GRANBY | Emergency Power Generator Program | \$45,000 |
| CT0450011 | EAST LYME WATER DEPARTMENT | EAST LYME | DWSRF - Meter Replacement Program | \$2,607,354 |
| CT0490021 | HAZARDVILLE WATER COMPANY | ENFIELD | Emergency Power Generator Program - Town Farm Road Well | \$80,000 |
| CT0490021 | HAZARDVILLE WATER COMPANY | ENFIELD | Emergency Power Generator Program - Queens Street, Avery Wells | \$145,000 |
| CT0590011 | GROTON UTILITIES | GROTON | DWSRF - Water Treatment Plant Upgrade | \$42,000,000 |
| CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Reservoir #6 Water Treatment Facility Filtered Water Basin Rehab | \$3,050,000 |
| CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - RF Automated Meter Reading - Phase IV | \$5,000,000 |
| CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Trans. Main replacement - Hartford; Hamilton & Park Phase II | \$3,433,119 |
| CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replacement - Farmington 10, Hartford | \$2,516,325 |
| CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replacement - Center & Fairmont, Hartford | \$1,461,512 |
| CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replacement - Montclair & Linbrook, West Hartford | \$3,000,000 |
| CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replacement - Jerome & Pheasant, Bloomfield | \$825,335 |
| CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replacement - Cottage Grove & Talcottville, Bloomfield | \$2,500,000 |
| CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replacement - Byrd & Chamberlin, Wethersfield | \$2,516,021 |
| CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - North Storage Basin Tank Construction | \$2,781,872 |
| CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Valves & Pitkin | \$1,619,547 |
| CT0720041 | SCWA TOWER - FERRY VIEW DIVISION | LEDYARD | Emergency Power Generator Program | \$33,000 |
| CT0770021 | MANCHESTER WATER DEPARTMENT | MANCHESTER | DWSRF Globe Hollow Water Treatment Plant Improvements - Phase 2 | \$450,000 |
| CT0770021 | MANCHESTER WATER DEPARTMENT | MANCHESTER | DWSRF - Pipe Rehabilitation and Replacement | \$669,887 |
| CT0770021 | MANCHESTER WATER DEPARTMENT | MANCHESTER | DWSRF New State Road Wellfield Chlorine Conversion | \$150,000 |
| CT0780041 | WHITE OAK CONDOMINIUM | MANSFIELD | Emergency Power Generator Program | \$10,000 |
| CT0790021 | HILLSIDE WATER CORPORATION | MARLBOROUGH | Emergency Power Generator Program | \$12,000 |
| CT0800011 | MERIDEN WATER DIVISION | MERIDEN | DWSRF - Swain Avenue Water Main Replacement Project | \$1,827,000 |
| CT0815051 | MIDDLEBURY COMMONS | MIDDLEBURY | Emergency Power Generator Program | \$15,000 |
| CT0860011 | SCWA - MONTVILLE DIVISION | MONTVILLE | Emergency Power Generator Program | \$33,000 |
| CT0860051 | DEER RUN WATER SUPPLY | MONTVILLE | Emergency Power Generator Program | \$8,000 |
| CT0860081 | SCWA - CHESTERFIELD DIVISION | MONTVILLE | Emergency Power Generator Program | \$33,000 |
| CT0861111 | FOX LAUREL MOBILE HOME PARK LLC | MONTVILLE | Emergency Power Generator Program | \$22,000 |
| CT0878011 | BREEZY KNOLL ASSOCIATION | MORRIS | Emergency Power Generator Program | \$15,000 |
| CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | Emergency Power Generator Program - Cobblestone Drive Pump Station, Hamden | \$53,900 |
| CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | Emergency Power Generator Program - Linsley Lake Road Pump Station, North Branford | \$60,341 |

| PWSID | PWS Name | Town of PWS | Project Name | Amount requested |
|-------------------------------|---|-------------|--|------------------|
| CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF - Automated Meter Reading Phases III & IVa | \$8,400,000 |
| CT0970512 | CEDARHURST ASSOCIATION | NEWTOWN | Emergency Power Generator Program | \$15,000 |
| CT1040011 | NORWICH PUBLIC UTILITIES | NORWICH | DWSRF - Stony Brook DAF | \$4,400,000 |
| CT1040011 | NORWICH PUBLIC UTILITIES | NORWICH | DWSRF - Royal Oaks Project | \$1,657,560 |
| CT1040011 | NORWICH PUBLIC UTILITIES | NORWICH | DWSRF - Mohegan Park Water Tank | \$2,376,923 |
| CT1040011 | NORWICH PUBLIC UTILITIES | NORWICH | DWSRF - Northern Stony Brook Transmission Main Renewal & Micro-Turbine | \$2,358,463 |
| CT1040011 | NORWICH PUBLIC UTILITIES | NORWICH | DWSRF - Southern Stony Brook Transmission Main renewal | \$2,259,188 |
| CT1050732 | CONNECTICUT WATER COMPANY - SHORELINE REGION - SOUND VIEW | OLD LYME | DWSRF - Old Lyme Beach Shores Association Water Main Replacement | \$812,000 |
| CT1099141 | ARNIO DRIVE LLC | PLAINFIELD | Emergency Power Generator Program | \$5,000 |
| CT1120264 | WINDHAM 4H CAMP | POMFRET | Emergency Power Generator Program | \$24,500 |
| CT1160011 | PUTNAM WATER POLLUTION CONTROL AUTHORITY | PUTNAM | DWSRF - Water Main Replace/Reline | \$10,600,000 |
| CT1210011 | SALEM MANOR SYSTEM #1 | SALEM | Emergency Power Generator Program | \$60,000 |
| CT1211911 | SALEM MANOR SYSTEM #2 | SALEM | Emergency Power Generator Program | \$60,000 |
| CT1280011 | TARIFFVILLE FIRE DISTRICT WATER DEPARTMENT | SIMSBURY | DWSRF - Water Storage Tank Improvements | \$1,000,000 |
| CT1310011 | SOUTHINGTON WATER DEPARTMENT | SOUTHINGTON | DWSRF - Well #2A Construction Project (Well #2 Back-up) | \$1,525,000 |
| CT1310011 | SOUTHINGTON WATER DEPARTMENT | SOUTHINGTON | DWSRF - East Side Water Storage Tank and Pump Station | \$5,755,000 |
| CT1420021 | BAXTER FARMS | TOLLAND | Emergency Power Generator Program | \$27,581 |
| CT1501111 | RUMSEY HALL SCHOOL | WASHINGTON | Emergency Power Generator Program | \$1,800 |
| CT1680021 | TOWN IN COUNTRY CONDOMINIUM - UPPER | WOODBURY | Emergency Power Generator Program | \$20,000 |
| CT1680041 | QUASSUK HEIGHTS GARDENS | WOODBURY | Emergency Power Generator Program | \$25,000 |
| CT1680051 | WOODBURY KNOLL, LLC | WOODBURY | Emergency Power Generator Program | \$28,550 |
| CT1686091 | TOWN IN COUNTRY CONDO - LOWER | WOODBURY | Emergency Power Generator Program | \$20,000 |
| Amount of Carryover Projects: | | | | \$121,278,844 |

Attachment G

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

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

| | | | |
|-----------------------|---|---|---|
| Public Water System: | <input style="width: 95%;" type="text"/> | Town: | <input style="width: 95%;" type="text"/> |
| PWSID: | <input style="width: 95%;" type="text"/> | | |
| PWS AM Contact person | Name: <input style="width: 95%;" type="text"/> | Relationship to PWS: | <input style="width: 95%;" type="text"/> |
| | Address: <input style="width: 95%;" type="text"/> | | |
| | City: <input style="width: 25%;" type="text"/> | State: <input style="width: 25%;" type="text"/> | Zip: <input style="width: 25%;" type="text"/> |
| | Phone: <input style="width: 45%;" type="text"/> | Email: <input style="width: 50%;" type="text"/> | |

A copy of the **Asset Management (AM) Plan** must be attached to this checklist. The AM Plan should contain, at a minimum, the following information: **(check off each item that is included in the Plan) It must have been updated within the past 3 years**

**Guidance
(Click to Download)**

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

Attachment H

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

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

| | | | | |
|-----------------------|--|--|--|--|
| Public Water System: | <input style="width: 95%;" type="text"/> | Town: | <input style="width: 95%;" type="text"/> | |
| PWSID: | <input style="width: 95%;" type="text"/> | | | |
| PWS FM Contact person | Name : | <input style="width: 45%;" type="text"/> | Relationship to PWS: | <input style="width: 45%;" type="text"/> |
| | Address: | <input style="width: 95%;" type="text"/> | | |
| | City: | <input style="width: 15%;" type="text"/> | State: | <input style="width: 15%;" type="text"/> |
| | Phone: | <input style="width: 45%;" type="text"/> | | Zip: |
| | | | Email: | <input style="width: 45%;" type="text"/> |

A copy of the **Fiscal Management (FM) Plan** must be attached to this checklist. The FM Plan should contain, at a minimum, the following information: **(check off each item that is included in the Plan)**

**Guidance
(Click to Download)**

The EPA Reference Guide for AM Tools covers several topics

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



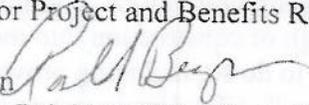
Attachment I

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

DEC 22 2014

OFFICE OF
WATER

SUBJECT: Drinking Water State Revolving Fund Program Guidance on Unliquidated Obligations Reduction Applying Project Readiness to Proceed, and Data Completeness for Project and Benefits Reporting System (PBR)

FROM: Ronald Bergman 
Acting Director, Drinking Water Protection Division

TO: Drinking Water State Revolving Fund Branch Chiefs
Regions I-X

This memorandum addresses the issue of DWSRF unliquidated obligations (ULO) reduction, through ensuring that states are using a common approach to determine that projects are "ready to proceed" to financing project planning and design or construction at the time of assistance award, and are following recognized practices contributing to ULO reduction. In addition, this memo addresses the need for more complete data on the public health benefits of projects and on project status.

These issues arose from EPA Office of Inspector General audits of the Drinking Water State Revolving Fund, focusing on unliquidated obligations and efficiency of funds use in the first case, and the Agency's ability to report on public health benefits of DWSRF projects in the second case. The recommendations of the Inspector General regarding these audits and the associated corrective actions appear as an attachment to this memorandum. EPA's responses for the corrective action recommendations are immediately effective.

Unliquidated Obligations Reduction: Project Readiness to Proceed

The DWSRF ULO Reduction Strategy specifies six practices that states can utilize to reduce unliquidated obligations. One of these practices is to focus on "ready to proceed" projects. The Strategy defines the status of "ready to proceed" as "prepared to begin construction and is immediately ready, or poised to be ready, to enter into assistance agreements." If projects are not ready to proceed to construction and still need planning, the state may include projects on the fundable list that are ready to proceed to planning and design to enable them to be ready to proceed to construction in a future or updated fundable list.

Attachment I

Regions should ask their states to use this definition to guide their processes for awarding assistance to eligible water systems. This action should happen early in the fiscal year of the next grant award, prior to significant efforts of states to conduct solicitations for projects. Early communication to states is needed so that they can convey the expectation of the nature of the projects to potential applicants before they prepare their financial assistance applications.

At the time of a state's annual review, Regions should ask states about their adoption of the above definition of "ready to proceed" in the state's Intended Use Plan development process. The expectation is that the state will apply the definition in the preparation of its fundable list.

Regions must add the following question to the DWSRF State Review Checklist for 2015 and future years on this topic: "Has the state incorporated EPA's definition of "ready to proceed" as it applies to projects for planning and design or construction into the development of its fundable list; and, if not, what steps are being taken to do so, including providing funding for planning and design to get projects ready for construction?" EPA Headquarters will inquire of each Region whether each state is using the definition in the development of its next fundable list.

States' Use of Best Practices to Reduce Unliquidated Obligations

The EPA ULO Reduction Strategy cites six best practices that states should employ to reduce ULO. During the Regions' annual reviews of states, the Regions should document factors affecting any state not meeting program requirements and objectives specified in the Strategy for the timely, expeditious, and efficient use of federal funds that capitalize the state revolving funds and provide technical assistance to water systems. A significant focus of these annual reviews, through 2016 and beyond, should be to determine the status of the states' abilities to meet the objectives of the Strategy to fully utilize legacy ULO (FY 2013 and prior years), and to draw down funds of future years' grants (beginning with FY 2014 grants) within two years of the date of grant award.

Data Completeness for Project and Benefits Reporting System (PBR): Public Health Benefits of Projects

The DWSRF provides financial assistance to projects that enable water systems to achieve and/or maintain compliance with the National Primary and Secondary Drinking Water Standards (40 CFR 35.3520(b)(2)(i)). In future DWSRF Intended Use Plans, project descriptions must be sufficiently complete to determine which standards are being addressed by the projects to ascertain project eligibility and potential public health benefits from "address[ing] present or prevent[ing] future violations of health-based drinking water standards," including "maintain[ing] compliance with . . . regulations" and "further[ing] the public health protection objectives of the Act." The descriptions should also clearly specify the type and nature (including size or extent) of a project (40 CFR 35.3520(b)(2)) as: treatment installation or upgrade (such as for improvement of drinking water quality to comply with standards that are specified), transmission and/or distribution (such as for water pressure improvement or contamination prevention caused by leaks or breaks), source (such as rehabilitation of wells or replacing contaminated source), storage installation or upgrade (such as for prevention of microbiological contaminants from entering a PWS), consolidation (which systems and whether

Attachment I

consolidation is due to contamination, Technical/Financial/Managerial reasons or other rationale to be specified in the description), creation of a new system (which system and whether the new system was created due to contamination, managerial reasons or other rationale to be specified in the description).

Data Completeness for PBR: Project Status

States should have a formal quality assurance process for entering data to required fields in the PBR system. While the DWSRF list of required fields is unchanged, the recent internal audit found missing data in critical fields that contribute to determining public health outcomes.

EPA Headquarters will provide quarterly reports to Regions on the completeness of key fields in PBR. The following three fields have been identified as essential in determining environmental and public health benefits when combined with other water system compliance results, such as violations history. As experience is gained by states, Regions and Headquarters, these essential fields may be revised. For this initial effort, attention is focused on the following fields:

- PWS ID number
- Project Start date
- Project Completion date

The list of required fields has not been reduced to those listed above. The list above is a starting point for this quality assurance effort. As a reference, we have included the full list of PBR required fields as an attachment.

The quarterly reports will be sent out two weeks following the end of each quarterly PBR reporting period to each Region, with a list of State projects with missing data for these fields. The expectation is that Regions will work with States to ensure these fields are complete within 30 days of receiving this report. These fields were listed as required fields in the 2012 program procedures and are still applicable.

Thank you for significant efforts and dedication to the oversight of the DWSRF program. Please contact Charles Job, Chief, Infrastructure Branch, at 202-564-3941, Peter Shanaghan, DWSRF Team Lead, at 202-564-3848, or Howard Rubin, DWSRF Financial Analyst, at (202) 564-2051, if you have any questions.

Attachment I

ATTACHMENT 1: EPA Response to Office of Inspector General

1) OIG Audit: Unliquidated Obligations Resulted in Missed Opportunities to Improve Drinking Water Infrastructure, July 16, 2014

| No. | Recommendation | High-Level Intended Corrective Action(s) | Estimated Completion by FY |
|-----|---|--|---|
| 2 | Develop guidance for states on what projects are to be included on the fundable list, including a definition for “ready to proceed.” | The EPA agrees with the recommendation. The ULO Reduction Strategy defines “ready to proceed” as prepared “to begin construction” and “are immediately ready, or poised to be ready, to enter into assistance agreements.” If projects are not ready to proceed to construction and still need planning, the state may include projects on the fundable list that are ready to proceed to planning and design to enable them to be ready to proceed to construction in a future fundable list. | Done 4/14/14 |
| 3 | Require that the EPA regions, when reviewing the capitalization grant application for states with high unliquidated obligation balances, ensure states have adopted the EPA’s guidance on the definition of “ready to proceed” and use that definition in developing the fundable list. | The EPA agrees with the recommendation and will provide Regions with a question to enable determination of whether states have adopted the definition of ready to proceed from the ULO Reduction Strategy and are using it to develop their fundable lists and will include the question in the DWSRF State Review Checklist. The EPA will also inquire of each Region whether each state is using the definition in the development of its next fundable list. | Ready to proceed definition included in Review Checklist 9/30/14 Check on inclusion of the definition in state fundable list development 9/30/15 |
| 4 | Communicate to states having high unliquidated obligation balances that they should adopt the best management practice of having a well-organized process to ensure that projects on the fundable list are ready to proceed to loan execution within the current IUP year. | The EPA agrees with the recommendation. The EPA ULO Reduction Strategy cites six practices that states should employ to reduce ULO. Regions conduct annual reviews of states and document concerns of states not meeting program requirements and objectives. Special attention to ULO considerations will be a focus of these annual reviews through 2016, including onsite visits to select states. | Done 4/14/14 |

Attachment I

2) OIG Audit: EPA Needs to Demonstrate Public Health Benefits of Drinking Water State Revolving Fund Projects, August 1, 2014

| No. | Recommendation | High-Level Intended Corrective Action(s) | Estimated Completion by FY |
|-----|--|---|---|
| 1 | Enforce the grant requirement for states to input all necessary data in PBR (e.g., project completion, project results, project start/end dates, compliance period begin/end dates, and public water system identification numbers). | OGWDW agrees with intent of this recommendation as a path to mutual data quality objectives, which we share with the IG. We take lack of reporting seriously and will work with Regions and states to ensure receipt in PBR of complete data for projects receiving DWSRF financial assistance as provided for in grant terms and conditions. To support complete data reporting, we will also be doing further analysis of data completeness in PBR. | OGWDW will provide Regions a report of completeness of required DWSRF project data beginning in April 2015 and quarterly thereafter. The Regions will be able to identify with states, the actions needed for states to provide complete data for projects receiving DWSRF financial assistance and oversee steps to accomplish complete reporting of required data. Where incomplete reporting of required data continues to be a problem, OGWDW will consult with the Region on taking appropriate corrective action. |
| 2 | Review state-level data entry to ensure data completeness in PBR as part of the EPA's annual review of state performance. | OGWDW agrees with this recommendation and will provide guidance for the annual review process and a checklist that includes checking on completeness of the states' data reported in PBR for reviews in FY 2015. | September 2014. |
| 3 | Implement the most cost-effective method to capture public health benefit information by using information required in state annual/biennial reports and enhancing coordination with compliance monitoring programs at the federal and state levels. | OGWDW agrees with this recommendation and has initiated data integration of the PBR and SDWIS data sets to identify completed projects receiving DWSRF financial assistance which were in violation after project completion. OGWDW will develop a regular report for use by Regions and states to document the public health results of the DWSRF financial assistance. | March 2014. |

Attachment I

| | | | |
|---|--|--|---|
| 4 | <p>Periodically evaluate program results to ensure that program goals are being achieved at water systems receiving DWSRF financial assistance and record successes, best practices and challenges to be shared among EPA regions and the states to focus and enhance program performance.</p> | <p>OGWDW agrees with this recommendation. OGWDW conducts an annual review of the program through the Regional offices' focused reviews of state program outputs for the prior year. OGWDW will continue to evaluate program results and achievement of program goals as well as determine what actions are necessary to achieve results where needed. The reviews will also record successes, best practices and challenges to share among Regions and states.</p> | <p>December 2014 and annually thereafter.</p> |
|---|--|--|---|

Attachment I

ATTACHMENT 2: DWSRF Project Reporting Requirements

| Attachment 8: DWSRF Project and Benefits Reporting Data Elements | |
|--|-----------------|
| Project Benefits Data Fields | Required/Option |
| Borrower | required |
| Loan Execution Date | required |
| PWSID Number | required |
| Tracking number | required |
| Other tracking number | optional |
| Assistance Type | required |
| Loan Interest Rate | required |
| State Market Interest Rate | optional |
| Loan Term | optional |
| Incremental Funding | optional |
| Phase # | optional |
| Original Tracking Number | optional |
| Same Health Benefits | optional |
| Total Assistance (Initial Amount) | required |
| Total Assistance (Final Amount) | required |
| Additional Subsidy Provided | required |
| Grant Amount \$ | required |
| Negative Interest Amount \$ | required |
| Principal Forgiveness Amount \$ | required |
| Net Loan Amount | optional |
| Funding is complete and funded amount has changed from initial amount | required |
| Based on states criteria, could the borrower have afforded the project without additional subsidy provided | required |
| % Funded By DWSRF | optional |
| Disadvantaged Assistance | required |
| IUP Year | optional |
| Assistance applies to_ grant year requirements | required |
| System Name | required |
| System Type | required |
| Ownership Type | optional |
| Age of System | optional |
| Project Name | required |
| Project Description | required |

Attachment I

| Project Benefits Data Fields | Required/Option |
|---|-------------------------------|
| Project Purpose | required |
| Number of Projects Funded | required |
| Public Health Impact Description | required |
| Other Project Comments | optional |
| Project Start Date | required |
| Project Completion Date | Required |
| Project Consolidates Systems | Required |
| Number of System Eliminated | Optional |
| Project Creates New Systems | Required |
| Population Served by the project | Optional |
| Population Served by the system | Required |
| Borrower Population | Optional |
| Number of connection by the project | Optional |
| Number of connections by the system | Optional |
| Counties Served Primary | Optional |
| Other County 1 | Optional |
| Other County 2 | Optional |
| Address Line 1 | Required |
| Address Line 2 | Optional |
| City, State, Zip Code | Required |
| Congressional District | Optional |
| Project Includes Green Project Reserve | Required |
| Green Infrastructure Amount | required if green |
| Energy Efficiency Amount | required if green |
| Water Efficiency Amount | required if green |
| Green Innovative Amount | required if green |
| Amount of additional subsidy provided used to fund GPR. | required if green 2010 - 2012 |
| NIMS project categories (Transmission, Treatment, etc...) | Required |
| Compliance Objectives | Optional |
| State set-aside information recipient | Required |
| State set-aside Funding Amount | Required |
| State set-aside Funding type | required |
| Grant number | required |
| Grant Award date | required |
| State Organization receiving grant | required |

This list does not include FFATA requirements

Attachment A.10.

DEPARTMENT OF PUBLIC HEALTH

NOTICE OF PUBLIC HEARING/OPEN FORUM

**ELIGIBLE PUBLIC DRINKING WATER INFRASTRUCTURE IMPROVEMENT
PROJECTS AND EMERGENCY POWER GENERATOR PROGRAM FUNDED
UNDER CONNECTICUT'S DRINKING WATER STATE REVOLVING FUND LOAN
PROGRAM AND ITS DRAFT INTENDED USE PLAN FOR
FEDERAL FISCAL YEAR 2015 / STATE FISCAL YEAR 2016**

The Connecticut Department of Public Health (DPH) is holding a Public Hearing at 10:00 a.m. on August 12, 2015 on the proposed Drinking Water State Revolving Fund (DWSRF) Intended Use Plan (IUP) for State Fiscal Year 2016 and Federal Fiscal Year 2015 capitalization grant. The hearing will be held at the Department of Public Health, 470 Capitol Avenue, Hartford, Connecticut in Conference Room C.

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, Connecticut State Agencies.

The Draft DWSRF IUP will be available for review and for public comments. The documents will be available at www.ct.gov/dph/dwsrf and 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.

DPH will accept written comments on the proposed IUP as long as the comments are received no later than 12:00 p.m. on August 11, 2015. Attendees can also provide testimony or written comments during the Public Hearing. All submissions should be directed to Cameron Walden, Supervising Sanitary Engineer, Department of Public Health, Drinking Water Section, 410 Capitol Avenue, MS #5I WAT, P.O Box 340308, Hartford, CT 06134-0308.

Following the Public Hearing, DPH will conduct an Open Forum to give participants the opportunity to: participate in an informal question and answer session on the regulatory requirements of the program, obtain a copy of the Financial Assistance Application and other related handouts and meet with representatives from participating agencies for the program.

DPH is an equal opportunity provider and employer. If you require aid or accommodation to participate fully and fairly in this hearing, please contact Amanda Anduaga-Roberson at (860) 509-7267.

Attachment A.11.a.



August 14, 2015

Mr. Cameron Walden
DWSRF Supervising Sanitary Engineer
CT Department of Public Health
Drinking Water Section
410 Capitol Avenue, MS #51 WAT
Hartford, CT 06134-0308

Re: DWS Project No. 2015-0044, Simsbury Road Pump Station – Updated Project Description

Dear Mr. Walden:

The Metropolitan District would like to provide an updated project description below for the Simsbury Road Pump Station Project (DWS Project No. 2015-0044) submitted with the 2016-17 DWSRF funding applications.

Revised Simsbury Road Pump Station Project Description (Item 26 on application)

Rehabilitation of the existing pump station, including the elimination of two 7,500 gallon hydropneumatic tanks, replacement of existing pumps and motors, installation of variable frequency drives, replacement of electrical system and installation of new instrumentation and controls.

Additionally, please find attached a copy of the District's statement read during the public hearing held on August 12th, 2015. Feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Susan Negrelli", is written over the typed name.

Susan Negrelli, P.E.
Director of Engineering
The Metropolitan District

cc: D. Banker, MDC
S. Russo, MDC

Good Morning, I am Susan Negrelli, Director of Engineering at The Metropolitan District in Hartford. Thank you for holding this Public Hearing; I'm pleased to be here.

The District serves over 101,000 water customers in eight member towns, including two distressed municipalities, and portions of four surrounding towns in our service area. The District treats over 49 million gallons of water per day collectively at three water treatment plants in Bloomfield, West Hartford and Collinsville.

The District owns and operates a water distribution system of 1,550 miles of water mains and 18 water pump stations. The 1,550 miles of water main are an average of 61 years old; approximately 139 miles of water mains are over 100 years old (some dating back to 1854). During the ten year period from 2005 to 2014, the District experienced over 2,100 water main breaks and leaks, of which approximately 95% were on cast iron pipes.

In 2009 the District completed the development of a Water Distribution System Asset Management Project (AMP) which included a comprehensive capital improvement master plan for the replacement /rehabilitation of the District's potable and raw water distribution system (linear assets) as wells as the replacement and rehabilitation of the point assets that includes gate valves, pumping stations and water tanks to maintain water services to over 400,000 customers in perpetuity. The District routinely updates the Water Asset Management Process and is currently in the process of expanding the program to include sewer and other assets.

The MDC's 2015 approved Capital Improvement Program budget for water projects is \$44 million. This includes land acquisition in and around watersheds, dam safety, various water treatment facility upgrades, and other projects in addition to the linear and point asset projects (water main, gate valves, pump stations and water tanks) for which DWSRF funding was applied for.

Additionally, the District's 2014 annual water debt service was \$8.6 million; the total bonded debt for water projects was \$114.3 million.

