

STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
DRINKING WATER STATE REVOLVING FUND
DRAFT INTENDED USE PLAN
FEDERAL FISCAL YEARS 2013 & 2014 CAPITALIZATION GRANTS
INCLUDING
STATE FISCAL YEARS 2014 & 2015 PROJECT PRIORITY LISTS

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I. EXECUTIVE SUMMARY

The Connecticut Department of Public Health (DPH) Intended Use Plan (IUP) covers the period of the State Fiscal Year (SFY) 2014 and SFY 2015 (July 1, 2013 to June 30, 2015) and is based on the use of anticipated Federal Fiscal Year (FFY) 2013 and 2014 capitalization grant monies, a state match of 20% of the FFY 2013 and 2014 capitalization grant award, and other sources of funds including repayments. The IUP identifies the intended use of federal and state funds for public drinking water infrastructure projects and set-aside activities under Connecticut's Drinking Water State Revolving Fund (DWSRF) Program in SFY2014 and 2015.

On March 26, 2013, federal Public Law 113-6 was enacted, which includes the FFY 2013 DWSRF appropriation. This law carries forward the same requirements contained in the FFY2012 DWSRF appropriation (Public Law 112-74). The FFY 2014 appropriation has not been made as of the publishing of this IUP so any new federal requirements that may be associated with this appropriation are not yet known.

In mid-2011, the DPH initiated a section-wide strategy to prioritize increasing the pace of the DPH DWSRF program that is still in effect. These changes were outlined in a January 20, 2012 letter from DPH Commissioner Mullen to United States Environmental Protection Agency (USEPA) Administrator Jackson (Attachment G). On June 17, 2013 the DPH Drinking Water Section (DWS) sent a letter to USEPA Region 1 with an update on the progress that has been made to increase the pace of the program (Attachment H). 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 Project Priority List (PPL) by moving to a 2 year PPL
- Revising the DWSRF Priority Ranking System (Attachment B) to place greater emphasis on ready-to-proceed projects in the first year of the 2 year PPL
- 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 working to better promote and explain the DWSRF process
- Using the results of a LEAN program as executed during 2010 to understand program requirements across agencies and institute streamlining techniques
- Create a unit that is responsible for administering the federal grant applications, work directly with the DPH Fiscal Office on federal cash management, and work closely with and fully support the efforts of the DWSRF program.

During the fall of 2011, Connecticut experienced two separate significant storm events that left over 200 small PWSs without power to operate their water systems for several days. Many small community public water systems were on Boil Water Advisories as a result of losing street power and system pressure. As a result of these storms, and the effect to public health, on November 22, 2011, the DPH announced a new DWSRF Small System Emergency Power Generator Program. The DPH received 63 generator project eligibility applications from PWS during the SFY 2012 - 2013 solicitation period totaling \$1.59 million. Due to the demand and success of the program it is being continued during this funding period and has been expanded to include all public water systems that are eligible for DWSRF financial assistance.

On November 21, 2012, the DPH solicited for drinking water infrastructure projects to be funded by the DWSRF in SFY 2014 and 2015. The DPH received 129 project eligibility applications from PWS during the solicitation period for approximately \$164 million. This amount includes 60 emergency power generator projects for approximately \$3.5 million. These projects appear on the State Fiscal Year 2014 and State Fiscal Year Project Priority Lists as Attachments D.1. and D.2.

The DPH expects that there will be approximately \$133.6 million dollars available from the DWSRF for drinking water infrastructure projects in SFY2014 and SFY2015. The DPH utilized the DWSRF Priority Ranking System (Attachment B) to determine the SFY 2014 and 2015 DWSRF PPLs (Attachments D.1 and D.2). Projects that are currently anticipated to be funded during SFY2014 and SFY2015 include all projects that are being carried forward from previous IUPs, projects appearing above the funding line on the SFY2014 PPL (Attachment D.1) and projects appearing above the funding line on the SFY2015 PPL (Attachment D.2).

The DPH intends to utilize up to 30% of the FFY2013 capitalization grants to provide partial subsidization to certain qualifying projects including all Emergency Power Generator Program and small system projects. This percentage is the maximum allowed under federal law. Certain large system projects that meet the criteria for “affordability” as described in Section VI of the DWSRF Priority Ranking System are also eligible for partial subsidization if their project is consistent with an on-going sustainable infrastructure plan (i.e. Water Supply Plans and/or Asset Management Plans) It is currently unknown if there will be a subsidization provisions within FFY 2014 capitalization grant appropriation but the Department has prepared this IUP with the expectation that it will be the same as FFY 2013 requirement. As a result, the listed amounts of subsidization should be considered draft on the SFY 2014 and SFY 2015 PPLs until official notification on subsidization is received from the EPA. Subsidization will be provided in the form of loan principal forgiveness. Details on subsidization eligibility and distribution are provided in Section III.C.4. of this IUP.

The SFY2014 and SFY2015 PPLs did not achieve the USEPA’s goal of dedicating at least 15% of the available DWSRF funding to small PWS serving fewer than 10,000. This was due to a lack of sufficient funding applications to achieve this goal. The DPH received application for 48 small system applications, including 40 Emergency Power Generator Program projects totaling approximately \$7.5 million (5.5% of total available funding) for the 2 year funding period and all of these projects are expected to receive funding.

DPH intends to hold its Public Hearing, at a date to be determined, during the month of September 2013 in Conference Room C at 470 Capitol Avenue in Hartford, Connecticut. The Public Hearing will allow interested persons to provide oral and written testimony on this IUP and the SFY 2014 and 2015 PPLs. An Open Forum will be held immediately after the hearing to answer questions and explain DPH’s DWSRF program requirements.

II. INTRODUCTION

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 USEPA to award capitalization grants to States. Each State receives annually a minimum of 1% of the funds available for allotment to all of the States. From the program's inception to the present, Connecticut's annual allocation has been 1% of the national allotment. Due to increased need from Connecticut's public water systems for infrastructure improvement projects and additional DPH staff working on the 2011 Drinking Water Infrastructure Needs Survey the state will get an increase from the annual allocation. Starting with the FFY 2014 DWSRF Capitalization Grant and ending with FFY 2017 grant, Connecticut allocation percentage will increase from 1% to 1.01%.

On March 26, 2013, the Consolidated and Further Continuing Appropriations Act, 2013 (Public Law 113-6) was enacted, which included the FFY 2013 DWSRF appropriation. For FFY2013, the DPH received an allotment in the amount of \$8,421,000. The FFY 2014 allotment has not been finalized but based on the President's Obama's current budget proposal; the DPH will receive an estimated \$8,093,000. However, on July 23, 2013 the House and Senate Appropriations Committee proposed reducing the FFY2014 DWSRF appropriation to approximately \$3,500,000. This potential drastic cut in funding could have severe short and long term impacts for Connecticut and other states. Up to 31% of this grant is used to provide funding for DWS staff and other staff assigned to administer and support the DWSRF. The short term impacts could severely impact DWSRF program staffing levels as well as staffing levels for other DWS regulatory services. The long term impacts would include a reduced amount of funding available for drinking water infrastructure projects in future years. The 2011 EPA Drinking Water Infrastructure Needs Survey revealed that the need for investment in Connecticut's drinking water infrastructure over the next 20 years rose from \$1.581 billion in 2007 to \$3.578 billion in 2011. This data shows a 226% increase in the drinking water infrastructure investment need in CT at a time when the House and Senate Appropriations Committee is proposing to cut the federal investment in CT by 231%.

DPH is the designated agency that is authorized to enter into capitalization grant agreements with EPA, accept capitalization grants, and otherwise manage the DWSRF. Each year the DPH is required to submit a capitalization grant application to EPA to receive its capitalization award.

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. 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.

This IUP discusses how DPH intends to utilize its allotment of FFY 2013 and FFY 2014 funds. The IUP covers the drinking water infrastructure projects that are anticipated to be financed under the DWSRF in SFYs 2014 (July 1, 2013 to June 30, 2014) and 2015 (July 1, 2014 to June 30, 2015) using the FFY2013 and 2014 capitalization grants, state legislative funding authorizations during these periods, and unobligated project funds carried forward from previous IUPs. The available funding includes unliquidated obligations (ULO) from previous federal capitalization grants. Further, the IUP includes a description of how the DPH intends to utilize capitalization grant set-aside funds for other public drinking water related activities. The anticipated funding for drinking water infrastructure projects and set-aside activities in SFY2014 and 2015 is shown in Attachment A. The IUP details the short-term and long-term goals that DPH has developed to support the overall goals of DPH's 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. The IUP describes the criteria and methods that DPH will use to distribute the funds, including the ranking criteria under which the eligible projects will be ranked and placed on the SFY 2014 and 2015 PPLs and the procedures that allow DPH to bypass projects on the fundable list, as well as the final SFY 2014 and 2015 PPLs.

Connecticut has legislation enabling it to establish and operate a DWSRF program and to apply for and receive federal funds. *See* Connecticut General Statutes (CGS) Sections 22a-475 through 22a-483, inclusive. As the administrator of the DWSRF program for the Connecticut, DPH coordinates the activities of three different Connecticut agencies, which are the Department of Energy and Environmental Protection (DEEP), the Office of the State Treasurer (OTT) and Public Utilities Regulatory Authority (PURA), with the charge of implementing certain aspects of and overseeing the DWSRF program. 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 Connecticut and the EPA. The OA was filed with 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.

In October 2009, the DPH transitioned many of the DWSRF administrative and financial services previously performed by the DEEP Clean Water Fund (CWF) to the DPH's Fiscal Office and Grants and Contracts Management Section. The DPH proposed several statute changes to reflect this transition and reduce DEEP's responsibilities with regards to DWSRF loan agreements. These changes are reflected in Connecticut Public Act 10-117 and became effective on October 1, 2010. A new DWSRF Interagency MOU is necessary to reflect these statutory changes and will be updated. The DWSRF program continues to operate within the original DWSRF Interagency MOU until the new MOU is in place. The following paragraphs provide a brief overview of Connecticut agency participation in the DWSRF program.

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

The DEEP is responsible for administration of the CWF, of which the DWSRF is a sub-account. The DEEP processes DPH's bi-annual DWSRF capital budget request and processes DWSRF State Bond Commission authorization requests for projects as part of the CWF. The DEEP's PURA is responsible for programmatic and fiscal input for those privately-owned 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.

III. SOURCES AND USES OF FUNDS

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

Section 1452 of the SDWA authorizes States to use a portion of the capitalization grant to support various drinking water programs (set-asides funds). DPH uses 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, 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.

Subsection B below provides an overview of how DPH will use the funds allocated for each set-aside. Prior to requesting disbursement of these funds, DPH will submit work plans to EPA Region 1 as part of the FFY2013 capitalization grant application, which will provide specific detail for each set-aside fund request.

Refer to Attachment A for estimated monetary amounts of sources and uses of DWSRF funds for SFY 2014 and 2015 set-aside programs. For a complete financial analysis of the DWSRF, please refer to the [DWSRF Annual Reports](#) produced by the OTT.

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

1. DWSRF Administrative Funds

Maximum Percentage Allowed:	4% of the Capitalization Grant
Taking from FFY 2013 Grant:	4% (\$336,840)
Taking from FFY 2014 Grant:	4% (\$323,720 - estimated)

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

- Improved system for the management of project and financing information
- Identification and tracking of all program requirements for EPA, State and shareholders reports
- Oversight and tracking of the DPH's January 2013 Cash Management Plan

2. State Program Management

Maximum Percentage Allowed:	10% of the Capitalization Grant
Taking from FFY 2013 Grant:	10% (\$842,100)
Taking from FFY 2014 Grant:	10% (\$809,300 – estimated)

Funding under this set-aside will be used primarily to support and administer the Public Water System Supervision program, Which include administering and providing technical assistance to PWS's in Connecticut. Staff supported by this fund will also:

- Prepare guidance documents, workplans and long-term strategies for DWSRF program management and EPA required program management reports, contracts related to technical assistance to PWS's to assist the DWS in capacity development efforts
- Coordinate DWS grant administration/lead interaction with EPA for grant administration
- Coordinate the preparation of DWSRF loan agreements with the DPH Fiscal Office, DPH Office of Grants and Contracts and the Office of the State Treasurer
- Provide data management support to the DPH DWS
- Provide direct technical assistance to PWSs regarding the required reporting of water quality and inventory/facility data. Educate PWS's on capacity development issues.
- Support maintenance of the DWS website
- Provide legal support to the DWS
- Coordinate activities with the DPH's Environmental Health Section's Laboratory Certification Program in assisting PWS's regarding water quality testing issues
- Revise the approval process and other regulatory mechanisms and provide direct technical assistance to PWS's to better address capacity development concerns
- Continue Memorandum of Agreement between DPH and UCONN School of Engineering that allows UCONN students to intern with the DPH DWS
- Attend workshops and trainings to improve the efficiency of the DWSRF program

The state of Connecticut is required to provide and provides a dollar for dollar match for expenditures made under this set-aside, which is provided by in-kind services.

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

Maximum Percentage Allowed:	2% of the Capitalization Grant
Un-Banking from FFY 2011 Grant:	2% (\$188,360)
Taking from FFY 2013 Grant:	2% (\$168,420)
Taking from FFY 2014 Grant:	2% (\$161,860 - estimated)

Activities performed under this set-aside are aimed at helping small PWS serving fewer than 10,000 persons achieve long term sustainability through direct technical assistance to the PWS. Technical assistance efforts include:

- Conducting sanitary surveys of community, non-transient non-community and transient PWS serving fewer than 10,000 persons
- Provide technical assistance to small PWSs on violations and deficiencies noted during sanitary surveys
- Assess existing small PWSs on technical, financial and managerial capacity during sanitary surveys
- Conduct regulatory compliance reviews of engineering plans and specifications for existing small PWS infrastructure improvements including projects funded under the DWSRF
- Educate and assist PWSs in applying for DWSRF loans for infrastructure projects
- 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 RCSA Section 16-262-m
- Hire a contractor to provide training 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

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

Maximum Percentage Allowed:	15% of the Capitalization Grant
Taking from FFY 2013 Grant:	5% (\$421,050) – Source Water Assessment and Wellhead Protection
Taking from FFY 2013 Grant:	10% (\$842,100) – Capacity Development
Taking from FFY 2014 Grant:	5% (\$404,650) estimated Source Water Assessment and Wellhead Protection
Taking from FFY 2014 Grant:	10% (\$809,300) estimated – Capacity Development

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

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

These funds will be used to implement the 5-year Source Water Protection (SWP) Strategic Plan (Attachment E).

The Source Water Protection Unit (SWP) is responsible for the purity and adequacy of Connecticut's approximately 3,729 surface and ground water drinking water supply sources. The program elements are 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. This Strategic Plan has two main objectives:

1. Revise and maintain existing public health laws, with an emphasis on education and training, involvement of stakeholders and creation of linkages to all relevant programs in order to effectively implement the comprehensive drinking water source protection strategic work plan;
2. Maintain minimized risk to public health for 100 percent of source water areas for community water systems (both surface and groundwater) by substantial implementation of the source water protection actions listed in the Strategic Plan, as well as full application of the federal Ground Water Rule and other laws that are in place to prevent contamination and protect water quality and therefore public health.

