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# Prioritizing Drinking Water Needs:

A compilation of State priority systems  
for the Drinking Water State Revolving Fund program

Office of Ground Water and Drinking Water  
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# Table of Contents

- I. Introduction
- II. Acronym List
- III. State List (alphabetical)
- IV. State Summaries and Priority Systems  
(by region)

## INTRODUCTION

The Drinking Water State Revolving Fund (DWSRF) program was authorized by the 1996 Amendments to the Safe Drinking Water Act (SDWA), which were signed into law on August 6, 1996. The program provides each State with a source of funding to continue to ensure that the public is provided with safe drinking water. A State uses capitalization grants awarded by EPA to establish a Fund from which loans and other types of financial assistance are provided to eligible publicly- or privately-owned community water systems and nonprofit non-community water systems to finance the cost of infrastructure improvements.

To determine which projects receive priority for funding, each State must develop a priority system for ranking individual projects based on three objectives mandated in the SDWA. A State must, to the maximum extent practicable, give priority to projects that:

- address 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 affordability criteria developed by the State.

The SDWA envisions that a State will fund DWSRF projects in priority order, unless the project is not ready to proceed<sup>1</sup>. Since public involvement is an important element of the DWSRF program, a State's priority system must be sufficiently detailed to permit the public and potential applicants to readily understand the criteria used to rank projects.

This document is a comprehensive compilation of the priority systems developed by the States for their DWSRF program capitalization grants. While each State is required to include the three statutory objectives as primary factors, there is considerable variation in the structure of priority systems.

For easy reference, this document groups the States by EPA Region. An index, in alphabetical order by State, can also be found following this introduction. Throughout the document, links appear in pink to facilitate navigation. A brief 1-2 page summary has been developed for each State, followed by the complete priority system.

The first section of each State summary, entitled "Priority Ranking Criteria," documents the ranking method employed by the State. Although each State must address the three objectives mandated by the SDWA, many States have chosen to develop additional categories, which reflect each of the required objectives. For example, [North Carolina](#) gives bonus points to systems that have source water protection and management programs in place. States that include numerous categories may grant fewer points for categories considered less relevant to them. It is important to note that although States may award points for criteria other than the three SDWA-mandated objectives, these points should not be sufficient to elevate a low priority compliance, public health, or affordability project over a high priority one. Some States

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<sup>1</sup> It should be noted that EPA allowed States to include readiness to proceed as a factor in their priority systems for the first two years of the program in recognition of the fact that highly ranked projects may not have been ready to apply for assistance. This factor, where included, will be removed from future priority systems. A State will, however, be able to assess readiness to proceed when developing a fundable list of projects from its comprehensive list of projects eligible to receive assistance.

have developed categories which address more than one of the required objectives. For example, **Maine** grants points for the compliance objective and the public health objective together under one category, “Compliance and Public Health.”

Nearly all States grant more points for compliance and public health criteria categories than for affordability criteria categories. The affordability criteria must be explicitly defined by each State.

Most States base their affordability criteria on median household income (MHI), often comparing the MHI of the system’s service population to the State MHI. However, some States take into account system user rates, or use more complex equations, such as **Tennessee**’s “ability to pay index” developed by the University of Tennessee Center for Economic and Business Research.

Although most States prioritize by using point categories, several States determine ranking by placing projects in different priority classes and then granting points to rank projects within these classes. For example, **Nevada**’s priority system assigns projects to one of four classes: projects addressing acute health problems, projects addressing chronic health problems, projects addressing inadequate public water system (PWS) conditions, and projects involving refinancing of existing debts. Projects in the first class are always given higher priority than those in any of the following classes. Within each class, projects are ranked by different point categories (e.g., the type of water system, affordability, population).

In addition to the Priority Ranking Criteria section, we have included a “Notes” section in many State summaries to explain other ranking determinants or constraints. Any bonus points, incentive points, or State-specific ranking guidelines fall under the Notes section. Many States stipulate that only a certain percentage of the capitalization grant may be loaned to a single project or specify a ceiling on loans. The Notes section also discusses tiebreakers for States that have specified one in the event that two or more projects receive the same number of points. Tie-breaking procedures are often based on the service population of the system represented. Tie-breaking procedures may also be based on type of water system, points received in one of the categories in the Priority Ranking Criteria section, affordability, postmark date of the application, or other criteria.

We hope that this compilation will be of interest to staff implementing DWSRF programs in all States and to the general public. If you would like more information about the DWSRF program, including State contact names, consult EPA’s DWSRF web page at <http://www.epa.gov/safewater/dwsrf.html>.