As you know, MDC submitted 19 DWSRF applications, totaling \$98.4 million for water main replacements, pump station improvements. The District's Simsbury Road Pump Station Upgrade project was determined to be ineligible for DWSRF funding. I would like to take this opportunity to mention that the upgrade to the pump station includes the elimination of two 7,500 gallon hydropneumatic tanks installed in 1966, which will provide a safety improvement to the pump station. For this reason I ask you to reconsider your initial determination for this project.

I am here today to testify in support of increased state funding for the DWSRF program and to encourage continued development of Asset Management Plans and other prioritization tools. The MDC prides itself in maintaining affordable drinking water for our ratepayers, assistance from the DWSRF program is a critical component in providing safe, sustainable and affordable drinking water for the future.

South Central Connecticut Regional Water Authority

90 Sargent Drive, New Haven, Connecticut 06511-5966 203.562.4020

<http://www.rwater.com>

August 12, 2015

Cameron Walden
Supervising Sanitary Engineer
Connecticut Department of Public Health
410 Capital Avenue, MS #51
P.O. Box 340308
Hartford, CT 06134

Re: Draft Intended Use Plan - Public Hearing Comments
DPH - Drinking Water State Revolving Fund
South Central Connecticut Regional Water Authority
New Haven, Connecticut

Dear Mr. Walden:

As with many utilities, the South Central Connecticut Regional Water Authority (RWA) is faced with declining demands and higher fixed costs. We are always looking for new and innovative ways to balance these costs with the benefits to our customers. As a result, for this upcoming funding cycle, RWA has submitted over \$21,000,000 in request for funding from the Drinking Water State Revolving Fund (DWSRF).

The DWSRF is a great opportunity to support our goals by offering lower financing costs and subsidy monies. By having this fund support projects to upgrade aging infrastructure, improve treatment processes and keep current with technology, public water systems, like RWA, are able provide customers with the highest quality drinking water at the lowest possible cost.

As a new participant in the DWSRF program, RWA appreciates the opportunity to participate in the current and future funding cycles. We look forward to working with you and your staff through the program, as well as demonstrating the savings realized through the DWSRF program to both our Boards and our customers.

Very truly yours,
REGIONAL WATER AUTHORITY



Beth F. Nesteriak, P.E.
Manager, Capital Planning and Delivery

cc: L. Discepolo, CFO
T. Norris, VP – Asset Management

South Central Connecticut Regional Water Authority
90 Sargent Drive, New Haven, Connecticut 06511-5966 203.562.4020
<http://www.rwater.com>

August 14, 2015

Cameron Walden
Supervising Sanitary Engineer
Connecticut Department of Public Health
410 Capital Avenue, MS #51
P.O. Box 340308
Hartford, CT 06134

Re: Draft Intended Use Plan - Public Hearing Comments
DPH - Drinking Water State Revolving Fund
South Central Connecticut Regional Water Authority
New Haven, Connecticut

Dear Mr. Walden:

This letter is written in response to a letter dated August 7, 2015 from Sara Ramsbottom, of the Drinking Water Section, regarding the Status of Eligibility Application for the South Central Connecticut Regional Water Authority's (RWA) West River Water Treatment Plant (WRWTP) Dissolved Air Floatation (DAF) project, related to the Drinking Water State Revolving Fund. A total of 40 ranking points were requested, however, only 35 points were assigned. The additional 5 points were included requested under Section BB. Proactive Improvements – System Automation. The RWA respectfully requests a re-evaluation of the eligibility ranking points assigned related to this category. The following is offered as justification for allocating the additional points.

This project includes the construction of a DAF treatment process as a pretreatment step to the operation of the RWA's WRWTP. This process will be designed to be fully automated and flow-paced, based on the raw water flow entering the plant. Programmable Logic Controls (PLCs) will run the DAF system automatically. This automation will allow the RWA to continue to meet reduced staffing requirements, which include one manned 8-hour shift and 16-hours per day of unattended automatic operation. Continued automation of RWA's system is integral to the current and future operation of our facilities.

We appreciate your consideration in this matter. Feel free to contact me at 203-401-2578 with any further questions you may have.

Very truly yours,
REGIONAL WATER AUTHORITY



Rose M. Gavrilovic, P.E.
Capital Planning Team Lead

cc: Sara Ramsbottom, CTDPH
T. Norris, B. Nesteriak, J. Hill, SCCRWA



CITY OF MERIDEN
DEPARTMENT OF PUBLIC UTILITIES

117 Parker Ave.
Meriden, CT 06450
(203) 630-4256
FAX (203) 630-4285

Dennis Waz
Director of Public Utilities

August 13, 2015

Mr. Cam Walden-Supervising Sanitary Engineer
Connecticut Dept of Public Health
Drinking Water Section
410 Capitol Ave MS# 51 WAT
P.O. Box 340308
Hartford, Ct 06134-0308

Dear Mr. Walden:

On behalf of Meriden Public Utilities, I am requesting the appropriation of DWSRF funding that would allow Meriden to successfully complete numerous water infrastructure improvement projects to assure the delivery of the best quality water to the residents we serve in the City of Meriden. Meriden's infrastructure date back to the late 1800's, and our goal and intention is to upgrade our infrastructure to meet or exceed current standards. Unfortunately, Meriden is a distressed municipality, and funding sources are limited. The DWSRF Program would allow municipal water utilities to improve our systems should state subsidies become available to cover project costs. The City of Meriden appreciates the opportunity to present our concern and requests to you for consideration.

Sincerely,

A handwritten signature in cursive script that reads 'Dennis Waz'.

Dennis Waz
Director of Public Utilities

Cc: File

VERBATIM PROCEEDINGS

DRINKING WATER STATE REVOLVING FUND

KATHRYN KEENAN, HEARING OFFICER

AUGUST 12, 2015

DEPARTMENT OF PUBLIC HEALTH
470 CAPITOL AVENUE
HARTFORD, CONNECTICUT

POST REPORTING SERVICE
HAMDEN, CT (800) 262-4102

HEARING RE: DRINKING WATER STATE REVOLVING FUND
AUGUST 12, 2015

1 . . .Verbatim proceedings of a hearing
2 before the Department of Public Health, re: Drinking
3 Water State Revolving Fund held on August 12, 2015 at
4 10:05 a.m. at the Department of Public Health, 470
5 Capitol Avenue, Hartford, Connecticut. . .

6
7
8
9 HEARING OFFICER KATHRYN KEENAN: Good
10 morning. Today is Wednesday, August 12, 2015 and it is
11 approximately five after ten in the morning. We are in
12 Conference Room C at the Department of Public Health, 470
13 Capitol Avenue in Hartford, Connecticut. My name is
14 Kathryn Keenan, and I am the Hearing Officer designated
15 by the Commissioner of Public Health to preside over
16 today's hearing.

17 The purpose of today's hearing is to
18 receive public comment regarding the Department's Draft
19 Intended Use Plan including the Draft Project Priority
20 List. Before I begin hearing public comment, I will
21 provide some background information regarding the
22 Department of Public Health's Drinking Water State
23 Revolving Fund program.

24 The Department annually receives a federal

HEARING RE: DRINKING WATER STATE REVOLVING FUND
AUGUST 12, 2015

1 capitalization grant award from the United States
2 Environmental Protection Agency to implement a capacity
3 development strategy and administer a Drinking Water
4 State Revolving Fund, hereinafter referred to as the
5 DWSRF.

6 The DWSRF offers low interest loans and if
7 eligible partial subsidization to community public water
8 systems and nonprofit non-community public water systems
9 to finance sustainable infrastructure projects. In mid
10 2011, the Department's Drinking Water Section, the
11 section of the Department that is responsible for
12 administering the DWSRF initiated a section wide strategy
13 to prioritize increasing the pace of the DWSRF program
14 which continues to this day. This strategy is
15 periodically reviewed by the Department and improvements
16 are made as needed.

17 The changes that have been made to
18 increase the pace of the DWSRF program and to help
19 maximize the use of available funding each year include:
20 continuing to use a two year planning period for projects
21 to coincide with the State biennial budget; revising the
22 DWSRF priority ranking system to place greater emphasis
23 on ready to proceed projects in the first year of the two
24 year funding cycle; working more closely with DWSRF loan

HEARING RE: DRINKING WATER STATE REVOLVING FUND
AUGUST 12, 2015

1 applicants and improving coordination of regulatory
2 review and loan preparation activities to keep projects
3 and funding commitments on schedule; creating a pipeline
4 of projects through close interaction with public water
5 systems concerning their system needs and working better
6 to promote and explain the DWSRF project -- process;
7 participating in the 2015 EPA drinking water
8 infrastructure needs survey to accurately identify the
9 infrastructure needs for the State and identify potential
10 future DWSRF projects; using the results of a LEAN
11 program executed during 2013 to improve the understanding
12 of the DWSRF requirements across agencies involved in the
13 DWSRF program and institute streamlining techniques.

14 On November 25, 2014, the Department
15 issued a call for projects which included the priority
16 ranking system and required that eligible public water
17 systems submit project eligibility applications to the
18 Department no later than January 31, 2015. The call for
19 projects also announced the continuation of the
20 Department's Emergency Power Generator Program.

21 As of the January 31, 2015 deadline, the
22 Department received a total of 77 eligibility
23 applications for approximately \$205,000,000 dollars in
24 DWSRF public drinking water infrastructure funding needs.

HEARING RE: DRINKING WATER STATE REVOLVING FUND
AUGUST 12, 2015

1 The Department ranked all eligible drinking water
2 projects in accordance with the Department's priority
3 ranking system. These projects were then reviewed to
4 determine which projects were eligible and ready to
5 proceed during state fiscal year 2016 using standardized
6 project readiness information submitted by the applicants
7 and their eligibility applications.

8 Forty-four projects or portions of
9 projects were determined ready to proceed during state
10 fiscal year 2016. These projects appear on the
11 Department's Draft Comprehensive Project List in
12 alphabetical order by town and PWS identification number
13 as Attachment D to the Draft IUP, Intended Use Plan.
14 This comprehensive list also identifies those projects
15 which are expected to proceed during state fiscal year
16 2017. From this comprehensive list, a Fundable Project
17 Priority List will be prepared when the Department is
18 notified of the authorized funding levels for the DWSRF
19 in the approved capital budget for state fiscal year
20 2016.

21 DWSRF funds will initially be offered to
22 all public water systems appearing on the Final State
23 Fiscal Year 2016 Fundable Project Priority List. In the
24 event that unanticipated delays are encountered in the

HEARING RE: DRINKING WATER STATE REVOLVING FUND
AUGUST 12, 2015

1 progression of a project or in the execution of a funding
2 agreement, the Department may elect to bypass a project
3 and offer those funds to the next highest ranked project
4 that is ready to proceed. These bypass procedures and
5 other program elements are detailed in the Department's
6 Draft Intended Use Plan.

7 The Department's Federal Fiscal Year 2015
8 Federal Capitalization Grant requires the Department to
9 use a minimum of 20 percent but no more than 30 percent
10 of the grant to subsidize drinking water projects. The
11 Department intends to utilize at least 20 percent of the
12 Federal Fiscal Year 2015 Capitalization Grant for project
13 subsidization during the state fiscal year 2016.
14 Subsidization will be provided to qualifying loan
15 recipients in the form of loan principal forgiveness.

16 The Department intends to provide partial
17 subsidization to certain qualifying projects including
18 all Emergency Power Generator Program and small systems
19 projects. Certain large system projects that meet the
20 criteria for affordability and sustainability planning as
21 described in Section 6 of the DWSRF Priority Ranking
22 System are also eligible for partial subsidization if
23 their project is consistent with an ongoing sustainable
24 infrastructure plan. Details on subsidization and

HEARING RE: DRINKING WATER STATE REVOLVING FUND
AUGUST 12, 2015

1 eligibility and distribution are provided in Section 7f
2 of the draft IUP.

3 The Department may also have state subsidy
4 monies available during state fiscal year 2016 from
5 Public Act 14-98. This act provides the State Bond
6 Commission with the power to authorize bonds up to an
7 aggregate \$50,000,000 to be used by the Department to
8 implement a Public Water System Improvement Program.
9 This program provides grant and aid in the form of loan
10 principal forgiveness to certain eligible public water
11 systems for DWSRF projects. This act also includes
12 specific eligibility criteria for public water systems as
13 explained in Section 4f of the Draft IUP including the
14 need for public water systems to have an asset and fiscal
15 management plan. This funding is expected to be
16 distributed on a first-come, first-served basis until all
17 available funding has been awarded based on the readiness
18 of a project to proceed and execute a funding agreement.

19 The Department is required by state and
20 federal law to seek meaningful public review and comment
21 on the Draft IUP including the Draft Project Priority
22 List. The Commissioner of Public Health is required to
23 consider any written and oral testimony regarding the
24 Draft IUP and may elect to modify the Draft IUP on the

HEARING RE: DRINKING WATER STATE REVOLVING FUND
AUGUST 12, 2015

1 basis of such testimony. After taking all testimony into
2 consideration, the Department will prepare the Final
3 Project Priority List which will be included in the Final
4 IUP for Federal Capitalization Grant Funds.

5 On July 9, 2015, the Department provided
6 legal notice of today's public hearing in the La Voz
7 Hispana. On July 10, 2015, the same notice appeared in
8 the Hartford Courant, New Haven Register and the
9 Waterbury Republican-American and on July 16, 2015 in the
10 Northeast News. These notices included an announcement
11 of the availability of the Draft IUP for public review
12 and comment.

13 Today's public hearing is intended to
14 allow for oral and/or written testimony on the IUP -- the
15 Draft IUP. Following the conclusion of the public
16 hearing, all oral and written testimony will be reviewed
17 and taken into consideration in preparing a Final Project
18 Priority List and Final IUP. Once completed, a Hearing
19 Report will be published and made available on the
20 Department's website.

21 The documents listed on the agenda for
22 today's public hearing comprise the record to date. Any
23 documents received today will also be added to the
24 record. It is important to note that we are keeping the

HEARING RE: DRINKING WATER STATE REVOLVING FUND
AUGUST 12, 2015

1 record open to receive additional evidence until 4:30
2 p.m. on Friday, August 14, 2015. Nothing will be added
3 to the record after that time.

4 If you wish to provide oral testimony
5 today, there's a sign-up sheet at the door for providing
6 testimony. I will call persons who wish to provide
7 testimony up to the podium in the order that they appear
8 on this list. Questions will not be entertained during
9 the public hearing. After the hearing has been
10 concluded, there will be an open forum where you may ask
11 questions directly to DWSRF program staff.

12 The first person on the list is Susan
13 Negrelli from MDC. If you would please come up to the
14 podium.

15 MS. SUSAN NEGRELLI: Good morning, Susan
16 Negrelli from MDC, Director of Engineering. I'm pleased
17 to be here.

18 The District serves over 101,000 water
19 customers in eight member towns including two distressed
20 municipalities and portions of four surrounding towns in
21 our service area here in the Hartford area. The District
22 treats over 49,000,000 gallons per day of water
23 collectively at our three water treatment facilities in
24 West Hartford, Bloomfield and Collinsville. We own and

HEARING RE: DRINKING WATER STATE REVOLVING FUND
AUGUST 12, 2015

1 operate a distribution system of approximately 1,550
2 miles of water mains, 18 water pump stations. The water
3 main average age is about 61 years and we have
4 approximately 139 miles of water mains that are over a
5 hundred years old some dating back to 1854.

6 During the ten-year period from 2005 to
7 2014, we've experienced over 2,100 water main breaks and
8 leaks of which approximately 95 percent were on old cast
9 iron pipe. In 2009, the District completed the
10 development of a water distribution system asset
11 management plan which included a comprehensive capital
12 improvement master plan for the replacement and
13 rehabilitation of the District's potable and raw water
14 distribution system as well as the replacement and
15 rehabilitation of point assets includes gate valves, pump
16 stations and -- pump stations, water tanks to maintain
17 service to our over 400,000 people that we serve. The
18 District routinely updates our water asset management
19 process. We are currently in the process of updating it
20 again and expanding it to also include sewer and other
21 assets.

22 MDC's 2015 Approved Capital Improvement
23 Program Budget for Water Projects was approximately
24 \$44,000,000 dollars. This includes land acquisition in

HEARING RE: DRINKING WATER STATE REVOLVING FUND
AUGUST 12, 2015

1 and around watersheds, dam safety, various water
2 treatment facility upgrades and other projects in
3 addition to the linear water main and gate valves, pump
4 stations and water tanks for which DWSRF funding was
5 applied for. Additionally, the District's 2014 Annual
6 Water Debt Service was approximately 8.6 million. The
7 total bonded debt for water projects was 114.3 million.

8 MDC submitted 19 DWSRF applications
9 totaling 98.4 million for water main replacements and
10 pump station improvements. Our Simsbury road pump
11 station project was determined to be ineligible for
12 funding. I'd like to take this opportunity to mention
13 that the upgrade of the pump station includes elimination
14 of two 7,500 gallon hydro pneumatic tanks installed in
15 '66 which would provide a safety improvement to the pump
16 station. For this reason, I would ask you to reconsider
17 your initial determination for this project.

18 I'm here today to testify in support of
19 increased state funding for DWSRF program and to
20 encourage the continued development of asset management
21 plans and other prioritization tools. MDC prides itself
22 in maintaining affordability drinking water for our rate
23 payers. Assistance from the DWSRF program is a critical
24 component in providing safe, sustainable and affordable

HEARING RE: DRINKING WATER STATE REVOLVING FUND
AUGUST 12, 2015

1 drinking water for the future. Thank you.

2 HEARING OFFICER KEENAN: Thank you.

3 Beth Nesteriak from Regional Water
4 Authority.

5 MS. BETH NESTERIAK: Good morning. Beth
6 Nesteriak, Regional Water. I'm the manager of Capital
7 Planning and Delivery.

8 As with many utilities, the South Central
9 Connecticut Regional Water Authority is faced with
10 declining demands and higher fixed costs. We are always
11 looking for new and innovative ways to balance these
12 costs and with the benefits to our customers. As a
13 result, for this upcoming funding cycle, RWA has
14 submitted over \$21,000,000 dollars in request for funding
15 from the DWSRF program.

16 DWSRF is a great opportunity to support
17 our goals by offering lower financing costs and subsidy
18 monies. By having this fund support projects to upgrade
19 aging infrastructure, improve treatment processes and
20 keep current with technology, public water systems like
21 RWA are able to provide customers with the highest
22 quality of drinking water at the lowest possible cost.

23 As a new participant in the DWSRF program,
24 RWA appreciates the opportunity to participate in the

HEARING RE: DRINKING WATER STATE REVOLVING FUND
AUGUST 12, 2015

1 current and future funding cycles. We look forward to
2 working with DPH through the program as well as
3 demonstrating the savings realized through the DWSRF
4 program to both our boards and our customers.

5 HEARING OFFICER KEENAN: Thank you.

6 The next person on the list is Douglas
7 Arndt, Bethel Public Works.

8 MR. DOUGLAS ARNDT: Good morning. My name
9 is Doug Arndt. I'm the Public Works Director of the Town
10 of Bethel. I'm just here to speak to and support of the
11 few projects we have listed here.

12 The Town of Bethel is currently undergoing
13 a \$22,000,000 dollar, ten-year renovation of our water
14 system infrastructure. We approximately have 3,600 users
15 on our system and we have a number of projects that are
16 critical to the sustainability of our -- of our system.
17 We're moving away from surface water treatment into well
18 sourced facilities and represented here, we have a -- a
19 Hoyts Hill Booster Pump Station which again is -- updates
20 a -- a pump station that, I believe, is 50 some years
21 old. Maple Avenue Wells 1 and 2 are -- are existing well
22 field as these wells were installed sometime back, they
23 are no longer producing optimum -- optimum output and
24 we're requesting funding in support of reinstalling newly

HEARING RE: DRINKING WATER STATE REVOLVING FUND
AUGUST 12, 2015

1 developed wells in the same well field.

2 We have a East Swamp well field. This is
3 a critical project as this will provide the Towns
4 sufficient water supply to step away from the surface
5 treatment plants right now. We have one at Eureka Lake
6 and one at Chestnut Hill which are both very, very dated
7 facilities and have effectively outlived their life
8 cycle. So the East Swamp well field would be the Town's
9 future in terms of water supply in a very critical
10 project in terms of achieving the goals set forth in our
11 system.

12 The fourth project on the list is the
13 water main replacement and this again, this is the Town's
14 efforts to update the dated lines and to move forward
15 replacing transite lines and other -- other facilities
16 that are failing due to their age.

17 The Town is committed to move forward and
18 we're making substantial advancements in that area.
19 We're currently installing a -- a water storage tank,
20 750,000 gallon tank that will be going off to bid
21 shortly. So we are definitely moving forward and look
22 forward to the State's support in the projects that we
23 afford as we think that this is a very wealth and
24 valuable project and well worth the investment. Thank

HEARING RE: DRINKING WATER STATE REVOLVING FUND
AUGUST 12, 2015

1 you very much.

2 HEARING OFFICER KEENAN: Thank you.

3 Are there any other speakers who would
4 like to provide testimony? If there are no other
5 speakers that would like to provide testimony, I will --
6 I would like to declare this morning's proceedings
7 concluded. Thank you all for coming and providing
8 comments. As a reminder, the Department's Drinking Water
9 Section is hosting open forum following this hearing
10 where you may ask questions directly to DWSRF Program
11 staff.

12

13 (Whereupon, the meeting of the Drinking
14 Water State Revolving Fund adjourned at 10:24 a.m.)

Drinking Water State Revolving Fund Intended Use Plan SFY 2016

State Of Connecticut
Department Of Public Health



Table of Contents

- List of Acronyms Used in this Document
- I. Introduction
 - A. State of Connecticut’s Drinking Water State Revolving Fund
 - B. What’s New for SFY 2016
- II. Structure of the DWSRF
 - A. Eligibility of Projects for Planning, Design, and Construction
 - B. Set-Asides
- III. DWSRF Goals
 - A. Short-Term Goals
 - B. Long-Term Goals
- IV. Criteria and Method for Distribution of Project Funds
 - A. Priority Ranking System
 - B. Capacity Assessments
 - C. Small System Funding
 - D. Emergency Power Generator Program
 - E. Projects to be Funded
 - F. Additional Subsidization
 - G. Readiness to Proceed
 - H. Project Bypass Procedures
 - I. Other DWSRF Provisions
 - J. Connecticut Plan of Conservation and Development
- V. DWSRF Policies and Requirements
 - A. Letter of Authorization to Award for Eligible Projects
 - B. Project Application Carryovers and Rollovers
 - C. Multi-Year Projects
 - D. Tie-Breaking Procedures
 - E. Pre-Review Policy (Construction Only)
 - F. Reimbursements
 - G. Refinancing Existing Loans
 - H. Withdrawal of Project from Funding Consideration
- VI. Financial Management
 - A. Rationale for Determining Amounts of Capitalization Grant Intended for Projects and Set-Aside Funds
 - B. Sources and Uses of Funds
 - C. The DWSRF Financing Plan and Issuance of Bonds for Leveraging
 - D. State Matching Requirements
 - E. Federal Cash Draw Proportionality
 - F. Financial Terms of Loans
 - G. Transfer of Capitalization Grant Funds between the DWSRF and CWSRF
 - H. Expected Loan Demand
 - I. Impact of Program on Long-Term Financial Status of the DWSRF
- VII. Set-Aside Activities
 - A. DWSRF Administrative Funds
 - B. State Program Management
 - C. Small Systems Technical Assistance
 - D. Local Assistance
- VIII. Audits and Reporting
- IX. Public Outreach and Comment

- X. Attachments
 - A. Sources and Uses for DWSRF Project Funds and Set-Aside Accounts
 - B. Priority Ranking System
 - C. SFY 2016 Comprehensive Project List – Alphabetical Order
 - D. SFY 2016 Comprehensive Project List – By Expected Funding Year and Points
 - E. SFY 2016 Carryover Project List
 - F. SFY 2016 Fundable Project Priority List
 - G. Asset Management Plan Checklist
 - H. Fiscal Management Plan Checklist
 - I. December 22, 2014 EPA Memo
 - J. December 2, 2011 Letter from EPA Headquarters to Governor Malloy
 - K. January 20, 2012 Letter from DPH to EPA Headquarters
 - L. June 17, 2013 Letter from DPH DWS to EPA Region

Acronyms Used in This Document:

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

I. INTRODUCTION

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

In 1996, Congress passed amendments to the Safe Drinking Water Act (SDWA) establishing the Drinking Water State Revolving Fund (DWSRF). Section 1452 of the SDWA authorizes the Administrator of the United States Environmental Protection Agency (EPA) to award capitalization grants to states. Each state annually receives a minimum of 1% of the funds available for the total allotment. From the inception of Connecticut's DWSRF program to Federal Fiscal Year (FFY) 2013, Connecticut's annual allocation has been 1% of the national allotment. Our participation in the 2011 Drinking Water Infrastructure Needs Survey and Assessment (DWINSA) identified increased need from the state's public water systems (PWS) for infrastructure improvement projects, which resulted in an increase in the annual allocation. Starting with the FFY 2014 DWSRF Capitalization Grant and ending with FFY 2017 grant, Connecticut's allocation increased from 1% to 1.01%. The 2015 DWINSA will determine the allocation after FFY 2017. Connecticut is eligible to receive \$8,962,000 from the \$906,896,000 appropriated by Congress for FFY 2015.

The Department of Public Health (DPH) is the primacy agency for Connecticut's drinking water program and the designated agency that is authorized to enter into capitalization grant agreements with the EPA, accept capitalization grant awards, and otherwise manage the DWSRF. This Intended Use Plan (IUP) is part of our application for the FFY 2015 Capitalization Grant. The SDWA requires that each State annually prepare an IUP to describe how the State intends to use DWSRF program funds to support the overall goals of the DWSRF program and meet the SDWA objectives. This IUP highlights the State of Connecticut's ongoing improvement of the DWSRF program and seeks to further maximize the program's resources. The DWSRF program is an essential component of Connecticut's efforts to protect public health and improve the quality and availability of water to all its citizens. The IUP communicates our plans to stakeholders who include: public water systems, the public, EPA and other state agencies.

The IUP discusses how DPH intends to utilize its allotment of FFY 2015 funds, state legislative funding authorizations, and unobligated project funds carried forward from previous IUPs during the State Fiscal Year (SFY) 2016 time period (July 1, 2015 – June 30, 2016). The available funding includes unliquidated obligations (ULO) from previous federal capitalization grants. The IUP details the short-term and long-term goals that the DPH has developed to support the overall objectives of the DWSRF program of ensuring public health protections, complying with the SDWA, ensuring affordable drinking water, and maintaining the long-term financial health of the DWSRF. The IUP also provides the financial status of the DWSRF. Finally, the IUP describes the criteria and methods that DPH will use to distribute the funds, including the ranking criteria under which the eligible projects were ranked and placed on the fundable and comprehensive project lists and the procedures that allow DPH to bypass projects on the fundable list.