The SWP Unit considers substantial implementation as being achieved when all public water systems are in compliance with the objectives in the Strategic Plan. Maintaining compliance will ensure that only the safest water continues to be made available for public consumption. This includes activities and tasks including:

- implementation of continually revised statutes and regulations for source water protection including the provisions of the federal Groundwater Rule,
- review and approval/denial of all proposed sources of public water supply,
- permitting of proposed sales or changes to water company owned land (i.e. land owned by PWS that are within source water protection areas),
- permitting of monitored recreational activities on water company land,
- coordination of the process of conducting annual watershed inspections and annual submission of Watershed Survey Reports,
- active and committed involvement with the improvement of the Geographical Information System (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 Safe Drinking Water Act through working with USEPA, DEEP and other stakeholders,
- continually working with local, regional and state partnerships on Environmental Reviews for projects that could potentially impact drinking water quality,
- collaborating with stakeholders at the community and state level to implement source water protection concepts and best management practices to enhance drinking water source protection,
- working toward development of a collaborative to focus on public health protection and source water protection,
- working with many diverse groups to enhance drinking water source protection and provide useful educational materials,
- provide contractual administrative and support services to the DWS on various public drinking water supply topics, and
- Working to develop and utilize consistent policies for the use of pesticides and herbicides in public drinking water sources of supply.
- Contract with the New England Interstate Water Pollution Control Commission (NEIWPCC) to hire a Regulatory Advisor to:
 - Conduct analysis of and updates to water company land statutes and regulations
 - Provide advice on individual permit applications for water company land change of use, sale, lease, or assignment
 - Develop statutes and regulations pertaining to the sale of a water company
 - Work to redevelop the community Certificate of Public Convenience and Necessity regulations

- Work with a group of stakeholders, including but not limited to other state agencies and PWS to address issues and draft appropriate up-to-date regulations base upon new statutory requirements and capacity review
- Conduct analysis on other proposed legislation and its potential impact on DWS
- Work on and provide guidance on any future reports to the legislators, EPA or other public entities and follow-up to Drinking Water Quality Management Plans
- Provide guidance and analysis of minimum stream flow regulation revisions
- Provide guidance on proposed legislation and its potential impact on DWS

b) Capacity Development

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

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

- Conduct sanitary surveys of community, non-transient non-community (NTNC) and transient non-community (TNC) PWS
- Provide technical assistance to PWSs on violations and deficiencies noted during sanitary surveys
- Perform technical, financial and managerial capacity assessments of PWS 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 RCSA Section 16-262-m and under the authority of RCSA Section 19-13-B102
- Provide DWSRF program support by
 - Soliciting for DWSRF projects
 - Provide technical assistance to DWSRF applicants and their consultants on program requirements
 - Determining project eligibility and reviewing and ranking project applications
 - Review project plans and specifications
 - Track projects through completion including site inspections
 - Review and approve DWSRF payment request from loan applicants
 - Enter and maintain data in the federal Projects Benefits Reporting system
 - Prepare state and federal DWSRF reports
 - Coordinate, conduct and attend Public Hearing on intended Use Plan and Priority List of Projects
 - Meet with stakeholders and applicants as needed
 - Attend workshops and trainings to improve the efficiency of the DWSRF Program
- Provide technical assistance to public water systems that have receive a significant violation as a result of a site inspection or as noted in a sanitary survey report
- Participate as necessary in training programs related to the technical, managerial and financial capacity for PWS operators and public health officials
- Work with the Connecticut drinking water industry, the Association of State Drinking Water Administrators, and the USEPA with a goal of achieving optimization of existing surface water treatment plants

C. PROJECT FUNDS

1. Total Funds Available for Projects

The total DWSRF funding available for direct loans and subsidization to PWSs in SFY2014 and SFY2015 is approximately \$133.6 million. 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 revenue bond authorizations for SFY2014 and SFY2015.

Projects that are currently anticipated to be funded during SFY2014 and SFY2015 include all projects that are being carried forward from previous IUPs, projects appearing on the SFY2014 PPL (Attachment D.1) and projects appearing above the funding line on the SFY2015 PPL (Attachment D.2).

2. Emergency Power Generator Program

As further described in Section VI. D., the DPH created a new Small System Emergency Power Generator program for SFY2012. DPH announced this new program in November 2011 and solicited projects specifically for emergency power generator systems as part of the Call for Projects. A total of 63 applications, requesting approximately \$1.59 million, were received for generator projects. Due to the success of the program, it has been expanded to include those eligible systems that serve all populations. DPH has allocated \$3,500,930 in SFY2014 to cover the anticipated costs associated with the purchase and/or installation of generator system associated with these projects. Subsidization will be provided for up to 45% of the cost of eligible components of each generator project that receive DWSRF funding. The amount and percentage of subsidization will depend on the amount of the request and if the generator is for replacement of a previous generator or if purchasing for the first time.

3. Eligibility for Funds

PWSs that are eligible to receive DWSRF funding include all community PWSs and non-profit non-community PWSs. Projects must meet federal DWSRF eligibility requirements. Eligible projects include:

- The 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.

For this IUP period, funding is limited to eligible PWS that submitted eligible project applications specifically in response to the DPH's SFY2014 and SFY2015 Call for Projects. The initial Call for Projects solicitation period ended on January 31, 2013 but was extended to February 28, 2013. Funds will also be made available to projects that were intended to be funded

under prior IUPs, but for which binding commitments with DPH have not yet been executed. The projects that are ultimately funded may differ from those outlined in the IUP for various reasons, which include the following:

- A project on the fundable portion of the priority list receives full or partial funding from another source;
- A project on the fundable portion of the priority list is by-passed, as described in the Priority Ranking System criteria and Section VII.B. of this document;
- An applicant is unable to comply with all applicable state and federal program requirements for DWSRF funding;
- An applicant withdraws its DWSRF funding application ; or
- A project, or a portion of a project, is determined to be ineligible for DWSRF funds.

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

4. Additional Subsidization

The federal DWSRF appropriation for FFY 2013 requires that not less than 20% but not more than 30% of the FFY 2013 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 of these. DPH is therefore required to provide an equivalent of at least \$1,684,200, but not more than \$2,526,300 in subsidization from the FFY2013 capitalization grant, which DPH will provide in the form of principal forgiveness.

The FFY 2014 DWSRF capitalization grant appropriation amount has not been finalized. Based on President Obama's current budget, DPH is anticipating approximately \$8,093,000. Although the provisions for subsidization have not yet been established as of the publication of this IUP, DPH anticipates the subsidization provisions to be similar to the FY 2013 capitalization grant. However, this level of funding could be lower given recent actions in Congress to drastically cut the federal DWSRF appropriation in FFY2014. For the purposes of preparing this IUP it is assumed that DPH will be required to provide an equivalent of at least 20% but not more than 30% in subsidization from the FFY2014 capitalization grant, which will be provided in the form of principal forgiveness.

DPH has the statutory authority to provide subsidization in the form of grants, principal forgiveness, negative interest rates or any combination of these under CGS Section 22a-477(s)(2)(F). For FFY2013 and FFY2014, the DPH intends to provide subsidization in the form of loan principal forgiveness in an amount equivalent to 30% of the FFY2013 and 30% of the FFY2014 capitalization grant. This combined amount is expected to be approximately \$5.0 million. Distribution of subsidy is further explained below.

A portion of the available subsidization from the FFY2013 and FFY2014 capitalization grants will be used to subsidize up to 45% of all projects funded under the Emergency Power Generator Program for SFY2014.

The remainder of the available subsidization from the FFY2013 and FFY2014 capitalization grants will be blended and distributed to other drinking water infrastructure projects above the "funding line" that meet the following criteria.

- a) Small systems, defined as public water systems serving less than 10,000 people, will be eligible for up to a 20% project subsidy. These funds will be allocated as follows:

- 1) 10% subsidy for the total DWSRF eligible project cost will be distributed to all small systems above the funding line of the SFY 2014 PPL.
 - 2) An additional 10% subsidy on the total DWSRF eligible cost will be available to systems that have a water system Asset Management Plan in place, or agree to prepare and implement a plan as part of their DWSRF financial assistance loan agreement. In order to assist small systems with producing a plan, the Department 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.
- b) Large systems, defined as public water systems serving 10,000 or more people, with projects on the SFY2014 PPL and SFY2015 PPL which meet the DPH's "sustainability planning" and "Affordability" criteria, as outlined in Sections IV and VI respectively of the DPH's Priority Ranking System, will receive an equivalent proportional share of the remaining available subsidy. Actual subsidization levels will be determined based on the best available project cost information for all qualifying projects at the time the financial assistance agreement for an individual qualifying project is executed. It is estimated that each qualifying project will receive principal forgiveness equal to approximately 5% of their total DWSRF eligible project cost at the time of loan execution. Projects expected to qualify to receive subsidization are identified on the SFY2014 and SFY2015 PPLs in Attachment D.1 and D.2, respectively.

A summary of the sources and uses of these subsidies is shown below.

DPH Source of Subsidization % Used for Subsidy		Subsidy Amount
FFY2013 Capitalization Grant	30%	\$2,526,300
FFY2014 Capitalization Grant	30% *	\$2,427,900
Total		\$4,954,200

DPH Use of Subsidization	Amount
Emergency Power Generator Program	\$ 883,947
Small System PWS Project	\$ 819,793
Qualifying Large Infrastructure Projects	\$3,250,460
Total	\$4,954,200

5. Transfer of Capitalization Grant Funds between the DWSRF and CWF

DPH has not transferred funds between the DWSRF and the CWF programs. While such a transfer is permitted under the SDWA, DPH does not anticipate making such a transfer under the current IUP, but reserves the right to do so if necessary. The DPH anticipates the need for all capitalization grant funds over the next 5 years and plans the decrease of ULOs over the next 2 years to under 10%.

D. PROJECTS FUNDED SINCE THE LAST INTENDED USE PLAN

Since the filing of the last Intended Use Plan, 10 project loans under the base DWSRF program as well as 26 loans under the Small System Emergency Generator Program have been executed, totaling \$43,315,896 (\$42,625,219 / \$690,677). Descriptions of each project are provided below:

* The FFY2014 Capitalization Grant has been estimated based upon the FFY2013 budget. This amount will be adjusted as necessary, based upon the actual FFY2014 budget.

1. Town of East Lyme – East Lyme and New London Regional Interconnection (Design Phase) – (\$381,020)

This project consists of the design of the project, which includes the design of a connection of a 12-inch water main between the northern terminus of the East Lyme water main to the New London Water Treatment Plant. It also includes a booster/pressure reducing station, a 1.5MG storage tank, meter and manhole structure, SCADA interfacing and improvements to the New London Water Treatment Plant.

2. Town of Ledyard – Water Main Extension – Aljen Heights (\$4,550,411)

This project consists of the construction of the water main extension to provide safe and reliable water to Aljen Heights Subdivision, Avery Hill Water Association and residential homes located off of Avery Hill road in Ledyard CT.

3. The Metropolitan District – RF Automated Meter Replacement – Phase III (\$4,097,882)

This project consists of the purchase of radio frequency automated meter reading equipment, purchase of new water meters and the installation of both meters and reading equipment.

4. The Metropolitan District – Water Main Replacement Hartford (Capitol, Linden, Broad) (\$2,293,678)

This project consists of the replacement of water main in portions of Linden Place, Capitol Avenue and Broad Street in Hartford, CT.

5. The Metropolitan District – Water Main Replacement – Cleveland/Tower South, Hartford (\$1,758,299)

This project consists of the replacement of a portion of water main in the vicinity of Tower Avenue including Cleveland Avenue and Main Street in Hartford, CT.

6. The Metropolitan District – Water Main Replacement – Franklin #5, Hartford (\$5,060,911)

This project consists of the replacement of a portion of water main in the vicinity of Franklin Avenue in Hartford, CT, including South Maple Avenue West, South Maple Avenue East, Griswold Street, Fairfield Avenue, Torwood Street, and Maple Avenue.

7. The Metropolitan District – Water Main Replacement – Farmington #6, Hartford (\$2,172,026)

This project consists of the replacement of a portion of water main in the vicinity of Farmington Avenue in Hartford, CT, between Prospect Ave. and Evergreen St.

8. The Metropolitan District – Water Main Replacement – Franklin #13, Hartford (\$6,079,637)

This project consists of the replacement of a portion of water main in the vicinity of Franklin Avenue in Hartford, CT, including Warner Street, Wethersfield Avenue, and Mannz Street.

9. First Taxing District of the City of Norwalk – Spring Hill Water System Reliability Improvements (\$7,000,000)

This project consist of three separate components namely, water storage tank, booster pumping station and the installation of water mains. The District will be contributing almost \$2 million toward this project.

10. Town of East Lyme – East Lyme and New London Regional Interconnection (Construction Phase) – (\$9,231,355)

This project consists of the construction phase of the project, which includes the construction of a connection of a 12-inch water main between the northern terminus of the East Lyme water main to the New London Water Treatment Plant. It also includes a booster/pressure reducing

station, a 1.5MG storage tank, meter and manhole structure, SCADA interfacing and improvements to the New London Water Treatment Plant.

Small System Emergency Power Generator Program - Statewide (\$930,899)

Funds were used for the purchase / installation of emergency generators. Once constructed, the project will provide emergency power to the public water systems components during the event of street power outages. The following table provides the PWS that have executed loans under this program:

PWS Name	City served	Total Project Cost	Population Served
1. CTWC - PILGRIM HILLS DIVISION	COVENTRY	\$20,999.00	229
2. CTWC - GENERAL WATER DIVISION	COVENTRY	\$20,999.00	306
3. HAWTHORNE TERRACE ASSOCIATION	DANBURY	\$18,000.00	156
4. CTWC - SPICE HILL DIVISION	EAST HAMPTON	\$24,558.00	712
5. CTWC - GALLUP WATER - COUNTRY MOBILE DIVISION	GRISWOLD	\$15,910.00	186
6. LAKEVIEW MOBILE HOME PARK	GRISWOLD	\$8,945.00	99
7. JEWETT CITY WATER COMPANY - FRONT BUILDING	GRISWOLD	\$29,023.20	6,840
8. JEWETT CITY WATER COMPANY - REAR BUILDING	GRISWOLD	\$35,472.80	6,840
9. QUIONNIPAUG HILLS - UPPER SYSTEM	GUILFORD	\$19,731.99	564
10. QUIONNIPAUG HILLS - LOWER SYSTEM	GUILFORD	\$24,116.88	564
11. CTWC - LONDON PARK DIVISION	HEBRON	\$15,910.00	221
12. CTWC - MILL AT STONECROFT DIVISION	HEBRON	\$20,609.00	127
13. CTWC - WELLSWOOD VILLAGE DIVISION	HEBRON	\$20,609.00	60
14. SOUTH KENT SCHOOL	KENT	\$6,085.00	194
15. COUNTRY ACRES MOBILE HOME PARK	KILLINGLY	\$13,763.00	48
16. CTWC - LEBANON ELDERLY DIVISION	LEBANON	\$18,964.00	67
17. SCWA - CHRISWOOD DIVISION	LEDYARD	\$28,193.00	164
18. CTWC - REDWOOD FARMS DIVISION	MANCHESTER	\$20,999.00	424
19. MANCHESTER WATER DEPART. BIRCH MOUNTAIN PS	MANCHESTER	\$40,000.00	51,066
20. MANCHESTER WATER DEPART. UPPER GLASTONBURY PS	MANCHESTER	\$115,000.00	51,066
21. CTWC - PINWOODS LANE DIVISION	MANSFIELD	\$15,910.00	68
22. CTWC - ROLLING HILLS WELL FIELD	MANSFIELD	\$16,609.05	300
23. CTWC - ROLLING HILLS PUMP STATION	MANSFIELD	\$20,299.95	300
24. CTWC - FOREST HOMES ASSOCIATION	MARLBOROUGH	\$16,088.00	100
25. IDLEVIEW MOBILE HOME PARK	NAUGATUCK	\$13,871.00	138
26. CLC OWNERS CORPORATION	NEW MILFORD	\$24,750.00	736
27. CANDLEWOOD TRAILS ASSOCIATION	NEW MILFORD	\$64,968.00	312
28. BLUE TRAILS WATER ASSOCIATION	NORTH BRANFORD	\$23,976.00	228
29. PORTLAND WATER DEPARTMENT	PORTLAND	\$28,644.00	5,010
30. CTWC - RIVERCREST DIVISION	PORTLAND	\$15,910.00	88
31. HARMONY ACRES MOBILE HOME PARK	PROSPECT	\$34,719.00	465
32. TARIFFVILLE FIRE DISTRICT WATER DEPARTMENT	SIMSBURY	\$38,022.00	1,477
33. SCWA - LANTERN HILL DIVISION	STONINGTON	\$21,093.00	92
34. WOODLAND SUMMIT WATER ASSOCIATION	TOLLAND	\$17,968.00	216
35. WOODLAKE TAX DISTRICT - PUMP STATION	WOODBURY	\$33,100.55	912
36. WOODLAKE TAX DISTRICT - WELL FIELD	WOODBURY	\$27,082.28	912
	TOTAL	\$930,898.70	

IV. DWSRF PROGRAM GOALS

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

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

Following lessons learned from the American Recovery and Reinvestment Act (ARRA), 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 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 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 VI. The DPH also stopped leveraging our capitalization grants in 2012 and will continue to do so until the pace of the DWSRF program meets or exceeds the federal goal.

The short-term and long-term program goals noted below include several new activities.

A. SHORT-TERM GOALS-FINANCIAL

1. Approve loans and financial assistance for projects funded from the FFY 2013 and FFY 2014 capitalization grants in accordance with this IUP.
2. Continue to implement:
 - a. Effective and efficient fiscal management of DWSRF funds;
 - b. Routine procedures for entering into project funding agreements with recipients; and
 - c. Effective and efficient communications between State agencies for fiscal components of the DWSRF program.
3. Complete a review of DWSRF fiscal elements as required by the EPA.
4. Input project financial information into the DWSRF Project Benefits Reporting (PBR) and the Drinking Water National Information Management System (DWNIMS) on-line database.
5. Maintain a financing plan that secures the perpetuity of the DWSRF and meets loan demand.