#### Notice to States

This compendium generally includes those priority systems that were submitted by States for their Fiscal Year 1997 capitalization grant applications. The compendium will be periodically updated to reflect revised priority systems. States are encouraged to contact their Regional DWSRF coordinator if they have questions about the material presented within this document.

## ACRONYMS

AWWA -	American Water Works Association
CMHI -	Community Median Household Income
CWS -	Community Water System
DEP -	Department of Environmental Protection
DOH -	Department of Health
DNR -	Department of Natural Resources
DWSRF -	Drinking Water State Revolving Fund
EPA -	Environmental Protection Agency
ERU -	Equivalent Residential Unit
GWUDI -	Ground Water Under the Direct Influence of Surface Water
IOC -	Inorganic Compound
IUP -	Intended Use Plan
MCL -	Maximum Contaminant Level
MHI -	Median Household Income
NOV -	Notice of Violation
NPDWR -	National Primary Drinking Water Regulations
NTNCWS -	Nontransient Noncommunity Water System
O&M -	Operations and Management
PQL -	Practical Quantitation Limit
PWS -	Public Water System
SMHI -	State Median Household Income
SDWA -	Safe Drinking Water Act
SNC -	Significant Non-Complier
SWTR -	Surface Water Treatment Rule
TCR -	Total Coliform Rule
TDS -	Total Dissolved Solids
THM -	Trihalomethanes
TNCWS -	Transient Noncommunity Water System
URTH -	Unreasonable Risk to Health
VOC -	Volatile Organic Compounds

**STATE****REGION**

Alabama	IV
Alaska	X
Arizona	IX
Arkansas	VI
California	IX
Colorado	VIII
Connecticut	I
Delaware	III
Florida	IV
Georgia	IV
Hawaii	IX
Idaho	X
Illinois	V
Indiana	V
Iowa	VII
Kansas	VII
Kentucky	IV
Louisiana	VI
Maine	I
Maryland	III
Massachusetts	I
Michigan	V
Minnesota	V
Mississippi	IV
Missouri	VII
Montana	VIII
Nebraska	VII
Nevada	IX
New Hampshire	I
New Jersey	II
New Mexico	VI
New York	II
North Carolina	IV
North Dakota	VIII
Ohio	V
Oklahoma	VI
Oregon	X
Pennsylvania	III
Puerto Rico	II
Rhode Island	I
South Carolina	IV
South Dakota	VIII
Tennessee	IV
Texas	VI
Utah	VIII
Vermont	I
Virginia	III
Washington	X
West Virginia	III
Wisconsin	V
Wyoming	VIII

# CONNECTICUT

## **Priority Ranking Criteria**

*Projects will be prioritized based on points accrued in the following six categories:*

- **Quality** - Points will be given to projects that seek to eliminate water quality problems. Points may be given from 4 subcategories and points per criterion range from 10 to 50 points. For example, projects addressing immediate risks (turbidity, microbiological, etc.) will receive 50 points, while projects addressing physical problems such as pH or odor will receive 10 points.
- **Quantity Violations with Health Implications** - Points will be given to projects that seek to eliminate water quantity problems. Up to 40 points will be given for each supply or pressure issue (e.g., 40 points for insufficient supply, 20 points for pressure violations). A project that implements water conservation measures will receive 15 points.
- **Acquisition/Transfer** - Points will be given for consolidation by acquisition or interconnection that enables a system to operate in compliance with State and federal law. Twenty-five points will be given for projects in which an existing PWS is acquired for consolidation and 15 points per each interconnection with other PWSs.
- **Proactive Infrastructure Upgrades** - Projects may receive a maximum of 15 points in this category. Five points will be given to projects for each example of a proactive infrastructure upgrade (e.g., main replacement/improvement, system automation, or leak detection).
- **Source/Distribution System Protection** - Points will be given for protective measures involved in a construction project funded by the DWSRF such as correcting well construction violations (20 points), purchase of land (5 points) or implementation of best management practices on watersheds (10 points).
- **Affordability** - Ten points will be given to projects in towns where the MHI is equal to or less than 80 percent of the State's average MHI.

## **Notes**

- **Tie-Breaking Procedure** - In the event of a tie between two projects, the applicant with the larger population will be given priority.
- **Population** - To ensure that a minimum of 15 percent of funding is dedicated to small water systems, projects will also be ranked according to system size, with 15 percent of funding directed towards the smallest systems (serving up to 1,000 people) and 35 percent directed to systems serving between 1,000 and 10,000 people.