During State Fiscal Year (SFY) 2016, the DPH will continue to focus on implementing the public health aspects of the SDWA and will work to ensure that funds move expeditiously and responsibly from the time the State of Connecticut is awarded the capitalization grant to the time the funds are awarded to projects. These efforts are instrumental in achieving the requirements of the SDWA. The DPH works closely together with other state and federal agencies to identify opportunities for funding specific projects and to coordinate funding efforts.

Connecticut has legislation enabling it to establish and operate a DWSRF program and to apply for and receive federal funds, which is contained in Connecticut General Statutes (CGS) Sections 22a-

475 through 22a-483, inclusive. As the administrator of the DWSRF program for the State of Connecticut, the DPH coordinates the activities of two different state agencies, which are the Office of the State Treasurer (OTT), the Department of Energy and Environmental Protection (DEEP), and within DEEP, the Public Utilities Regulatory Authority (PURA), with the charge of implementing certain aspects of and overseeing the DWSRF program. The DPH, DEEP, OTT, and PURA entered into a DWSRF Interagency Memorandum of Understanding (DWSRF Interagency MOU), which details the roles and responsibilities of each agency. The DWSRF Interagency MOU is an attachment to the Operating Agreement (OA) between the State of Connecticut and the EPA. The OA was filed with the EPA as part of the DPH's 1997 Capitalization Grant application and established the basic framework and procedures of the DWSRF program that are not expected to change annually.

The DPH is responsible for programmatic and fiscal administration of DWSRF projects, 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 the State Bond Commission (SBC) authorization requests for DWSRF projects to the DEEP for processing under the Clean Water Fund (CWF). The DEEP is responsible for administration of the CWF, of which the DWSRF is a sub-account. The DEEP processes the DPH's biennial DWSRF capital budget request and processes DWSRF SBC authorization requests for projects as part of the CWF, with the exception of any state subsidy funds, which are processed by the DPH. The PURA is responsible for programmatic and fiscal input for those water companies that it regulates. The OTT is responsible for the fiscal administration of all DWSRF accounts, oversight of loans, oversight of the bonding process, and administration of a DWSRF financial plan, as well as reviewing the financial viability of borrowers.

Figure 1 on page 3 displays the role the IUP plays in the DWSRF funding process.

B. What's New for SFY 2016?

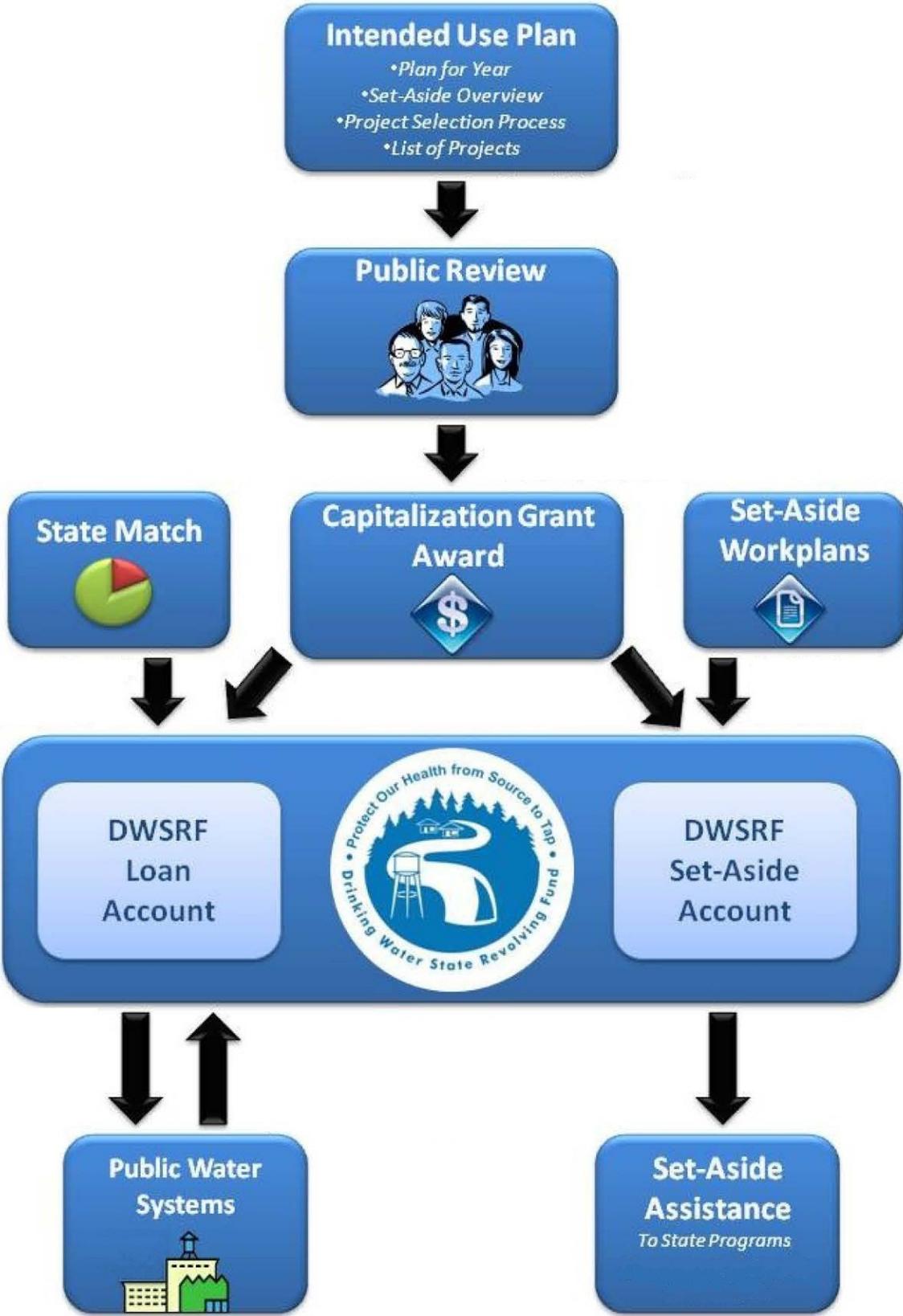
During SFY 2015, a state law took effect that provides for up to \$50 million for the subsidization of certain qualifying DWSRF applicants and projects. This law requires a recipient to have an asset and fiscal management plan to receive any of these funds, which can subsidize up to 30% or 50% of the eligible project costs, depending on the size of the PWS.

Since the inception of the Emergency Power Generator Program (EPGP), the DPH has seen a marked increase in the number of very small loans under \$100,000 being executed. As a result, the DPH and OTT have made adjustments in the maximum term a loan may be, dependent on the size of the loan.

In an effort to more quickly execute funding agreements and disburse funds, the readiness criterion outlined in the Priority Ranking System (PRS) has been tied more closely to the generation of the Fundable Project Priority List (PPL).

The DPH has chosen to change the Local Assistance Set-aside percentage split it will take. Rather than 10% for Capacity Development and 5% for Wellhead Protection, as has been done for many years, the 15% will be split equally at 7.5% for each. This is being done in an effort to make ULOs more uniform amongst the set-asides.

Figure 1 - The DWSRF Funding Process



II. STRUCTURE OF THE DWSRF

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

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

- Installation or upgrade of facilities to improve the quality of drinking water to comply with primary or secondary standards and point of entry or central treatment;
- Rehabilitation of wells or development of eligible sources to replace contaminated sources;
- Installation or replacement of transmission and distribution pipes to improve water pressure to safe levels or to prevent contamination caused by leaks or breaks in the pipes;
- Installation or upgrade of eligible storage facilities to prevent microbiological contaminants from entering a PWS;
- Those needed to consolidate water supplies where, for example, a supply has become contaminated or a system is unable to maintain compliance for technical, financial, or managerial reasons;
- Creation of a community water system to address existing public health problems with serious risks caused by unsafe drinking water provided by individual wells or surface water sources.

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

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

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

B. Set-Asides

The State of Connecticut will use the amount of its capitalization grant set-asides to provide additional support to promote and implement the State’s safe drinking water efforts and for activities to assist water systems in developing enhanced capabilities for the future. The set-asides help systems build capacity to assist in compliance with the SDWA and may aid their readiness to proceed to an infrastructure project. Additional information may be found in Section VII.

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

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

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

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

III. DWSRF GOALS

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

Following lessons learned from the American Recovery and Reinvestment Act of 2009, in mid-2011 the DPH initiated a section-wide strategy to prioritize increasing the pace of the DWSRF program and creating a pipeline of projects for future funding years. Within this strategy, the DPH moved from a one year PPL to a two year PPL. This change allowed the DPH to fund projects that were ready to proceed in the first year while getting other projects ready for funding in the second year. The two year PPL also reduced the DPH's administrative burdens associated with an annual project solicitation period, PPL preparation and the public hearing process. In addition, changes were made to the Priority Ranking System (Attachment B) used to establish the PPLs. The Priority Ranking System is discussed in more detail in Section IV. These changes were outlined in a January 20, 2012, letter from DPH Commissioner Dr. Jewel Mullen to EPA Administrator Jackson (Attachment K), in response to EPA's letter of December 2, 2011 (Attachment J). On June 17, 2013, the DPH sent a letter to EPA Region 1 with an update on the progress that has been made to increase the pace of the program (Attachment L). "Pace" is a federal measure of the DWSRF assistance provided as a percentage of available funding.

This strategy continues to be reviewed and improvements made as needed. The changes that have been made to help maximize the use of available funding each year include:

- Providing additional staff resources to the program
- Reducing program administration costs and delays associated with the development of an annual Call for Projects by moving to a two year Call for Projects and planning period
- Revising the DWSRF Priority Ranking System to place greater emphasis on ready-to-proceed projects in the first year of the two-year planning period
- Working more closely with DWSRF loan applicants and improving coordination of regulatory review and loan preparation activities to keep projects and funding commitments on schedule
- Creating a pipeline of projects through close interaction with public water systems concerning their system needs during the data gathering process for the 2011 EPA Drinking Water Infrastructure Needs Survey and Assessment (DWNSA), and working to better promote and explain the DWSRF process; this is continuing with the 2015 DWNSA

- Using the results of LEAN activities in 2010 and 2014 to understand program requirements across agencies and institute streamlining techniques
- Creating a unit that is responsible for administering the federal grant applications, working directly with the DPH Fiscal Office on federal cash management, and working closely with and fully support the efforts of the DWSRF program.

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

A. Short-Term Goals

1. Apply for the FFY 2015 capitalization grant award by June 30, 2015. Upon award, implement the provisions of the FFY 2015 federal appropriation, including the capitalization grant terms and conditions.
2. Approve financial assistance agreements for projects funded in accordance with this IUP with an overall goal of committing all available project funds during the IUP period and increasing the pace of the DWSRF program.
3. Continue to implement existing DWSRF elements, including re-evaluation and improvement when necessary:
 - a. Effective and efficient fiscal management of DWSRF funds;
 - b. Routine procedures for entering into project funding agreements with recipients;
 - c. Effective and efficient communications between State agencies for all components of the DWSRF program;
 - d. Improve the efficiency of review of project submittals and execution of funding agreements, where possible.
 - e. Review of the PRS;
 - f. Responsibilities delineated in the DWSRF Interagency MOU;
 - g. Routine procedures for monitoring oversight and contract compliance of DWSRF set-aside projects;
 - h. Procedures for evaluating technical and managerial capacity of DWSRF applicants and sustainability aspects of proposed projects.
4. Input project information into the DWSRF Project Benefits Reporting (PBR) and the Drinking Water National Information Management System (DWNIMS) on-line databases and continue to monitor program pace to assure meeting or exceeding national goals and measures for awarding funds in a timely manner.
5. Maintain a financing plan that secures the perpetuity of the DWSRF and meets loan demand.
6. Provide oversight, tracking, and continued implementation of the DPH's January 2013 Cash Management Plan.
7. Continue to reduce the DPH's ULOs associated with capitalization grant awards (project funds and set-asides) received from EPA and work towards achieving EPA's ULO goals. This effort includes the implementation of improved project readiness criteria.

8. Maintain a pipeline of projects through frequent interaction with public water systems.
9. Continue using a 2-year project planning period to coincide with the biennial State of Connecticut budget cycle.
10. Continue to implement improvements identified during the 2014 DWSRF LEAN process, including:
 - a. Revise the DWSRF Interagency MOU to reflect modifications made with respect to each agency's responsibilities to the DWSRF program to reflect the statutory changes approved in 2010.
 - b. Revise the OA to reflect revisions that have been made to the DWSRF program.
11. Continue to utilize the EPGP as a model for streamlining DWSRF requirements for small systems that undertake other projects with a total project cost of less than \$100,000.
12. Provide education to PWSs to improve the sustainable infrastructure and asset management programs of PWSs.
13. Continue transitioning into the Loans and Grants Tracking System (LGTS) database that will improve communication between State agencies and information sharing with the EPA for projects funded through the DWSRF program.
14. Manage the 2015 DWINSA for the State of Connecticut, including frequent interaction with the selected PWSs. The goal is to accurately reflect the infrastructure needs for the State of Connecticut.

B. Long-Term Goals

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

1. Make a commitment to monitor, track, and continue to improve the pace of the DWSRF program.
2. Maintain low levels of ULOs associated with capitalization grant awards received from the EPA.
3. Continue to reach out to State of Connecticut PWSs in an effort to educate and better promote the DWSRF Program, in order to maintain a pipeline of projects that are eligible to receive DWSRF funding.
4. Coordinate within the DPH, and continue to collaborate with other State agencies where possible and advantageous, to maximize the effectiveness of the program and meet the State of Connecticut's public health and water quality and quantity goals.
5. Use set-aside funds to effectively improve the State of Connecticut's aging drinking water infrastructure, drinking water regulatory compliance, the technical, managerial and financial capacity of PWS and drinking water service to Connecticut's residents. Areas of concern include PWS sustainable infrastructure programs, long-term water supply planning, source water protection and small water systems.

6. Continue to improve on documenting the PWS infrastructure needs for Connecticut through on-going participation and support for the EPAs Drinking Water Infrastructure Needs Survey and Assessment.
7. Offer a long-term low-interest financing program to eligible PWSs to undertake infrastructure improvement projects.
8. Commit to maintaining cash management policies, procedures and records for DWSRF funding.

IV. CRITERIA AND METHOD FOR DISTRIBUTION OF PROJECT FUNDS

A. Priority Ranking System

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

Modifications were made to Connecticut's PRS for the SFY 2016 and 2017 funding cycle. The PRS was made available to all applicants for their reference in completing and submitting project eligibility applications. These changes include the following:

- Utilization of the "Distressed Municipalities" list maintained and updated annually by the Connecticut Department of Economic and Community Development (DECD) as the source for cities or towns that qualify for affordability points.
- Increased the point value for generator projects in the EPGP.
- Added a point category for projects strictly for new or replacement generators costing more than \$100,000.

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

All projects deemed eligible are shown in alphabetical order by the town of the PWS in a Comprehensive Project List (Attachment C). This list of projects is also shown in order of ranking points assigned by the SFY during which the project is expected to proceed (Attachment D). From this comprehensive list, the SFY 2016 Fundable PPL (Attachment F) was developed based on the total amount of funding made available for SFY 2016. Projects that are determined by the DPH as not ready to proceed during SFY 2016 will not be considered in preparing the SFY 2016 PPL

regardless of the priority points that the project received. These projects will be maintained on the comprehensive list and will be considered for funding during SFY 2017, or may bypass a project on the SFY 2016 fundable PPL according to the bypass procedure explained in Section IV.

Projects identified on the SFY 2016 Fundable PPL may be bypassed by a project identified on the comprehensive list if the fundable 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 V will be used to determine which project will be ranked higher on the PPL. The lowest ranking project on the SFY 2016 Fundable PPL may be only partially funded based on the amount of total funds that remain available.

B. Capacity Assessments

The SDWA requires that a PWS applying for a DWSRF loan must show that it has the technical, financial and managerial capacity to ensure compliance. If a system does not have adequate capacity, assistance may only be provided if it will help the system to achieve capacity. The goal of this requirement is to ensure that DWSRF assistance is not used to create or support non-viable systems. The DPH is in the process of developing Capacity Development Assessment Scorecards for PWSs serving fewer than 1,000 people to better evaluate their overall capacity. PWSs serving 1,000 or more are required to develop and maintain a Water Supply Plan, which are reviewed and approved by the DPH.

Incentives for PWS to improve their capacity have been built into the distribution of the required subsidy, as described in Section IV. Starting in SFY 2014 additional subsidy was offered to small PWSs which developed an asset management plan. This will continue in SFY 2016. Beginning in SFY 2015, qualified applicants of all sizes that wish to qualify to receive state subsidy must have asset and fiscal management plans. The criteria for these plans were developed by referencing EPA guidance. Checklists of required information for each plan were developed and are included as Attachments G and H. The criteria were chosen so that these plans would address all three areas of capacity.

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

Technical Capacity

To demonstrate technical capacity, DWSRF applicants must show that drinking water sources are adequate, that the PWS's source, treatment, distribution, pumping, and storage infrastructure are adequate and that personnel have the technical knowledge to efficiently operate and maintain the system, as well as any additional infrastructure funded by the DWSRF. All community and non-transient non-community (NTNC) PWS are required to have a Certified Operator responsible for the operation of the water system, in accordance with the state's operator certification program. As part of reviewing an applicant's technical capacity, the DPH will review the PWS's regulatory compliance records and most recent sanitary survey report to assure that the system is being properly operated and maintained. The PWS must not have outstanding regulatory compliance problems unless the PWS is actively working to correct or resolve those problems. The engineering

reports, plans, and specifications for the proposed DWSRF-funded project will be evaluated during the loan application process.

Financial Capacity

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

Managerial Capacity

To demonstrate managerial capacity, the PWS must have personnel with expertise to manage the entire water system operation. Managerial capacity of a PWS is evaluated during a sanitary survey. All community and NTNC PWS are required to have a Certified Operator responsible for the operation of the water system, in accordance with the State's operator certification program. As part of reviewing an applicant's managerial capacity, the DPH will review the PWS's records and most recent sanitary survey report to assure that the PWS is being properly operated and maintained.

C. Small System Funding

The SDWA Amendments of 1996 also require 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 PWSs, which are PWSs that regularly serve less than or equal to a population of 10,000. In cases where an applicant owns more than one community PWS, the applicant's population will be determined on the combined population of all of its individually owned PWSs.

The SFY 2016 Fundable PPL does not achieve the EPA goal of dedicating at least 15% of the available DWSRF funding, or approximately \$6,173,432, to small PWSs. This was due to a lack of sufficient funding requests received for projects expected to proceed during SFY 2016. In response to the Call for Projects, the DPH received applications for 22 small system projects, including 6 EPGP projects, totaling approximately \$25.5 million in eligible project costs for the 2-year funding period, but only approximately \$2.7 million for SFY 2016. All eligible small system projects are expected to receive funding.

D. Emergency Power Generator Program

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

The EPGP includes streamlined procurement procedures for projects costing less than \$100,000 in an effort to make it easier for small PWSs to proceed through the DWSRF process. PWSs that

currently do not have back-up power for a drinking water facility are eligible to receive up to 45% of the total DWSRF eligible project cost as subsidization with a maximum amount of \$45,000 for each facility. PWSs that already have back-up power systems installed in their facilities are eligible to receive up to 25% of the total DWSRF eligible project cost as subsidization with a maximum amount of \$25,000 per project for replacement generators. These generator projects are ranked along with all other projects in accordance with the PRS.

E. Projects Expected to be Funded

Funding for new projects is limited to eligible PWSs that submitted eligible project applications in response to the DPH's SFY 2016 and SFY 2017 Call for Projects. The Call for Projects solicitation period ended on January 31, 2015. The total amount of funding available for new projects during SFY 2016 is approximately \$41.1 million. Projects on the SFY 2016 Fundable PPL are expected to receive funding under this IUP. Funds will also be made available to projects carried forward from a prior IUP, but for which binding commitments (i.e. financial assistance agreements) with the DPH have not yet been executed. These projects are being carried over, in accordance with the procedure described in Section V, and are listed in Attachment E. These carryover projects went through public comment and ranking for during the year in which they appeared on the PPL and are not being re-ranked.

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

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

The DPH utilized the PRS and readiness criteria to determine the SFY in which the project can reasonably be expected to proceed. The SFY 2016 Fundable PPL identifies projects, or portions of projects, for which funding is expected to be available and that can reasonably be expected to proceed during SFY 2016 based on project readiness information provided by the applicants in their DWSRF Eligibility Application or Emergency Power Generator Eligibility Application.

All project eligibility applications were reviewed and evaluated to ensure that the proposed projects meet the eligibility criteria and that the applicant is prioritizing projects based on their identified needs and any applicable regulatory compliance concerns. All projects were awarded appropriate points based on the current PRS, as discussed previously. DPH put an increased emphasis on project readiness in development of the Comprehensive Project List and which projects are expected to proceed during SFY 2016, in response to the December 22, 2014 memo from EPA (Attachment I), which included guidance on applying project readiness-to-proceed criteria.

The Comprehensive Project List includes all projects submitted in response to the Call For Projects. A total of 77 projects are on this comprehensive project list. Some applicants have requested funding for planning, design, and construction phases of a project; however all phases may not

necessarily receive funding. Projects which requested funding for multiple phases may be listed more than once, with the phases identified. The SFY 2016 Fundable PPL includes those projects proposed to move forward during the SFY ranked by priority points awarded, and for which sufficient funds are expected to be available. The Comprehensive Project List includes two unranked projects at the bottom which were determined to be ineligible for DWSRF assistance. The total amount requested for all eligible projects is \$201,916,960.

Projects to be considered for funding during SFY 2017 will be those from the Comprehensive Project List that are still in need of funding. These projects will be identified in the SFY 2017 IUP.

F. Additional Subsidization

Federal Subsidy Funds

The DPH has the statutory authority to provide subsidization in the form of grants, principal forgiveness, negative interest rates, or any combination thereof under CGS Section 22a-477(s)(2)(F). The federal DWSRF appropriation for FFY 2015 requires that not less than 20%, but not more than 30%, of the capitalization grant amount be used by the State to provide additional subsidization to eligible recipients in the form of grants, principal forgiveness, or negative interest loans, or any combination thereof. The DPH is therefore required to provide an equivalent of at least \$1,792,400, but not more than \$2,688,600, in subsidization. All subsidization will be provided in the form of loan principal forgiveness.

The DPH expects to use at least 20% of the capitalization grant to subsidize certain qualifying drinking water projects. All federal subsidy is expected to be distributed on a first come, first served basis until all the available funding has been awarded, based on the readiness of a project to proceed and the PWS to execute a funding agreement, with the exception of small systems, as described below. There is no guarantee that every project eligible for subsidy will actually receive subsidy. Projects funded under the EPGP are eligible to receive up to 25% or 45% of their total eligible project cost in subsidization, as described in Section IV. Other drinking water infrastructure projects on the SFY 2016 Fundable PPL are also eligible for subsidization, as outlined below:

- a) Subsidization for small PWSs with EPGP projects, as described in Section IV, shall be reserved as long as funding agreements are drafted with DPH for those projects during SFY 2016.
- b) Small PWSs will be eligible for up to 20% of the total eligible project cost in subsidization, as follows:
 - 1) A 10% subsidy, not to exceed a total of \$125,000 per project. These funds will not be reserved unless the PWS is pursuing an Asset Management Plan, as described in item 2 below.
 - 2) An additional 10% subsidy, not to exceed a total of \$125,000 per project, will be available to small systems on the SFY 2016 Fundable PPL that have an Asset Management Plan in place, or agree to prepare and implement such a plan as part of their DWSRF financial assistance agreement. In order to assist small PWS with producing a plan, the DPH will provide training opportunities at no cost to the system, as well as free onsite technical assistance, as needed, to complete and implement the Asset Management Plan. Subsidization shall be reserved for small PWSs that need and

agree to prepare an Asset Management Plans as long as a funding agreement with DPH is drafted during SFY 2016 and that plan is completed.

- c) Large systems, defined as PWSs serving more than 10,000 people, with projects on the SFY 2016 Fundable PPL which meet the “Sustainability Planning” criteria (i.e. Water Supply Plans and/or Asset Management Plans) and “Affordability” criteria, as outlined in Sections IV and VI, respectively, of the PRS, will be eligible to receive up to 15% of their total eligible project cost, not to exceed \$450,000 per project, in subsidy.

For a project which receives subsidy, the actual amount of subsidization will be determined at the time the financial assistance agreement for that individual project is drafted.

The purpose of this plan for the distribution of subsidy is to meet the DPH’s obligations to quickly commit and disburse federal DWSRF funds. The DWS may reevaluate subsidization levels based on the available project cost and readiness information, if necessary. Projects which are eligible to receive federal subsidization are identified on the Comprehensive Project List. Not all eligible projects will receive federal subsidy. Projects listed as eligible for federal subsidization from the FFY 2015 capitalization grant on the SFY 2016 Fundable PPL will not be eligible for federal subsidization from the FFY 2016 capitalization grant for SFY 2017.

State Subsidy Funds

On May 22, 2014, [Public Act 14-98](#) (PA 14-98) was signed into law, which under Section 46 provides the SBC the power to authorize bonds up to an aggregate \$50 million to be used by the DPH to implement a public water system improvement program. This program provides grants-in-aid, in the form of loan principal forgiveness, to certain eligible PWSs for DWSRF projects. A project which is eligible for any subsidy from the DWSRF must execute a loan for the remaining amount of principal in order to receive the grants-in-aid.

Eligibility criteria for the supplemental grants-in-aid contained within PA 14-98 follows the same eligibility criteria for DWSRF loans with the following exceptions, which are explicitly contained within PA 14-98:

- Public service companies, as defined in Section 16-1 of the CGS, **are not** eligible for grants-in-aid.
- For-profit companies **are not** eligible for grants-in-aid.
- Grants-in-aid may only be provided to eligible PWSs for eligible drinking water projects for which a DWSRF project funding agreement is executed **after July 1, 2014**.

PA 14-98 also requires eligible PWSs to submit an Asset and Fiscal Management Plan with their DWSRF application. The DWS will review these plans and determine if they are satisfactory before a PWS may receive a grant-in-aid. Eligible PWSs that serve 10,000 or fewer persons may receive up to 50% grant-in-aid for project costs that qualify for funding through the DWSRF. Eligible PWSs that serve more than 10,000 persons may receive up to 30% grant-in aid for project costs that qualify for funding through the DWSRF. This funding is expected to be distributed on a first come, first served basis until all the available funding has been awarded based on the readiness of a project to proceed and execute a funding agreement.

As of June 30, 2015, the DPH still has not received the allocation of these funds from the SBC, which is necessary to commit the funds in executed funding agreements. As a result, the execution of several funding agreements has been delayed.

Certain PWSs may be eligible to receive both Federal and State subsidies for a particular project. In these cases, the project may not receive more than the maximum amount of subsidy noted for the State Subsidy, with the exception of projects for PWSs serving more than 10,000 persons funded through the EPGP. Projects that are eligible to receive federal subsidization based on available funding are identified on the SFY 2016 Fundable PPL. It is not currently known how much state subsidy may be available to eligible projects during SFY 2016.