B. SHORT-TERM GOALS-PROGRAMMATIC

1. Review and approve applications for DWSRF assistance for projects ranked on the PPL with an overall goal of committing all available project funds during the IUP period and increasing the pace of the DWSRF program.
2. Continue to focus on pace and ULOs in order to increase DWSRF program pace and decrease ULOs below 10%.

3. Reduce as quickly as possible the DPH's ULOs associated with capitalization grants awards (project funds and set-asides) received from USEPA. Projects anticipated to reduce a particular FFY ULO are listed in Attachment F.
4. Maintain a pipeline of projects through close interaction with public water systems
5. Ensure DWSRF loan recipients are submitting invoices to DPH in a timely manner during planning, design, and construction phases of their projects
6. Continue utilizing 2-year project planning period to coincide with the biennial State budget cycle.
7. Continue to implement the following existing DWSRF elements, including re-evaluation and improvement when necessary:
 - a. Review of the Priority Ranking System;
 - b. Procedures for determining technical review and approval of DWSRF projects;
 - c. Responsibilities delineated in the DWSRF Interagency MOU;
 - d. Routine procedures for monitoring oversight and contract compliance of DWSRF set-aside projects;
 - e. Communication and information connections between State agencies for programmatic components of the DWSRF; and
 - f. Procedures for evaluating technical and managerial capacity and sustainability aspects of proposed projects.
8. 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.
9. Implement the provisions of the FFY 2013 and FFY 2014 appropriations
10. Input project information into the DWSRF Projects Benefits Reporting (PBR) on-line database.
11. Input project information into the Drinking Water National Information Management System (DWNIMS) on-line database.
12. Revise the OA as necessary to reflect any revisions in processing DWSRF projects.
13. Complete a review of DWSRF programmatic elements as required by EPA.
14. Utilize the System Emergency Power Generator Program as an initial model for streamlining DWSRF requirements for small systems that undertake projects with a total project cost of less than \$100,000.
15. Improve PWS education and proficiency in sustainable infrastructure and asset management.
16. Ensure the IUP and action undertaken comply with the Connecticut Conservation and Development Policies Plan
17. Continue transitioning into the Loans and Grants Tracking System (LGTS) database that will improve communication between State agencies and information sharing with EPA for projects funded through the DWSRF program.

C. LONG-TERM GOALS/PROJECTIONS

DPH has established management goals for the DWSRF program as part of its statewide public health performance improvement initiative. The condition of the DWSRF continues to be enhanced by the placement of the DWSRF within the financial structure of the CWF. This helps to assure that the DWSRF will benefit from the same management and financial planning mechanisms as the CWF program. In addition to the long-term goals outlined in the OA, ongoing discussions about the following issues will shape the program in the coming years:

1. DPH's commitments to monitor, track and continue to improve the pace of the DWSRF program.
2. Maintain low levels of ULOs associated with capitalization grant awards (project funds and set-asides) received from USEPA.
3. Continue to reach out to Connecticut PWSs in order to maintain a pipeline of projects that are eligible to receive DWSRF funding.
4. Coordination within the DPH, and continued collaboration with other State agencies where possible and advantageous, to maximize the effectiveness of the program and meet the State's water quality goals.
5. Continued improvement to use set-aside funds to maximize effectiveness as it relates to Connecticut's aging drinking water infrastructure, drinking water regulatory compliance, PWSs and Connecticut residents. Areas of concern include PWS sustainable infrastructure programs, long term water supply planning and small water systems.
6. Continued improvement on the determination of the PWS infrastructure needs projections for Connecticut through on-going participation and support for EPA's Drinking Water Infrastructure Needs Survey.
7. Offer, as effectively as possible, a low cost financing mechanism to eligible PWSs that possess self-sustaining technical, managerial and financial capabilities.

V. DESCRIPTION OF DWSRF FINANCIAL STATUS

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

Attachment A reflects the total amounts projected for the DWSRF project fund and set-aside accounts that will be made available to DPH upon EPA approval of DPH's FFYs 2013 capitalization grant. The FY 2014 amount has not been finalized and will not be included. It includes the 20% state match required by EPA.

B. THE DWSRF FINANCING PLAN

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. Connecticut has periodically leveraged the DWSRF program since FFY 2001. Bonds were most recently issued for the DWSRF Program in 2011. The DPH stopped leveraging our capitalization grants in 2012 and will continue to do so until the pace of the DWSRF program meets or exceeds the federal goal.

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

C. STATE MATCHING REQUIREMENT

The required 20% state match for the FFY 2013 capitalization grant is \$1,684,200. The final amount of the FFY 2014 allotment is not known. Based on President Obama's current budget, Connecticut will receive an estimated \$8,093,000. The required match for this amount would be \$1,618,600. These funds are required to be in place prior to drawing down the award. 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, the source of the contributions has been principal and interest payments collected from the state 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. To date, the DWSRF has received \$27 million for the required match.

D. ISSUANCE OF BONDS FOR LEVERAGING

Consistent with Connecticut's financing strategy for the Connecticut CWF, the Connecticut DWSRF includes leveraged financing. Since 2001 with EPA's 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.

The leveraging process has been successful because it has allowed the State to fund projects that would not be normally funded using capitalization grant funds alone. One example is the \$55 million New Britain Water Treatment project, which was built using \$36.6 million in DWSRF monies. This project, which replaced an antiquated system, provides excellent quality water to its over 90,000 customers as well as keeping the water rates relatively low. Another great example is the \$29 million water treatment plant upgrade for the South Norwalk Electric and Water utility. This project was built using \$24.7 million in DWSRF monies to replace an antiquated water treatment plant that was badly in need of upgrades. Without leveraging, DPH would not be able to fund larger projects due to a lack of funds.

In FY 2012 and FY2013, although bonds were issued for the CT CWSRF, no bonds were issued for the CT DWSRF due to there being sufficient funds available for projects that were moving forward. The DPH does not intend to leverage our capitalization grants until the pace of the DWSRF program meets or exceeds the federal goal.

E. FEDERAL CASH DRAW PROPORTIONALITY

The DPH must drawdown project funds from the federal capitalization grant 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 will use all of the state matching funds prior to drawing down any of 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 completion date and provides a formula, based on the 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 the 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 SDWA only permits use of the DWSRF for refinancing for municipal projects incurring debt and initiating construction after June 30, 1993. In addition, costs for the acquisition of land needed only for the purposes of locating eligible project components may be eligible for assistance from the DWSRF and only if the land is acquired from a willing seller.

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

G. EXPECTED LOAN DEMAND

Connecticut's EPA-sponsored 1999, 2003, 2007 and 2011 EPA Drinking Water Infrastructure Needs Surveys evidenced that a significant need continues to exist throughout Connecticut for funding capital improvements. The results of these surveys are used by 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.

EPA's completed 2011 Drinking Water Infrastructure Needs Survey assessed the cost and types of drinking water needs throughout the nation for the period 2011 to 2031. The results of the survey are used to determine the DWSRF allocation for fiscal years 2014 through 2017. Connecticut is one of many states that currently receive the minimum 1% allocation. The results of the 2011 survey, which was released in June 2013, showed that the estimated need had grown from \$1.394 billion in 2007 to \$3.587 billion in 2011. Also, starting with the FFY 2014 capitalization grant the state's allotment has increased from 1% to 1.01%.

The breakdown was as follows:

1. Transmission and Distribution	\$2.584 billion
2. Treatment	\$545.1 million
3. Storage	\$267.3 million
4. Source	\$146.6 million
5. Other	\$35.0 million

As 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 SFY2014 and SFY2015 the DPH received

requests for loans for 69 infrastructure projects totaling approximately \$161 million in eligible project costs. In addition, the DPH received 60 applications under the Small System Emergency Power Generator Program totaling approximately \$3.5 million in eligible project costs.

VI. 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, the priority for projects that will be given 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 Priority Ranking System developed by DPH for its DWSRF program specifies the criteria that DPH used 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. 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 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.

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. 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.

Modifications were made to the Priority Ranking System for the SFY2014 and 2015 DWSRF funding cycle. The Priority Ranking System was made available to all applicants for their reference in completing and submitting project eligibility applications. EPA approved these modifications on November 19, 2012. These changes include the following:

- Utilization of the American Community Survey as the sources for distressed municipalities that qualify for affordability points
- Addition of a section which describes the Emergency Power Generator Program

All eligible projects are ranked by points, highest to lowest, in a comprehensive list for each SFY covered under this IUP. Projects that are determined by DPH as not ready to proceed in SFY 2014 were not considered in preparing the SFY 2014 PPL regardless of the priority points that the project received.

Projects identified above the funding lines on the SFY2014 and SFY 2015 PPL may be by-passed by a project identified below the funding line if the higher-ranking project is not progressing. DPH's by-pass procedures are outlined in Section VII. C. of this IUP. In the event that one or more projects are tied in the number of points, the tie-breaker provisions outlined in Section VII.C. of this IUP will be used to determine which project will be ranked higher on the PPL. The lowest ranking project above the funding line on the SFY2015 PPL may only be partially funded based on the amount of total funds that remain available.

Within the parameters set by the Priority Ranking System, DPH intends to exercise considerable flexibility in the types of projects the DWSRF will fund with protection of public health and compliance with Federal and State drinking water mandates as the predominate concerns.

Exclusions for growth and other non-eligible elements as described in Priority Ranking System (Attachment B) stand as limitations on project funding.

While DPH intends to fund a wide range of drinking water projects, it will do so only after careful consideration of a potential recipient's technical, managerial and financial capabilities and readiness to proceed with their project. An assessment of an applicant's financial capabilities will be conducted before any funding commitment is made.

B. OTHER FFY 2013 DWSRF PROVISIONS

1. Davis-Bacon Law 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 Section 1450(e) of the SDWA (42 U.S.C. 300j-9(e)) 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 laws.

2. 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 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. 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. DPH has elected to also impose federal equivalency requirements to all projects and activities for which the DPH provides DWSRF assistance.

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.

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

C. CONNECTICUT CONSERVATION AND DEVELOPMENT POLICIES PLAN

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 Connecticut Conservation and Development Policies Plan (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 has 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 DPH will review the advisory report it receives, concurrent with the public participation process, and will make necessary adjustments to the Final IUP to address any C&D Plan consistency concerns.

The advisory report on the Draft IUP's conformance with the C&D Plan is important because CGS Section 16a-31(c) also requires OPM to advise the State Bond Commission (SBC) prior to the allocation of funding to the DPH for these DWSRF projects. Finally, CGS Section 16a-31(a) requires the DPH to determine the consistency of individual actions it undertakes using state or federal funds, such as the drinking water infrastructure improvement projects contained in the Draft SFY 2014 and 2015 PPLs, when those costs are in excess of two hundred thousand dollars.

D. RELATIONSHIP TO DWSRF GOALS

The DWSRF Priority Ranking System reinforces the DWSRF short and long-term goals. It is also consistent with the congressional intent of the DWSRF program to direct the highest priority to projects that protect public health and/or achieve SDWA compliance.

Affordability continues to be included by awarding additional ranking points to those PWSs that meet the affordability criteria, as those PWSs may gain the greatest potential benefit from access to DWSRF loan funds. As described in the Priority Ranking System, affordability points are awarded to a project located in a municipality where the Median Household Income (MHI) is less than 80% of the Connecticut's average MHI as determined by the most recent American Community Survey.

Additionally, the criteria are preventative in that they levy points for situations in which water quality impairments, water quantity inadequacies, or water system imperfections may increase risk to public health and/or result in non-compliance. Points awarded for acquisition and proactive upgrades emphasize the importance of supporting projects oriented toward achieving long-term solutions to existing deficiencies.

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

With respect to funding small PWSs, over the two year period covered by this IUP, the DPH intended to provide funding in an amount of at least 15% of the total available funding but the cost of projects submitted were below the threshold. The same holds true for the estimated FFY 2014 capitalization amount.

E. PROJECTS PROPOSED TO RECEIVE FUNDING

The DPH expects that there will be approximately \$133.6 million dollars available from the DWSRF for drinking water infrastructure projects in SFY2014 and SFY2015. The DPH utilized the DWSRF Priority Ranking System (Attachment B) to determine the SFY 2014 and 2015 DWSRF PPLs (Attachments D.1 and D.2). The SFY2014 PPL includes projects, or portions of projects, from the Comprehensive Project List (Attachment D.1.) that can reasonably be expected to proceed in SFY2014 based on project readiness information provided by the applicants in their DWSRF Eligibility Application (Attachment C).

Projects shown on the SFY2014 PPL and projects appearing above the "funding line" on the SFY2015 PPL are expected to receive funding under this IUP. In addition, there are carryover projects from previous PPLs that are anticipated to be funded in SFY2014. There are bypass procedures utilized by the DPH to bypass projects that are not progressing at a rate that will ensure the timely distribution of available DWSRF funds. If a project is bypassed, the DPH will make any funding associated with that project available to the next highest ranking project that needs funding or the funds may be used for cost increases on other projects previously approved.

All project eligibility applications were reviewed and evaluated to ensure that the proposed projects meet the DPH eligibility criteria and that the applicant is prioritizing projects based on their identified needs and any applicable compliance concerns. All projects were awarded appropriate points based on the current Priority Ranking System (Attachment B), as discussed previously. DPH continues to emphasize project readiness during development of the SFY2014 and SFY2015 PPLs.

The SFY2014 PPL includes all projects proposed to move forward during SFY2014, shown in order of points awarded. A total of 64 projects, including the Emergency Power Generator Program eligible projects, are on the SFY2014 PPL in the amount of \$62,433,000. The SFY2015 PPL includes all projects proposed to move forward during SFY 2015, shown in order of points awarded, which are the remainder of the eligible project applications received. A total of 44 projects are on this list, with the 13 highest-ranked proposed to receive funding in the amount of \$71,210,000. Some projects have requested funding for both the design phase and construction phase of the project and appear on both PPLs; however both phases may not necessarily receive funding. The total amount requested for all fundable projects is \$133,643,000.

In addition, several projects identified in the FFY2012 - 2013 IUP and PPL are in progress, though binding commitments have not yet been finalized. These projects are being carried over, in accordance with the procedure described in Section VII.A. These carryover projects went through public comment and ranking for the FFY2012-2013 IUP and are not being re-ranked. They are included in this IUP for the purposes of identifying the use of project funds.

If a PPL is amended under the provisions established in this IUP, the additions or other substantive changes to the PPL will go through a public review process.

Emergency Power Generator Program

This program was established in response to two extreme weather events that occurred in the late summer and fall of 2011. These events left many customers of small PWSs throughout Connecticut without water service for extended periods of time due to power outages. A total of 214 small community PWSs had water system operations affected between the two storms. Boil water advisories were issued to residents of PWSs that lost water service until water pressure was restored and water quality testing determined that the water was safe for consumption.

This program was announced on November 22, 2011 as the Small System Emergency Generator Program, and projects specifically for emergency power generator systems were solicited as part of the Call for Projects. The DPH received a total of 63 applications for generator projects in response to the solicitation. Of those applications 33 submitted the proper documentation to move forward and to date 28 loans have been executed.

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. For SFY 2014 DPH has allocated \$3.5 million toward the program and has expanded it to include PWS of all sizes. For SFY 2014, 60 applications in the amount of \$3,500,930 were received. 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 subsidization 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.

VII. DWSRF POLICIES

A. PROJECT APPLICATION CARRYOVERS AND ROLLOVERS

1. Project progressing towards a loan agreement (Carryover)

A project(s) that has been identified as above the funding line on the PPL, or was moved above the funding line through the bypassing procedure, and is progressing through the DWSRF process toward a loan agreement, but for which a loan closing does not occur during the IUP period/funding cycle for its PPL, will be automatically 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, but will be maintained in a separate list as a “carryover” project (see Attachment D.4.).

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

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

B. MULTI-YEAR PROJECTS ON THE FUNDABLE PORTION OF THE PRIORITY LIST

The construction of some of the projects on a particular PPL may take place over multiple years. For such multi-year projects, DPH reserves the right to require the applicant to break the project into phases and to limit the amount of funding reserved for the project on 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 the ranking points assigned to it. 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.

C. PROJECT BYPASS PROCEDURES AND READINESS-TO-PROCEED

1. Bypass for Readiness-to-Proceed, etc.

- 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 for funding based on that PWS’s ability to initiate the project during the current SFY funding cycle. A project may 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 can 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 cannot result in executed contracts and DWSRF loan agreements will be eligible to

receive funding in future funding cycles, based on the rollover procedure in Section VII.A. The criterion used to evaluate readiness is included in the DWSRF Eligibility Application (Attachment C).