# CONNECTICUT

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

### INTRODUCTION:

The Connecticut Department of Public Health (DPH) will establish and maintain a priority list of eligible drinking water projects and will establish a system setting the priority for making project loans to eligible public water systems (PWS). This ranking system is delineated in this document. The statutory authority for establishing the Drinking Water State Revolving Fund (DWSRF) is embodied in Public Act 96-181 which states the following:

“The 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 PWS. In establishing such priority list and ranking system, the Commissioner of Public Health shall consider all factors which he deems relevant, including but not limited to the following: (1) the public health and safety; (2) protection of the 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 and other related Federal Acts; (7) applicable State and Federal Regulations. The priority list of eligible drinking water projects shall include a description of each project and its purpose, impact, cost and construction schedule, and an explanation of the manner in which priorities were established. The Commissioner of Public Health shall adopt an interim priority list of eligible drinking water projects for the purpose of making project loans prior to adoption of final regulations, and in so doing may utilize existing rules and regulations of the department relating to the program. To the extent required by applicable Federal Law, the DPH and the Commissioner of Environmental Protection shall prepare any required Intended Use Plan with respect to eligible drinking water projects; (8) consistency with the Plan of Conservation and Development; (9) consistency with the policies delineated in Section 22a-380; and (10) consistency with the coordinated Water System Plan in accordance with subsection (f) of Section 25- 33d, as amended.”

### INTENDED USE PLAN (IUP)

Annually the DPH will also prepare an IUP that identifies how the State intends to use available DWSRF funds. The IUP will be submitted to the U.S. Environmental Protection Agency (EPA) as part of the DPH's annual capitalization grant application for DWSRF funds. The IUP will identify the ranked eligible projects in a priority list and will include specific detail on how the State intends to use set-aside funds designated under the DWSRF program.

### PRIORITY RANKING SYSTEM

Each year the DPH will solicit planning, design and construction projects from community and non-profit, non-transient, non-community, PWSs to determine the ranking of projects eligible for loans under the DWSRF program. Ranking will be assigned utilizing DPH's priority ranking system described further in this text.



DPH will 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).

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. Public Health Code (PHC) compliance with water quality standards and adequate quantity of drinking water are given the highest points within the ranking system.

This is consistent with the Safe Drinking Water Act (SDWA) Amendments of 1996 which indicate that the Intended Use Plan (IUP) shall provide to the maximum extent practicable, that priority for the use of funds be given to projects that:

- i. addresses the most serious risk to human health;
- ii. are necessary to ensure compliance with the requirements of this title including requirements for filtration; and
- iii. 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 as noted. Category I deals with various water quality risks while Category II 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 allows water systems to be restructured financially, managerially or technically so that they operate in compliance with State and Federal law. Categories IV and V allow for improvements in source, treatment and distribution to allow for the continuation and satisfactory operation so that health risks from infrastructure failure is averted.

Projects will be ranked in three population categories:

1. Small systems serving less than or equal to 1,000 population.
  2. 1001 to 10,000 population.
  3. 10,001 and greater population.
1. The purpose of this process is to ensure that a minimum of 15% funding is dedicated to small water systems as required by the SDWA Amendments of 1996.
  2. Each fiscal year DPH will compile only one comprehensive priority list of ranked projects for the IUP. This priority list will be compiled from the rankings in the three population categories.
  3. The final priority list will rank all projects based on the ranking criteria and will identify which systems are anticipated to be funded for a particular fiscal year.

Every project submitted to DPH will be identified by the PWS identification number utilized by the State and Federal Government for the inventory of PWSs. 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.

Connecticut's DWSRF priority ranking system assigns criteria points for each project deemed eligible for funding. The six major categories are as follows:

- I. Quality
- II. Quantity
- III. Acquisition/Transfer
- IV. Proactive Infrastructure Upgrades
- V. Source/Distribution System Protection
- VI. Affordability

The total numerical score for a project is arrived at by tallying points from each of the 6 categories:

$$(I+II+III+IV+V+VI = \text{Total Score}).$$

Projects which address several quality and/or quantity issues can be added together to increase the total score.

The projects are ranked by total score and those in the upper quartile are identified. The DPH may make a final determination of award among projects which fall in the upper quartile of all ranked projects.

#### ELEMENTS FOR ESTABLISHING THE PRIORITY RANKING OF PROJECTS FOR THE DWSRF:

The following outline represents the elements involved in the ranking of projects eligible for funding in the DWSRF.