Prior Years' Federal Subsidization

EPA Region 1 requested that the status of prior years' federal subsidization be addressed by the DPH in the IUP for the FFY 2015 capitalization grant. The status of the commitment and disbursement for the FFY 2010 through FFY 2014 grants are individually identified below, along with a table summarizing the amounts. The actual projects and individual subsidy amounts will be identified in the 2015 Annual Report, along with the status of meeting the disbursement requirement. The delay in the ability to utilize the state subsidy funds has had a direct impact on the commitment of federal subsidy funds. Funding agreements that would have otherwise been executed and would commit federal subsidy are being delayed to include the state subsidy, if and when it becomes available.

FFY 2010

The minimum required subsidization has been committed and disbursed for FFY 2010. As of August 31, 2015, \$4,723,405 is committed under executed funding agreements and \$4,499,228 has been disbursed.

FFY 2011

The minimum required subsidization has been committed for FFY 2011. As of August 31, 2015, \$2,926,890 is committed under executed funding agreements and \$2,620,093 has been disbursed. These projects are continuing to progress towards completion with a goal to complete the minimum required disbursements by 1/31/2016.

FFY 2012

The minimum required subsidization has been committed for FFY 2012. As of August 31, 2015, \$2,096,471 is committed under executed funding agreements and \$1,619,285 has been disbursed. These projects are continuing to progress towards completion with a goal to complete the minimum required disbursements by 9/30/2016.

FFY 2013

The minimum required subsidization has not yet been committed for FFY 2013. As of August 31, 2015, \$340,795 is committed under executed funding agreements and \$194,853 has been disbursed. The funding agreements that will commit the required funds are pending, with the goal for them to be executed by 12/31/2015, and complete the minimum required disbursements by 9/30/2016.

FFY 2014

The minimum required subsidization has not yet been committed for FFY 2014. As of August 31, 2015, none of the federal subsidy has been committed under executed funding agreements. The funding agreements that will commit the required funds are pending, with the goal for them to be executed by 12/31/2015, and complete the minimum required disbursements by 9/30/2016.

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

| Cap Grant FFY | Minimum Amount of Federal Subsidy to Disburse | Maximum Amount of Federal Subsidy to Disburse | Total Federal Subsidy Amount Committed as of August 31, 2015 | Additional Federal Subsidy Expected to be Committed | Federal Subsidy Amount Disbursed as of August 31, 2015 | Remaining Federal Subsidy Amount Expected to be Disbursed | Estimated Month for Full Disbursement of Federal Subsidy | Estimated Month for Disbursement of Minimum Federal Subsidy |
|---------------|---|---|--|---|--|---|--|---|
| 2010 | \$4,071,900 | N/A | \$4,723,405 | \$0 | \$4,499,228 | \$224,177 | May 2016 | Achieved |
| 2011 | \$2,825,400 | N/A | \$2,926,890 | \$118,227 | \$2,620,093 | \$425,024 | May 2016 | January 2016 |
| 2012 | \$1,795,000 | \$2,692,500 | \$2,096,471 | \$390,941 | \$1,619,285 | \$868,126 | December 2016 | September 2016 |
| 2013 | \$1,684,200 | \$2,526,300 | \$340,795 | \$1,764,455 | \$194,853 | \$1,910,397 | December 2016 | September 2016 |
| 2014 | \$1,792,400 | \$2,688,600 | \$0 | \$2,240,500 | \$0 | \$2,240,500 | December 2016 | September 2016 |

G. Readiness-To-Proceed

Only those elements (planning, design, construction) of eligible projects that are expected to result in executed contracts and DWSRF funding agreements within the current biennial funding cycle may receive funding during that cycle. Elements of eligible projects that are not expected to result in executed contracts and DWSRF funding agreements may be eligible to receive funding in future funding cycles. The Fundable PPL for SFY 2016 was generated based on the readiness of an element of a project to proceed to a loan agreement during SFY 2016, and its number of priority points.

The DPH has developed objective criteria to determine those elements of projects for which a funding agreement is expected to be executed during SFY 2016. This readiness determination process is necessary to ensure that available DWSRF funds will be disbursed in a timely fashion.

The factors in these criteria are:

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

Projects, or project phases, will be grouped by the calendar quarter (i.e. 9/30/15, 12/31/15, and 3/31/16) during which it is expected a project will have satisfied the above criteria and be able to submit to the DPH the all information necessary to proceed with that phase of a project.

The information that the DPH used to make a determination on project readiness is included in the DWSRF Eligibility Application and Emergency Power Generator Eligibility Application. 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 and eligible project that is ready-to-proceed for funding based on that PWS's ability to initiate the project during the current SFY.

H. Project Bypass Procedures

Bypass for Readiness-to-Proceed, etc.

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

- a. 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 that is ready-to-proceed for funding based on that PWSs ability to initiate the project during the current SFY funding cycle. A project will also be bypassed if the applicant has withdrawn its DWSRF application. This bypass process is necessary to ensure that available DWSRF funds will be disbursed in a timely fashion.
- b. Only those elements (planning, design, construction) of eligible projects that are expected to result in executed contracts and DWSRF loan agreements within the current SFY funding cycle may receive funding during that cycle. Elements of eligible, fundable projects that are not expected to result in executed contracts and DWSRF loan agreements may be eligible to receive funding in future funding cycles, based on the rollover procedure in Section V.

Emergency Bypass

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

I. Other DWSRF Provisions

Davis-Bacon Prevailing Wage Requirements

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

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

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

The DPH is required to identify projects that will be used to satisfy federal equivalency requirements, including project signage that will be required beginning with the FFY 2015 capitalization grant award. The DPH has elected to also impose federal equivalency requirements to all projects and activities for which the DPH provides DWSRF assistance. The only exception to this is for federal Disadvantage Business Enterprise (DBE) requirements which the DPH will only apply to PWS infrastructure projects costing \$100,000 or more and DPH will only report to EPA on DBE compliance in an amount equivalent to the federal capitalization grant. All PWS infrastructure projects funded by the DWSRF are reviewed under a State Environmental Review Process (SERP) administered by the DPH and considered by the EPA to be equivalent to a National Environmental Policy Act (NEPA) review.

For the purposes of satisfying capitalization grant reporting requirements under the Federal Financial Accountability and Transparency Act (FFATA), the DPH will only report on DWSRF projects in an equivalent amount of each capitalization grant as requested by EPA. A list of projects that may be used to satisfy the FFATA reporting requirements is shown below. The actual projects reported under FFATA will be stated in the DWSRF annual report. Any contracts over \$25,000 utilizing set-aside funds will also be reported under FFATA.

| SFY 2016 Potential Project to be used for FFATA Reporting | | | | |
|---|----------------------------------|-------------|--|-------------|
| PWSID | PWS Name | Town of PWS | Project Name | Amount |
| CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Redevelopment of the Lower White Bridge Well (Design) | \$700,000 |
| CT0800011 | MERIDEN WATER DIVISION | MERIDEN | DWSRF - Elmere WTP & Storage Tank Rehab (design) | \$1,440,000 |
| CT0800011 | MERIDEN WATER DIVISION | MERIDEN | DWSRF - Williams St. PS (new) (design) | \$120,000 |
| CT1040011 | NORWICH PUBLIC UTILITIES | NORWICH | DWSRF - AMI Water Meter Replacement Program | \$3,600,000 |
| CT0800011 | MERIDEN WATER DIVISION | MERIDEN | DWSRF - Merimere Storage Tank Rehab (Design) | \$120,000 |
| CT0800011 | MERIDEN WATER DIVISION | MERIDEN | DWSRF - Fleming Road Storage Tank Rehab/ Replacement (Design) | \$200,000 |
| CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - West Hartford Water Treatment Facility - Rehab of 6 MG Basin | \$3,000,000 |
| CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF - Lake Gaillard WTP Generator | \$2,200,000 |

| SFY 2016 Potential Project to be used for FFATA Reporting, cont. | | | | |
|---|----------------------------------|--------------------|--|---------------|
| PWSID | PWS Name | Town of PWS | Project Name | Amount |
| CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Whtbrg Raw Water Supply (Pond) Station Electric, Mechanical & SCADA (Design) | \$291,280 |
| CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Hydroelectric Turbine and Generator (Design) | \$169,000 |
| CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Rehabilitations and Replacement of Water Mains (Fiscal year 2016) | \$1,600,000 |
| CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replace Bond Street, Hartford | \$3,904,000 |
| CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replace Buckingham St. area, Hartford | \$5,000,000 |
| CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Church Street Water Main Replacement Phases I & II | \$8,000,000 |
| CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Farmington Ave #11 Water Main Replacement | \$3,500,000 |
| CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Madison Avenue Area Water Main Replacement, Hartford | \$3,600,000 |

Use of American Iron and Steel

On January 17, 2014, federal Public Law 113-76 was enacted, which added a new federal Use of American Iron and Steel (AIS) requirement in Section 436. The FFY 2015 appropriation also requires that DWSRF assistance recipients use iron and steel products produced in the United States for the construction, alteration, maintenance or repair of a public water system or treatment works if the project is funded through an assistance agreement executed through the end of FFY 2015 (September 30, 2015). The EPA has issued guidance on the implementation of this provision and created a [State Revolving Fund American Iron and Steel Requirement website](#). The DPH has also created a [Use of American Iron and Steel](#) webpage to assist DWSRF applicants in understanding and complying with AIS requirements.

J. Connecticut Plan of Conservation and Development

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

The advisory report on the IUP's conformance with the C&D Plan is important because CGS Section 16a-31(c) also requires the OPM to advise the SBC prior to the allocation of funding to the DPH for these DWSRF projects. Finally, CGS Section 16a-31(a)(3) requires the DPH to determine the consistency with the C&D Plan of individual actions regarding the acquisition, development, or improvement of real property, it undertakes using state or federal funds, such as the drinking water infrastructure improvement projects contained in the SFY 2016 IUP, when those costs are in excess of two hundred thousand dollars.

V. DWSRF POLICIES and REQUIREMENTS

A. Letter of Authorization to Award for Eligible Projects

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

B. Project Application Carryovers and Rollovers

Project Progressing Towards a Loan Agreement (Carryover)

A project that has been identified as fundable on the PPL, or for which funds are now available through the bypass procedure, and is progressing through the DWSRF process toward a financial assistance agreement, but for which an agreement is not executed during the IUP period/funding cycle for its PPL, may be carried over to the subsequent IUP period/funding cycle with respect to allotment and use of project funds. Projects in this category are considered to have already gone through the public hearing process and will not be re-ranked on the subsequent PPL. These projects are identified on the SFY 2016 Carryover Project List. If a project or portion of a project from the previous IUP has not yet executed a funding assistance agreement and is not listed on the carryover list or comprehensive list, then that project is considered to have been withdrawn and is no longer being considered for funding. A PWS will be notified in writing by the DPH if their project is considered withdrawn. Any federal subsidy that may be provided to a project on the Carryover List is also carried forward under the criteria associated the IUP under which the project was identified as fundable.

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

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

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

The construction of some of the projects on a particular PPL may take place over multiple years. For such multi-year projects, the DPH reserves the right to require the applicant to break the project into phases and to limit the amount of funding reserved for the project on a PPL to the amount of funds the PWS reasonably projects it will need for the phase to be designed and/or constructed during the SFY of the PPL. This allows the timely access to DWSRF funds by other DWSRF applicants that are ready to use them. Subsequent phases of these multi-year projects will automatically be rolled over to the PPL for the next IUP and will retain its assigned ranking points,

subject to changes in the “Affordability” criteria. These subsequent phases will not automatically receive DWSRF funding in the next IUP but will be ranked against other new and rolled-over projects on the PPL.

D. Tie-Breaking Procedures

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

1. The size of the population served by the project; the project with the larger population served will be given preference.
2. The percentage of total 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. Pre-Review Policy (Construction Only)

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

- The PWS has submitted a DWSRF Eligibility Application to the DPH during the Call for Projects for the SFY
- The funding agreement will be drafted during the SFY under which the project is listed on the Comprehensive Project List
- The project cannot begin and be completed prior to the start of the SFY
- The project is consistent with the C&D Plan
- The project is considered an action that does not require an environmental review under the Connecticut Environmental Policies Act and qualifies for a categorical exclusion from the National Environmental Policies Act
- The project has satisfied all other state and federal DWSRF requirements prior to placing the construction contract out to bid
- The project has received written authorization from the DPH to award a construction contract prior to the execution of the contract
- The project continues to adhere to all state and federal DWSRF requirements during construction

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

- The DPH provides no guarantee of DWSRF funding for their project
- The PWS shall be responsible for paying all costs associated with their project and will only be eligible for reimbursement from the DWSRF if their project is on the fundable PPL
- A project may be able to bypass a higher-ranked project, if that higher-ranked project is not sufficiently ready to proceed, per the procedures outlined in this IUP
- A DWSRF funding agreement cannot be executed until after Fundable PPL for the SFY is finalized

F. Reimbursement

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

G. Refinance Existing Loans

The DWSRF may be used to buy or refinance debt obligations for DWSRF projects, if the DPH determines the refinance is in the best interest of public health. The SDWA and DWSRF regulations only permits use of the DWSRF for refinancing for municipal projects incurring debt and initiating construction after June 30, 1993. Projects will still have to be eligible for DWSRF funding and meet project review requirements, including an environmental review, and must receive written authorization from the DPH prior to commencement of construction. Private systems are not eligible for refinancing. The project must adhere to all state and federal DWSRF requirements during construction. Consideration for refinance applications will be entertained only after projects addressing public health protection and compliance have been funded.

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

H. Withdrawal of Project from Funding Consideration

If a PWS chooses not to pursue funding of a project through the DWSRF, or chooses to not go forward with the implementation of a project, the PWS shall be requested to submit a letter to the DPH indicating the withdrawal of the project. The letter should include a statement as to why the project was withdrawn. Upon receipt, the project will be removed from the appropriate SFY 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 DWSRF funding cycle. If a PWS does not submit a letter as requested, the DPH may withdraw the project based on the initial notification. A PWS will be notified if their application is withdrawn by the DPH.

Projects for which an Eligibility Application is received and the project is placed on the SFY 2016 Fundable PPL, but for which the DPH does not receive a Financial Assistance Application by the established deadline will be considered withdrawn. A PWS will be notified if their application is withdrawn by the DPH.

VI. FINANCIAL MANAGEMENT

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

Section 1452 of the SDWA authorizes states to use a portion of the capitalization grant to support various drinking water programs through set-asides funds. The DPH has chosen to take the maximum amount allowable and uses these set-aside funds to promote and implement safe drinking water efforts integral to Connecticut's multiple barrier approach to protection of public drinking water supplies and public health. Additionally, the DPH uses these funds to foster greater appreciation of drinking water among the general public and the regulated community. Both of these intended uses address proactive and preventive measures endorsed by Congress in its authorization of the SDWA.

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

B. Sources and Uses of DWSRF Funds

Sources

The total DWSRF funding available for direct loans and subsidization to PWSs in SFY 2016 is approximately \$200,905,943. Attachment A provides a breakdown of the sources of these funds. These sources include carry-over revenue bond authorizations from previous IUPs that were not allocated to projects and new requested bond authorizations for SFY 2016. Funds from previous bond authorizations will be used for the carryover projects. The total amount that may be used to fund drinking water projects is limited to the total amount authorized by the state legislature as part of the state budget. For the SFY 2016 and 2017 biennial budget period, no revenue bonds were authorized for SFY 2017. As a result, the DPH is reserving a portion of the total available funds to be used for projects during SFY 2017.

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

The funds authorized by PA 14-98, as discussed in Section IV.F., have not yet been made available by the SBC to the DPH to commit to projects. The DPH has submitted a request to the SBC for those funds to be allocated, however it is not certain when or if the funds will be approved. This IUP is written with the expectation that the funds will be available and used for projects during SFY 2016.

The breakdown of sources and uses reflects the total amounts projected for the DWSRF project fund and set-aside accounts that will be made available to the DPH upon EPA approval of the DPH's FFY 2015 capitalization grant application. The amount of the bond authorization for SFY 2016 reflects the amount requested by the DPH.

Uses

Projects that are currently anticipated to be funded during SFY 2016 include all projects that are being carried forward from the previous IUP and projects appearing on the SFY 2016 Fundable PPL. The SFY 2016 Fundable PPL identifies 29 projects for a total of \$41,156,216. The Comprehensive Project List identifies the SFY during which a project is expected to proceed and execute a funding agreement.

The ULO project balance is \$6,834,485.40 as of September 1, 2015. Due to program requirements, all monies provided as federal subsidy must come directly from the federal capitalization grant. As a result, a balance of project ULOs must be maintained in an amount sufficient to fund federal subsidy payments for qualifying projects currently under funding agreements and those for which funds are being carried over.

The DPH closely monitors DWSRF ULOs to ensure it will meet an unofficial EPA goal of fully expending FFY2013 and prior capitalization grants by September 30, 2016. Additionally, EPA expects FFY2014 and subsequent capitalization grants to be expended within two years of their award date. In September 2013, the DPH developed a CT ULO Reduction Plan outlining strategies to reduce DWSRF project and set-aside ULOs. The DPH expects that once desirable ULO percentages are achieved, they will be maintained. The practice of spending the capitalization grants down on a yearly basis will lead to very low, sustainable ULO percentages. This will present new challenges, however, as additional funding sources are required in the near future in order to sustain current drinking water program operating costs, primarily to retain current staffing levels.

The sources and uses amounts for set-aside activities are explained in detail in Section VII.

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

The DWSRF financing plan is similar to the plan for the State's CWF program. This plan includes leveraging, when appropriate, where project funding comes from the proceeds of revenue bonds supported by the capitalization grants. A more detail financial analysis of the DWSRF program can be found in the [DWSRF Annual Reports](#), which are available on the OTT's website.

States may issue bonds through the DWSRF program using the federal capitalization grant as security to provide for higher funding levels in the current year of the program. Leveraging of federal funds is a useful financial option available to states with a high demand of shovel ready projects for immediate DWSRF funding. Consistent with Connecticut's financing strategy for the CWF, the DWSRF includes leveraged financing. Since 2001, with the EPAs approval, bonds have been issued on an as-needed basis to fund DWSRF projects. 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 more loans with a lower interest rate at favorable terms to more of the PWS applicants.

Connecticut's program is a leveraged program and has established itself as a highly rated (AAA) borrower in the bond market. We have used capitalization grants to leverage multiple series of bonds, aggregating over \$89.9 million in outstanding principal for the DWSRF program as of May 31, 2015 to fund loans.

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

include: The \$55 million New Britain Water Treatment project, which was built using \$36.6 million in DWSRF funds. This project, which replaced an antiquated system, provides excellent quality water to its over 90,000 customers, and keeps the water rates relatively low. The \$29 million water treatment plant upgrade for the South Norwalk Electric and Water utility was built using \$24.7 million in DWSRF funds to replace an antiquated water treatment plant that was badly in need of upgrades. Meriden Water Division has secured over \$21 million in DWSRF funds to fund the design and construction for major improvements to Broad Brook Water Treatment Plant and Pumping Station to maintain purity and adequacy of water to its 60,000 customers. Over \$8.0 million in DWSRF funds was used to cover the cost for design and construction of the East Lyme Sewer and Water Regional Interconnection project. This project is critical for East Lyme to meet its summertime peak demands, address other public health and water system operational needs, and provide fire protection for enhanced public safety. Another major project that is expected to be funded using DWSRF funding is the proposed Water Treatment Plant upgrade of Groton Utilities. Groton proposes to make significant improvements to its plant to address water quality issues. The majority of the existing components are antiquated (originally constructed in 1938), and improvements to the facility are crucial for infrastructure sustainability. Approximately \$42.0 million in DWSRF funding is expected to be used to cover the construction and project oversight. Without leveraging, the DPH would not be able to fund larger projects like these.

In SFY 2015 bonds were issued for the CWSRF and the DWSRF in anticipation of several significant projects moving forward over the next two years, including the Groton Utilities Water Treatment Plant upgrade project. The state does not plan to issue bonds again until SFY 2017.

D. State Matching Requirement

The required 20% state match for the FFY 2015 capitalization grant is \$1,792,400. These funds are required to be in place prior to drawing down the award. The State of Connecticut expects to have the required state match amount deposited prior to the expenditure of any federal FFY 2015 capitalization grant dollars. The state match is provided through the proceeds of state General Obligation Bonds issued prior to 2001 and cash contributions from the state. Since 2007, additional state match has been provided by the contribution of principal and interest payments collected from the State of Connecticut on General Obligation Bonds issued to provide interest subsidy for the CWF and held outside the CWF until payments are received by Connecticut. These funds are no longer needed by the CWF for debt service because of the issuance of lower cost refunding bonds and additional contributions by Connecticut. These payments are held and deposited as cash contributions for the DWSRF state match. As of March 31, 2015, the DWSRF has received and deposited \$34.3 million for the required match.

E. Federal Cash Draw Proportionality

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

F. Financial Terms of Loans

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

CGS Sections 22a-475 through 22a-483, inclusive, also allows Connecticut to offer project loans with reduced interest rates or an extended term, if permitted by Federal law, to eligible PWSs that qualify as disadvantaged communities. Attachment 10 to the OA contains an explanation of what a disadvantaged community is. Connecticut does not currently offer a disadvantaged community assistance program for the DWSRF.

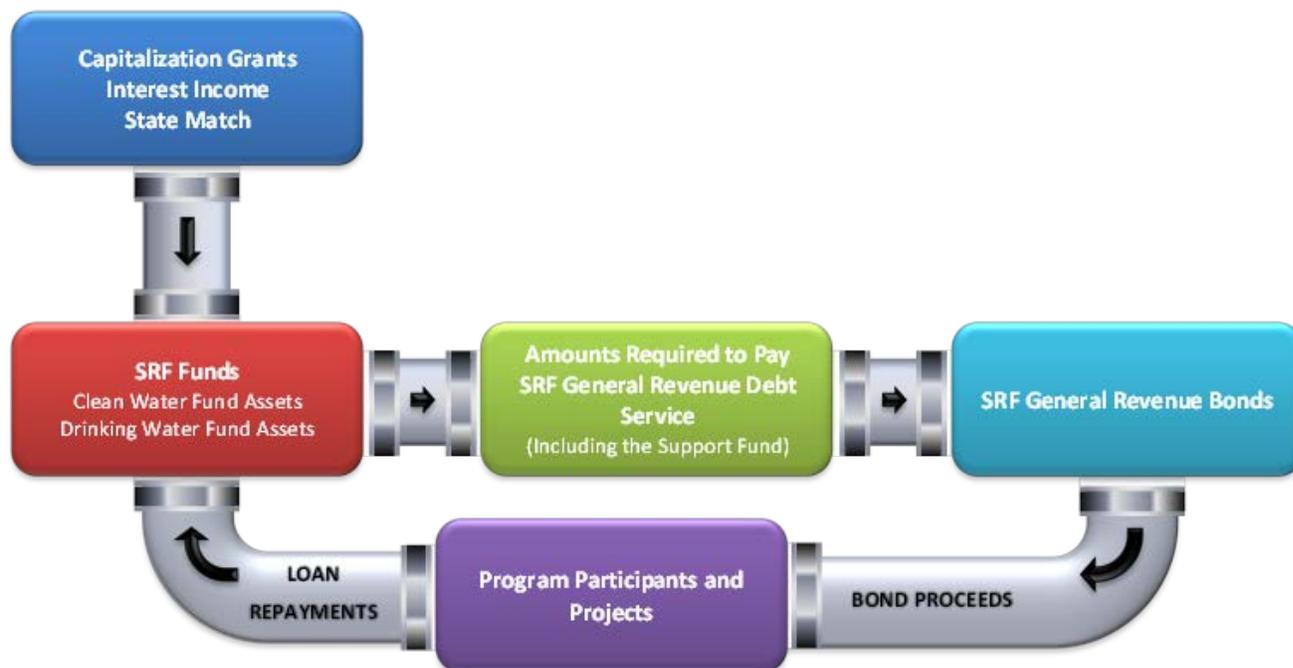
Within the provisions of CGS Sections 22a-475 through 22a-483, inclusive, Connecticut will consider appropriate financial terms for refinancing and the acquisition of land and sanitary easements on a case-by-case basis. The DPH policy for refinancing is discussed in Section V. Additional lending policies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

The term of a loan (in years) may be determined based on the dollar amount of the loan (not including any subsidy) as outlined in the table below.

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

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

Figure 2 – The Revolving Flow of Funds



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

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

H. Expected Loan Demand

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

The 2011 DWINSA assessed the cost and types of drinking water needs throughout the nation for the period January 1, 2011 to December 31, 2030. The results of the survey were used to determine the DWSRF allocation for FFYs 2014 through 2017. The results of the 2011 survey, which were released in June 2013, showed that the State of Connecticut’s estimated need had grown from \$1.394 billion in 2007 to \$3.587 billion in 2011. Starting with the FFY 2014 capitalization grant, the state’s allotment has increased from 1% to 1.01%. The breakdown was as follows:

| | |
|-------------------------------|-----------------|
| Transmission and Distribution | \$2.584 billion |
| Treatment | \$545.1 million |
| Storage | \$267.3 million |
| Source | \$146.6 million |
| Other | \$35.0 million |

As the cost and need for infrastructure projects continue to increase, the demand for low-cost loans will most likely also increase. The availability of federal subsidization since 2009 for DWSRF projects has also increased the demand for loans. For SFY 2016 and SFY 2017, the DPH received requests for loans for 77 infrastructure projects totaling approximately \$205 million in project costs, including approximately \$202 million in eligible costs. This includes 6 applications under the EPGP and 7 larger generator projects totaling approximately \$6.7 million in eligible project costs. This is the highest amount of requests ever received.

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

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

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

VII. SET-ASIDE ACTIVITIES

Taken together, 31 percent of a Connecticut’s DWSRF capitalization grant is used for set aside activities. The DPH DWS receives funds under four set-asides to support various drinking water and DWSRF program activities. They include the Administration, State Program Management, Small Systems Technical Assistance, and Local Assistance set-aside funds. The following pages provide anticipated set-aside activities during the time period covered in this IUP. Prior to requesting disbursement of these funds, the DPH submits work plans to EPA Region 1 as part of the FFY 2015 capitalization grant application, which provides specific details for each set-aside fund request. At any time in which a modification is necessary, the DPH contacts EPA Region 1 to discuss, submit an amendment if deemed necessary, and seek approval. The DPH DWS expects to meet all set-aside reporting requirements as detailed in the capitalization grant award conditions.