D. TIE-BREAKING PROCEDURES

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

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 DPH prior to commencement of construction in order to be eligible to receive reimbursement at the loan closing for any construction costs incurred prior to the loan closing. If such authorization is not received from DPH, then the PWS will only be reimbursed for construction costs incurred from and after the date of the loan closing.

F. WITHDRAWAL OF PROJECT FROM FUNDING CONSIDERATION

1. If a PWS chooses not to pursue funding of a project through the DWSRF, or chooses to not go forward with implementation of a project, the PWS shall submit a letter to the DPH indicating the withdrawal of the project. 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.
2. Projects for which an Eligibility Application is received and the project is placed on the SFY 2014 or 2015 PPL, but for which DPH does not receive a Financial Assistance Application by the established deadline will be considered withdrawn. DPH will notify a PWS if their application is withdrawn by the DPH.

G. LETTER OF AUTHORIZATION TO AWARD FOR ELIGIBLE PROJECTS

DPH may issue a letter authorizing the PWS to award a contract for a project if sufficient information has been submitted to DPH. Typically, this letter indicates to the applicant that it appears the materials that they have submitted to the DPH satisfy the regulations for the DWSRF program. The applicant may award the contract(s) subject to conditions set forth in the letter.

The authorization letter does not constitute a commitment by the DPH to make a project loan under the DPH's DWSRF program.

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

The main features of DPH's DWSRF program – the Priority Ranking System, the leveraging plan and the maximization of set-aside monies – will be implemented and managed in a prudent and responsible manner. This will allow DPH to meet the public health and compliance goals of the DWSRF, while simultaneously preserving the integrity and perpetuity of the fund itself. Loan terms will be attractive, while lending procedures will include safeguards structured to minimize unforeseen losses to the fund. The 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.

IX. PUBLIC OUTREACH AND COMMENT

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 of information on the DPH's DWS web-site, meeting with applicants, distribution of the program information by staff, participation in various water-related forums, and publication of a DPH DWSRF program brochure. The DPH directly solicits for DWSRF projects to all community PWS and non-transient non-community (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, Regulations of Connecticut State Agencies (RCSA) Section 22a-482-1(c) (4) requires that a public hearing be held to allow for the opportunity to comment on the Draft PPLs for SFY2014 and 2015. As has been done in previous years, this IUP, which includes the PPLs, 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 formally advertised in newspapers of statewide and regional distribution and in two minority newspapers. The Draft IUP, Draft PPLs and Notice of Hearing will also be sent to all DWSRF applicants with projects appearing on the Draft PPLs. 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 held in September 2013.

The public hearing will be followed by an Open Forum where attendees or other interested parties will 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 the Final IUP, Final PPLs and hearing report will be published.

X. ATTACHMENTS

- A. Sources and Uses of Estimated Amounts of DWSRF Funds
- B. Priority Ranking System
- C. DWSRF Eligibility Application
- D. D.1.: SFY 2014 Project Priority List
D.2.: SFY 2015 Project Priority List
- E. SWP Strategic Plan
- F. Use of Prior Years' Unliquidated Obligations (ULOs) – Project Funds
- G. January 20, 2012 Letter from DPH to USEPA Headquarters
- H. June 17, 2013 Letter from DPH DWS to USEPA Region 1
- I. Acronyms

Attachment A

Sources and Uses of Estimated Amounts of DWSRF Funds For Federal Fiscal Years (FFY) 2013 and 2014

<u>Sources</u>	<u>Amount</u>
FFY 2013 Capitalization Grant Set- Asides	\$2,798,870
FFY 2014 Capitalization Grant Set-Asides (estimated)	\$2,508,830
Prior Capitalization Grant Set-Aside Carry-Over	\$7,331,809*
Previous Bond Authorization	\$85,914,728**
SFY 2014 State Revenue Bond Authorization	\$62,400,000
FFY 2013 Capitalization Grant Projects	\$5,622,130***
FFY 2013 State Match Requirement	\$1,684,200***
SFY 2015 State Revenue Bond Authorization	\$71,200,000
FFY 2014 Capitalization Grant Projects	\$5,582,100***
FFY 2014 State Match Requirement	\$1,618,600***
Total Sources	\$232,154,237
<u>Uses</u>	<u>Amount</u>
Administrative Set-Asides	\$1,228,777
State Program Management Set-Aside	\$3,524,674
Small Systems Technical Assistance Set-Aside	\$707,126
Local Assistance & Other State Programs Set-Aside	\$7,178,931
Drinking Water Infrastructure Project Fund	
Previous Bond Authorizations	\$85,914,728**
SFY 2014 State Revenue Bond Authorization	\$62,400,000
FFY 2013 Capitalization Grant	\$5,622,130***
FFY 2013 State Match Requirement	\$1,684,200***
SFY 2015 State Revenue Bond Authorization	\$71,200,000
FFY 2014 Capitalization Grant Projects	\$5,582,100***
FFY 2014 State Match Requirement	\$1,618,600***
Total Uses	\$232,154,237

*Source: EPA – as of 8/1/13

**Reserved for carry-over projects on SFY 2012 and SFY 2013 Project Priority Lists

***Please note project funds from the FFY 2013 and FFY 2014 Capitalization Grants as well as the required match funds are included in the Revenue Bond Authorizations and are only shown in the table to demonstrate amount of project funds requested from each Capitalization Grant and required match amount for each grant.

The SDWA requires a minimum state match of 20% for each capitalization grant

Attachment B

**CONNECTICUT DEPARTMENT OF PUBLIC HEALTH
PRIORITY RANKING SYSTEM FOR PROJECTS
ELIGIBILITY FOR DRINKING WATER STATE REVOLVING FUND (DWSRF) FUNDING**
(Revised 11/14/12)

INTRODUCTION:

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

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

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

ELIGIBILITY FOR DWSRF LOANS

Project eligibility applications must be submitted by the deadline specified in the 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 assistance will ensure compliance and the owner or operators of the systems agree to undertake feasible and appropriate changes in operations to ensure compliance over the long term.
3. Systems that are in significant noncompliance with any national primary drinking water regulation or variance unless assistance will ensure compliance.

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

1. Dams or rehabilitation of dams
2. Water rights, except if the water rights are owned by a system that is being purchased through consolidation as part of a capacity development strategy
3. Reservoirs or rehabilitation of reservoirs, except for finished water reservoirs and those reservoirs that are part of the treatment process and are located on the property where the treatment facility is located
4. Projects needed primarily for fire protection
5. Projects needed primarily to serve future growth
6. Projects that have received assistance under the national set-aside for Indian Tribes and Alaska Native Villages pursuant to section 1452(i) of the Act
7. Cost of laboratory fees for routine monitoring
8. Cost of operation and maintenance expenses

SUBSIDIZATION

The DPH may provide subsidization to eligible projects in the form of principal forgiveness to the extent allowed by Federal law. The amounts of subsidization, if available, and method of distributing such subsidies will be determined annually and detailed in the Intended Use Plan.

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. Regulatory compliance with water quality standards and adequate quantity of drinking water are given the highest points within the ranking system. Projects which are planned to address/resolve a quality or quantity regulatory violation will not receive additional points in the Proactive Infrastructure category.

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

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

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

The SDWA Amendments of 1996 also requires that, to the extent that there are sufficient number of eligible project applications, not less than 15% of the available funding shall be dedicated to small systems serving less than or equal to a population of 10,000. 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 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.

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.

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

1. The total numerical points assigned to a project which is arrived at by tallying points from each of the 7 priority point categories.

2. A PWS's readiness to proceed with the activities they have requested funding for during the annual DWSRF funding cycle.
3. To the extent that there are sufficient eligible project applications, not less than 15% of the available funding shall be dedicated to small systems serving less than or equal to a population of 10,000.
4. To the extent 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.

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

ELEMENTS FOR ESTABLISHING THE PRIORITY POINTS ASSIGNED TO DWSRF PROJECTS:

The following Categories describe in detail the elements involved in assigning priority points to eligible projects. 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 Public Health Code Section 19-13-B101, can be assigned ranking points, if the solution is to extend water service to the affected wells from the applicant's public water supply.

- II. **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 PHC including: source deficit, system capacity deficits, lack of

source (production) meters, pressure violations, and supply deficiencies including insufficient margin of safety.

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

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

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

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

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

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

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

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

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); or that
- 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:

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

VI. Affordability: A PWS may receive additional points for undertaking projects in towns where the Median Household Income (MHI) is less than 80% of the State's average MHI as determined in the most recent 5-year estimate by the American Community Survey and obtained from the UConn State Data Center. The following towns and cities currently qualify under this category: Bridgeport, Derby, East Hartford, Hartford, Killingly, Meriden, New Britain, New Haven, New London, North Canaan, Norwich, Putnam, Torrington, Waterbury, West Haven, and Windham.

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.

EMERGENCY POWER GENERATOR PROGRAM

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. This program is open to all public water systems eligible for DWSRF funding. Eligible projects under this program will receive 15 points and be eligible to receive additional points under Category VI (Affordability) if the project is located in a qualifying town or city.

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.

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 7 categories above. In circumstances where more than one project has an equivalent ranking score, the following tiered approach will be implemented to break the tie:

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

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

The DWSRF Eligibility Application provides details of the point values that are available for specific elements under each of the 7 categories.

READINESS TO PROCEED & BY-PASS PROCEDURE

Only those elements (planning, design, construction) of eligible projects that can result in executed contracts and DWSRF loan agreements within the current 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 that has been prioritized to receive DWSRF funding is not ready to proceed in a timely fashion, the DPH may by-pass that project and offer these funds to the next highest ranked eligible project(s) appearing on the comprehensive priority list of projects that were not originally offered funding. This By-Pass process is necessary to ensure that available DWSRF funds will be disbursed in a timely fashion.

EMERGENCY BY-PASS PROCEDURE

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

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 (other than lead, copper, arsenic, sodium, nitrate)	30
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) (does not include physical parameters)	25
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 Health Code 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

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
Emergency power provisions	5
B. 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	
A. Systems having projects in towns (see below) where the Median Household Income is less than 80% of the State's average Bridgeport, Derby, East Hartford, Hartford, Killingly, Meriden, New Britain, New Haven, New London, North Canaan, Norwich, Putnam, Torrington, Waterbury, West Haven, Windham	10
 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
 Emergency Power Generator Program (for eligible PWS)	15

Attachment C

Public Water System (PWS) Name _____

DWSRF Project Identifier (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)
Contact Person – Authorized Legal Representative of the Applicant	
3. Name:	4. Title:
5. Mailing Address:	
6. Telephone:	7. Fax:
8. Email:	
9. Please indicate the 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. Total population served by water system: _____.
12. Population to be served by the proposed project (see instructions): _____.
13. Current number of service connections supplied by the water system: _____.
14. Number of service connections supplied by the proposed project: _____.
15. Will this project provide water service to additional service connections not already being supplied by this PWS? <input type="checkbox"/> Yes (answer questions below) <input type="checkbox"/> No (move onto question #16) a) Will this project consolidate an existing PWS? <input type="checkbox"/> Yes (complete System Consolidation Worksheet) <input type="checkbox"/> No b) Will this project serve homes with private wells that have Public Health Code violations? <input type="checkbox"/> Yes (complete System Consolidation Worksheet) <input type="checkbox"/> No c) Other situation not covered by a) or b): <input type="checkbox"/> Yes (please provide explanation) <input type="checkbox"/> No
16. Is the PWS regulated by the 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
17. Estimated Total DWSRF Project Funding Amount requested: (costs including contingencies, closing costs and accrued interest, as applicable)	\$
Source	
18. List other funding source(s) and amount(s) for project:	\$
	\$
19. Estimated Total Project Cost:	\$
20. Basis of Estimate:	

FINANCING REQUEST INCLUDES (check all that apply)

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

PROJECT DESCRIPTION

24. 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. (attach a separate sheet if necessary):

PROJECT LOCATION & ENVIRONMENTAL CONSIDERATIONS

25. Please identify the physical location (address) of the project. Attach a scaled map showing the project location, the delineated Conservation & 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,

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

PROJECT BENEFITS

27. 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.

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

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, 2013 to June 30, 2015 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

<p>29. Have local resolution(s) that authorize funding for this project been obtained?</p> <p><input type="checkbox"/> Yes Submit a copy of this resolution(s)</p> <p><input type="checkbox"/> No Anticipated date they will be obtained: _____.</p> <p>If No, outline the steps required to obtain the resolution: _____.</p> <p>_____.</p> <p>What phase(s) of the project does this resolution authorize funding for? (check all that apply)</p> <p><input type="checkbox"/> Planning <input type="checkbox"/> Design <input type="checkbox"/> Construction</p>
<p>30. Indicate type(s) of resolution(s) (i.e. town council, referendum, local board, etc.) necessary for this project:</p>
<p>31. Is the final design of the project complete?</p> <p><input type="checkbox"/> Yes Date final design was complete: _____.</p> <p><input type="checkbox"/> No Anticipated date the design will be completed: _____.</p>
<p>32. Have bid specifications been prepared for this project?</p> <p><input type="checkbox"/> Yes Is the project ready for competitive bidding?</p> <p style="padding-left: 40px;"><input type="checkbox"/> Yes</p> <p style="padding-left: 40px;"><input type="checkbox"/> No Anticipated date it will be ready for competitive bidding: _____.</p> <p><input type="checkbox"/> No Anticipated date bid specifications will be available: _____.</p>
<p>33. Have all sites, easements or rights-of-way necessary to assure undisturbed construction and operation and maintenance of the proposed project have been acquired?</p> <p><input type="checkbox"/> Yes Submit a list of those sites, easements and rights-of-way</p> <p><input type="checkbox"/> 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.</p> <p><input type="checkbox"/> Not determined yet</p>
<p>34. Has the project obtained all required local approvals to proceed (e.g. planning & zoning, inland wetlands, etc.)?</p> <p><input type="checkbox"/> 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.</p> <p><input type="checkbox"/> No Submit a list of all necessary local permits or approvals for this project, the local issuing entity and the current status of each</p> <p><input type="checkbox"/> Not determined yet</p>
<p>35. Has the project obtained all State permits or approvals needed for this project (i.e. DEP diversion permits, DOT permits, DPH change of use permits, etc.)? ** See note below #36 **</p> <p><input type="checkbox"/> 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.</p> <p><input type="checkbox"/> 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</p> <p><input type="checkbox"/> Not determined yet</p>
<p>36. What is the anticipated start date for construction of this project? _____.</p>
<p>NOTE: For purposes of answering Question #35, 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).</p>

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.

- 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.

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 or if generator system cost is \geq \$100,000)

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 in towns where the Median Household Income is less than or equal to 80% of the State's average MHI using data from the American Community Survey. The following represents the list of Cities and Towns which qualify for these additional points:

Bridgeport, Derby, East Hartford, Hartford, Killingly, Meriden, New Britain, New Haven, New London, North Canaan, Norwich, Putnam, Torrington, Waterbury, West Haven, Windham

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 DWSRF "Significant Deficiencies Guidance Document", which has been identified by DPH. If a "Significant Deficiency" condition exists, but has not yet been documented by DPH, sufficient justification must be submitted to warrant these points.

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

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

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 effect our eligibility ranking and/or opportunity to secure DWSRF financing.