1. Priority Ranking System:
  - I. Quality (Violations)
    - A. Immediate
    - B. Long Term
    - C. Water Quality Goals
    - D. Physical
  - II. Quantity (Violations)
  - III. Acquisition / Transfer
  - IV. Proactive Infrastructure Upgrades
  - V. Source / Distribution System Protection
  - VI. Affordability
2. By-Pass Procedure / Emergency By-Pass Procedure

3. Project Ranking Category by Population is as follows:

- A. Small systems less than or equal to 1000 population - \*15% of funds
- B. Systems 1001 to 10,000 population - \*35% of funds
- C. Systems 10,001 and greater - \*50% of funds

\*Target goals subject to revision on demand for DWSRF loans.

4. General Provisions:

Tie Breaking Process:

In circumstances where more than one system has an equivalent ranking score, the size of the population served by the system will be used in breaking the tie. The larger population will be given preference.

5. Criteria

Description of Ranking Elements

The following describes in detail the elements involved in the ranking of projects eligible for funding in the DWSRF.

1.) Priority Ranking System

- I. Quality: Violations of Water Quality are divided into four subcategories: immediate, long-term, water quality goals, and physical.
  - A. Water quality violations requiring immediate action include turbidity, microbiological, nitrate and/or nitrite and lead exceedances. These violations pose health risks which must be brought into compliance expeditiously.
  - B. Violations of water quality which have health risk ramifications over extended periods of time include the following subcategories: inorganic chemicals, pesticides, herbicides, PCB's, organic chemicals, radioactivity and treatment technique's (e.g., groundwater under the direct influence of surface water and concentration/time of disinfectants). Violations sufficiently severe as to present acute health risks may be elevated to Category I A.
  - C. Water quality goals include 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. The physical element of the water quality category allows points for parameters that are primarily deemed aesthetic/physical rather than having significant health ramifications.

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

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 backsiphonage 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: Acquisition/transfer ranking points gives acquiring systems additional points for projects which include acquisition of other system. Acquisitions can be by direct interconnections or satellite ownership (own and operate smaller public water 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, main replacement /improvement treatment residuals management, storage tanks repair / replacement, source development, and inter- connection through main extensions (not intended for system growth), system automation, posting/fencing/security measures and main extensions to existing private wells with public health concerns.
- V. Source/Distribution System Protection: Source/distribution ion system protection projects reinforce protective measures necessary to ensure the safe delivery of potable water. These measures must be directly related to a construction project being funded by the DWSRF. The protection measures include: purchase of land, implementation of Best Management Practices (BMPs) on watersheds, and source distribution violations of the PHC, and other source protection improvements. (See attached Source System Protection Detail)
- VI. Affordability: Affordability in addressed in Category VI of the Priority Ranking System Criteria. The maximum obtainable points in this category is 10. Water systems proposing projects in the following towns: Bridgeport, Griswold, Hartford, Killingly, New Britain, New Haven, New London, Norwich, Putnam, Sterling, Waterbury and Windham will be given 10 Points since the Median Household Income (MHI) of these towns is less than 80% of the State's average MHI (\$33,376) as determined by the 1990 census.

2.) By-Pass Procedure:

Actual loan awards are contingent on the water system's readiness to proceed. If for some reason a water system is not ready to proceed in a timely fashion, the DPH may select another eligible project for funding based on that system's ability to initiate the project as well as on its completion period. A project may also be by-passed if the applicant has withdrawn its application.

This By-Pass process is necessary to ensure that available DWSRF funds will be disbursed in a timely fashion.

*Emergency By-Pass Procedure:*

In cases of unexpected circumstances which develop into severe public health risk, there may be a need to By-Pass projects ranked on the project priority list. When such a situation arises, the Commissioner of Public Health in consultation with the Commissioner of Environmental Protection or their respective designees, may make a project loan with respect to an eligible drinking water project without regard to the priority list of eligible drinking water projects. The Commissioner may similarly make a project loan 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).

3.) Project Ranking Categories by Population:

A. Small systems serving equal to or less than 1,000 population

In order to ensure that small PWSs receive the required share of available loan money, DPH proposes to rank small systems separately from larger ones so that the minimum 15% funding level as required by SDWA is made available to those systems. If, however, loan fund demands for eligible projects are less than 15%, DPH may reassign extra funds to the priority lists for larger PWS (systems serving 1,000 or more people.)

B. Systems serving greater than 1,000 population but less than or equal to 10,000

Water systems in this population category are being allocated approximately 35% of the total available loan funds in order to ensure that these systems will have an opportunity for funding. Unallocated funds could be distributed to either of the two other population categories.

C. Systems serving greater than 10,000 people

Water systems in this population category are being allocated approximately 50% of the total available loan funds in order to ensure that these systems have an opportunity for funding.