A. DWSRF Administrative Funds

| | |
|------------------------------------|--------------------------------|
| Maximum Percentage Allowed: | 4% of the Capitalization Grant |
| Taking from FFY 2015 Grant: | 4% (\$358,480) |

The DPH intends to use funds in the Administrative set-aside to support existing staff at DPH and OTT dedicated to administrative and fiscal management of the DWSRF accounts, oversight and tracking of the DPH’s January 2013 Cash Management Plan, as well as providing assistance to borrowers in preparing their loan applications and satisfying program requirements. In addition, the DPH intends to utilize funds from this set-aside for the development and use of a state specific project financing, loan and accounting management system for the DWSRF program.

B. State Program Management

Maximum Percentage Allowed: 10% of the Capitalization Grant
Taking from FFY 2015 Grant: 10% (\$896,200)

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

- Coordinate DWS grant administration/lead interaction with EPA for grant administration, applications and reporting
- Prepare guidance documents, work plans and long-term strategies for DWSRF program management and EPA required program management reports (i.e. QAPP, PPA),
- Prepare contracts related to technical assistance to PWSs to assist the DWS in capacity development efforts
- 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.
- Provide legal assistance to the DWS regarding the DWSRF program
- Coordinate activities with the Environmental Health Section's Laboratory Certification Program in assisting PWSs regarding water quality testing issues
- Identify water systems that would most benefit from collaboration or regionalization and assisting in developing and evaluating processes to aid in the success of DWS capacity development efforts
- Assist in coordinating long-range water supply planning by addressing water quality and quantity issues from area-wide perspectives in regional coordinated plans
- Performance of general office functions, such as reception, typing, filing, and bookkeeping in support of the PWSS and DWSRF Programs.
- Continuously update and maintain DWS's Geographic Information System(GIS) data layers in the DWS GIS system
- Review and approval of proposed sources of supply, including verification that the water system has ownership or control of the sanitary radius for proposed groundwater sources.
- Provide support for DWSRF Program Management activities by performing a wide variety of general clerical functions including basic processing, reception, filing, record keeping, bookkeeping and typing
- Review DWSRF project funding applications and perform subsequent engineering tasks as required
- Attend workshops and trainings to improve the efficiency of the DWSRF program
- Continue Memorandum of Agreements between DPH and UCONN that allows UCONN students to intern with the DPH DWS
- Coordinate the preparation of DWSRF loan agreements with the DPH Fiscal Office, Office of Grants and Contracts and the Office of the State Treasurer

C. Small Systems Technical Assistance

Maximum Percentage Allowed: 2% of the Capitalization Grant
Taking from FFY 2015 Grant: 2% (\$179,240)

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

- Conducting sanitary surveys of community, NTNC and transient non-community (TNC) PWS serving fewer than 10,000 persons (small systems)
- Assessing existing small PWS's technical, financial and managerial capacity during sanitary surveys
- Educating and assisting small systems in applying for DWSRF loans for infrastructure projects
- Contracting with Technical Assistance Provider to provide training and direct one-on-one assistance to teach small system trustees, operators, and municipal officials the value and method of asset management to improve technical, financial and managerial capacity of those involved in managing the utility.

D. Local Assistance

| | |
|------------------------------------|---|
| Maximum Percentage Allowed: | 15% of the Capitalization Grant |
| Taking from FFY 2015 Grant: | 7.5% (\$672,150) – Wellhead Protection |
| | 7.5% (\$672,150) – Capacity Development |

The DPH uses this set-aside for wellhead protection and capacity development activities. The Wellhead Protection Program will use 7.5% of the set-aside funds and the Capacity Development Program will use the remaining 7.5%. Each program is described below.

a) Wellhead Protection

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

- Implementing continually revised statutes and regulations for source water protection, including the provisions of the federal Groundwater Rule
- Reviewing and approving/denying all proposed sources of public water supply
- Permitting of proposed sales or changes to water company owned land (i.e. land owned by PWSs that are within source water protection areas)
- Permitting of monitored recreational activities on water company land
- Coordinating of the process of conducting annual watershed inspection; and annual submission of Watershed Survey Reports
- Active and committed involvement with the improvement of the GIS application and database which is critical for adequate source assessment and protection
- Linking the protection of public water supplies with subsurface sewage disposal system approval, maintenance, training, and repair
- Linking the Clean Water Act to the SDWA through working with EPA, DEEP, and other stakeholders
- Continually working with local, regional and state partnerships on Environmental Reviews for projects that could potentially impact drinking water quality
- Collaborating with stakeholders at the community and state level to implement source water protection concepts and best management practices to enhance drinking water source protection
- Contracting with the New England Interstate Water Pollution Control Commission (NEIWPC) to hire a Regulatory Advisor

b) Capacity Development

The DPH will use 7.5% of the Local Assistance set-aside allocation for capacity development initiatives that are consistent with the DWS's EPA-approved Capacity Development Strategy and

help to improve the technical, financial and managerial capacity of PWSs. The DPHs strategies account for both immediate and long-term sustainability initiatives, including education, technical assistance, enforcement, consolidation, DWSRF assistance, and water system restructuring. These funds will be used primarily to support staff within the DWS that:

- Conduct sanitary surveys of community, NTNC and TNC PWSs
- Provide technical assistance to PWSs on violations and deficiencies noted during sanitary surveys
- Perform technical, financial and managerial capacity assessments of PWSs during sanitary surveys
- Provide technical assistance and enforcement referral to local health departments for maximum contaminant level violations, source water construction violations and cross-connections identified at NTNC and TNC food service establishments
- Conduct reviews of water quality and quantity of newly-developed drinking water sources and review engineering plans and specifications for new water system designs in accordance with CGS Section 16-262m, and regulations adopted thereunder, and under the authority of RCSA Section 19-13-B102
- Support the DWSRF program by soliciting for DWSRF projects; providing technical assistance to DWSRF applicants and their consultants on program requirements; determining project eligibility and reviewing and ranking project applications; reviewing project plans and specifications; tracking projects through completion including site visits; reviewing and approving DWSRF payment requests from loan recipients; entering and maintaining data in the federal DWSRF Project Benefits Reporting (PBR) system and Drinking Water National Information Management System (DWNIMS) on-line databases; preparing state and federal DWSRF reports; coordinating, conducting and attending the Public Hearing on the IUP and PPLs; meeting with stakeholders and applicants as needed; and attending workshops and trainings to improve the efficiency of the DWSRF Program.
- Provide technical assistance to PWSs that have received a significant violation as a result of a site visit or as noted in a sanitary survey report
- Participate as necessary in training programs related to the technical, managerial and financial capacity of PWSs for PWS operators and public health officials
- Work with the Connecticut drinking water industry, the Association of State Drinking Water Administrators, and the EPA with a goal of achieving optimization of existing surface water treatment plants

VIII. AUDITS AND REPORTING

Ensuring transparency and accountability, all program materials are posted on our website (www.ct.gov/dph/dwsrf). DWSRF Annual Reports are posted on the OTT website (http://www.ott.ct.gov/debt_drinkingwaterfund.html). Financial audits are conducted annually by the OTT and included with the Annual Report. We commit to entering project and benefits data into the DWNIMS and PBR System to evaluate the benefits of Connecticut’s DWSRF program. Among other parameters, the reporting systems will evaluate the number of DWSRF projects that provide public health benefits, including those that achieve compliance with the SDWA, those that maintain compliance with the SDWA, and those that are intended to meet future requirements of the SDWA.

Project benefits information is entered into PBR as soon as possible following execution of a funding agreement, preferably within two weeks. If a project contains “green” components, we will report on the “green” projects and/or “green” portion of projects in PBR.

IX. PUBLIC OUTREACH AND COMMENT

The DPH has engaged in a determined effort to prepare and provide accurate and understandable information on the DWSRF to potential loan applicants and other interested persons. The DWSRF loan applicant pool in Connecticut consists of approximately 900 PWSs. Outreach to these systems, as well as to other interested persons, has and will continue to occur simultaneously with the implementation of the DWSRF program. Outreach is accomplished through posting information on the DWS website, meeting with applicants, distributing program information, and participating in various water-related forums. In addition, during sanitary surveys PWS are encouraged to consider the DWSRF program for their infrastructure financing needs. The DPH directly solicits for DWSRF projects to all community PWSs and all NTNC public schools.

In conformance with 40 CFR 35.3555(b), the DPH sought meaningful public review and comment on the Draft IUP by providing notice to the public of the draft IUP, including the ways in which such draft IUP may be obtained, an opportunity for the public to provide both oral testimony at a hearing and written comments during a public comment period, and reviewing and responding to oral testimony and written comments received. In addition, RCSA Section 22a-482-1(c)(4) requires that a public hearing be held to allow for the opportunity to comment on the draft comprehensive project list. As has been done in previous years, the draft IUP was made available to all applicants and other interested persons for review and comment at least 30 days prior to the public hearing. A Notice of Hearing was formally advertised in newspapers of statewide and regional distribution and in two minority newspapers. The Draft IUP and Notice of Hearing were also sent to all DWSRF applicants with projects appearing on the Comprehensive Project List. Interested persons were invited to provide oral or written testimony at a public hearing and to submit written comments.

The public hearing was followed by an Open Forum where attendees or other interested parties had an opportunity to meet directly with DWSRF program staff to answer questions and learn more about the loan program. Following the public hearing, all testimony and comments were reviewed and considered by the DPH Commissioner and a Final IUP containing the SFY 2016 Fundable PPL, and a Hearing Report were published.

X. ATTACHMENTS

- A. Sources and Uses of Estimated Amounts of DWSRF Funds
- B. Priority Ranking System
- C. SFY 2016 Comprehensive Project List – Alphabetical Order
- D. SFY 2016 Comprehensive Project List – By Expected Funding Year and Points
- E. SFY 2016 Carryover Project List
- F. SFY 2016 Fundable Project Priority List
- G. Asset Management Plan Checklist
- H. Fiscal Management Plan Checklist
- I. December 22, 2014 EPA Memo
- J. December 2, 2011 Letter from EPA Headquarters to Governor Malloy
- K. January 20, 2012 Letter from DPH to EPA Headquarters
- L. June 17, 2013 Letter from DPH DWS to EPA Region 1

Attachment A - Sources and Uses of DWSRF Funds

| | Cumulative Total through 8/31/15 | 9/1/15 - 6/30/16 (This IUP) | Cumulative Total Through 6/30/16 |
|---|-------------------------------------|--------------------------------|-------------------------------------|
| SOURCES | | | |
| Funds Transferred From (to) CWSRF | \$ - | \$ - | \$ - |
| Federal Capitalization Grant Set-Asides | \$ 53,805,509 | \$ 2,778,220 | \$ 56,583,729 |
| Previous Bond Authorization Committed to Projects ¹ | \$ 101,309,376 | - | \$ 101,309,376 |
| Previous Bond Authorization Available for Projects ² | | \$ 171,485,943 | \$ 171,485,943 |
| SFY 2016 Requested General Obligation Bond Authorization ³ Includes FFY 2015 State Match Requirement - \$1,792,400 | | \$ 2,500,000 | \$ 2,500,000 |
| SFY 2016 Requested State Revenue Bond Authorization ³ Includes FFY 2015 Capitalization Grant Projects - \$6,183,780 | | \$ 26,920,000 | \$ 26,920,000 |
| State Funding Authorized by Public Act 14-98 ⁴ | | \$ 50,000,000 | \$ 50,000,000 |
| Sources Total | \$ 155,114,885 | \$ 253,684,163 | \$ 408,799,048 |
| USES | | | |
| Funds Transferred From (to) CWSRF | \$ - | \$ - | \$ - |
| Set-Asides | | | |
| Administrative | \$ 7,251,356 | \$ 358,480 | \$ 7,609,836 |
| State Program Management | \$ 17,993,390 | \$ 896,200 | \$ 18,889,590 |
| Small System Technical Assistance | \$ 3,618,178 | \$ 179,240 | \$ 3,797,418 |
| Local Assistance / Other State Programs | \$ 24,942,585 | \$ 1,344,300 | \$ 26,286,885 |
| Projects | | | |
| Previous Bond Authorization Committed to Projects | \$ 101,309,376 | | \$ 101,309,376 |
| Previous Bond Authorization Used for Carryover Projects | | \$ 120,683,284 | \$ 120,683,284 |
| Previous Bond Authorization Used for New Projects ⁵ | | \$ 50,802,659 | \$ 50,802,659 |
| Requested FY 2016 Bond Authorizations to Commit to New Projects ^{3,5} Includes General Obligation and Revenue Bond Authorizations | | \$ 29,420,000 | \$ 29,420,000 |
| State Funding Authorized by Public Act 14-98 Used for Projects ⁴ | | \$ 50,000,000 | \$ 50,000,000 |
| Uses Total | \$ 155,114,885 | \$ 253,684,163 | \$ 408,799,048 |

Footnotes:

1 - The capitalization grant project funds and state match amounts are included in the amount of bond authorization. This amount also includes proceeds generated by leveraging, interest earnings, and principal repayments. Refer to the text of the IUP for an explanation. Funds have been committed to projects.

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

3 - Funds are subject to legislative approval as part of the Capital Budget process

4 - As of September 1, 2015 funds have not been approved by the State Bond Commission

5 - The amount shown is the total amount that is available to commit to new projects; however, since no revenue bond authorizations were approved for SFY 2017, the DPH is reserving a portion of these total funds to be used for projects during SFY 2017.

Attachment B

CONNECTICUT DEPARTMENT OF PUBLIC HEALTH PRIORITY RANKING SYSTEM FOR PROJECTS ELIGIBILITY FOR DRINKING WATER STATE REVOLVING FUND (DWSRF) FUNDING (Revised 10/28/2014)

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 (PWSs). In establishing such priority list and ranking system, the Commissioner of DPH shall consider all factors which are deemed relevant, including but not limited to the following:

1. Public health and safety
2. Protection of environmental resources
3. Population affected
4. Risk to human health
5. PWSs most in need 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, including the Regulations of Connecticut State Agencies (RCSA)
8. Consistency with the plan of conservation and development
9. Consistency with the water resources policies delineated in CGS Section 22a-380
10. Consistency with the coordinated water system plan in accordance with subsection (f) of CGS 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 biennial 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 and project readiness. 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 such assistance will ensure compliance and the owner(s) and/or operator(s) of the systems agree to undertake feasible and appropriate changes in operations to ensure compliance over the long term.
3. Systems that are in significant noncompliance with any state regulation, national primary drinking water regulation or variance unless such assistance will ensure compliance.

Attachment B

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 SDWA
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 and/or State law. The amounts of subsidization, if available, and method of distributing such subsidies will be determined annually and detailed in the Intended Use Plan. A project which is eligible for subsidy must execute a loan for the remaining amount of principal in order to receive the subsidy.

INTENDED USE PLAN (IUP)

Annually the DPH will prepare an Intended Use Plan (IUP) that identifies how the State intends to use available DWSRF funds. The IUP will be submitted to the U.S. Environmental Protection Agency (EPA) as part of the DPH's annual capitalization grant application for 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

Every two years 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. Projects for 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:

Attachment B

- addresses the most serious risk to human health
- are necessary to ensure compliance with the requirements of the SDWA including requirements for filtration
- assist systems most in need according to state affordability criteria

Connecticut's ranking system 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
- 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 that have been identified by the Connecticut Department of Economic and Community Development as "distressed municipalities."
- Category VII awards points to projects that will address Significant Deficiencies under the Ground Water Rule.
- Category VIII awards points to projects for emergency power generators, whether a new installation or replacement

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. 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 with respect to funding small systems. In cases where an applicant owns more than one community PWS, the applicant's population will be determined on the combined population of all of its individually owned community PWSs.

Every two years, the DPH will compile a comprehensive priority list of drinking water projects which applied for DWSRF assistance in the IUP. The IUP will identify which projects are expected to receive funding during the biennial funding cycle. Some projects on the list may include planning, design and construction elements (i.e. multi-phase projects). For these multi-phase projects, the DPH will only fund those phases of the project that can be started during the biennial DWSRF funding cycle. The non-funded phases of these projects will be eligible for DWSRF assistance in future years.

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.

There will be 4 factors taken into consideration when compiling the final draft Project Priority List. Those factors are:

Attachment B

1. The total numerical points assigned to a project which is arrived at by tallying points from each of the 8 priority point categories.
2. A PWS's readiness to proceed with the activities they have requested funding for during the biennial 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 required by federal law, a portion of DPH's capitalization grant shall be dedicated to projects that address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities.

GREEN PROJECT RESERVE (GPR)

Applicants for DWSRF financial assistance are also strongly encouraged to submit projects that address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities. To the extent required by Federal law, which may vary from year to year, the DPH will establish a Green Project Reserve to reserve certain DWSRF funds for projects that include qualifying "green" components. The GPR is typically equal to a percentage of the DPH's annual federal capitalization grant award. GPR requirements, as applicable, will be announced by the DPH during the biennial DWSRF application solicitation process if they are known at the time of the announcement. The GPR will also be described in the DPH's IUP.

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. Actual point values for common qualifying project elements associated with each Category are provided in Appendix A.

- I. **Water 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 exceedance 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 MCLs 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 RCSA Section 19-13-B101, can be

Attachment B

assigned ranking points, if the solution is to extend water service to the affected wells from the applicant's public water supply.

II. Water 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 RCSA 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 RCSA Section 19-13-B102(o). 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 RCSA Section 19-13-B102(p).

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

Attachment B

To encourage public water systems to develop or maintain plans for existing drinking water infrastructure improvements, additional priority points will be given to proactive water system improvements that:

- are consistent with improvements identified in a DPH approved individual Water Supply Plan for the most recent planning period as described in RCSA Section 25-32d-3(e)
- are consistent infrastructure priorities established within an on-going Asset Management Plan

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:

- the purchase of land expressly needed for the new source(s) as to what is needed to construct treatment facilities, or pumping stations, etc.
- the 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
- 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 a project that serves a city or town determined to be a “distressed municipality” by the Department of Economic and Community Development (DECD) according to C.G.S. Section 32-9p. The following towns and cities currently qualify under this category: Ansonia, Bridgeport, Bristol, Derby, East Hartford, Enfield, Groton, Hartford, Killingly, Meriden, Montville, Naugatuck, New Britain, New Haven, New London, North Canaan, Plainfield, Plymouth, Putnam, Sprague, Torrington, Waterbury, West Haven, Windham, and Winchester.

VII. **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.

Attachment B

VIII. EMERGENCY GENERATORS

Emergency Power Generator Program (EPGP)

As result of the widespread and prolonged power outages caused by two major statewide storms in the fall of 2011, the DPH DWS introduced an Emergency Power Generator Program (EPGP) to provide subsidized loans for the purchase and installation of emergency power generator systems costing less than \$100,000. Projects eligible to be funded through this program will be confirmed by the DPH. This program is open to all public water systems eligible for DWSRF funding. Eligible projects under this program will receive 25 points for replacement generators or 50 points for new generators, and will be eligible to receive additional points under Category VI (Affordability) if the project serves a qualifying town or city, and/or Category IV (Sustainability Planning) is to be used if the PWS has an approved water supply plan or on-going asset management plan.

If a public water system incorporates an emergency power generator system installation project into a larger scale project then the combined project will only receive an additional 5 points for “emergency power provisions” under Category IV (Proactive Infrastructure Upgrades) for the generator system installation. This is intended to prevent a public water system from using the EPGP program as a mechanism to gain a significant priority ranking advantage for a larger scale higher cost project. By keeping EPGP project costs low the DPH hopes to be able to provide funding for a large number of generator projects during each funding cycle.

Generators Projects Costing over \$100,000

Generator projects with costs estimated at \$100,000 or greater will be required to follow the guidelines as part of the full DWSRF program. Such projects will receive 25 points for replacement generators or 50 points for new generators, and will be eligible to receive additional points under Category VI (Affordability) if the project serves a qualifying town or city, and/or Category IV (Sustainability Planning) is to be used if the PWS has an approved water supply plan or on-going asset management plan.

GREEN PROJECT RESERVE (GPR)

Green projects include those that promote green infrastructure and energy or water efficiency, as well as projects that demonstrate new or innovative ways to manage water resources in a sustainable way. To the extent required by Federal law, which may change from year to year, priority may be given to eligible projects where sufficient documentation has demonstrated to the satisfaction of DPH that the project achieves identifiable and substantial benefits that qualify as green project benefits. A “business case” is required of all green project applications unless the project is categorically excluded from this requirement under federal guidelines. Business cases shall include supporting documentation of how the project or portion of the project achieves green project benefits. Specific GPR amounts available each year will be identified in the DPH’s IUP. The DPH will solicit for qualifying GPR projects during the biennial DWSRF application process.

TOTAL POINTS AND TIE-BREAKERS

The total numeric score for a project is determined by summing the points from each of the eight 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:

Attachment B

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 eight categories.

PROJECT BY-PASS AND READINESS TO PROCEED

Only those elements (planning, design, construction) of eligible projects that can result in executed contracts and DWSRF loan agreements within the current biennial funding cycle may receive funding during that cycle. Elements of eligible projects that cannot result in executed contracts and DWSRF loan agreements may be eligible to receive funding in future funding cycles. The information that the DPH will use to make a determination on project readiness is included in the DWSRF Eligibility Application.

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 SFY funding cycle.

Only those elements (planning, design, construction) of eligible projects that can result in executed contracts and DWSRF loan agreements within the current July 1, 2015 to June 30, 2017 funding cycle may receive funding. The DPH has developed objective criteria to determine those elements of projects that can be completed in the current funding cycle. This By-Pass process is necessary to ensure that available DWSRF funds will be disbursed in a timely fashion. The factors in these criteria are:

1. Local resolutions are in place.
2. Required local permits or approvals have been identified.
3. Required State permits or approvals have been identified.
4. Project is consistent with the State of Connecticut Plan of Conservation and Development
5. (For Construction Projects) Status of final design.
6. (For Construction Projects) Status of bid specifications.
7. (For Construction Projects) All necessary sites, easements and rights-of-way have been identified

EMERGENCY BY-PASS PROCEDURE

The DPH Commissioner may make a project loan or loans with respect to an eligible drinking water project without regard to the priority list of eligible drinking water projects if a public drinking water supply emergency exists, pursuant to CGS Section 25-32(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 on the project priority list. Note that any loan made under the Emergency By-Pass Procedure must also follow all program requirements.

Attachment B

Appendix A

Connecticut Department of Public Health – Drinking Water Section Drinking Water State Revolving Fund Priority Point Values for Common Qualifying Elements of Projects

| Category I: Water Quality | Points |
|--|---------------|
| A. Immediate: Surface Water Treatment Rule Violation(s) | 50 |
| Microbiological Violation | 50 |
| Inorganic Violation | |
| Nitrate/Nitrite/Nitrogen | 50 |
| Lead/Copper Exceedance | 40 |
| Arsenic | 40 |
| B. Long-Term: Radioactivity Violations | 40 |
| Inorganic Chemical Violations | 30 |
| (other than lead, copper, arsenic, sodium, nitrate) | |
| Organic Chemical Violations | 30 |
| Pesticides, Herbicides & PCBs Violations | 30 |
| Treatment Technique Violations | 20 |
| (Fluoride, Chlorine Residual, Phosphates) | |
| Sodium Exceedance | 10 |
| C. Goals: Exceeding DPH Action Levels | 15 |
| Approaching MCL (50% of current MCL) | 25 |
| (does not include physical parameters) | |
| D. Physical: Color Violation | 10 |
| PH Violation | 10 |
| Odor Violation | 10 |
| Turbidity (Ground Water) Violation | 10 |
| E. Private Wells: Water main extension to existing private wells with RCSA Violations (20 points maximum) | 20 |
| Category II: Water Quantity: | |
| A. Source Deficit or Insufficient Margin of Safety | 40 |
| B. System Capacity Deficits | 20 |
| C. Lack of Source (production) Meters | 20 |
| D. Pressure Violation (pressure drops to less than 25 psi) | 20 |
| E. Source Development (additional and/or replacement) | 20 |
| F. Implementation of Conservation Measures | 15 |
| Category III: Acquisition/Transfer | |
| A. Acquisition / Transfer of System | 25 |
| B. Interconnection: | |
| PWS Absorbed (15 points per each PWS) | 15 |
| System remains as consecutive | 15 |

Attachment B

Category IV: Proactive Infrastructure **Points**

| | |
|--|----|
| A. Upgrades (maximum of 25 points from this category): | |
| Treatment Facilities (facility structures, treatment process, etc.) | 15 |
| Pumping Facilities | 5 |
| Main Replacement/Improvement | 5 |
| Treatment Residuals Management | 5 |
| Storage Tanks (replace, repair, repaint, new, etc.) | 5 |
| Main Extension for Interconnection | 5 |
| System Automation | 5 |
| Leak Detection | 5 |
| Distribution Meters | 5 |
| Posting/Fencing/Security Measures | 10 |
| B. Emergency Power Provisions (as part of a larger project) | 5 |
| C. Sustainability Planning (maximum of 10 points from this category): | |
| Project identified in approved Water Supply Plan | 10 |
| Project prioritized within on-going Asset Management Plan | 10 |

Category V: Water System Protection*

| | |
|--|----|
| A. Source/Distribution Violations | 10 |
| B. Implementation Best Management Practices (BMP) on watersheds as a result of construction | 10 |
| C. Source Protection improvements | 5 |
| D. Purchase of Land | 5 |
| * (must relate to a construction project to qualify for points) | |

Category VI: Affordability 10

A. Systems having projects that serve a city or town determined to be a “distressed municipality” by the Department of Economic and Community Development (DECD) according to C.G.S. Section 32-9p. The following towns and cities currently qualify under this category: Ansonia, Bridgeport, Bristol, Derby, East Hartford, Enfield, Groton, Hartford, Killingly, Meriden, Montville, Naugatuck, New Britain, New Haven, New London, North Canaan, Plainfield, Plymouth, Putnam, Sprague, Torrington, Waterbury, West Haven, Windham, and Winchester.

Category VII: Ground Water Rule

| | |
|---|----|
| A. Project corrects Significant Deficiencies | |
| Points awarded based on percentage of total eligible project cost that corrects Significant Deficiencies as shown below (rounded to nearest 10%) | |
| 100% | 20 |
| 90% | 18 |
| 80% | 16 |
| 70% | 14 |
| 60% | 12 |
| 50% | 10 |
| 40% | 8 |
| 30% | 6 |
| 20% | 4 |
| 10% (>0 & up to 10%) | 2 |

Attachment B

Category VIII: Emergency Generator (maximum of 50 points from this category)

Note: If points are awarded under Category IV B (Emergency Power Provisions) above, no points will be awarded under this category.