I understand that this application (including any attachments thereto) and any other documents, records or information that I submit to the State of Connecticut in connection with the DWSRF program shall be public records, except as otherwise provided by any federal law or state statute. I further understand that third parties may have access to such public records as required under the Connecticut Freedom of Information Act, Connecticut General Statutes, 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 an Authorized Legal
Representative of Public Water
System (PWS) Applicant

Date

Print Name of Person Signing

Print Title of Person Signing

**ATTACHMENT D.1
DRINKING WATER STATE REVOLVING FUND
DRAFT SFY2014 PROJECT PRIORITY LIST**

Rank	Points	Project #	PWSID	PWS Name	Town of PWS	Project Name	Population Served by Project	Amount Requested	Estimated Subsidation Amount ⁽¹⁾	DWSRF #	Loan Repayment Period	Received Affordability Points
1	55	2013-0135	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - West Hartford Water Treatment Facility - Rehabilitation of 6 and 9 MG Basins	268,000	\$4,620,000	\$184,800	2013 0640011m	up to 20 Years	Yes
2	55	2013-0134	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Reservoir #6 Water Treatment Facility Filtered Water Basin Rehab	100,000	\$3,050,000	\$122,000	2013 0640011L	up to 20 Years	Yes
3	55	2013-0127	CT1310011	SOUTHINGTON WATER DEPARTMENT	SOUTHINGTON	DWSRF - Well #2A Construction Project (Well #2 Back-up)	40,408	\$1,525,000		2013 1310011a	up to 20 Years	No
4	55	2012-0014	CT1040011	NORWICH PUBLIC UTILITIES	NORWICH	DWSRF - Stony Brook Buoyant Media	38,920	\$1,523,000	\$60,920	2012 1040011b	up to 20 Years	Yes
5	50	2012-0039	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - RF Automated Meter Reading - Phase IV	198,000	\$5,000,000	\$200,000	2012 0640011v	up to 20 Years	Yes
6	50	2013-0114	CT0340171	LAKE WAUBEEKA ASSOCIATION ⁽⁵⁾	DANBURY	DWSRF - Water Treatment System Upgrades ⁽²⁾	712	\$462,000	\$92,400	2013 0340171a	up to 20 Years	No
7	50	2013-0117	CT0180261	ROLLINGWOOD CONDOMINIUMS ⁽⁵⁾	BROOKFIELD	DWSRF - Water System Interconnection ⁽²⁾	646	\$289,165	\$57,833	2013 0180261a	up to 20 Years	No
8	45	2013-0122	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Elam Street Storage Tank Replacement and Associated Improvements	73,164	\$4,770,000	\$190,800	2013 0890011a	up to 20 Years	Yes
9	40	2013-0162	CT1160011	PUTNAM WATER POLLUTION CONTROL AUTHORITY ⁽⁵⁾	PUTNAM	DWSRF - Managense Treatment ⁽²⁾	7,338	\$2,053,800	\$410,760	2013 1160011a	up to 20 Years	Yes
10	35	2013-0128	CT1310011	SOUTHINGTON WATER DEPARTMENT	SOUTHINGTON	DWSRF - East Side Water Storage Tank and Pump Station	3,000	\$5,280,000		2013 1310011b	up to 20 Years	No
11	35	2010-0132	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Bloomfield Bear Ridge Pump Station Replacement	160	\$1,100,000	\$44,000	2010 0640011t	up to 20 Years	Yes
12	25	2012-0032	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Trans. Main replacement - Hartford; Hamilton & Park Phase II	268,000	\$4,750,000	\$190,000	2012 0640011o	up to 20 Years	Yes
13	25	2013-0104	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	Emergency Power Generator Program - Cobblestone Drive Pump Station, Hamden	383,623	\$45,000	\$20,250	2013 0930011a	up to 20 Years	Yes
14	25	2013-0105	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	Emergency Power Generator Program - Linsley Lake Road Pump Station, North Branford	383,623	\$47,000	\$21,150	2013 0930011b	up to 20 Years	Yes
15	25	2013-0053	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	Emergency Power Generator Program - Barkhamsted HQ	366,315	\$150,000	\$25,000	2013 0640011c	up to 20 Years	Yes
16	25	2013-0037	CT0800011	MERIDEN WATER DIVISION	MERIDEN	Emergency Power Generator Program	59,500	\$225,000	\$25,000	2013 0800011a	up to 20 Years	Yes
17	25	2013-0115	CT0170011	BRISTOL WATER DEPARTMENT	BRISTOL	DWSRF - Dewitt Drive Storage Tank Improvements	41,100	\$531,000		2013 0170011a	up to 20 Years	No
18	25	2012-0013	CT1040011	NORWICH PUBLIC UTILITIES	NORWICH	DWSRF - Royal Oaks Project	38,920	\$2,042,004	\$81,680	2012 1040011a	up to 20 Years	Yes
19	25	2012-0015	CT1040011	NORWICH PUBLIC UTILITIES	NORWICH	DWSRF - Mohegan Park Water Tank	38,920	\$2,254,920	\$90,197	2012 1040011c	up to 20 Years	Yes
20	25	2012-0016	CT1040011	NORWICH PUBLIC UTILITIES	NORWICH	DWSRF - Northern Stony Brook Transmission Main Renewal & Micro-Turbine	38,920	\$2,252,500	\$90,100	2012 1040011d	up to 20 Years	Yes
21	25	2012-0017	CT1040011	NORWICH PUBLIC UTILITIES	NORWICH	DWSRF - Southern Stony Brook Transmission Main renewal	38,920	\$1,644,200	\$65,768	2012 1040011e	up to 20 Years	Yes

**ATTACHMENT D.1
DRINKING WATER STATE REVOLVING FUND
DRAFT SFY2014 PROJECT PRIORITY LIST**

Rank	Points	Project #	PWSID	PWS Name	Town of PWS	Project Name	Population Served by Project	Amount Requested	Estimated Subsidation Amount ⁽¹⁾	DWSRF #	Loan Repayment Period	Received Affordability Points
22	25	2013-0099	CT1040011	NORWICH PUBLIC UTILITIES	NORWICH	Emergency Power Generator Program - Reservoir Road 1, Lebanon	38,920	\$231,900	\$25,000	2013 1040011a	up to 20 Years	Yes
23	25	2013-0094	CT1040011	NORWICH PUBLIC UTILITIES	NORWICH	Emergency Power Generator Program - West Town Street, Norwich	38,920	\$76,225	\$34,301	2013 1040011b	up to 20 Years	Yes
24	25	2013-0101	CT1040011	NORWICH PUBLIC UTILITIES	NORWICH	Emergency Power Generator Program - Cherry Lane, Montville	38,920	\$172,425	\$25,000	2013 1040011d	up to 20 Years	Yes
25	25	2013-0102	CT1040011	NORWICH PUBLIC UTILITIES	NORWICH	Emergency Power Generator Program - Reservoir Road 2, Lebanon	38,920	\$78,690	\$35,411	2013 1040011e	up to 20 Years	Yes
26	25	2013-0123	CT0800011	MERIDEN WATER DIVISION	MERIDEN	DWSRF - Water Main Cement Lining - Phase I	10,000	\$1,000,000	\$40,000	2013 0800011a	up to 20 Years	Yes
27	25	2013-0124	CT0800011	MERIDEN WATER DIVISION	MERIDEN	DWSRF - Swain Avenue Water Main Replacement Project	10,000	\$1,100,000	\$44,000	2013 0800011b	up to 20 Years	Yes
28	25	2013-0051	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	Emergency Power Generator Program - Nepaug Dam, Collinsville	6,324	\$180,000	\$25,000	2013 0640011a	up to 20 Years	Yes
29	25	2012-0026	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacement - Franklin #4	3,559	\$8,245,000	\$329,800	2012 0640011i	up to 20 Years	Yes
30	25	2012-0030	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacement - Franklin #1	2,200	\$3,904,000	\$156,160	2012 0640011m	up to 20 Years	Yes
31	25	2012-0029	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacement - Park #1 & 3 ⁽³⁾	2,040	\$2,360,871	\$94,435	2012 0640011L	up to 20 Years	Yes
32	15	2013-0093	CT1620011	WINSTED WATER WORKS ⁽⁵⁾	WINCHESTER	Emergency Power Generator Program	8,500	\$49,000	\$12,250	2013 1620011a	up to 20 Years	No
33	15	2013-0125	CT1280011	TARIFFVILLE FIRE DISTRICT WATER DEPARTMENT ⁽⁵⁾	SIMSBURY	DWSRF - Water Storage Tank Rehabilitation and Accessory Upgrade ⁽²⁾	1,324	\$315,000	\$63,000	2013 1280011a	up to 20 Years	No
34	15	2013-0072	CT1501111	RUMSEY HALL SCHOOL ⁽⁵⁾	WASHINGTON	Emergency Power Generator Program	398	\$1,800	\$810	2013 1501111a	up to 20 Years	No
35	15	2013-0088	CT1040091	SUNNY WATERS MHP ⁽⁵⁾	NORWICH	Emergency Power Generator Program	306	\$7,000	\$3,150	2013 1040091a	up to 20 Years	Yes
36	15	2013-0042	CT0340111	AQUA VISTA WATER SYSTEM - UPPER ⁽⁵⁾	DANBURY	Emergency Power Generator Program	260	\$10,000	\$4,500	2013 0340111a	up to 20 Years	No
37	15	2013-0044	CT0380041	STONEGATE SPRINGS ⁽⁵⁾	DURHAM	Emergency Power Generator Program	250	\$125,000	\$45,000	2013 0380041a	up to 20 Years	No
38	15	2013-0046	CT1680021	TOWN IN COUNTRY CONDOMINIUM - UPPER ⁽⁵⁾	WOODBURY	Emergency Power Generator Program	240	\$20,000	\$9,000	2013 1680021a	up to 20 Years	No
39	15	2013-0119	CT1420041	WOODLAND SUMMIT COMMUNITY WATER ASSOCIATION ⁽⁵⁾	TOLLAND	DWSRF - New Filtration System ⁽²⁾	216	\$25,000	\$5,000	2013 1420041a	up to 20 Years	No
40	15	2013-0068	CT0780041	WHITE OAK CONDOMINIUM ⁽⁵⁾	MANSFIELD	Emergency Power Generator Program	192	\$10,000	\$4,500	2013 0780041a	up to 20 Years	No
41	15	2013-0038	CT0400051	OLD NEWGATE RIDGE WATER COMPANY ⁽⁵⁾	EAST GRANBY	Emergency Power Generator Program	180	\$45,000	\$20,250	2013 0400051a	up to 20 Years	No
42	15	2013-0059	CT1420021	BAXTER FARMS ⁽⁵⁾	TOLLAND	Emergency Power Generator Program	175	\$30,000	\$13,500	2013 1420021a	up to 20 Years	No
43	15	2013-0043	CT0347051	AQUA VISTA WATER SYSTEM - LOWER ⁽⁵⁾	DANBURY	Emergency Power Generator Program	128	\$12,000	\$5,400	2013 0347051a	up to 20 Years	No
44	15	2013-0086	CT0180161	WHISCONIER VILLAGE ⁽⁵⁾	BROOKFIELD	Emergency Power Generator Program	123	\$50,000	\$22,500	2013 0180161a	up to 20 Years	No

**ATTACHMENT D.1
DRINKING WATER STATE REVOLVING FUND
DRAFT SFY2014 PROJECT PRIORITY LIST**

Rank	Points	Project #	PWSID	PWS Name	Town of PWS	Project Name	Population Served by Project	Amount Requested	Estimated Subsidation Amount ⁽¹⁾	DWSRF #	Loan Repayment Period	Received Affordability Points
45	15	2013-0045	CT1686091	TOWN IN COUNTRY CONDO - LOWER ⁽⁵⁾	WOODBURY	Emergency Power Generator Program	120	\$20,000	\$9,000	2013 1686091a	up to 20 Years	No
46	15	2013-0091	CT0671021	WELLWOOD ESTATES ⁽⁵⁾	HEBRON	Emergency Power Generator Program	112	\$20,000	\$9,000	2013 0671021a	up to 20 Years	No
47	15	2013-0098	CT0270111	EVERGREEN TRAILER PARK SYSTEM #4 ⁽⁵⁾	CLINTON	Emergency Power Generator Program	110	\$30,000	\$13,500	2013 0270111a	up to 20 Years	No
48	15	2013-0087	CT0720101	ASH WATER COMPANY ⁽⁵⁾	LEDYARD	Emergency Power Generator Program	108	\$7,000	\$3,150	2013 0720101a	up to 20 Years	No
49	15	2013-0089	CT1680041	QUASSUK HEIGHTS GARDENS ⁽⁵⁾	WOODBURY	Emergency Power Generator Program	108	\$25,000	\$11,250	2013 1680041a	up to 20 Years	No
50	15	2013-0083	CT0790021	HILLSIDE WATER CORPORATION ⁽⁵⁾	MARLBOROUGH	Emergency Power Generator Program	106	\$12,000	\$3,000	2013 0790021a	up to 20 Years	No
51	15	2013-0067	CT0030051	WOODLAWN APARTMENTS ⁽⁵⁾	ASHFORD	Emergency Power Generator Program	102	\$12,000	\$5,400	2013 0030051a	up to 20 Years	No
52	15	2013-0048	CT0878011	BREEZY KNOLL ASSOCIATION ⁽⁵⁾	MORRIS	Emergency Power Generator Program	100	\$15,000	\$6,750	2013 0878011a	up to 20 Years	No
53	15	2013-0118	CT0380041	STONEGATE SPRINGS ⁽⁵⁾	DURHAM	DWSRF - Water System Improvements	95	\$165,000	\$33,000	2013 0380041a	up to 20 Years	No
54	15	2013-0065	CT0860051	DEER RUN WATER SUPPLY ⁽⁵⁾	MONTVILLE	Emergency Power Generator Program	84	\$8,000	\$3,600	2013 0860051a	up to 20 Years	No
55	15	2013-0040	CT0990031	NORTHFORD GLEN CONDOMINIUM ⁽⁵⁾	NORTH BRANFORD	Emergency Power Generator Program	84	\$22,000	\$9,900	2013 0990031a	up to 20 Years	No
56	15	2013-0182	CT320171	COVENTRY HOUSING AUTHORITY - LOWER SYSTEM ⁽⁵⁾	COVENTRY	Emergency Power Generator Program	80	\$23,000	\$10,350	2013-320171a	up to 20 Years	No
57	15	2013-0049	CT0815051	MIDDLEBURY COMMONS ⁽⁵⁾	MIDDLEBURY	Emergency Power Generator Program	76	\$15,000	\$6,750	2013 0815051a	up to 20 Years	No
58	15	2013-0066	CT0780131	WOODSEdge APARTMENTS ⁽⁵⁾	MANSFIELD	Emergency Power Generator Program	70	\$12,000	\$5,400	2013 0780131a	up to 20 Years	No
59	15	2013-0097	CT0270101	EVERGREEN TRAILER PARK SYSTEM #3 ⁽⁵⁾	CLINTON	Emergency Power Generator Program	68	\$25,000	\$11,250	2013 0270101a	up to 20 Years	No
60	15	2013-0058	CT0970512	CEDARHURST ASSOCIATION	NEWTOWN	Emergency Power Generator Program	68	\$15,000	\$6,750	2013 0970512a	up to 20 Years	No
61	15	2013-0090	CT0110031	SHARON HEIGHTS WATER ASSOCIATION ⁽⁵⁾	BLOOMFIELD	Emergency Power Generator Program	51	\$14,000	\$6,300	2013 0110031a	up to 20 Years	No
62	15	2013-0095	CT0270041	EVERGREEN TRAILER PARK SYSTEM #1 ⁽⁵⁾	CLINTON	Emergency Power Generator Program	45	\$25,000	\$11,250	2013 0270041a	up to 20 Years	No
63	15	2013-0061	CT0030061	MAR-LEA PARK APARTMENTS ⁽⁵⁾	ASHFORD	Emergency Power Generator Program	42	\$12,000	\$5,400	2013 0030061a	up to 20 Years	No
64	15	2013-0047	CT0861111	FOX LAUREL MOBILE HOME PARK LLC ⁽⁵⁾	MONTVILLE	Emergency Power Generator Program	40	\$22,000	\$9,900	2013 0861111a	up to 20 Years	No
65	15	2013-0062	CT0670041	HEBRON ARMS APARTMENTS ⁽⁵⁾	HEBRON	Emergency Power Generator Program	39	\$12,000	\$3,000	2013 0670041a	up to 20 Years	No
66	15	2013-0092	CT0731021	ROUND HILL APARTMENTS ⁽⁵⁾	LISBON	Emergency Power Generator Program	36	\$12,000	\$5,400	2013 0731021a	up to 20 Years	No
67	15	2013-0096	CT0270091	EVERGREEN TRAILER PARK SYSTEM #2 ⁽⁵⁾	CLINTON	Emergency Power Generator Program	35	\$25,000	\$11,250	2013 0270091a	up to 20 Years	No
68	15	2013-0039	CT1099141	ARNIO DRIVE LLC ⁽⁵⁾	PLAINFIELD	Emergency Power Generator Program	33	\$5,000	\$2,250	2013 1099141a	up to 20 Years	No
69	15	2013-0085	CT1210011	SALEM MANOR SYSTEM #1 ⁽⁵⁾	SALEM	Emergency Power Generator Program	32	\$60,000	\$27,000	2013 1210011a	up to 20 Years	No
70	15	2013-0060	CT0480081	MEADOW BROOK APARTMENTS ⁽⁵⁾	ELLINGTON	Emergency Power Generator Program	30	\$12,000	\$5,400	2013 0480081a	up to 20 Years	No
71	15	2013-0050	CT1120264	WINDHAM 4H CAMP ⁽⁵⁾	POMFRET	Emergency Power Generator Program	25	\$24,500	\$11,025	2013 1120264a	up to 20 Years	No
72	15	2013-0084	CT1211911	SALEM MANOR SYSTEM #2 ⁽⁵⁾	SALEM	Emergency Power Generator Program	25	\$60,000	\$27,000	2013 1211911a	up to 20 Years	No

**ATTACHMENT D.1
DRINKING WATER STATE REVOLVING FUND
DRAFT SFY2014 PROJECT PRIORITY LIST**

Rank	Points	Project #	PWSID	PWS Name	Town of PWS	Project Name	Population Served by Project	Amount Requested	Estimated Subsidation Amount ⁽¹⁾	DWSRF #	Loan Repayment Period	Received Affordability Points
73	10	2013-0121	CT0990011	BLUE TRAILS WATER ASSOCIATION ⁽⁵⁾	NORTH BRANFORD	DWSRF - System Flushant Valve Replacements ⁽²⁾	228	\$15,000	\$3,000	2013 0990011a	up to 20 Years	No
74	10	2013-0120	CT1420041	WOODLAND SUMMIT COMMUNITY WATER ASSOCIATION ⁽⁵⁾	TOLLAND	DWSRF - Pressure Tank Replacement ⁽²⁾	216	\$12,000	\$2,400	2013 1420041b	up to 20 Years	No
THERE ARE INSUFFICIENT FUNDS AVAILABLE TO PROVIDE FINANCING TO THE PROJECTS LISTED BELOW. THESE PROJECTS MAY RECEIVE FUNDING IF ADDITIONAL FUNDS BECOME AVAILABLE OR OTHER PROJECTS LISTED ABOVE DO NOT PROCEED IN A TIMELY MANNER.												
31	25	2012-0029	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacement - Park #1 & 3 ⁽³⁾	2,040	\$3,742,529		2012 0640011L	up to 20 Years	Yes
75	25	2012-0036	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacement - East Hartford	1,836	\$450,000		2012 0640011s	up to 20 Years	Yes
76	25	2012-0027	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacement - Upper Albany #2	1,600	\$2,091,000		2012 0640011j	up to 20 Years	Yes
77	25	2012-0028	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacement - Farmington #4	1,560	\$1,550,000		2012 0640011k	up to 20 Years	Yes
78	25	2013-0129	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacement - Hartford	605	\$12,000,000		2013 0640011g	up to 20 Years	Yes
79	25	2013-0100	CT1040011	NORWICH PUBLIC UTILITIES	NORWICH	Emergency Power Generator Program - Frances Street, Montville	530	\$88,890		2013 1040011c	up to 20 Years	Yes
80	25	2013-0139	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Pond Lily Avenue Water Main Replacement	100	\$170,000		2013 0930011f	up to 20 Years	Yes
81	25	2013-0138	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Allen Place Water Main Replacement	40	\$152,000		2013 0930011e	up to 20 Years	Yes
82	25	2012-0035	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacement - various Hartford	(4)	\$5,000,000		2012 0640011r	up to 20 Years	Yes
83	20	2013-0137	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Millrock Basin Overflow Modifications	122,824	\$310,000		2013 0930011d	up to 20 Years	Yes
84	20	2010-0108	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF- Simsbury Rd Pump Station Upgrade, Bloomfield	950	\$1,035,000		2010 0640011n	up to 20 Years	Yes
85	20	2010-0109	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF- Uplands Way Pump Station Upgrade, Glastonbury	588	\$1,035,000		2010 0640011m	up to 20 Years	Yes
86	15	2013-0110	CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF - Lookout Mountain Storage Tank Painting	53,000	\$75,000		2013 0770021k	up to 20 Years	No
87	15	2013-0111	CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF - Pipe Rehabilitation and Replacement	53,000	\$600,000		2013 0770021l	up to 20 Years	No
88	15	2013-0074	CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF Replace Clarifier Siphons at the Globe Hollow Water Treatment Plant	18,000	\$80,000		2013 0770021h	up to 20 Years	No
89	15	2013-0078	CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF New State Road Wellfield Chlorine Conversion	18,000	\$150,000		2013 0770021f	up to 20 Years	No
90	15	2013-0063	CT0490021	HAZARDVILLE WATER COMPANY	ENFIELD	Emergency Power Generator Program - Town Farm Road Well	17,716	\$80,000		2013 0490021a	up to 20 Years	No
91	15	2013-0064	CT0490021	HAZARDVILLE WATER COMPANY	ENFIELD	Emergency Power Generator Program - Queens Street, Avery Wells	17,716	\$145,000		2013 0490021b	up to 20 Years	No

**ATTACHMENT D.1
DRINKING WATER STATE REVOLVING FUND
DRAFT SFY2014 PROJECT PRIORITY LIST**

Rank	Points	Project #	PWSID	PWS Name	Town of PWS	Project Name	Population Served by Project	Amount Requested	Estimated Subsidation Amount ⁽¹⁾	DWSRF #	Loan Repayment Period	Received Affordability Points
92	15	2013-0073	CT0330011	CROMWELL FIRE DISTRICT	CROMWELL	Emergency Power Generator Program	12,825	\$250,000		2013 0330011a	up to 20 Years	No
93	15	2013-0069	CT0720041	SCWA TOWER - FERRY VIEW DIVISION	LEDYARD	Emergency Power Generator Program	2,412	\$33,000		2013 0720041a	up to 20 Years	No
94	15	2013-0070	CT0860011	SCWA - MONTVILLE DIVISION	MONTVILLE	Emergency Power Generator Program	2,174	\$33,000		2013 0860011a	up to 20 Years	No
95	15	2013-0082	CT0320091	CONNECTICUT WATER COMPANY - COVENTRY HILLS	COVENTRY	Emergency Power Generator Program	654	\$32,500		2013 0320091a	up to 20 Years	No
96	15	2013-0133	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacement - Wethersfield	500	\$5,000,000		2013 0640011k	up to 20 Years	Yes
97	15	2013-0071	CT0860081	SCWA - CHESTERFIELD DIVISION	MONTVILLE	Emergency Power Generator Program	355	\$33,000		2013 0860081a	up to 20 Years	No
98	10	2013-0079	CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF Oxford Street Valve Pit Rehabilitation	18,000	\$24,000		2013 0770021g	up to 20 Years	No
99	5	2013-0081	CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF SCADA System/Software Upgrade	53,000	\$102,000		2013 0770021i	up to 20 Years	No
100	5	2013-0109	CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF - Globe Hollow Water Treatment Plant Particle Replacement Counters	53,000	\$25,000		2013 0770021j	up to 20 Years	No
101	5	2013-0026	CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF Effluent Pump #3 Replacement at the Globe Hollow Water Treatment Plant	18,000	\$40,000		2013 0770021b	up to 20 Years	No
102	5	2013-0027	CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF Globe Hollow Water Treatment Plant Fuel Tank Replacement	18,000	\$175,000		2013 0770021c	up to 20 Years	No
103	5	2013-0113	CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF - Well 7 & 8 Power and Signal Wire Replacement	18,000	\$70,000		2013 0770021n	up to 20 Years	No

Notes:

(1)	Projects eligible to receive subsidization and subsidization levels are more fully described in Section III (C) of the Intended Use Plan (IUP). The estimated subsidization amount is calculated as 30% of the approved FFY2013 capitalization grant, \$8,421,000, in accordance with subsidization provisions stated in the IUP.
(2)	The amounts listed for these Small Systems are estimated at the maximum available subsidy. In order to qualify, systems must meet the conditions set forth in Section III (C)(4) of the Intended Use Plan.
(3)	Project #31 will only receive \$2,345,871 in SFY2014 due to limited available funding, the remaining \$3,757,529 is included below the 2014 funding line. This portion of the project is expected to be supplemented with SFY 2015 funds, when available.
(4)	Population information not provided
(5)	These PWSs serve a population less than 10,000 and are considered "small" for the purposes of DWSRF. Please refer to Section VI.A. of the Intended Use Plan for more information.

**ATTACHMENT D.2
DRINKING WATER STATE REVOLVING FUND
DRAFT SFY2015 PROJECT PRIORITY LIST**

Rank	Points	Project #	PWSID	PWS Name	Town of PWS	Project Name	Population Served by Project	Amount Requested	Estimated Subsidation Amount ⁽¹⁾	DWSRF #	Loan Repayment Period	Received Affordability Points
1	70	2013-0140	CT0590011	GROTON UTILITIES	GROTON	DWSRF - Water Treatment Plant Upgrade	40,115	\$34,000,000		2013 0590011a	up to 20 Years	No
2	50	2013-0126	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Automated Meter Reading Phases III & IVa	124,000	\$8,400,000	\$336,000	2013 0930011a	up to 20 Years	Yes
3	40	2012-0012	CT0450011	EAST LYME WATER DEPARTMENT	EAST LYME	DWSRF - Meter Replacement Program	13,000	\$2,607,354		2012 0450011a	up to 20 Years	No
4	5	2013-0116	CT1050732	CONNECTICUT WATER COMPANY - SHORELINE REGION - SOUND VIEW ^{(2), (5)}	OLD LYME	DWSRF - Old Lyme Beach Shores Association Water Main Replacement	1,600	\$762,000	\$152,400	2013 1050732a	up to 20 Years	No
5	25	2013-0129	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacement - Hartford	2,422	\$12,000,000	\$480,000	2013 0640011g	up to 20 Years	Yes
6	25	2012-0029	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacement - Park #1 & 3	2,040	\$3,757,529	\$150,301	2012 0640011L	up to 20 Years	Yes
7	25	2012-0036	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacement - East Hartford	1,836	\$450,000	\$18,000	2012 0640011s	up to 20 Years	Yes
8	25	2012-0027	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacement - Upper Albany #2	1,600	\$2,091,000	\$83,640	2012 0640011j	up to 20 Years	Yes
9	25	2012-0028	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacement - Farmington #4	1,560	\$1,550,000	\$62,000	2012 0640011k	up to 20 Years	Yes
10	25	2013-0100	CT1040011	NORWICH PUBLIC UTILITIES	NORWICH	Emergency Power Generator Program - Frances Street, Montville	530	\$88,890	\$40,001	2013 1040011c	up to 20 Years	Yes
11	25	2013-0139	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Pond Lily Avenue Water Main Replacement	100	\$170,000	\$6,800	2013 0930011f	up to 20 Years	Yes
12	25	2013-0138	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Allen Place Water Main Replacement	40	\$152,000	\$6,080	2013 0930011e	up to 20 Years	Yes
13	25	2012-0035	CT0640011	METROPOLITAN DISTRICT COMMISSION ⁽⁴⁾	HARTFORD	DWSRF - Water Main Replacement - various Hartford	(3)	\$4,491,227	\$179,649	2012 0640011r	up to 20 Years	Yes
THERE ARE INSUFFICIENT FUNDS AVAILABLE TO PROVIDE FINANCING TO THE PROJECTS LISTED BELOW. THESE PROJECTS MAY RECEIVE FUNDING IF ADDITIONAL FUNDS BECOME AVAILABLE OR OTHER PROJECTS LISTED ABOVE DO NOT PROCEED IN A TIMELY MANNER.												
13	25	2012-0035	CT0640011	METROPOLITAN DISTRICT COMMISSION ⁽⁴⁾	HARTFORD	DWSRF - Water Main Replacement - various Hartford	(3)	\$508,773		2013 0930011d	up to 20 Years	Yes
14	20	2013-0137	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Millock Basin Overflow Modifications	122,824	\$310,000		2013 0930011d	up to 20 Years	Yes
15	20	2010-0108	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF- Simsbury Road Pump Station Upgrade, Bloomfield	950	\$1,035,000		2010 0640011n	up to 20 Years	Yes
16	20	2010-0109	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF- Uplands Way Pump Station Upgrade, Glastonbury	588	\$1,035,000		2010 0640011m	up to 20 Years	Yes
17	15	2012-0038	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Raw Water Pipeline-Phase I - Reservoir No. 6 to Reservoir No. 5	268,000	\$5,000,000		2012 0640011u	up to 20 Years	Yes
18	15	2013-0110	CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF - Lookout Mountain Storage Tank Painting	53,000	\$75,000		2013 0770021k	up to 20 Years	No
19	15	2013-0111	CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF - Pipe Rehabilitation and Replacement	53,000	\$600,000		2013 0770021l	up to 20 Years	No
20	15	2013-0074	CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF Replace Clarifier Siphons at the Globe Hollow WTP	18,000	\$80,000		2013 0770021h	up to 20 Years	No

**ATTACHMENT D.2
DRINKING WATER STATE REVOLVING FUND
DRAFT SFY2015 PROJECT PRIORITY LIST**

Rank	Points	Project #	PWSID	PWS Name	Town of PWS	Project Name	Population Served by Project	Amount Requested	Estimated Subsidation Amount ⁽¹⁾	DWSRF #	Loan Repayment Period	Received Affordability Points
21	15	2013-0078	CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF New State Road Wellfield Chlorine Conversion	18,000	\$150,000		2013 0770021f	up to 20 Years	Yes
22	15	2013-0073	CT0330011	CROMWELL FIRE DISTRICT	CROMWELL	Emergency Power Generator Program	12,825	\$250,000		2013 0330011a	up to 20 Years	No
23	15	2013-0063	CT0490021	HAZARDVILLE WATER COMPANY	ENFIELD	Emergency Power Generator Program - Town Farm Road Well	17,716	\$80,000		2013 0490021a	up to 20 Years	No
24	15	2013-0064	CT0490021	HAZARDVILLE WATER COMPANY	ENFIELD	Emergency Power Generator Program - Queens Street, Avery Wells	17,716	\$145,000		2013 0490021b	up to 20 Years	No
25	15	2013-0069	CT0720041	SCWA TOWER - FERRY VIEW DIVISION	LEDYARD	Emergency Power Generator Program	2,412	\$33,000		2013 0720041a	up to 20 Years	No
26	15	2013-0070	CT0860011	SCWA - MONTVILLE DIVISION	MONTVILLE	Emergency Power Generator Program	2,174	\$33,000		2013 0860011a	up to 20 Years	No
27	15	2013-0130	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacement - West Hartford	1,817	\$5,500,000		2013 0640011h	up to 20 Years	Yes
28	15	2013-0131	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacement - Bloomfield	660	\$4,000,000		2013 0640011i	up to 20 Years	Yes
29	15	2013-0082	CT0320091	CONNECTICUT WATER COMPANY - COVENTRY HILLS	COVENTRY	Emergency Power Generator Program	654	\$32,500		2013 0320091a	up to 20 Years	No
30	15	2013-0133	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacement - Wethersfield	500	\$5,000,000		2013 0640011k	up to 20 Years	Yes
31	15	2013-0071	CT0860081	SCWA - CHESTERFIELD DIVISION	MONTVILLE	Emergency Power Generator Program	355	\$33,000		2013 0860081a	up to 20 Years	No
32	15	2013-0132	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacement - Rocky Hill	(3)	\$6,000,000		2013 0640011j	up to 20 Years	No
33	10	2013-0076	CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF Globe Hollow Water Treatment Plant Security Improvements	18,000	\$130,000		2013 0770021d	up to 20 Years	No
34	10	2013-0079	CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF Oxford Street Valve Pit Rehabilitation	18,000	\$24,000		2013 0770021g	up to 20 Years	No
35	5	2013-0081	CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF SCADA System/Software Upgrade	53,000	\$102,000		2013 0770021i	up to 20 Years	No
36	5	2013-0109	CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF - Globe Hollow Water Treatment Plant Particle Replacement Counters	53,000	\$25,000		2013 0770021j	up to 20 Years	No
37	5	2013-0026	CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF Effluent Pump #3 Replacement at the Globe Hollow Water Treatment Plant	18,000	\$40,000		2013 0770021b	up to 20 Years	No
38	5	2013-0027	CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF Globe Hollow Water Treatment Plant Fuel Tank Replacement	18,000	\$175,000		2013 0770021c	up to 20 Years	No
39	5	2013-0113	CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF - Wells 7 & 8 Power and Signal Wire Replacement	18,000	\$70,000		2013 0770021n	up to 20 Years	No
	Ineligible	2013-0024	CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF Charter Oak Retaining Wall Replacement	18,000			2013 0770021a		
	Ineligible	2013-0077	CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF Middle Zone Interconnection (with Connecticut Water Company)	53,000			2013 0770021e		
	Ineligible	2013-0112	CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF - Well 2A Remediation Project	53,000			2013 0770021m		
	Ineligible	2013-0052	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	Emergency Power Generator Program - West Branch HQ, Colebrook	N/A			2013 0640011b		
	Ineligible	2013-0054	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	Emergency Power Generator Program - Goodwin Gatehouse	N/A			2013 0640011d		

**ATTACHMENT D.2
DRINKING WATER STATE REVOLVING FUND
DRAFT SFY2015 PROJECT PRIORITY LIST**

Rank	Points	Project #	PWSID	PWS Name	Town of PWS	Project Name	Population Served by Project	Amount Requested	Estimated Subsidation Amount ⁽¹⁾	DWSRF #	Loan Repayment Period	Received Affordability Points
	Ineligible	2013-0055	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	Emergency Power Generator Program - Goodwin Hydro Powerhouse	N/A			2013 0640011e		
	Ineligible	2013-0056	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	Emergency Power Generator Program - Colebrook Dam	N/A			2013 0640011f		
	Ineligible	2013-0057	CT0429123	CHATHAM CORNER BUILDING	EAST HAMPTON	Emergency Power Generator Program	93			2013 0429123a		

Notes:

(1)	Projects eligible to receive subsidization and subsidization levels are more fully described in Section III (C) of the Intended Use Plan. Amounts are estimated based on the anticipation that the Federal Fiscal Year 2014 capitalization grant will contain the same subsidization provisions as the FFY2013 capitalization grant and the amount of the FFY2014 grant will be \$8,093,000, as currently proposed in the President's FFY2014 budget. Actual subsidization amounts may be different.
(2)	The amounts listed for these Small Systems are estimated at the maximum <u>available</u> subsidy. In order to qualify, systems must meet the conditions set forth in Section III (C)(4) of the Intended Use Plan.
(3)	Population information not provided.
(4)	Project #13 will only receive \$4,491,227 in SFY2015 due to limited available funding. The remaining \$508,773 is included below the 2015 funding line. If additional funds become available, the remainder of the project costs may be funded.
(5)	This PWS serves a population less than 10,000 and is considered "small" for the purposes of DWSRF. Please refer to Section VI.A. of the Intended Use Plan for more information.
(6)	Projects appearing on the SFY2015 list that also appear on the SFY2014 list may only receive funding during one SFY; sufficient funding is not expected to be available during SFY2014, but may be available during SFY2015.