A. Emergency Power Generator Program

This category is for projects estimated to cost less than \$100,000. Either 25 or 50 points will be awarded for this category.

| | |
|----------------------------|----|
| New generator installation | 50 |
| Replacement generator | 25 |

B. Emergency Power Generator

This category is for projects with estimated costs of \$100,000 and over. Either 25 or 50 points will be awarded for this category.

| | |
|----------------------------|----|
| New generator installation | 50 |
| Replacement generator | 25 |

| Project # | PWSID | Public Water System | Town of PWS | Project Name | Estimated SFY for Funding | Points | Amount Requested | Received Sustainability and Affordability Points ¹ | Small System ² |
|-----------|-----------|---|-------------|--|---------------------------|--------|------------------|---|---------------------------|
| 2015-0036 | CT0090011 | BETHEL WATER DEPT | BETHEL | DWSRF - Hoyts Hill Booster Pump | 2016 | 55 | \$1,063,836 | No | Yes |
| 2015-0038 | CT0090011 | BETHEL WATER DEPT | BETHEL | DWSRF - Maple Avenue Well #1 and #2 | 2016 | 25 | \$689,000 | No | Yes |
| 2015-0039 | CT0090011 | BETHEL WATER DEPT | BETHEL | DWSRF - New East Swamp Well Field | 2017 | 30 | \$2,600,000 | No | Yes |
| 2015-0034 | CT0279044 | INDIAN RIVER RECREATIONAL COMPLEX (Town of Clinton) | CLINTON | DWSRF - Rocky Ledge Area Water Main Extension | 2017 | 30 | \$3,000,000 | No | Yes |
| 2015-0084 | CT0320292 | COVENTRY HIGH & NATHAN HALE SCHOOLS | COVENTRY | DWSRF - Water main ext for consolidation (Planning/Design) | 2016 | 40 | \$550,000 | No | Yes |
| 2015-0084 | CT0320292 | COVENTRY HIGH & NATHAN HALE SCHOOLS | COVENTRY | DWSRF - Water main ext for consolidation (Construction) | 2017 | 40 | \$5,550,000 | No | Yes |
| 2015-0040 | CT0330011 | CROMWELL FIRE DISTRICT WATER DEPARTMENT | CROMWELL | DWSRF - Raymond Place Neighborhood Water Main Replacement | 2016 | 15 | \$1,500,000 | No | No |
| 2015-0114 | CT0450011 | EAST LYME WATER & SEWER COMMISSION | EAST LYME | DWSRF - Greensand Filtration - Wells 1A & 2A (Design) | 2016 | 25 | \$500,000 | No | No |
| 2015-0114 | CT0450011 | EAST LYME WATER & SEWER COMMISSION | EAST LYME | DWSRF - Greensand Filtration - Wells 1A & 2A (Construction) | 2017 | 25 | \$5,500,000 | No | No |
| 2015-0035 | CT0609094 | BITTNER PARK (Town of Guilford) | GUILFORD | DWSRF - Mulberry Point Water Main Extension | 2017 | 30 | \$2,716,880 | No | Yes |
| 2012-0029 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replace Buckingham St. area, Hartford | 2016 | 25 | \$5,000,000 | Yes | No |
| 2012-0030 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replace Bond Street, Hartford | 2016 | 25 | \$3,904,000 | Yes | No |
| 2012-0036 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replace Simmons Rd, East Hartford | 2016 | 25 | \$2,520,000 | Yes | No |
| 2012-0038 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Raw Water Pipeline-Phase I - Res#6 to Res #5 | 2017 | 25 | \$5,000,000 | Yes | No |
| 2015-0037 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Garden Street Area Water Main Replacement, Wethersfield | 2016 | 15 | \$3,000,000 | No | No |
| 2015-0043 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Various Storage Tank Rehab | 2017 | 40 | \$4,000,000 | Yes | No |
| 2015-0044 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Simsbury Road Pump Station Rehabilitation | 2016 | 15 | \$2,677,000 | No | No |
| 2015-0045 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Raw Water Pipeline - Phase II - Res 6 to Res 5 | 2017 | 25 | \$5,000,000 | Yes | No |
| 2015-0046 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Church Street Water Main Replacement Phases I & II | 2016 | 25 | \$8,000,000 | Yes | No |
| 2015-0047 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replacements - Various East Hartford (2017) | 2017 | 25 | \$3,300,000 | Yes | No |
| 2015-0052 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Bloomfield Transmission Main Extension | 2016 | 15 | \$13,000,000 | No | No |
| 2015-0053 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Madison Avenue Area Water Main Replacement, Hartford | 2016 | 25 | \$3,600,000 | Yes | No |
| 2015-0056 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Eastbury Water Storage Basin Improvements, Glastonbury | 2016 | 15 | \$2,800,000 | No | No |
| 2015-0060 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - West Hartford Water Treatment Facility - Rehab of 6 MG Basin | 2016 | 35 | \$3,000,000 | Yes | No |

| Project # | PWSID | Public Water System | Town of PWS | Project Name | Estimated SFY for Funding | Points | Amount Requested | Received Sustainability and Affordability Points ¹ | Small System ² |
|-----------|-----------|----------------------------------|-------------|--|---------------------------|--------|------------------|---|---------------------------|
| 2015-0063 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Farmington Ave #11 Water Main Replacement | 2016 | 25 | \$3,500,000 | Yes | No |
| 2015-0064 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Bear Ridge Drive - Pump Station Upgrade & Water Main Extension | 2017 | 35 | \$1,800,000 | No | No |
| 2015-0066 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Transmission Main Extension - Long Hill Road | 2017 | 15 | \$3,400,000 | No | No |
| 2015-0067 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replacements - Hartford (2016) | 2017 | 25 | \$13,000,000 | Yes | No |
| 2015-0068 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replacements - Various West Hartford (segments progressing in 2016) | 2016 | 15 | \$4,500,000 | No | No |
| 2015-0068 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replacements - Various West Hartford (segments progressing in 2017) | 2017 | 15 | \$4,500,000 | No | No |
| 2015-0008 | CT0690141 | CRANBERRY BOG APARTMENTS | KILLINGLY | DWSRF - Generator | 2016 | 50 | \$20,000 | No | Yes |
| 2015-0116 | CT0770021 | MANCHESTER WATER DEPARTMENT | MANCHESTER | DWSRF - Water Main Replacement - Valley St. area | 2017 | 15 | \$1,000,000 | No | No |
| 2015-0117 | CT0770021 | MANCHESTER WATER DEPARTMENT | MANCHESTER | DWSRF - New State Rd. Well #7 replacement | 2016 | 20 | \$250,000 | No | No |
| 2015-0032 | CT0790021 | HILLSIDE CORPORATION | MARLBOROUGH | DWSRF - Storage Tank & Pump House Improvements | 2017 | 25 | \$115,000 | No | Yes |
| 2015-0092 | CT0800011 | MERIDEN WATER DIVISION | MERIDEN | DWSRF - Elmere WTP & Storage Tank Rehab (design) | 2016 | 45 | \$1,440,000 | Yes | No |
| 2015-0093 | CT0800011 | MERIDEN WATER DIVISION | MERIDEN | DWSRF - Williams St. PS (new) (design) | 2016 | 45 | \$120,000 | Yes | No |
| 2015-0094 | CT0800011 | MERIDEN WATER DIVISION | MERIDEN | DWSRF - Merimere Storage Tank Rehab (Design) | 2016 | 40 | \$120,000 | Yes | No |
| 2015-0094 | CT0800011 | MERIDEN WATER DIVISION | MERIDEN | DWSRF - Merimere Storage Tank Rehab (Construction) | 2017 | 40 | \$840,000 | Yes | No |
| 2015-0095 | CT0800011 | MERIDEN WATER DIVISION | MERIDEN | DWSRF - Fleming Road Storage Tank Rehab/ Replacement (Design) | 2016 | 40 | \$200,000 | Yes | No |
| 2015-0095 | CT0800011 | MERIDEN WATER DIVISION | MERIDEN | DWSRF - Fleming Road Storage Tank Rehab/ Replacement (Construction) | 2017 | 45 | \$880,000 | Yes | No |
| 2015-0112 | CT0860302 | MONTVILLE HIGH SCHOOL | MONTVILLE | DWSRF - Montville Center Waterline Interconnection | 2017 | 20 | \$6,800,000 | No | Yes |
| 2015-0030 | CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Water Main Improvement on Batterson Park Road (Design) | 2016 | 25 | \$50,000 | Yes | No |
| 2015-0030 | CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Water Main Improvement on Batterson Park Road (Construction) | 2017 | 25 | \$600,000 | Yes | No |
| 2015-0048 | CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Redevelopment of the Lower White Bridge Well (Design) | 2016 | 60 | \$700,000 | Yes | No |
| 2015-0048 | CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Redevelopment of the Lower White Bridge Well (Construction) | 2017 | 60 | \$2,800,000 | Yes | No |
| 2015-0051 | CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Whtbrg Raw Water Supply (Pond) Station Electric, Mechanical & SCADA (Design) | 2016 | 30 | \$291,280 | Yes | No |
| 2015-0051 | CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Whtbrg Raw Water Supply (Pond) Station Electric, Mechanical & SCADA (Construction) | 2017 | 30 | \$1,960,864 | Yes | No |
| 2015-0134 | CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Hydroelectric Turbine and Generator (Design) | 2016 | 25 | \$169,000 | Yes | No |

| Project # | PWSID | Public Water System | Town of PWS | Project Name | Estimated SFY for Funding | Points | Amount Requested | Received Sustainability and Affordability Points ¹ | Small System ² |
|-----------|-----------|--------------------------------------|-------------|---|---------------------------|--------|------------------|---|---------------------------|
| 2015-0134 | CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Hydroelectric Turbine and Generator (Construction) | 2017 | 25 | \$1,131,000 | Yes | No |
| 2014-0234 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF - Lake Saltonstall Intake and Raw Water PS Improvements | 2017 | 40 | \$2,400,000 | Yes | No |
| 2014-0245 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF - Lake Gaillard WTP Generator | 2016 | 35 | \$2,200,000 | Yes | No |
| 2015-0085 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF - West River WTP DAF | 2017 | 40 | \$4,000,000 | Yes | No |
| 2015-0086 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF - Tank Painting (various) | 2017 | 35 | \$2,000,000 | Yes | No |
| 2015-0087 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF - Burwell Hill Tank Replacement | 2017 | 25 | \$3,000,000 | Yes | No |
| 2015-0088 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF - Adv Metering Infrastructure Phase IVb | 2017 | 50 | \$4,200,000 | Yes | No |
| 2015-0089 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF - Ansonia-Derby Atm Storage Tank | 2017 | 40 | \$2,500,000 | Yes | No |
| 2015-0090 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF - North Sleeping Giant Well Replacement | 2017 | 70 | \$1,000,000 | Yes | No |
| 2015-0054 | CT1040011 | NORWICH PUBLIC UTILITIES | NORWICH | DWSRF - Deep River Trans Main Rehab - East Section (Design) | 2016 | 15 | \$579,000 | No | No |
| 2015-0054 | CT1040011 | NORWICH PUBLIC UTILITIES | NORWICH | DWSRF - Deep River Trans Main Rehab - East Section (Construction) | 2017 | 15 | \$8,621,000 | No | No |
| 2015-0057 | CT1040011 | NORWICH PUBLIC UTILITIES | NORWICH | DWSRF - Deep River Trans Main Rehab - Central Section | 2017 | 15 | \$9,400,000 | No | No |
| 2015-0058 | CT1040011 | NORWICH PUBLIC UTILITIES | NORWICH | DWSRF - AMI Water Meter Replacement Program | 2016 | 40 | \$3,600,000 | No | No |
| 2015-0102 | CT1050141 | LYME REGIS, INC. | OLD LYME | DWSRF - Generator | 2016 | 50 | \$20,000 | No | Yes |
| 2015-0103 | CT1220061 | SALISBURY SCHOOL | SALISBURY | DWSRF - Generator Salisbury School | 2016 | 50 | \$37,300 | No | Yes |
| 2015-0061 | CT1280011 | TARIFFVILLE FIRE DISTRICT WATER DEPT | SIMSBURY | DWSRF - Wellhead Protection Improvements | 2016 | 30 | \$200,000 | No | Yes |
| 2015-0172 | CT1280011 | TARIFFVILLE FIRE DISTRICT WATER DEPT | SIMSBURY | DWSRF - Water Main Improvements | 2017 | 5 | \$300,000 | No | Yes |
| 2015-0091 | CT1310011 | SOUTHINGTON WATER DEPARTMENT | SOUTHINGTON | DWSRF - AMR/AMI Upgrade | 2017 | 40 | \$3,600,000 | No | No |
| 2015-0115 | CT1420041 | WOODLAND SUMMIT COMMUNITY WATER ASSN | TOLLAND | DWSRF - Infrastructure Improvements (Planning/Design) | 2016 | 25 | \$30,000 | No | Yes |
| 2015-0115 | CT1420041 | WOODLAND SUMMIT COMMUNITY WATER ASSN | TOLLAND | DWSRF - Infrastructure Improvements (Construction) | 2017 | 25 | \$70,000 | No | Yes |
| 2015-0071 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Rehabilitations and Replacement of Water Mains (Fiscal year 2016) | 2016 | 25 | \$1,600,000 | Yes | No |
| 2015-0072 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Rehabilitations and Replacement of Water Mains (Fiscal year 2017) | 2017 | 25 | \$1,600,000 | Yes | No |
| 2015-0073 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Generator Hamilton Avenue Pump Station (Construction) | 2017 | 70 | \$140,000 | Yes | No |
| 2015-0074 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Generator North Main Street Pump Station (Construction) | 2017 | 70 | \$285,000 | Yes | No |
| 2015-0075 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Generator Pierpont Road Pump Station (Construction) | 2017 | 70 | \$185,000 | Yes | No |

| Project # | PWSID | Public Water System | Town of PWS | Project Name | Estimated SFY for Funding | Points | Amount Requested | Received Sustainability and Affordability Points ¹ | Small System ² | |
|--|-----------|---------------------------------------|-------------|--|---------------------------|--------|------------------|---|---------------------------|--|
| 2015-0076 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Generator Rumford Street Pump Station (Construction) | 2017 | 70 | \$140,000 | Yes | No | |
| 2015-0077 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Generator at the Water Treatment Plant | 2017 | 45 | \$2,250,000 | Yes | No | |
| 2015-0078 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Water Treatment Plant Sludge Removal Equipment (Planning/Design) | 2016 | 45 | \$500,000 | Yes | No | |
| 2015-0078 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Water Treatment Plant Sludge Removal Equipment (Construction) | 2017 | 45 | \$2,300,000 | Yes | No | |
| 2015-0042 | CT1530021 | WATERTOWN WATER & SEWER AUTHORITY | WATERTOWN | DWSRF - Bunker Hill Sewer & Water Extension | 2017 | 30 | \$4,000,000 | No | No | |
| 2015-0050 | CT1530021 | WATERTOWN WATER & SEWER AUTHORITY | WATERTOWN | DWSRF - Davis Street Water Main Replacement: Maple to Russel | 2017 | 15 | \$700,000 | No | No | |
| 2015-0011 | CT1600061 | NORTH WILLINGTON VILLAGE CONDO ASSOC. | WILLINGTON | DWSRF - Generator | 2016 | 50 | \$11,800 | No | Yes | |
| 2015-0055 | CT1680031 | WOODLAKE TAX DISTRICT | WOODBURY | DWSRF - Generator IMF Bldg | 2016 | 25 | \$58,000 | No | Yes | |
| 2015-0059 | CT1680031 | WOODLAKE TAX DISTRICT | WOODBURY | DWSRF - Generator Pre Treatment Bldg | 2016 | 25 | \$32,000 | No | Yes | |
| 2015-0065 | CT1680031 | WOODLAKE TAX DISTRICT | WOODBURY | DWSRF - Distribution System Improvements & Trans Line Cleaning | 2017 | 20 | \$75,000 | No | Yes | |
| 2015-0069 | CT1680031 | WOODLAKE TAX DISTRICT | WOODBURY | DWSRF - Replacement of Bedrock Supply Well PW-7 | 2017 | 30 | \$85,000 | No | Yes | |
| 2015-0070 | CT1680031 | WOODLAKE TAX DISTRICT | WOODBURY | DWSRF - Treatment System Improvements & Water System Automation Project | 2017 | 35 | \$940,000 | No | Yes | |
| 2015-0062 | CT1680031 | WOODLAKE TAX DISTRICT | WOODBURY | DWSRF - Solar Panel Installation ³ | 2017 | 0 | \$600,000 | No | Yes | |
| Total amount of eligible funds requested: | | | | | | | | \$201,916,960 | | |

| Project # | PWSID | Public Water System | Town of PWS | Project Name | Estimated SFY for Funding | Points | Amount Requested | Received Sustainability and Affordability Points ¹ | Small System ² |
|-----------|-------|---------------------|-------------|--------------|---------------------------|--------|------------------|---|---------------------------|
|-----------|-------|---------------------|-------------|--------------|---------------------------|--------|------------------|---|---------------------------|

The following projects have been withdrawn from DWSRF funding consideration by the applicant:

| | | | | | | | | | |
|--|-----------|----------------------------|-----------|--|------|----|------------------|-----|-----|
| 2015-0041 | CT0090011 | BETHEL WATER DEPT | BETHEL | DWSRF - Water Main Replacement | 2016 | 15 | \$580,000 | No | Yes |
| 2015-0073 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Generator Hamilton Avenue Pump Station (Planning/Design) | 2016 | 70 | \$10,000 | Yes | No |
| 2015-0074 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Generator North Main Street Pump Station (Planning/Design) | 2016 | 70 | \$15,000 | Yes | No |
| 2015-0075 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Generator Pierpont Road Pump Station (Planning/Design) | 2016 | 70 | \$15,000 | Yes | No |
| 2015-0076 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Generator Rumford Street Pump Station (Planning/Design) | 2016 | 70 | \$10,000 | Yes | No |
| Total amount of eligible funds withdrawn: | | | | | | | \$630,000 | | |

The following projects were determined to be ineligible for DWSRF funding:

| | | | | | | | | | |
|-----------|-----------|------------------------------|-------------|--|---|---|-------------|--|--|
| 2015-0031 | CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Shadow Meadow Reservoir West Canal Leakage | - | 0 | \$990,600 | | |
| 2015-0111 | CT1051021 | MIAMI BEACH WATER COMPANY | OLD LYME | DWSRF - Water Main Replacement | - | 0 | \$2,400,000 | | |

Footnotes:

| | |
|---|--|
| 1 | Projects which were awarded Sustainability and Affordability points are eligible to receive federal subsidy. |
| 2 | These PWSs serve a population less than or equal to 10,000 and are considered "small" for the purposes of DWSRF and are qualified to receive federal subsidy. |
| 3 | This project is eligible for DWSRF under federal rules, however, there is no point category in the current Priority Ranking System for which this project qualifies, therefore, no ranking points have been awarded. |

| Project # | PWSID | Public Water System | Town | Project Name | Estimated SFY for Funding | Points | Amount Requested | Received Sustainability and Affordability Points ¹ | Small System ² |
|---|-----------|---------------------------------------|-------------|--|---------------------------|--------|------------------|---|---------------------------|
| Projects Expected to be Ready to Proceed During SFY 2016 | | | | | | | | | |
| 2015-0048 | CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Redevelopment of the Lower White Bridge Well (Design) | 2016 | 60 | \$700,000 | Yes | No |
| 2015-0036 | CT0090011 | BETHEL WATER DEPT | BETHEL | DWSRF - Hoyts Hill Booster Pump | 2016 | 55 | \$1,063,836 | No | Yes |
| 2015-0008 | CT0690141 | CRANBERRY BOG APARTMENTS | KILLINGLY | DWSRF - Generator | 2016 | 50 | \$20,000 | No | Yes |
| 2015-0102 | CT1050141 | LYME REGIS, INC. | OLD LYME | DWSRF - Generator | 2016 | 50 | \$20,000 | No | Yes |
| 2015-0103 | CT1220061 | SALISBURY SCHOOL | SAILS BURY | DWSRF - Generator Salisbury School | 2016 | 50 | \$37,300 | No | Yes |
| 2015-0011 | CT1600061 | NORTH WILLINGTON VILLAGE CONDO ASSOC. | WILLINGTON | DWSRF - Generator | 2016 | 50 | \$11,800 | No | Yes |
| 2015-0092 | CT0800011 | MERIDEN WATER DIVISION | MERIDEN | DWSRF - Elmere WTP & Storage Tank Rehab (design) | 2016 | 45 | \$1,440,000 | Yes | No |
| 2015-0093 | CT0800011 | MERIDEN WATER DIVISION | MERIDEN | DWSRF - Williams St. PS (new) (design) | 2016 | 45 | \$120,000 | Yes | No |
| 2015-0078 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Water Treatment Plant Sludge Removal Equipment (Planning/Design) | 2016 | 45 | \$500,000 | Yes | No |
| 2015-0084 | CT0320292 | COVENTRY HIGH & NATHAN HALE SCHOOLS | COVENTRY | DWSRF - Water main ext for consolidation (Planning/Design) | 2016 | 40 | \$550,000 | No | Yes |
| 2015-0094 | CT0800011 | MERIDEN WATER DIVISION | MERIDEN | DWSRF - Merimere Storage Tank Rehab (Design) | 2016 | 40 | \$120,000 | Yes | No |
| 2015-0095 | CT0800011 | MERIDEN WATER DIVISION | MERIDEN | DWSRF - Fleming Road Storage Tank Rehab/ Replacement (Design) | 2016 | 40 | \$200,000 | Yes | No |
| 2015-0058 | CT1040011 | NORWICH PUBLIC UTILITIES | NORWICH | DWSRF - AMI Water Meter Replacement Program | 2016 | 40 | \$3,600,000 | No | No |
| 2015-0060 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - West Hartford Water Treatment Facility - Rehab of 6 MG Basin | 2016 | 35 | \$3,000,000 | Yes | No |
| 2014-0245 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF - Lake Gaillard WTP Generator | 2016 | 35 | \$2,200,000 | Yes | No |
| 2015-0051 | CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Whtbrg Raw Water Supply (Pond) Station Electric, Mechanical & SCADA (Design) | 2016 | 30 | \$291,280 | Yes | No |
| 2015-0061 | CT1280011 | TARIFFVILLE FIRE DISTRICT WATER DEPT | SIMSBURY | DWSRF - Wellhead Protection Improvements | 2016 | 30 | \$200,000 | No | Yes |
| 2015-0038 | CT0090011 | BETHEL WATER DEPT | BETHEL | DWSRF - Maple Avenue Well #1 and #2 | 2016 | 25 | \$689,000 | No | Yes |
| 2015-0114 | CT0450011 | EAST LYME WATER & SEWER COMMISSION | EAST LYME | DWSRF - Greensand Filtration - wells 1A & 2A (Design) | 2016 | 25 | \$500,000 | No | No |
| 2012-0029 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replace Buckingham St. area, Hartford | 2016 | 25 | \$5,000,000 | Yes | No |
| 2012-0030 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replace Bond Street, Hartford | 2016 | 25 | \$3,904,000 | Yes | No |
| 2012-0036 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replace Simmons Rd, East Hartford | 2016 | 25 | \$2,520,000 | Yes | No |
| 2015-0046 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Church Street Water Main Replacement Phases I & II | 2016 | 25 | \$8,000,000 | Yes | No |
| 2015-0053 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Madison Avenue Area Water Main Replacement, Hartford | 2016 | 25 | \$3,600,000 | Yes | No |
| 2015-0063 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Farmington Ave #11 Water Main Replacement | 2016 | 25 | \$3,500,000 | Yes | No |

| Project # | PWSID | Public Water System | Town | Project Name | Estimated SFY for Funding | Points | Amount Requested | Received Sustainability and Affordability Points ¹ | Small System ² |
|-------------------------------------|-----------|---|-------------|--|---------------------------|--------|---------------------|---|---------------------------|
| 2015-0030 | CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Water Main Improvement on Batterson Park Road (Design) | 2016 | 25 | \$50,000 | Yes | No |
| 2015-0115 | CT1420041 | WOODLAND SUMMIT COMMUNITY WATER ASSN | TOLLAND | DWSRF - Infrastructure Improvements (Planning/Design) | 2016 | 25 | \$30,000 | No | Yes |
| 2015-0071 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Rehabilitations and Replacement of Water Mains (Fiscal year 2016) | 2016 | 25 | \$1,600,000 | Yes | No |
| 2015-0055 | CT1680031 | WOODLAKE TAX DISTRICT | WOODBURY | DWSRF - Generator IMF Bldg | 2016 | 25 | \$58,000 | No | Yes |
| 2015-0059 | CT1680031 | WOODLAKE TAX DISTRICT | WOODBURY | DWSRF - Generator Pre Treatment Bldg | 2016 | 25 | \$32,000 | No | Yes |
| 2015-0117 | CT0770021 | MANCHESTER WATER DEPARTMENT | MANCHESTER | DWSRF - New State Rd. Well #7 replacement | 2016 | 20 | \$250,000 | No | No |
| 2015-0040 | CT0330011 | CROMWELL FIRE DISTRICT WATER DEPARTMENT | CROMWELL | DWSRF - Raymond Place Neighborhood Water Main Replacement | 2016 | 15 | \$1,500,000 | No | No |
| 2015-0037 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Garden Street Area Water Main Replacement, Wethersfield | 2016 | 15 | \$3,000,000 | No | No |
| 2015-0044 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Simsbury Road Pump Station Upgrade | 2016 | 15 | \$2,677,000 | No | No |
| 2015-0052 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Bloomfield Transmission Main Extension | 2016 | 15 | \$13,000,000 | No | No |
| 2015-0056 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Eastbury Water Storage Basin Improvements, Glastonbury | 2016 | 15 | \$2,800,000 | No | No |
| 2015-0068 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replacements - Various West Hartford (segments progressing in 2016) | 2016 | 15 | \$4,500,000 | No | No |
| 2015-0134 | CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Hydroelectric Turbine and Generator (Design) | 2016 | 25 | \$169,000 | Yes | No |
| 2015-0054 | CT1040011 | NORWICH PUBLIC UTILITIES | NORWICH | DWSRF - Deep River Trans Main Rehab - East Section (Design) | 2016 | 15 | \$579,000 | No | No |
| Total requested for SFY 2016 | | | | | | | \$72,032,216 | | |