Attachment E

**2010 – 2015 Strategic Plan for the Implementation of
Drinking Water Source Protection In Connecticut**

**State of Connecticut
Department of Public Health**

Drinking Water Section

Source Water Protection Unit



Dated November 2003
Updated January 22, 2010

Introduction

The Department of Public Health Drinking Water Section's (DWS) Source Water Protection (SWP) Unit is responsible for the protection of Connecticut's 4,000 drinking water sources. The Strategic Plan recognizes this responsibility, and highlights elements that will minimize the risk to public health. The program elements coordinate, manage, and regulate source protection through 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. This unit works to meet the goals and objectives listed below by enacting the actions items as identified within this Strategic Plan.

Mission Statement: Promote, enhance, and protect public health through the active protection of all existing and future public drinking water sources of supply in Connecticut.

Objective 1: Implement the comprehensive drinking water source protection strategic work plan by the DPH's Source Water Protection Unit, reframing, reformatting and revising existing public health law, with a emphasis on education and training, involvement of stakeholders and creation of linkages to all relevant programs.

Objective 2: By 2012, 100 percent of source water areas for community water systems (both surface and ground water) will achieve minimized risk to public health by substantial implementation of the source water protection actions as identified in this Strategic Plan. This is consistent with a source water protection sub-objective 2.1.1 under Goal 2: Clean and Safe Water within EPA Office of Water's National Water Program Guidance.

The plan's action items place an emphasis in five main areas: regulatory, management planning, education and training, cross program linkages, and stakeholder involvement. The program elements are to coordinate, manage, and regulate source protection through utilization of assessment report information to:

- Enhance, oversee, and enforce existing public health source protection laws and regulations,
- Integrate drinking water source protection with water supply management planning,
- Initiate the development of drinking water quality management plans,
- Educate and train local land use officials,
- Link to related programs to emphasize proactive public health protection through source water protection, and
- Involve stakeholders on a continuous basis.

The five areas emphasized have been identified by the Department of Public Health as critical to drinking water source protection, and achieving minimized risk to public health. Implementation of action items within this strategic plan is critical towards achieving substantial implementation for all sources of community public water supply sources.

Strategic Work Plan Outline

In order to fulfill the above mission and two objectives, the following action items are listed for implementation.

Statutes/Regulations

Continued development, enhancement and adaptation of source water protection laws are critical to ensure public health is maintained at the highest possible level through source water protection.

- Hire a consultant with extensive source water protection, statutory, and regulatory knowledge for investigation and redevelopment of source protection regulations, including:
 - Incorporation of PA 08-137 (CGS 25-33(b)) into regulation (Plan required for construction or expansion of a water supply system or a proposed new source of water supply) and determine the appropriateness of incorporation into RCSA Section 19-13-B51 and/or B102.
 - Update, revise and reformat statutes and regulations concerning water company lands.
 - Evaluate disconnect between the permitting of a sale of a water supply source and the permitting of the sale of the land surrounding the source, and provide regulatory and/or permitting solutions.
 - Develop statutes and/or regulations pertaining to the sale of a water company.
 - Develop regulations for CGS Section 25-33l (Sale of source, potential source or abandoned source of water supply).
 - Provide guidance on the redevelopment of RSCA 19-13-B51 concerning the siting and protection of public water supply wells.
 - Conduct an evaluation of transferring well siting and protection regulations to RCSA Section 19-13-B102 for consistency with the newly adopted Ground Water Rule.
 - Review and provide advice for an update to the Department's authority under RCSA 19-13-B32 including permitting requirements, and enforcement mechanisms for non-compliance.
 - Provide guidance and analysis concerning the original intent of statutes and regulations for at least the following: minimum stream flow, well siting, and source protection. Provide guidance and analysis of minimum streamflow regulation revision.

Permitting/Approvals

Source water protection has been documented in public health department records at least back to 1937. Water companies purchased land for sanitary control and watershed inspections of on-site sewage disposal systems were made to prevent source contamination. A legislative act in 1967, gave health department jurisdiction over the adequacy of water. This was further developed by a 1974 public act in the disposition or change in use of any watershed land. Consistent statutory changes from interested stakeholders over the last thirty years has proven permitting is dynamic. Regulations establishing criteria and performance standards for classification of water company land and the departments review of disposition and use of those lands were promulgated from a 1977 statute. Departmental review determined sufficiency and whether the proposed action will have a significant adverse impact upon the drinking water sources. In an effort to meet current needs and streamline the continued administration of water company lands the Source Water Protection Unit will stay abreast of globally embraced technological changes and remove antiquated process formats by:

- 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.
- Review of water company lands permits applications to meet statutory review deadline.
- Initiation of development of drinking water source protection management plans,
- Development of a permitting/site approval section on the DWS website to include links to relevant regulations and statutes, as well as provides application and technical assistance data sheets.
- Revise, update and develop all permit application forms, prioritizing water company land permit applications.
- Review of recreational activity permit proposals and renewals.

Source Water Area Inspections

The SWP Unit plans to enhance the process of conducting annual watershed inspections by public water systems to ensure the highest level of water quality and to ensure utility consistency with the requirements of RCSA Section 19-13-B102b and 19-13-B32. Actions include the following:

- Review and respond to annual public water system inspection reports.
- Conduct investigatory site visits in response to spill or contamination events.
- Accompany utility and local health officials on watershed inspections.
- Promote active communication between utilities and local health departments.
- Provide training to utilities and local health departments.
- Develop and disseminate information on watershed protection best management practices to utility management, inspectors, local health departments, and property owners.
- Work with CT Section AWWA Source Water Protection Committee to develop guidance to determine and target high/medium rated sources for more frequent/detailed inspections.
- Review past information reported, and start database of this information. Incorporate this information into DWS GIS system. Review present violations report and update.
- Review past violations and potential sources of contamination, and take follow-up actions, including site visits and initiation of investigations and/or orders per CGS 25-34.
- Promote consistent reporting among public water systems required to submit reports.

- Develop a strategy to integrate site inspections, SWAP assessments, water supply plans, and the CWA 305b reporting requirements. Information collected in the field by the public water systems should:
 - Concentrate on the more highly susceptible sources,
 - Verify SWAP SPCS information, and
 - Incorporate into updated assessment type information in water supply plans and regional plans.
- Hire a consultant with extensive source water protection, statutory, and regulatory knowledge to update, revise and reformat RCSA Section 19-13-B102(b) to reflect the above initiatives.
- Work with local health directors, towns and DEP to review and eliminate regulatory violations.

Geographic Information System

The maintenance of source water data is critical to the monitoring of land uses near sources, as well as the implementation of Source Water Protection strategies. In addition to Source Water Protection, GIS plays an important role in Water Supply Planning, Monitoring, and other compliance needs.

Highly accurate data is essential for adequate source assessment and protection. As the role of GIS continues to grow, the Source Water Protection Unit is committed improving the DWS's GIS application and DWS GIS data layers. In order to ensure data integrity, system longevity and effectiveness; the SWP Unit will:

- Redevelop the Drinking Water Sections's GIS system, utilizing external consultants as needed.
- Develop a detailed implementation plan for the continuous update and maintenance of the DWS's GIS data layers. Review how other sources of data could be utilized to assist with the updates of these layers.
- Develop a real-time SWAP report module, utilizing a redeveloped GIS system, SDWIS/State, and other maintained data sources.
- Develop a new data layer working with Planning for tracking future potential sources of supply as identified within individual water supply plans. This is consistent with the initiative of the Water Planning Council.
- Develop an Operations and Maintenance plan for the new GIS system. This includes ongoing system upgrades, data layer updates, and routine system maintenance.
- Continue to represent the DWS at statewide GIS committees.
- Bridge with other units to incorporate field collected and verified data in order to improve data integrity.
- Develop an ongoing training program for staff of the DWS to ensure understanding and promote consistent use of the GIS system.
- Evaluate the value of GIS to other units, and develop new datasets as necessary.
- Continue to use GIS to support the analytical needs of the Drinking Water Section.

Assessments

Connecticut has more than 150 surface water reservoirs and more than 3,800 ground water supply wells that are used to supply approximately 80% of the state's population with public drinking water. In April of 2003, the DPH Drinking Water Section, following its EPA-approved Source Water Assessment Workplan, completed an initial susceptibility determination of these sources to significant potential sources of contamination. Information developed by the assessments for each delineated source water area includes land use/land coverages, the location of significant potential contaminant sources, and places where spills or chemical releases occurred historically. The assessment reports are being used by public water systems, regional planners, local government and public health officials to plan and direct drinking water source protection initiatives. Connecticut's residents that rely on public sources of drinking water also have access to the assessment data on the Department of Public Health Drinking Water Section Website: <http://www.ct.gov/dph/publicdrinkingwater>.

The Drinking Water Section is also integrating the assessment data into other Section programs including the coordination of statewide source protection efforts, new source approvals, watershed inspections, and the public water system water supply planning process. DWS is committed to maintaining and updating the initial assessments reports to ensure their continued accuracy and usefulness.

- Develop a real-time SWAP report module, utilizing the existing SWAP reports, a redeveloped GIS system, SDWIS/State, and other maintained data sources.
- Provide technical assistance and require source water monitoring and/or corrective actions of water systems that have sources that are deemed at an elevated risk due to real-time SWAP reports, utilizing the provisions of the Ground Water Rule, where appropriate.
- Continue to update assessment information through linkages with individual and regional water supply plans, watershed inspection reports, outreach and partnerships with various groups, updated GIS data from the DEP, and with Consumer Confidence Reports (CCR).
- Integrate SWAPs, HSAs (hydrogeological sensitivity assessments), and significant deficiencies to determine assessment monitoring strategies for potentially impaired sources.
- Develop a method to measure progress of the strategic plan's implementation. This new tool will provide the ability to produce timely activity reports on a periodic basis, fulfill EPA reporting and tracking requirements under the DWSRF and track progress of performance measures under the PPA.
- Review PWS submissions pertaining to CCR-SWAP, source water protection methods, and water conservation information for compliance with RCSA Section 19-13-B102(i)10(J) and CGS 25-32k.

Local, Regional, and State Partnerships - Environmental Impact Review

Work with state agencies and Regional Planning Organizations to promote the usage, and understanding of SWP concepts and best management practices to enhance drinking water source protection. Work with communities concerning drinking water source protection. Continue to review local development projects, regulations and/or local plans of Conservation & Development under a series of public health laws that allow the DPH to provide guidance concerning drinking water protection. Continue to review projects for other state agencies. Reviews would utilize and incorporate SWAP assessment information and follow statewide drinking water source protection policy.

- Review and evaluate potential impacts of proposed projects in public water system watersheds and aquifer protection areas, received as a result of statutory notification requirements of CGS Sections 8-3i and 22a-42f.
- Provide comments to local land use boards under the authority of CGS Section 25-32f.
- Work with DEP concerning implementation of the aquifer protection area land use regulations.
- Work with the DEP to gain access to and maintain critical information concerning known spills, contamination events, UIC wells, and UST's.
- Develop DWQMPs. Hire a consultant with extensive source water protection, statutory, and regulatory knowledge to develop DWQMP statutes and regulations.
- Develop an ongoing outreach component that is geared towards local municipal planners and land-use boards that educates land use commissioners concerning local responsibilities under CGS Sections 8-2, 8-23, 8-3i and 22a-42f.
- Continue to work cooperatively with the Regional Planning Organizations concerning drinking water protection.
- Continue to review project applications, submitted to other state agencies, for potential impact to public water supply sources, and recommend source water protection measures.
- Review local development projects, regulations and/or local plans of C&D under a series of public health laws that allow the DPH to provide guidance concerning drinking water protection.
- Develop a series of BMP/BAT Fact sheets (standard comments for groundwater and surface water sources, concerns and recommendations for various types of development projects addressing drinking water protection) that will facilitate a quick turn-around on reviews.
- Develop a section of the DWS website that includes Source Water Protection Fact Sheet information.
- Maintain a connection to the Environmental Review Team (ERT) to assist in the review of local development projects.

Planning

Integrate source water assessment information into individual and regional water supply plans.

- Draft regulations for both the individual and regional water supply plans in order to strengthen drinking water source protection in long-term planning per PA 02-102.
- Track and assess future sources of public drinking water as identified within water supply plans (individual and regional).
- Work with the DEP to ensure that future sources of public drinking water are protected under the CWA water quality classification system.
- Develop assessments for future sources of supply identified in the individual water supply plans.
- Review individual and regional water supply plans for adherence to the source water protection evaluation requirements.

Outreach

Work with relevant groups to enhance drinking water source protection and provide useful educational materials.

- Continue to work proactively with public water systems, CWWA, and the CT Section Source Water Protection and Water Conservation Committees, including attending meetings and presenting at training events.
- Redevelop website with an emphasis on public health and drinking water source protection.
- Develop source water protection outreach materials for use of the DWS website.
- Continue to proactively work with the States of New York, Rhode Island, and Massachusetts concerning source water protection for border sources of supply.
- Work with Tribal Nations concerning source water protection.

Climate Change Adaptation

Climate change occurring in the northeastern portion of the United States is predicted to cause higher intensity but less frequent precipitation events, more frequent short term droughts, sea level rise and higher temperatures. The water quality of PWS surface water resources can be anticipated to be adversely affected by increased erosion and sedimentation and increased nutrient loads. PWS ground water resources may be adversely affected by reduced infiltration for aquifer recharge and flooding of low lying wells and salt water intrusion to coastal systems. Due to potential shortfalls in streamflow and increases in temperature of Class A and AA sources, increased pressure has been applied to allow use of Class B water for public drinking water supplies. The DPH will focus on the following areas to address Climate Change Adaptation:

- Continue to review and comment on site plans of projects which are proposed to be located in PWS drinking water supply source areas to encourage the implementation of stormwater detention and treatment best management practices.
- Educate local land use officials of towns that are located in public water supply source water areas on the various development strategies including low impact development and green infrastructure which will allow economic viability while protecting the public drinking water sources.
- In conjunction with DEP, revise the permitting program for application of aquatic pesticide/herbicides in public drinking water source areas especially considering that rule which is the basis of the program currently in place has been vacated.
- Participate in coordinated efforts with existing workgroups and organizations that have already, or plan to undertake efforts to address climate change adaptation needs.
- Continue to advocate for the use of only Class A or AA water for public drinking water by participation in stakeholder groups.
- Evaluate what effects increased flooding potential will have on the implementation of, and compliance with, RCSA 19-13-B102(d) (location of well above the 100-year flood elevation).

Pesticides/Herbicides

Develop and utilize consistent policies for the use pesticides and herbicides in public drinking water sources of supply (use in water and on land).

- Review MOA with DEP and revise/update as necessary.
- Develop a consistent policy for use of herbicides for land application.
- Share policies and MOA with CTAWWA, specific public water systems, and the Invasive Species Council.
- Continue to work with CTAWWA concerning invasive species issues for both aquatic and terrestrial applications.

Enforcement

Develop an enforcement strategy utilizing existing laws to investigate potential pollution of drinking water supplies.

- Develop a procedure to investigate and issue appropriate orders against polluters of drinking water supplies.
- Review and potentially revise existing laws CGS 25-34, 25-32g, and 25-43 to strengthen public drinking water enforcement powers, using the SWP consultant mentioned above.
- Develop an on-site notice of violation and follow-up procedure.

Security

Distribution of locational information for sources of supply poses a security and public health threat. The SWP Unit will develop policies to protect sensitive information, including:

- Working with other state agencies, develop a process to disseminate, in a secure manner, drinking water source information for legitimate purposes.
- Develop standard operating procedures for the dissemination of information, incorporating necessary elements of the Freedom of Information Act.
- Continue to work with the public water systems concerning security of sensitive GIS information.

The SWP unit can provide technical assistance and analysis of security threats to reservoirs, watershed areas, wells and aquifer protection areas:

- Conduct site assessments when security incidents occur within watersheds and aquifer protection areas. Provide technical assistance.
- Work with first responders and other agencies to assure that appropriate corrective action is taken after security incidents, including remediation and security improvements.

Bottled Water Sources

Develop and implement a process for inspecting Connecticut's bottled water sources pursuant to Public Act 11-242.

- Determine if new regulations are required
- Develop regulations, if necessary
- Conduct inspections of Connecticut's bottled water sources

Screening Determinations

- Review incoming Screening Applications and provide a written determination

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.



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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.

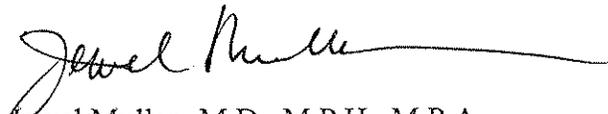
The solicitation and review of potential projects continues to be a time intensive process. This year, we fully implemented a plan to expedite the solicitation and award of assistance agreements with Connecticut's public water systems. The DPH's October 2011 call for projects was a two year solicitation 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.

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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.



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

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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

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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

CONNECTICUT DWSRF PROJECT PIPELINE FROM 7/1/12 - 6/30/13 - (as of 6/18/13)

(Pending = Loan Agreement Being Prepared or in the Process of Execution - See Footnotes 1-6)

APPLICANT	PROJECT LOAN #	LOAN EXECUTION DATE	LOAN AMOUNT	SUBSIDY AMOUNT	TOTAL LOAN & SUB
EAST LYME	2012-7010	7/5/2012	\$361,660.21	\$19,359.79	\$381,020.00
LEDYARD - ALJEN HTS	2013-7011	10/30/2012	\$3,617,576.78	\$932,834.27	\$4,550,411.05
THE METROPOLITAN DISTRICT - METERING III	2013-7012	1/8/2013	\$3,257,816.18	\$840,065.82	\$4,097,882.00
CTWC - PILGRIM HILLS DIVISION (Alice Dr)	2013-9010	2/12/2013	\$11,549.45	\$9,449.55	\$20,999.00
CTWC - GENERAL WATER DIVISION (Northfield Rd)	2013-9011	2/12/2013	\$11,549.45	\$9,449.55	\$20,999.00
CTWC - SPICE HILL DIVISION (Spice Hill Ln)	2013-9019	2/12/2013	\$13,506.90	\$11,051.10	\$24,558.00
CTWC - GALLUP WATER - COUNTRY MOBILE DIV.	2013-9016	2/12/2013	\$8,750.50	\$7,159.50	\$15,910.00
CTWC - LONDON PARK DIVISION (Jan Dr)	2013-9021	2/12/2013	\$8,750.50	\$7,159.50	\$15,910.00
CTWC - MILL AT STONECROFT DIV (Mill/Jeremy)	2013-9013	2/12/2013	\$11,334.95	\$9,274.05	\$20,609.00
CTWC - WELLSWOOD VILLAGE DIV (Village Ln)	2013-9012	2/12/2013	\$11,334.95	\$9,274.05	\$20,609.00
CTWC - LEBANON ELDERLY DIV.	2013-9015	2/12/2013	\$10,430.20	\$8,533.80	\$18,964.00
CTWC - REDWOOD FARMS DIV (Redwood Rd)	2013-9017	2/12/2013	\$11,549.45	\$9,449.55	\$20,999.00
CTWC - PINEWOODS LANE DIV	2013-9020	2/12/2013	\$8,750.50	\$7,159.50	\$15,910.00
CTWC - JENSENS ROLLING HILLS (2 generators)	2013-9018	2/12/2013	\$20,299.95	\$16,609.05	\$36,909.00
CTWC - FOREST HOMES ASSOC. (Hickory/Glenwd)	2013-9024	2/12/2013	\$8,848.40	\$7,239.60	\$16,088.00
CTWC - RIVERCREST DIVISION	2013-9022	2/12/2013	\$8,750.50	\$7,159.50	\$15,910.00
SCWA - CHRISWOOD	2013-9014	1/10/2013	\$15,836.15	\$12,956.85	\$28,793.00
SCWA - LANTERN HILL	2013-9023	1/10/2013	\$11,601.15	\$9,491.85	\$21,093.00
PORTLAND WATER DEPT - GENERATOR	2013-9001	1/11/2013	\$15,754.20	\$12,889.80	\$28,644.00
SOUTH KENT SCHOOL	2013-9009	6/7/2013 (IFO)	\$3,346.75	\$2,738.25	\$6,085.00
IDELVIEW MOBILE HOME PARK	2013-9004	5/1/2013	\$7,629.05	\$6,241.95	\$13,871.00
HARMONY ACRES MOBILE HOME PARK	2013-9005	5/1/2013	\$19,095.45	\$15,623.55	\$34,719.00
JEWETT CITY WATER CO (FRONT & REAR)	2013-9002	1/10/2013	\$35,473.90	\$29,024.10	\$64,498.00
BLUE TRAILS WATER ASSN	2013-9003	4/8/2013	\$13,186.80	\$10,789.20	\$23,976.00
WOODLAKE TAX DISTRICT (2)	2013-9008	1/10/2013	\$33,100.55	\$27,082.28	\$60,182.83
CLC OWNERS CORP	2013-9026	5/14/2013 (IFO)	\$13,612.50	\$11,137.50	\$24,750.00
TARIFFVILLE FIRE DISTRICT	2013-9025	1/11/013	\$20,912.10	\$17,109.90	\$38,022.00
CANDLEWOOD TRAILS ASSN	2013-9027	1/11/013	\$35,732.40	\$29,235.60	\$64,968.00
COUNTRY ACRES PARK	2013-9028	5/2/2013	\$7,569.65	\$6,193.35	\$13,763.00
WOODLAND SUMMIT COMMUNITY WATER ASSN	2013-9029	5/2/2013	\$9,882.40	\$8,085.60	\$17,968.00
LAKEVIEW MOBILE HOME PARK	2013-9006	5/9/2013 (IFO)	\$4,919.75	\$4,025.25	\$8,945.00
MDC - CAPITOL, BROAD, LINDEN	2013-7014	5/30/2013 (IFO)	\$2,126,239.51	\$167,439.49	\$2,293,679.00
THE METROPOLITAN DISTRICT - CLEVELAND AVE / TOWER AVE SOUTH	2013-7019	6/3/2013	\$1,629,943.17	\$128,355.83	\$1,758,299.00
THE METROPOLITAN DISTRICT - FRANKLIN #5	2013-7014	6/17/2013	\$4,696,464.00	\$369,447.00	\$5,065,911.00
THE METROPOLITAN DISTRICT - FARMINGTON #6	2013-7017	6/17/2013	\$2,013,468.10	\$158,557.90	\$2,172,026.00
BRISTOL WATER - OLD WOLCOTT RD	2013-7016	PENDING - (2)	\$525,000.00	\$0.00	\$525,000.00
MANCHESTER - GENERATOR (2)	2013-9031 & 9032	PENDING - (6)	\$85,250.00	\$67,750.00	\$153,000.00
DANBURY - (HAWTHORNE TERRACE) GENERATOR	2013-9033	PENDING - (6)	\$9,900.00	\$8,100.00	\$18,000.00
QUONNIPAUG - GENERATOR (2)	2013-9034	PENDING - (6)	\$24,116.88	\$19,732.01	\$43,848.89
THE METROPOLITAN DISTRICT - FRANKLIN # 13	2013-7015	PENDING - (6)	\$5,635,823.50	\$443,813.50	\$6,079,637.00

CONNECTICUT DWSRF PROJECT PIPELINE FROM 7/1/12 - 6/30/13 - (as of 6/18/13)

(Pending = Loan Agreement Being Prepared or in the Process of Execution - See Footnotes 1-6)

APPLICANT	PROJECT LOAN #	LOAN EXECUTION DATE	LOAN AMOUNT	SUBSIDY AMOUNT	TOTAL LOAN & SUB
EAST LYME - REGIONAL INTERCONNECTION (Construction Phase)	2013-7022	PENDING - (4)	\$7,549,987.80	\$1,946,852.20	\$9,496,840.00
BRISTOL WATER - GROVE ST.	2013-7023	PENDING - (1)	\$315,000.00	\$0.00	\$315,000.00
APPLE VALLEY VILLAGE	2013-9007	PENDING - (4)	\$5,596.25	\$4,578.75	\$10,175.00
SHARON RIDGE APARTMENTS / SHARON HOUSING AUTHORITY	2013-9035	PENDING - (1)	\$11,548.90	\$9,449.10	\$20,998.00
WOODLAKE TAX DISTRICT - ATMOSPHERIC STORAGE TANK	2013-7020	PENDING - (2)	\$369,859.00	\$0.00	\$369,859.00
Norwalk First Taxing District - 1st Spring Hill	2013-7024	PENDING - (2)	\$7,000,000.00	\$0.00	\$7,000,000.00
TOTAL LOANS ANTICIPATED JULY '12 - JUNE '13			\$45,066,237.77		
TOTAL LOANS ANTICIPATED JULY '13 - JUNE '14			\$83,042,608.00		
TOTAL AMOUNT OF LOANS EXECUTED (as of 6/18/13)			\$18,096,226.45	\$2,937,653.43	\$21,033,879.88
TOTAL AMOUNT OF LOANS PENDING EXECUTION 6/18/13 - 6/30/13			\$21,532,082.33	\$2,500,275.56	\$24,032,357.89
TOTAL AMOUNT OF LOANS ANTICIPATED TO BE EXECUTED SFY 2013			\$39,628,308.78	\$5,437,928.99	\$45,066,237.77
GRAND TOTAL OF ALL POTENTIAL LOANS JULY 2012 - JUNE 2014					\$128,108,845.77

- PENDING (1) = Loan agreement being drafted by OTT
- PENDING (2) = Drafted loan agreement sent to Applicant for review/comment & signature by DPH Contracts & Grants Mgmt Section
- PENDING (3) = Applicant returned signed loan agreement to DPH Contracts & Grants Mgmt Section
- PENDING (4) = Loan agreement with DPH Commissioner for signature
- PENDING (5) = Signed loan agreement with OTT for delivery to AG's Office for execution
- PENDING (6) = Signed loan agreement with AG's Office awaiting execution

CONNECTICUT DWSRF PROJECT PIPELINE FROM 7/1/13 - 6/30/14 - (as of 6/18/13)
(Pending = Loan Agreement Being Prepared or in the Process of Execution - See Footnotes 1-6)

APPLICANT	PROJECT LOAN #	ANTICIPATED LOAN EXECUTION DATE	LOAN AMOUNT	SUBSIDY AMOUNT	TOTAL LOAN & SUB
The Metropolitan District - Upper Albany #1	2013-7021	PENDING - (2)	4,031,310.72	\$317,460.28	\$4,348,771.00
The Metropolitan District - Farmington #7.2	2013-7018	PENDING - (2)	488,520.65	\$38,470.35	\$526,991.00
New London Department of Public Utilities - Lake Konomoc Intake Pump Station Phase 2	2013-7025	TBD	\$ 5,562,000.00	\$438,000.00	\$6,000,000.00
The Metropolitan District - West Hartford WTP Valves	TBD	TBD	1,158,287.00	\$91,214.00	\$1,249,501.00
The Metropolitan District - Retreat Ave	TBD	TBD	1,854,000.00	\$146,000.00	\$2,000,000.00
The Metropolitan District - North Storage Basin	TBD	TBD	4,449,600.00	\$350,400.00	\$4,800,000.00
Norwich Stony Brook South Transmission Main	TBD	TBD	93,571.00	\$7,369.00	\$100,940.00
Norwich Stony Brook North Transmission Main	TBD	TBD	127,342.00	\$10,028.00	\$137,370.00
Norwich Mohegan tank (design phase)	TBD	TBD	113,525.00	\$8,940.00	\$122,465.00
Norwich Royal Oaks (design phase)	TBD	TBD	119,120.00	\$9,381.00	\$128,501.00
The Metropolitan District - Wickham Hill Storage Basins - Phase I Improvements	TBD	TBD	\$ 3,582,855.00	\$282,145.00	\$3,865,000.00
The Metropolitan District - Res #6 Bloomfield Phase II	TBD	TBD	\$2,317,500.00	\$182,500.00	\$2,500,000.00
The Metropolitan District - Water Pump Station Upgrades	TBD	TBD	\$4,514,490.00	\$355,510.00	\$4,870,000.00
Norwich - Backwash Recycle	TBD	TBD	\$1,670,052.00	\$417,513.00	\$2,087,565.00
The Metropolitan District - Water Mains East Hartford	TBD	TBD	\$834,300.00	\$65,700.00	\$900,000.00
The Metropolitan District - Huyslop Water Main	TBD	TBD	\$2,688,300.00	\$211,700.00	\$2,900,000.00
Putnam WPCA - Water Main Replacement (design phase)	TBD	TBD	\$922,456.00	\$26,573.00	\$949,029.00
Norwich - Stony Brook Buoyant Media (design phase)	TBD	TBD	\$278,100.00	\$21,900.00	\$300,000.00
Meriden Water Division - Broad Brook WTP & Pump Station Improvements (construction phase)	TBD	TBD	\$17,934,200.00	\$1,065,800.00	\$19,000,000.00
East Lyme - Meter Replacement Program	TBD	TBD	\$1,916,438.00	\$150,916.00	\$2,067,354.00
Norwich Deep River Pumps/Drive (construction phase)	TBD	TBD	\$1,725,840.00	\$431,460.00	\$2,157,300.00
Norwich main, meter, microturbine (construction phase)	TBD	TBD	\$1,107,080.00	\$276,770.00	\$1,383,850.00
Putnam WPCA - Water Main Replacement (construction Phase)	TBD	TBD	TBD	TBD	\$5,762,971.00
The Metropolitan District - Metering Phase IV	TBD	TBD	TBD	TBD	\$5,000,000.00
The Metropolitan District - Bloomfield Bear Ridge Pump Station Replacement	TBD	TBD	TBD	TBD	\$1,100,000.00
Brainard Memorial Library - Water Main Ext (Haddam)	TBD	TBD	TBD	TBD	\$3,000,000.00
The Metropolitan District - Simsbury Rd Pump Station Upgrade	TBD	TBD	TBD	TBD	\$1,035,000.00

CONNECTICUT DWSRF PROJECT PIPELINE FROM 7/1/13 - 6/30/14 - (as of 6/18/13)
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APPLICANT	PROJECT LOAN #	ANTICIPATED LOAN EXECUTION DATE	LOAN AMOUNT	SUBSIDY AMOUNT	TOTAL LOAN & SUB
The Metropolitan District - Transmission Main Hartford, Hamilton Park	TBD	TBD	TBD	TBD	\$4,750,000.00
Norwich - Southern Stonybrooke Trans Main Renewal (Construction)	TBD	TBD	TBD	TBD	\$1,920,000.00
Norwich - Northern Stonybrooke Trans Main Renewal (Construction)	TBD	TBD	TBD	TBD	\$2,025,000.00
Norwich - Wehegan Park Water Tank (Construction)	TBD	TBD	TBD	TBD	\$2,052,000.00
The Metropolitan District - Franklin #1 Water Main	TBD	TBD	TBD	TBD	\$3,904,000.00
TOTAL LOANS ANTICIPATED JULY '13 - JUNE '14			\$83,042,608.00		
TOTAL LOANS ANTICIPATED JULY '12 - JUNE '13			\$45,066,237.77		
GRAND TOTAL OF ALL POTENTIAL LOANS JULY 2012 - JUNE 2014					\$128,108,845.77

SHADED PROJECTS ARE CURRENTLY BELOW THE CURRENT P.L.'S FUNDING LINE AND ARE NOT INCLUDED IN THE FIGURES

- PENDING (1) = Loan agreement being drafted by OTT
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