The following projects have been withdrawn from DWSRF funding consideration by the applicant:

| | | | | | | | | | |
|--|-----------|----------------------------|-----------|--|------|----|------------------|-----|-----|
| 2015-0073 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Generator Hamilton Avenue Pump Station (Planning/Design) | 2016 | 70 | \$10,000 | Yes | No |
| 2015-0074 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Generator North Main Street Pump Station (Planning/Design) | 2016 | 70 | \$15,000 | Yes | No |
| 2015-0075 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Generator Pierpont Road Pump Station (Planning/Design) | 2016 | 70 | \$15,000 | Yes | No |
| 2015-0076 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Generator Rumford Street Pump Station (Planning/Design) | 2016 | 70 | \$10,000 | Yes | No |
| 2015-0041 | CT0090011 | BETHEL WATER DEPT | BETHEL | DWSRF - Water Main Replacement | 2016 | 15 | \$580,000 | No | Yes |
| Total amount of withdrawn projects for SFY 2016 | | | | | | | \$630,000 | | |

| Project # | PWSID | Public Water System | Town | Project Name | Estimated SFY for Funding | Points | Amount Requested | Received Sustainability and Affordability Points ¹ | Small System ² |
|---|-----------|---|-------------|---|---------------------------|--------|------------------|---|---------------------------|
| Projects Expected to be Ready to Proceed During SFY 2017 | | | | | | | | | |
| 2015-0073 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Generator Hamilton Avenue Pump Station (Construction) | 2017 | 70 | \$140,000 | Yes | No |
| 2015-0074 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Generator North Main Street Pump Station (Construction) | 2017 | 70 | \$285,000 | Yes | No |
| 2015-0075 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Generator Pierpont Road Pump Station (Construction) | 2017 | 70 | \$185,000 | Yes | No |
| 2015-0076 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Generator Rumford Street Pump Station (Construction) | 2017 | 70 | \$140,000 | Yes | No |
| 2015-0048 | CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Redevelopment of the Lower White Bridge Well (Construction) | 2017 | 60 | \$2,800,000 | Yes | No |
| 2015-0088 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF - Adv Metering Infrastructure Phase IVb | 2017 | 50 | \$4,200,000 | Yes | No |
| 2015-0090 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF - North Sleeping Giant Well Replacement | 2017 | 50 | \$1,000,000 | Yes | No |
| 2015-0077 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Generator at the Water Treatment Plant | 2017 | 45 | \$2,250,000 | Yes | No |
| 2015-0078 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Water Treatment Plant Sludge Removal Equipment (Construction) | 2017 | 45 | \$2,300,000 | Yes | No |
| 2015-0084 | CT0320292 | COVENTRY HIGH & NATHAN HALE SCHOOLS | COVENTRY | DWSRF - Water main ext for consolidation (Construction) | 2017 | 40 | \$5,550,000 | No | Yes |
| 2015-0043 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Various Storage Tank Rehab | 2017 | 40 | \$4,000,000 | Yes | No |
| 2015-0094 | CT0800011 | MERIDEN WATER DIVISION | MERIDEN | DWSRF - Merimere Storage Tank Rehab (Construction) | 2017 | 40 | \$840,000 | Yes | No |
| 2015-0095 | CT0800011 | MERIDEN WATER DIVISION | MERIDEN | DWSRF - Fleming Road Storage Tank Rehab/ Replacement (Construction) | 2017 | 40 | \$880,000 | Yes | No |
| 2014-0234 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF - Lake Saltonstall Intake and Raw Water PS Improvements | 2017 | 40 | \$2,400,000 | Yes | No |
| 2015-0085 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF - West River WTP DAF | 2017 | 40 | \$4,000,000 | Yes | No |
| 2015-0089 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF - Ansonia-Derby Atm Storage Tank | 2017 | 40 | \$2,500,000 | Yes | No |
| 2015-0091 | CT1310011 | SOUTHINGTON WATER DEPARTMENT | SOUTHINGTON | DWSRF - AMR/AMI Upgrade | 2017 | 40 | \$3,600,000 | No | No |
| 2015-0064 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Bear Ridge Drive - Pump Station Upgrade & Water Main Extension | 2017 | 35 | \$1,800,000 | No | No |
| 2015-0086 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF - Tank Painting (various) | 2017 | 35 | \$2,000,000 | Yes | No |
| 2015-0070 | CT1680031 | WOODLAKE TAX DISTRICT | WOODBURY | DWSRF - Treatment System Improvements & Water System Automation Project | 2017 | 35 | \$940,000 | No | Yes |
| 2015-0039 | CT0090011 | BETHEL WATER DEPT | BETHEL | DWSRF - New East Swamp Well Field | 2017 | 30 | \$2,600,000 | No | Yes |
| 2015-0034 | CT0279044 | INDIAN RIVER RECREATIONAL COMPLEX (Town of Clinton) | CLINTON | DWSRF - Rocky Ledge Area Water Main Extension | 2017 | 30 | \$3,000,000 | No | Yes |
| 2015-0035 | CT0609094 | BITTNER PARK (Town of Guilford) | GUILFORD | DWSRF - Mulberry Point Water Main Extension | 2017 | 30 | \$2,716,880 | No | Yes |

| Project # | PWSID | Public Water System | Town | Project Name | Estimated SFY for Funding | Points | Amount Requested | Received Sustainability and Affordability Points ¹ | Small System ² |
|-------------------------------------|-----------|--------------------------------------|-------------|--|---------------------------|--------|----------------------|---|---------------------------|
| 2015-0051 | CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Whtbrg Raw Water Supply (Pond) Station Electric, Mechanical & SCADA (Construction) | 2017 | 30 | \$1,960,864 | Yes | No |
| 2015-0042 | CT1530021 | WATERTOWN WATER & SEWER AUTHORITY | WATERTOWN | DWSRF - Bunker Hill Sewer & Water Extension | 2017 | 30 | \$4,000,000 | No | No |
| 2015-0069 | CT1680031 | WOODLAKE TAX DISTRICT | WOODBURY | DWSRF - Replacement of Bedrock Supply Well PW-7 | 2017 | 30 | \$85,000 | No | Yes |
| 2015-0114 | CT0450011 | EAST LYME WATER & SEWER COMMISSION | EAST LYME | DWSRF - Greensand Filtration - wells 1A & 2A (Construction) | 2017 | 25 | \$5,500,000 | No | No |
| 2012-0038 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Raw Water Pipeline-Phase I - Res#6 to Res #5 | 2017 | 25 | \$5,000,000 | Yes | No |
| 2015-0045 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Raw Water Pipeline - Phase II - Res 6 to Res 5 | 2017 | 25 | \$5,000,000 | Yes | No |
| 2015-0047 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replacements - Various East Hartford (2017) | 2017 | 25 | \$3,300,000 | Yes | No |
| 2015-0067 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replacements - Hartford (2016) | 2017 | 25 | \$13,000,000 | Yes | No |
| 2015-0032 | CT0790021 | HILLSIDE CORPORATION | MARLBOROUGH | DWSRF - Storage Tank & Pump House Improvements | 2017 | 25 | \$115,000 | No | Yes |
| 2015-0030 | CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Water Main Improvement on Batterson Park Road (Construction) | 2017 | 25 | \$600,000 | Yes | No |
| 2015-0087 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF - Burwell Hill Tank Replacement | 2017 | 25 | \$3,000,000 | Yes | No |
| 2015-0115 | CT1420041 | WOODLAND SUMMIT COMMUNITY WATER ASSN | TOLLAND | DWSRF - Infrastructure Improvements (Construction) | 2017 | 25 | \$70,000 | No | Yes |
| 2015-0072 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Rehabilitations and Replacement of Water Mains (Fiscal year 2017) | 2017 | 25 | \$1,600,000 | Yes | No |
| 2015-0112 | CT0860302 | MONTVILLE HIGH SCHOOL | MONTVILLE | DWSRF - Montville Center Waterline Interconnection | 2017 | 20 | \$6,800,000 | No | Yes |
| 2015-0065 | CT1680031 | WOODLAKE TAX DISTRICT | WOODBURY | DWSRF - Distribution System Improvements & Trans Line Cleaning | 2017 | 20 | \$75,000 | No | Yes |
| 2015-0066 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Transmission Main Extension - Long Hill Road | 2017 | 15 | \$3,400,000 | No | No |
| 2015-0068 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replacements - Various West Hartford (segments progressing in 2017) | 2017 | 15 | \$4,500,000 | No | No |
| 2015-0116 | CT0770021 | MANCHESTER WATER DEPARTMENT | MANCHESTER | DWSRF - Water Main Replacement - Valley St. area | 2017 | 15 | \$1,000,000 | No | No |
| 2015-0134 | CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Hydroelectric Turbine and Generator (Construction) | 2017 | 25 | \$1,131,000 | Yes | No |
| 2015-0054 | CT1040011 | NORWICH PUBLIC UTILITIES | NORWICH | DWSRF - Deep River Trans Main Rehab - East Section (Construction) | 2017 | 15 | \$8,621,000 | No | No |
| 2015-0057 | CT1040011 | NORWICH PUBLIC UTILITIES | NORWICH | DWSRF - Deep River Trans Main Rehab - Central Section | 2017 | 15 | \$9,400,000 | No | No |
| 2015-0050 | CT1530021 | WATERTOWN WATER & SEWER AUTHORITY | WATERTOWN | DWSRF - Davis Street Water Main Replacement: Maple to Russel | 2017 | 15 | \$700,000 | No | No |
| 2015-0172 | CT1280011 | TARIFFVILLE FIRE DISTRICT WATER DEPT | SIMSBURY | DWSRF - Water Main Improvements | 2017 | 5 | \$300,000 | No | Yes |
| 2015-0062 | CT1680031 | WOODLAKE TAX DISTRICT | WOODBURY | DWSRF - Solar Panel Installation ³ | - | 0 | \$600,000 | No | Yes |
| Total requested for SFY 2017 | | | | | | | \$129,884,744 | | |

| Project # | PWSID | Public Water System | Town | Project Name | Estimated SFY for Funding | Points | Amount Requested | Received Sustainability and Affordability Points ¹ | Small System ² |
|-----------|-------|---------------------|------|--------------|---------------------------|--------|------------------|---|---------------------------|
|-----------|-------|---------------------|------|--------------|---------------------------|--------|------------------|---|---------------------------|

The following projects were determined to be ineligible for DWSRF funding

| | | | | | | | | | |
|-----------|-----------|------------------------------|-------------|--|---|---|-------------|--|--|
| 2015-0031 | CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Shadow Meadow Reservoir West Canal Leakage | - | 0 | \$990,600 | | |
| 2015-0111 | CT1051021 | MIAMI BEACH WATER COMPANY | OLD LYME | DWSRF - Water Main Replacement | - | 0 | \$2,400,000 | | |

Footnotes:

| | |
|---|--|
| 1 | Projects which were awarded Sustainability and Affordability points are eligible to receive federal subsidy. |
| 2 | These PWSs serve a population less than or equal to 10,000 and are considered "small" for the purposes of DWSRF and are qualified to receive federal subsidy. |
| 3 | This project is eligible for DWSRF under federal rules, however, there is no point category in the current Priority Ranking System for which this project qualifies, therefore, no ranking points have been awarded. |

Attachment E - SFY 2016 Carryover Project List

| PWSID | PWS Name | Town of PWS | Project Name | Amount requested |
|-----------|---------------------------------------|-------------|---|------------------|
| CT0090011 | BETHEL WATER DEPARTMENT | BETHEL | DWSRF - Euerka Water Storage Tank | \$1,952,066 |
| CT0110031 | SHARON HEIGHTS WATER ASSOCIATION | BLOOMFIELD | Emergency Power Generator Program | \$14,000 |
| CT0170011 | BRISTOL WATER DEPARTMENT | BRISTOL | DWSRF - Dewitt Drive Storage Tank Improvements | \$531,000 |
| CT0330011 | CROMWELL FIRE DISTRICT | CROMWELL | Emergency Power Generator Program | \$250,000 |
| CT0340111 | AQUA VISTA ASSOC., INC - UPPER SYSTEM | DANBURY | Emergency Power Generator Program | \$10,000 |
| CT0347051 | AQUA VISTA ASSOC., INC - LOWER SYSTEM | DANBURY | Emergency Power Generator Program | \$12,000 |
| CT0400051 | OLD NEWGATE RIDGE WATER COMPANY | EAST GRANBY | Emergency Power Generator Program | \$45,000 |
| CT0450011 | EAST LYME WATER DEPARTMENT | EAST LYME | DWSRF - Meter Replacement Program | \$2,607,354 |
| CT0490021 | HAZARDVILLE WATER COMPANY | ENFIELD | Emergency Power Generator Program - Town Farm Road Well | \$80,000 |
| CT0490021 | HAZARDVILLE WATER COMPANY | ENFIELD | Emergency Power Generator Program - Queens Street, Avery Wells | \$145,000 |
| CT0590011 | GROTON UTILITIES | GROTON | DWSRF - Water Treatment Plant Upgrade | \$42,000,000 |
| CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Reservoir #6 Water Treatment Facility Filtered Water Basin Rehab | \$3,050,000 |
| CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - RF Automated Meter Reading - Phase IV | \$5,000,000 |
| CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Trans. Main replacement - Hartford; Hamilton & Park Phase II | \$3,433,119 |
| CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replacement -Farmington 10, Hartford | \$2,516,325 |
| CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replacement - Center & Fairmont, Hartford | \$1,461,512 |
| CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replacement - Montclair & Linbrook, West Hartford | \$3,000,000 |
| CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replacement - Jerome & Pheasant, Bloomfield | \$825,335 |
| CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replacement - Cottage Grove & Talcottville, Bloomfield | \$2,500,000 |
| CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replacement - Byrd & Chamberlin, Wethersfield | \$2,516,021 |
| CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - North Storage Basin Tank Construction | \$2,781,872 |
| CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Valves & Pitkin | \$1,619,547 |
| CT0720041 | SCWA TOWER - FERRY VIEW DIVISION | LEDYARD | Emergency Power Generator Program | \$33,000 |
| CT0770021 | MANCHESTER WATER DEPARTMENT | MANCHESTER | DWSRF Globe Hollow Water Treatment Plant Improvements - Phase 2 | \$450,000 |
| CT0770021 | MANCHESTER WATER DEPARTMENT | MANCHESTER | DWSRF - Pipe Rehabilitation and Replacement | \$669,887 |
| CT0770021 | MANCHESTER WATER DEPARTMENT | MANCHESTER | DWSRF New State Road Wellfield Chlorine Conversion | \$150,000 |
| CT0780041 | WHITE OAK CONDOMINIUM | MANSFIELD | Emergency Power Generator Program | \$10,000 |
| CT0790021 | HILLSIDE WATER CORPORATION | MARLBOROUGH | Emergency Power Generator Program | \$12,000 |
| CT0800011 | MERIDEN WATER DIVISION | MERIDEN | DWSRF - Swain Avenue Water Main Replacement Project | \$1,721,021 |
| CT0815051 | MIDDLEBURY COMMONS | MIDDLEBURY | Emergency Power Generator Program | \$15,000 |
| CT0860011 | SCWA - MONTVILLE DIVISION | MONTVILLE | Emergency Power Generator Program | \$33,000 |
| CT0860051 | DEER RUN WATER SUPPLY | MONTVILLE | Emergency Power Generator Program | \$8,000 |
| CT0860081 | SCWA - CHESTERFIELD DIVISION | MONTVILLE | Emergency Power Generator Program | \$33,000 |
| CT0861111 | FOX LAUREL MOBILE HOME PARK LLC | MONTVILLE | Emergency Power Generator Program | \$22,000 |
| CT0878011 | BREEZY KNOLL ASSOCIATION | MORRIS | Emergency Power Generator Program | \$15,000 |
| CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF - Automated Meter Reading Phases III & IVa | \$8,400,000 |
| CT0970512 | CEDARHURST ASSOCIATION | NEWTOWN | Emergency Power Generator Program | \$15,000 |
| CT1040011 | NORWICH PUBLIC UTILITIES | NORWICH | DWSRF - Stony Brook DAF | \$3,500,000 |
| CT1040011 | NORWICH PUBLIC UTILITIES | NORWICH | DWSRF - Royal Oaks Project | \$1,657,560 |
| CT1040011 | NORWICH PUBLIC UTILITIES | NORWICH | DWSRF - Mohegan Park Water Tank | \$2,376,923 |

| PWSID | PWS Name | Town of PWS | Project Name | Amount requested |
|-------------------------------|---|-------------|--|------------------|
| CT1040011 | NORWICH PUBLIC UTILITIES | NORWICH | DWSRF - Northern Stony Brook Transmission Main Renewal & Micro-Turbine | \$2,358,463 |
| CT1040011 | NORWICH PUBLIC UTILITIES | NORWICH | DWSRF - Southern Stony Brook Transmission Main renewal | \$2,259,188 |
| CT1050732 | CONNECTICUT WATER COMPANY - SHORELINE REGION - SOUND VIEW | OLD LYME | DWSRF - Old Lyme Beach Shores Association Water Main Replacement | \$812,000 |
| CT1099141 | ARNIO DRIVE LLC | PLAINFIELD | Emergency Power Generator Program | \$5,000 |
| CT1120264 | WINDHAM 4H CAMP | POMFRET | Emergency Power Generator Program | \$24,500 |
| CT1160011 | PUTNAM WATER POLLUTION CONTROL AUTHORITY | PUTNAM | DWSRF - Water Main Replace/Reline | \$10,600,000 |
| CT1210011 | SALEM MANOR SYSTEM #1 | SALEM | Emergency Power Generator Program | \$60,000 |
| CT1211911 | SALEM MANOR SYSTEM #2 | SALEM | Emergency Power Generator Program | \$60,000 |
| CT1280011 | TARIFFVILLE FIRE DISTRICT WATER DEPARTMENT | SIMSBURY | DWSRF - Water Storage Tank Improvements | \$1,580,660 |
| CT1310011 | SOUTHINGTON WATER DEPARTMENT | SOUTHINGTON | DWSRF - Well #2A Construction Project (Well #2 Back-up) | \$1,525,000 |
| CT1310011 | SOUTHINGTON WATER DEPARTMENT | SOUTHINGTON | DWSRF - East Side Water Storage Tank and Pump Station | \$5,755,000 |
| CT1420021 | BAXTER FARMS | TOLLAND | Emergency Power Generator Program | \$27,581 |
| CT1501111 | RUMSEY HALL SCHOOL | WASHINGTON | Emergency Power Generator Program | \$1,800 |
| CT1620011 | WINSTED WATER WORKS | WINCHESTER | Emergency Power Generator Program | \$49,000 |
| CT1680021 | TOWN IN COUNTRY CONDOMINIUM - UPPER | WOODBURY | Emergency Power Generator Program | \$20,000 |
| CT1680041 | QUASSUK HEIGHTS GARDENS | WOODBURY | Emergency Power Generator Program | \$25,000 |
| CT1680051 | WOODBURY KNOLL, LLC | WOODBURY | Emergency Power Generator Program | \$28,550 |
| CT1686091 | TOWN IN COUNTRY CONDO - LOWER | WOODBURY | Emergency Power Generator Program | \$20,000 |
| Amount of Carryover Projects: | | | | \$120,683,284 |

| Rank | Project # | PWSID | Public Water System | Town | Project Name | Points | Amount Requested | Population Served by Project | Received Sustainability and Affordability Points ¹ | Small System ² |
|------|-----------|-----------|---------------------------------------|-------------|--|--------|------------------|------------------------------|---|---------------------------|
| 1 | 2015-0048 | CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Redevelopment of the Lower White Bridge Well (Design) | 60 | \$700,000 | 73,164 | Yes | No |
| 2 | 2015-0036 | CT0090011 | BETHEL WATER DEPT | BETHEL | DWSRF - Hoyts Hill Booster Pump | 55 | \$1,063,836 | 375 | No | Yes |
| 3 | 2015-0103 | CT1220061 | SALISBURY SCHOOL | SALISBURY | DWSRF - Generator Salisbury School | 50 | \$37,300 | 520 | No | Yes |
| 4 | 2015-0008 | CT0690141 | CRANBERRY BOG APARTMENTS | KILLINGLY | DWSRF - Generator | 50 | \$20,000 | 72 | No | Yes |
| 5 | 2015-0011 | CT1600061 | NORTH WILLINGTON VILLAGE CONDO ASSOC. | WILLINGTON | DWSRF - Generator | 50 | \$11,800 | 66 | No | Yes |
| 6 | 2015-0102 | CT1050141 | LYME REGIS, INC. | OLD LYME | DWSRF - Generator | 50 | \$20,000 | 32 | No | Yes |
| 7 | 2015-0078 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Water Treatment Plant Sludge Removal Equipment (Planning/Design) | 45 | \$500,000 | 109,676 | Yes | No |
| 8 | 2015-0092 | CT0800011 | MERIDEN WATER DIVISION | MERIDEN | DWSRF - Elmere WTP & Storage Tank Rehab (design) | 45 | \$1,440,000 | 36,500 | Yes | No |
| 9 | 2015-0093 | CT0800011 | MERIDEN WATER DIVISION | MERIDEN | DWSRF - Williams St. PS (new) (design) | 45 | \$120,000 | 2,000 | Yes | No |
| 10 | 2015-0058 | CT1040011 | NORWICH PUBLIC UTILITIES | NORWICH | DWSRF - AMI Water Meter Replacement Program | 40 | \$3,600,000 | 42,000 | No | No |
| 11 | 2015-0094 | CT0800011 | MERIDEN WATER DIVISION | MERIDEN | DWSRF - Merimere Storage Tank Rehab (Design) | 40 | \$120,000 | 10,000 | Yes | No |
| 12 | 2015-0095 | CT0800011 | MERIDEN WATER DIVISION | MERIDEN | DWSRF - Fleming Road Storage Tank Rehab/ Replacement (Design) | 40 | \$200,000 | 10,000 | Yes | No |
| 13 | 2015-0084 | CT0320292 | COVENTRY HIGH & NATHAN HALE SCHOOLS | COVENTRY | DWSRF - Water main ext for consolidation (Planning/Design) | 40 | \$550,000 | 1,753 | No | Yes |
| 14 | 2015-0060 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - West Hartford Water Treatment Facility - Rehab of 6 MG Basin | 35 | \$3,000,000 | 390,887 | Yes | No |
| 15 | 2014-0245 | CT0930011 | REGIONAL WATER AUTHORITY | NEW HAVEN | DWSRF - Lake Gaillard WTP Generator | 35 | \$2,200,000 | 264,000 | Yes | No |
| 16 | 2015-0051 | CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Whtbrg Raw Water Supply (Pond) Station Electric, Mechanical & SCADA (Design) | 30 | \$291,280 | 73,164 | Yes | No |
| 17 | 2015-0061 | CT1280011 | TARIFFVILLE FIRE DISTRICT WATER DEPT | SIMSBURY | DWSRF - Wellhead Protection Improvements | 30 | \$200,000 | 1,477 | No | Yes |
| 18 | 2015-0134 | CT0890011 | NEW BRITAIN WATER DEPARTMENT | NEW BRITAIN | DWSRF - Hydroelectric Turbine and Generator (Design) | 25 | \$169,000 | 73,164 | Yes | No |
| 19 | 2015-0114 | CT0450011 | EAST LYME WATER & SEWER COMMISSION | EAST LYME | DWSRF - Greensand Filtration - wells 1A & 2A (Design) | 25 | \$500,000 | 15,245 | No | No |
| 20 | 2015-0038 | CT0090011 | BETHEL WATER DEPT | BETHEL | DWSRF - Maple Avenue Well #1 and #2 | 25 | \$689,000 | 9,507 | No | Yes |
| 21 | 2015-0071 | CT1510011 | WATERBURY WATER DEPARTMENT | WATERBURY | DWSRF - Rehabilitations and Replacement of Water Mains (Fiscal year 2016) | 25 | \$1,600,000 | 4,500 | Yes | No |
| 22 | 2012-0030 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replace Bond Street, Hartford | 25 | \$3,904,000 | 2,200 | Yes | No |
| 23 | 2012-0029 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Water Main Replace Buckingham St. area, Hartford | 25 | \$5,000,000 | 2,040 | Yes | No |
| 24 | 2015-0046 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Church Street Water Main Replacement Phases I & II | 25 | \$8,000,000 | 1,250 | Yes | No |

| Rank | Project # | PWSID | Public Water System | Town | Project Name | Points | Amount Requested | Population Served by Project | Received Sustainability and Affordability Points ¹ | Small System ² |
|--|-----------|-----------|--------------------------------------|----------|--|--------|---------------------|------------------------------|---|---------------------------|
| 25 | 2015-0055 | CT1680031 | WOODLAKE TAX DISTRICT | WOODBURY | DWSRF - Generator IMF Bldg | 25 | \$58,000 | 912 | No | Yes |
| 26 | 2015-0059 | CT1680031 | WOODLAKE TAX DISTRICT | WOODBURY | DWSRF - Generator Pre Treatment Bldg | 25 | \$32,000 | 912 | No | Yes |
| 27 | 2015-0063 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Farmington Ave #11 Water Main Replacement | 25 | \$3,500,000 | 800 | Yes | No |
| 28 | 2015-0053 | CT0640011 | METROPOLITAN DISTRICT COMMISSION | HARTFORD | DWSRF - Madison Avenue Area Water Main Replacement, Hartford | 25 | \$3,600,000 | 604 | Yes | No |
| 29 | 2015-0115 | CT1420041 | WOODLAND SUMMIT COMMUNITY WATER ASSN | TOLLAND | DWSRF - Infrastructure Improvements (Planning/Design) | 25 | \$30,000 | 216 | No | Yes |
| Total amount of SFY 2016 Fundable PPL | | | | | | | \$41,156,216 | | | |

Footnotes:

| | |
|---|--|
| 1 | Projects which were awarded Sustainability and Affordability points are eligible to receive federal subsidy. |
| 2 | These PWSs serve a population less than or equal to 10,000 and are considered "small" for the purposes of DWSRF and are eligible to receive federal subsidy. |

Attachment G

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

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

| | | | |
|-----------------------|---|---|---|
| Public Water System: | <input style="width: 95%;" type="text"/> | Town: | <input style="width: 95%;" type="text"/> |
| PWSID: | <input style="width: 95%;" type="text"/> | | |
| PWS AM Contact person | Name: <input style="width: 95%;" type="text"/> | Relationship to PWS: | <input style="width: 95%;" type="text"/> |
| | Address: <input style="width: 95%;" type="text"/> | | |
| | City: <input style="width: 25%;" type="text"/> | State: <input style="width: 25%;" type="text"/> | Zip: <input style="width: 25%;" type="text"/> |
| | Phone: <input style="width: 45%;" type="text"/> | Email: <input style="width: 50%;" type="text"/> | |

A copy of the **Asset Management (AM) Plan** must be attached to this checklist. The AM Plan should contain, at a minimum, the following information: **(check off each item that is included in the Plan) It must have been updated within the past 3 years**

**Guidance
(Click to Download)**

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

Attachment H

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

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

| | | | | |
|-----------------------|--|--|--|--|
| Public Water System: | <input style="width: 95%;" type="text"/> | Town: | <input style="width: 95%;" type="text"/> | |
| PWSID: | <input style="width: 95%;" type="text"/> | | | |
| PWS FM Contact person | Name : | <input style="width: 95%;" type="text"/> | Relationship to PWS: | <input style="width: 95%;" type="text"/> |
| | Address: | <input style="width: 95%;" type="text"/> | | |
| | City: | <input style="width: 20%;" type="text"/> | State: | <input style="width: 20%;" type="text"/> |
| | Phone: | <input style="width: 95%;" type="text"/> | | Zip: |
| | | | Email: | <input style="width: 95%;" type="text"/> |

A copy of the **Fiscal Management (FM) Plan** must be attached to this checklist. The FM Plan should contain, at a minimum, the following information: **(check off each item that is included in the Plan)**

**Guidance
(Click to Download)**

The EPA Reference Guide for AM Tools covers several topics

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



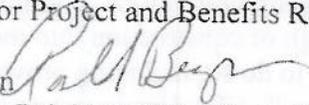
Attachment I

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

DEC 22 2014

OFFICE OF
WATER

SUBJECT: Drinking Water State Revolving Fund Program Guidance on Unliquidated Obligations Reduction Applying Project Readiness to Proceed, and Data Completeness for Project and Benefits Reporting System (PBR)

FROM: Ronald Bergman 
Acting Director, Drinking Water Protection Division

TO: Drinking Water State Revolving Fund Branch Chiefs
Regions I-X

This memorandum addresses the issue of DWSRF unliquidated obligations (ULO) reduction, through ensuring that states are using a common approach to determine that projects are "ready to proceed" to financing project planning and design or construction at the time of assistance award, and are following recognized practices contributing to ULO reduction. In addition, this memo addresses the need for more complete data on the public health benefits of projects and on project status.

These issues arose from EPA Office of Inspector General audits of the Drinking Water State Revolving Fund, focusing on unliquidated obligations and efficiency of funds use in the first case, and the Agency's ability to report on public health benefits of DWSRF projects in the second case. The recommendations of the Inspector General regarding these audits and the associated corrective actions appear as an attachment to this memorandum. EPA's responses for the corrective action recommendations are immediately effective.

Unliquidated Obligations Reduction: Project Readiness to Proceed

The DWSRF ULO Reduction Strategy specifies six practices that states can utilize to reduce unliquidated obligations. One of these practices is to focus on "ready to proceed" projects. The Strategy defines the status of "ready to proceed" as "prepared to begin construction and is immediately ready, or poised to be ready, to enter into assistance agreements." If projects are not ready to proceed to construction and still need planning, the state may include projects on the fundable list that are ready to proceed to planning and design to enable them to be ready to proceed to construction in a future or updated fundable list.

Attachment I

Regions should ask their states to use this definition to guide their processes for awarding assistance to eligible water systems. This action should happen early in the fiscal year of the next grant award, prior to significant efforts of states to conduct solicitations for projects. Early communication to states is needed so that they can convey the expectation of the nature of the projects to potential applicants before they prepare their financial assistance applications.

At the time of a state's annual review, Regions should ask states about their adoption of the above definition of "ready to proceed" in the state's Intended Use Plan development process. The expectation is that the state will apply the definition in the preparation of its fundable list.

Regions must add the following question to the DWSRF State Review Checklist for 2015 and future years on this topic: "Has the state incorporated EPA's definition of "ready to proceed" as it applies to projects for planning and design or construction into the development of its fundable list; and, if not, what steps are being taken to do so, including providing funding for planning and design to get projects ready for construction?" EPA Headquarters will inquire of each Region whether each state is using the definition in the development of its next fundable list.

States' Use of Best Practices to Reduce Unliquidated Obligations

The EPA ULO Reduction Strategy cites six best practices that states should employ to reduce ULO. During the Regions' annual reviews of states, the Regions should document factors affecting any state not meeting program requirements and objectives specified in the Strategy for the timely, expeditious, and efficient use of federal funds that capitalize the state revolving funds and provide technical assistance to water systems. A significant focus of these annual reviews, through 2016 and beyond, should be to determine the status of the states' abilities to meet the objectives of the Strategy to fully utilize legacy ULO (FY 2013 and prior years), and to draw down funds of future years' grants (beginning with FY 2014 grants) within two years of the date of grant award.

Data Completeness for Project and Benefits Reporting System (PBR): Public Health Benefits of Projects

The DWSRF provides financial assistance to projects that enable water systems to achieve and/or maintain compliance with the National Primary and Secondary Drinking Water Standards (40 CFR 35.3520(b)(2)(i)). In future DWSRF Intended Use Plans, project descriptions must be sufficiently complete to determine which standards are being addressed by the projects to ascertain project eligibility and potential public health benefits from "address[ing] present or prevent[ing] future violations of health-based drinking water standards," including "maintain[ing] compliance with . . . regulations" and "further[ing] the public health protection objectives of the Act." The descriptions should also clearly specify the type and nature (including size or extent) of a project (40 CFR 35.3520(b)(2)) as: treatment installation or upgrade (such as for improvement of drinking water quality to comply with standards that are specified), transmission and/or distribution (such as for water pressure improvement or contamination prevention caused by leaks or breaks), source (such as rehabilitation of wells or replacing contaminated source), storage installation or upgrade (such as for prevention of microbiological contaminants from entering a PWS), consolidation (which systems and whether

Attachment I

consolidation is due to contamination, Technical/Financial/Managerial reasons or other rationale to be specified in the description), creation of a new system (which system and whether the new system was created due to contamination, managerial reasons or other rationale to be specified in the description).

Data Completeness for PBR: Project Status

States should have a formal quality assurance process for entering data to required fields in the PBR system. While the DWSRF list of required fields is unchanged, the recent internal audit found missing data in critical fields that contribute to determining public health outcomes.

EPA Headquarters will provide quarterly reports to Regions on the completeness of key fields in PBR. The following three fields have been identified as essential in determining environmental and public health benefits when combined with other water system compliance results, such as violations history. As experience is gained by states, Regions and Headquarters, these essential fields may be revised. For this initial effort, attention is focused on the following fields:

- PWS ID number
- Project Start date
- Project Completion date

The list of required fields has not been reduced to those listed above. The list above is a starting point for this quality assurance effort. As a reference, we have included the full list of PBR required fields as an attachment.

The quarterly reports will be sent out two weeks following the end of each quarterly PBR reporting period to each Region, with a list of State projects with missing data for these fields. The expectation is that Regions will work with States to ensure these fields are complete within 30 days of receiving this report. These fields were listed as required fields in the 2012 program procedures and are still applicable.

Thank you for significant efforts and dedication to the oversight of the DWSRF program. Please contact Charles Job, Chief, Infrastructure Branch, at 202-564-3941, Peter Shanaghan, DWSRF Team Lead, at 202-564-3848, or Howard Rubin, DWSRF Financial Analyst, at (202) 564-2051, if you have any questions.

Attachment I

ATTACHMENT 1: EPA Response to Office of Inspector General

1) OIG Audit: Unliquidated Obligations Resulted in Missed Opportunities to Improve Drinking Water Infrastructure, July 16, 2014

| No. | Recommendation | High-Level Intended Corrective Action(s) | Estimated Completion by FY |
|-----|---|--|---|
| 2 | Develop guidance for states on what projects are to be included on the fundable list, including a definition for “ready to proceed.” | The EPA agrees with the recommendation. The ULO Reduction Strategy defines “ready to proceed” as prepared “to begin construction” and “are immediately ready, or poised to be ready, to enter into assistance agreements.” If projects are not ready to proceed to construction and still need planning, the state may include projects on the fundable list that are ready to proceed to planning and design to enable them to be ready to proceed to construction in a future fundable list. | Done 4/14/14 |
| 3 | Require that the EPA regions, when reviewing the capitalization grant application for states with high unliquidated obligation balances, ensure states have adopted the EPA’s guidance on the definition of “ready to proceed” and use that definition in developing the fundable list. | The EPA agrees with the recommendation and will provide Regions with a question to enable determination of whether states have adopted the definition of ready to proceed from the ULO Reduction Strategy and are using it to develop their fundable lists and will include the question in the DWSRF State Review Checklist. The EPA will also inquire of each Region whether each state is using the definition in the development of its next fundable list. | Ready to proceed definition included in Review Checklist 9/30/14 Check on inclusion of the definition in state fundable list development 9/30/15 |
| 4 | Communicate to states having high unliquidated obligation balances that they should adopt the best management practice of having a well-organized process to ensure that projects on the fundable list are ready to proceed to loan execution within the current IUP year. | The EPA agrees with the recommendation. The EPA ULO Reduction Strategy cites six practices that states should employ to reduce ULO. Regions conduct annual reviews of states and document concerns of states not meeting program requirements and objectives. Special attention to ULO considerations will be a focus of these annual reviews through 2016, including onsite visits to select states. | Done 4/14/14 |

Attachment I

2) OIG Audit: EPA Needs to Demonstrate Public Health Benefits of Drinking Water State Revolving Fund Projects, August 1, 2014

| No. | Recommendation | High-Level Intended Corrective Action(s) | Estimated Completion by FY |
|-----|--|---|---|
| 1 | Enforce the grant requirement for states to input all necessary data in PBR (e.g., project completion, project results, project start/end dates, compliance period begin/end dates, and public water system identification numbers). | OGWDW agrees with intent of this recommendation as a path to mutual data quality objectives, which we share with the IG. We take lack of reporting seriously and will work with Regions and states to ensure receipt in PBR of complete data for projects receiving DWSRF financial assistance as provided for in grant terms and conditions. To support complete data reporting, we will also be doing further analysis of data completeness in PBR. | OGWDW will provide Regions a report of completeness of required DWSRF project data beginning in April 2015 and quarterly thereafter. The Regions will be able to identify with states, the actions needed for states to provide complete data for projects receiving DWSRF financial assistance and oversee steps to accomplish complete reporting of required data. Where incomplete reporting of required data continues to be a problem, OGWDW will consult with the Region on taking appropriate corrective action. |
| 2 | Review state-level data entry to ensure data completeness in PBR as part of the EPA's annual review of state performance. | OGWDW agrees with this recommendation and will provide guidance for the annual review process and a checklist that includes checking on completeness of the states' data reported in PBR for reviews in FY 2015. | September 2014. |
| 3 | Implement the most cost-effective method to capture public health benefit information by using information required in state annual/biennial reports and enhancing coordination with compliance monitoring programs at the federal and state levels. | OGWDW agrees with this recommendation and has initiated data integration of the PBR and SDWIS data sets to identify completed projects receiving DWSRF financial assistance which were in violation after project completion. OGWDW will develop a regular report for use by Regions and states to document the public health results of the DWSRF financial assistance. | March 2014. |

Attachment I

| | | | |
|---|--|--|---|
| 4 | <p>Periodically evaluate program results to ensure that program goals are being achieved at water systems receiving DWSRF financial assistance and record successes, best practices and challenges to be shared among EPA regions and the states to focus and enhance program performance.</p> | <p>OGWDW agrees with this recommendation. OGWDW conducts an annual review of the program through the Regional offices' focused reviews of state program outputs for the prior year. OGWDW will continue to evaluate program results and achievement of program goals as well as determine what actions are necessary to achieve results where needed. The reviews will also record successes, best practices and challenges to share among Regions and states.</p> | <p>December 2014 and annually thereafter.</p> |
|---|--|--|---|

Attachment I

ATTACHMENT 2: DWSRF Project Reporting Requirements

| Attachment 8: DWSRF Project and Benefits Reporting Data Elements | |
|--|-----------------|
| Project Benefits Data Fields | Required/Option |
| Borrower | required |
| Loan Execution Date | required |
| PWSID Number | required |
| Tracking number | required |
| Other tracking number | optional |
| Assistance Type | required |
| Loan Interest Rate | required |
| State Market Interest Rate | optional |
| Loan Term | optional |
| Incremental Funding | optional |
| Phase # | optional |
| Original Tracking Number | optional |
| Same Health Benefits | optional |
| Total Assistance (Initial Amount) | required |
| Total Assistance (Final Amount) | required |
| Additional Subsidy Provided | required |
| Grant Amount \$ | required |
| Negative Interest Amount \$ | required |
| Principal Forgiveness Amount \$ | required |
| Net Loan Amount | optional |
| Funding is complete and funded amount has changed from initial amount | required |
| Based on states criteria, could the borrower have afforded the project without additional subsidy provided | required |
| % Funded By DWSRF | optional |
| Disadvantaged Assistance | required |
| IUP Year | optional |
| Assistance applies to_ grant year requirements | required |
| System Name | required |
| System Type | required |
| Ownership Type | optional |
| Age of System | optional |
| Project Name | required |
| Project Description | required |

Attachment I

| Project Benefits Data Fields | Required/Option |
|---|-------------------------------|
| Project Purpose | required |
| Number of Projects Funded | required |
| Public Health Impact Description | required |
| Other Project Comments | optional |
| Project Start Date | required |
| Project Completion Date | Required |
| Project Consolidates Systems | Required |
| Number of System Eliminated | Optional |
| Project Creates New Systems | Required |
| Population Served by the project | Optional |
| Population Served by the system | Required |
| Borrower Population | Optional |
| Number of connection by the project | Optional |
| Number of connections by the system | Optional |
| Counties Served Primary | Optional |
| Other County 1 | Optional |
| Other County 2 | Optional |
| Address Line 1 | Required |
| Address Line 2 | Optional |
| City, State, Zip Code | Required |
| Congressional District | Optional |
| Project Includes Green Project Reserve | Required |
| Green Infrastructure Amount | required if green |
| Energy Efficiency Amount | required if green |
| Water Efficiency Amount | required if green |
| Green Innovative Amount | required if green |
| Amount of additional subsidy provided used to fund GPR. | required if green 2010 - 2012 |
| NIMS project categories (Transmission, Treatment, etc...) | Required |
| Compliance Objectives | Optional |
| State set-aside information recipient | Required |
| State set-aside Funding Amount | Required |
| State set-aside Funding type | required |
| Grant number | required |
| Grant Award date | required |
| State Organization receiving grant | required |

This list does not include FFATA requirements

Attachment J



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

DEC 2 2011

THE ADMINISTRATOR

The Honorable Dan Malloy
Governor of Connecticut
210 Capitol Avenue
Hartford, Connecticut 06106

Dear Governor Malloy:

This nation's water infrastructure not only protects water quality and human health, but contributes to economic vitality and quality of life. Our longstanding partnership under the Clean Water and Drinking Water State Revolving Fund programs (SRFs) has enabled us to address the largest water quality and public health threats while creating jobs and renewing communities. The US Environmental Protection Agency is interested in working with you to increase the pace of expenditures under the SRFs. To that end, I'd like to offer some ideas for your consideration.

First, however, I want to acknowledge the effort your state has made in working with your water and wastewater systems to implement the American Recovery and Reinvestment Act (ARRA). ARRA funds created jobs through expeditious implementation of SRF projects that make a difference in the health and vitality of communities. Most of the nearly \$6 billion made available to state SRFs through ARRA has been put to work.

Over the last three years, in addition to ARRA, the States and Territories have received over \$7 billion in Clean Water and Drinking Water SRF program resources. Our collective priority has been and remains moving this continuing flow of funds as quickly as possible to carry out projects on the ground, putting Americans back to work and delivering improved environmental and public health protection. We are making noteworthy progress. Within 6 months of enactment of the full Federal Fiscal Year 2011 appropriation, we have obligated 78 percent of those funds; I believe we can do better.

We appreciate the strong partnership we enjoy with Connecticut's program. Your staff members have offered many helpful insights regarding what we at the EPA can do to help facilitate the expeditious movement of the SRF funds. I have directed staff to give priority to the review and award of SRF capitalization grants and to streamline and simplify processes where possible on our end. Steps that you can take to expedite the flow of SRF dollars into your State's economy include:

- Submitting SRF capitalization grant applications as soon as possible.
 - I encourage you to apply now for your FY2011 capitalization grant awards for the Drinking Water and Clean Water SRF.
 - If you have not already, I encourage you to submit draft Intended Use Plans (IUPs) for FY2012 funding for both SRFs based on your State's allocations under the President's Budget, so that my staff can begin reviewing them early. Applications can be submitted with final IUPs following the final FY2012 appropriation, but early review will expedite grant award.

- Awarding assistance agreements as soon as money becomes available to the State.
 - I encourage you to award assistance agreements to projects being funded through repayments, interest earnings, fees, or State match as soon as those funds become available to the State.
 - I also recommend that you draft assistance agreements for projects being funded through federal capitalization so that they are ready to be signed upon award of the capitalization grant.
 - Finally, I request that you work closely with your communities to build a pipeline of projects that are ready to proceed, so that contracts can be awarded and construction can begin upon the award of assistance agreements.

I am requesting your personal involvement in ensuring that your State moves quickly to apply for and receive its capitalization grants each year and moves quickly to award assistance to local projects consistent with legislative authorities, regulations, and program guidelines. Your efforts in this regard will result in job creation benefits as well as providing important water and wastewater infrastructure that will support the long-term prosperity and well-being of communities in your State.

Please contact me if there are any issues I can help you resolve, and I will have my Regional Administrator follow up with your SRF agencies.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lisa P. Jackson', with a long horizontal flourish extending to the right.

Lisa P. Jackson

STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC HEALTH



Jewel Mullen, M.D., M.P.H., M.P.A.
Commissioner

Dannel Malloy
Governor

January 20, 2012

Lisa Jackson, Administrator
US Environmental Protection Agency Headquarters
Ariel Rios building
1200 Pennsylvania Avenue, N.W.
Mail Code: 1101A
Washington, DC 20460

Subject: December 2, 2011 Letter from Lisa Jackson to Governor Malloy

Dear Administrator Jackson:

The Connecticut Department of Public Health (DPH) received your letter dated December 2, 2011 to Governor Malloy requesting that Connecticut expedite the flow of Drinking Water State Revolving Fund (DWSRF) dollars into Connecticut's economy. DPH greatly appreciates the DWSRF program, views it as instrumental to public health protection and agrees that providing for robust drinking water infrastructure will support the long term prosperity and well being of Connecticut's communities.

A unique challenge in Connecticut continues to be the large number of public water systems that exist within the state. With over 2,500 public water systems and 169 municipalities with no regional or county governments, the program that administers public drinking water is faced with a complex array of issues. A proactive DWSRF program can greatly assist to address these issues.

With that, the DWSRF program is a priority for the State of Connecticut and the DPH. We agree with the need to expedite the use of DWSRF funds. We view the DWSRF program as one of the cornerstones of invigorating drinking water infrastructure investment in Connecticut and we look forward to our continued work with your staff in Region I. To that end, we can report that several key strategic initiatives are underway, in the areas of staff support, funding, and project solicitation.

Our strategy for staff support includes restructuring units and staffing levels with the DPH Drinking Water Section in order to streamline and lean the DWSRF process. We are separating duties and responsibilities in order to allow for the DWSRF program to focus on project management and program pace as well as creating a pipeline of projects. Further, we have added two additional durational staff to the DWSRF.



Lisa Jackson
Page 2
January 20, 2012

We are also working on a mechanism to assure that the DWSRF program is more fully supported with permanent staff. Unfortunately, these plans are impacted by the USEPA's recent reduction in CT's annual capitalization grant in FFY2011 from FFY2010 levels. We have also been informed that we should expect further cuts in future years.

Our funding strategies include the mitigation of the uncertainty around federal funding fluctuations with timely submission of grant applications and the development of plans to charge modest fees for services within the Drinking Water Section.

The submission of the FFY2011 and FFY2012 capitalization grants for the DWSRF is a priority. The DWS is currently preparing the FFY2011 capitalization grant application and expects to submit a preliminary application with a draft Intended Use Plan (IUP) and draft Priority Project List (PPL) to EPA Region 1 by the end of January 2012. Following the mandatory public participation process in order to finalize our IUP and PPL for FFY2011 and FFY2012, the documents will be finalized in the spring of 2012. The DPH also intends to prepare and submit the FFY2012 capitalization grant application prior to the finalization of the PPL and IUP.

We have also developed a fee for services legislative proposal. If passed during the next legislative session beginning in February 2012, these fees will assist the DWS in meeting federal and state mandates in future years. Although the decision has been made to exclude the DWSRF program specific services from the fee proposal, any fee income will assist us to provide an appropriate level of staffing across the entire Drinking Water Section including the DWSRF program.

The solicitation and review of potential projects continues to be a time intensive process. This year, we fully implemented a plan to expedite the solicitation and award of assistance agreements with Connecticut's public water systems. The DPH's October 2011 call for projects was a two year solicitation to establish a pipeline of projects for both FFY2011 and FFY2012. The approach reduces the delays associated with performing a solicitation and public hearing on an annual basis as was done in previous years. This process will continue in future years to ensure that the drinking water infrastructure needs to be met by the DWSRF program will be adequately reflected in each Connecticut Clean Water Fund capital budget request.

The State of Connecticut has continually demonstrated its commitment to this important program. Most recently the State Legislature approved funding for the Connecticut Clean Water Fund which included approximately \$110 million dollars in loan funds over the next two years committed to the Drinking Water Fund. This funding along with the provision of staff support and a flexible leveraged financing plan, coordinated within the Connecticut Clean Water Fund, will ensure this program's long term availability to Connecticut's public water systems.

Lisa Jackson
Page 3
January 20, 2012

Thank you for your letter which highlights the importance of the DWSRF program at the state and national level. The Connecticut DPH greatly appreciates the DWSRF program and its funding. This funding has provided opportunities within Connecticut for communities and public water systems to solve long standing public health issues. DPH has prioritized DWSRF and we will focus on quickening the pace of the program overall. We believe that our strategy will move Connecticut's DWSRF program forward and directly address the issues noted in your letter. We are presently moving forward with the items as outlined above and will continue to update your staff concerning the progress of our DWSRF program. Please feel free to contact Lori Mathieu, Section Chief of the Drinking Water Section at 860-509-7333 to discuss any of the above items.

Sincerely,



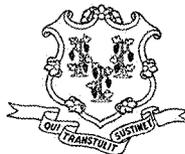
Jewel Mullen, M.D., M.P.H., M.P.A.
Commissioner

JM/sm

STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC HEALTH

Jewel Mullen, M.D., M.P.H., M.P.A.
Commissioner



Dannel P. Malloy
Governor
Nancy Wyman
Lt. Governor

June 18, 2013

Mark Spinale, Manager
Municipal Assistance Unit
EPA New England
5 Post Office Square, Suite 100
Mail Code OEP06-3
Boston, MA 02109-3912

Subject: Drinking Water State Revolving Fund (DWSRF) Program Pace

Dear Mr. Spinale:

Due to concerns recently raised by EPA Region 1, The Department of Public Health (DPH) would like to update you on the progress that has been made to improve the pace of the DWSRF Program since Commissioner Mullen's response letter to former USEPA Administrator Jackson on January 20, 2012.

As mentioned in Commissioner Mullen's letter, in October of 2012 the DPH moved to a 2 year DWSRF funding cycle in an effort to create a pipeline of projects and reduce delays associated with the annual preparation and public participation requirements of the DWSRF Intended Use Plan and Project Priority List (PPL). This strategy has also allowed us to commit funding to projects that are ready for construction in the first year while getting projects that are not fully designed, ready for construction in the second year. The DPH strongly believes that this strategy will be recognized by EPA Region 1 as a significant implementation improvement when the FY2013 and 2014 Performance Evaluation Reports (PER) are prepared.

The creation of a 2 year PPL was supplemented with changes to our Priority Ranking System which added emphasis on a project's "readiness to proceed" in preparing the PPL's for each of the 2 years. This revised criteria provided the DPH flexibility to take a project that ranked high in points and low in "readiness" and move it to the second year's PPL. Conversely, it provided DPH the ability to make DWSRF funding available to lower ranking projects that were considered "construction ready" in the first year's PPL. In previous years, many of these lower ranking "construction ready" projects were not reachable because they were below the available funding line on the annual PPL.



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With the two changes identified above, the DPH believes we have successfully achieved a balanced approach of funding high priority projects while significantly improving our ability to commit the available DWSRF funding to eligible infrastructure projects each fiscal year. It is important for EPA Region 1 to understand that although these changes were implemented during FY2012, the 2 year PPL was not finalized until June 12, 2012. Thus the improvements in program pace that these changes will demonstrate will not be recognized until FY2013. The DPH fully expects to show significant progress in the pace of our DWSRF Program as a result of these changes in FY2013. The CT DPH worked closely with EPA Region 1 to implement these changes. The attached two lists of DWSRF projects shows the anticipated loan agreements that the DPH expects to execute in FY2013 and the projects that are currently in the pipeline for FY2014. In addition, the DPH is in the early stages of finalizing our next 2 year PPL for FY2014 and FY2015 which will add approximately 120 new projects (including 60 generator projects) totaling over \$160 million to our priority list.

The DPH initiated a new Emergency Power Generator Program (EPGP) within the DWSRF during FY2013 to provide small loans to small public water systems to install back-up power systems. This initiative will provide 38 small public water systems a reliable source of power to operate their water systems during power outages. The DPH streamlined many DWSRF requirements to reduce costs and delays associated with traditional DWSRF loans. This effort took considerable time and effort to implement and is a significant benefit to Connecticut's small water systems. The total cost of these projects is expected to be approximately \$1 million when they are completed. This program will continue in the next 2 year funding cycle and the DPH has received 60 new applications for loans under this program for FY2014 and FY2015. The DPH hopes that the USEPA recognizes the benefits achieved by the EPGP, during a time when long term power outages have become a more frequent reality in the northeast, even though these loans have no significant impact on the pace of the DWSRF program because these are "low cost, high benefit" projects. The EPGP also provides a model of streamlined DWSRF requirements that reaches out to small public water systems.

The DPH also committed to EPA Headquarters in Commissioner Mullen's letter to providing additional resources to the DWSRF Program to focus on project management and the Program's pace. Since that time, the DPH has hired 2 permanent full time engineers and reassigned an additional full-time engineer within the DWS for the Program. The Program now has 4 full-time engineers and a Supervisor. The Drinking Water Section (DWS) also removed many of the administrative duties associated with managing and monitoring the DWS's federal grants from the Program and moved them to a newly formed Grants and Administrative Support Unit. The DWS is also in the process of hiring another entry level engineer for the Program. These changes demonstrate DPH's firm commitment to improving the pace of the Program.

It is also important to point out that Connecticut received legislative approval for \$108 million to be used for DWSRF projects in FY2012 and FY2013 in the State's biennial capital budget. The DPH was also approved for an additional \$135 million for DWSRF projects in FY2014 and FY2015. This level of funding approval demonstrates recognition of the importance of investing in Connecticut's drinking water infrastructure by our legislature.

Mark Spinale, USEPA Region 1

June 18, 2013

Page 3

The DPH and the Office of the State Treasurer (OTT) both understand the impact that leveraging has on the pace of the DWSRF Program. Both agencies also understand USEPA's goal of each state achieving a higher level of program pace and that our pace is significantly below that goal. The State has demonstrated its commitment to maximizing available funding while being aware of the pace goals and did not leverage the DWSRF program in 2012 or 2013. Further, the State will continue to factor our progress with the pace of the program when determining whether or not to include the DWSRF Program in future bond sales.

In summary, we believe that the DPH has made significant strides in a short period of time to ensure that the pace of the DWSRF program improves from year to year. We hope that EPA understands the level of commitment we have made to this effort and expect that it will be evident in future PERs.

If you have any questions or desire additional information do not hesitate to contact me.

Sincerely,



Lori Mathieu
Public Health Section Chief
Drinking Water Section

Cc: Sharon Dixon-Peay, OTT
Susan Maheux, DPH
Ellen Blaschinski, DPH
Michael Hage, DPH
Cameron Walden, DPH

Encl: Connecticut's DWSRF Project Pipeline for FY2013
Connecticut's DWSRF Project Pipeline for FY2014