4.) General Provisions

Eligible projects must be submitted in a timely fashion to DPH with sufficient technical documentation, data, reports, certifications, etc. Incomplete or inadequate information may invalidate eligible project for making the current project priority list.

Projects identified by the DWSRF Program Guidelines as not being eligible for funding include the following:

1. Dam Projects
2. Developing Water Systems for Growth
3. Fire Protection (only)

Tie Breaking Procedure

(See narrative on page 4)

Connecticut Department of Public Health (DPH) Review of Projects

Connecticut DPH will utilize the PHC, Regulations of Connecticut State Agencies Sec. 16-260m-1 through 16-260m-9, Recommended Standards for Water Works (latest edition) as well as other relevant regulations or statutes to evaluate projects for eligible funding.

5.) Criteria

Please see the attached criteria for DWSRF (Priority Criteria for Individual Eligible Projects under DWSRF).

**SOURCE SYSTEM PROTECTION DETAIL**

Source/Distribution Violation

20 points

- Correcting well construction violations.  
  
(casing extensions, eliminate pounding around well head, pitless adapter, repair/replacement, well seal replacement, etc.)
- Generally any source or distribution protection violations not addressed under any other category.
- Storage tanks properly vented/protected.

Purchase of Land

5 points

- Purchase of land to develop new sources or construct treatment facilities, pumping stations storage tanks, etc.

Implementation of Best Management Practices

10 points

Activities associated with construction projects that involve constructing drainage basins, detention basin, relocation of culverts, installation of drainpipes, erosion control measures construction of berms or rip rap, etc.

Source Protection Improvements

5 points

Activities, associated with *construction projects*, that in order to improve source protection; removal of septic systems; prevention of spillage (deletion basing roadway reconstruction to improve runoff quality, etc.)

CRITERIA  
DRINKING WATER STATE REVOLVING FUND (DWSRF)  
(Priority Criteria for Individual Eligible Projects under DWSRF)  
CT DEPARTMENT OF PUBLIC HEALTH (DPH)  
WATER SUPPLIES SECTION (WSS)

CATEGORY

I.	Quality:		
	A. Immediate	Turbidity (Surface Water) Violation	50
		Microbiological Violation	50
		Nitrate/Nitrite Violations	50
		Lead Exceedance	40
	B. Long-Term	Inorganic Chemical violations	30
		Pesticides, Herbicides & PCBs Violation	30
		Organic Chemical Violations	30
		Radioactivity Violations	30
		Treatment Technique Violations	
		- Groundwater Under Direct Influence	30
		- Concentration/Time	30
	C. Goals	Exceeding DPH Action Levels	15
		Approaching MCL	15
	D. Physical	Color Violation	10
		pH Violation	10
		Odor Violation	10
		Turbidity (Ground Water) Violation	10
II.	Quantity:		
		Source Deficit or Insufficient margin of Safety	40
		System Capacity Deficit	40
		Lack of Source (production) Meters	20
		Pressure Violation	20
		Implementation of Conservation Measures	15

III.	Acquisition/Transfer:	Acquiring Existing PWS Systems	25
		Replacement of PWS System through interconnection (15 points per each PWS)	15
IV.	Proactive Infrastructure Upgrades (Max. of 15 points from this category):		
		Treatment Facilities	5
		Pumping Facilities	5
		Main Replacement/Improvement	5
		Treatment Residuals Management	5
		Storage Tanks	5
		Source Development	5
		Main Extension for Interconnection	5
		System Automation	5
		Main Extension To Existing Private Wells With Public Health Significance	5
		Leak Detection	5
		Distribution Meters	5
		Posting/Fencing/Security Measures	5
V.	Source System Protection*:		
		Source/Distribution Violations	20
		Purchase of Land	5
		Implementation Best Management Practices (BMP) on Watersheds	10
		Source Protection improvements	5
		*As it relates only to construction projects.	
		Affordability	
		Systems having projects in towns where the Mean Household Income is 80% of the State's Average	10



# MAINE

## **Priority Ranking Criteria**

*Projects will be prioritized based on points accrued in categories A and B below. Under category A, points will be given for only one item in only one sub-category. In category B, points will be given for one criterion in each of the sub-categories. Total Project Priority Point Score = A + B1 + B2 + B3 + B4. Also note that points may be added for funding incentives (see Notes).*

### **(A) Type of Project - Points will be given for only one of the sub-categories 1-7**

- **Compliance and Public Health** - Points may be given to projects depending on the severity of the threat posed to public health and the method used to address the problem. For example, more points will be given for the installation of treatment (70-99 points) or the replacement of a contaminated source (69-95 points) than for the rehabilitation of instrumentation/controls, transmission/distribution mains, and storage (20-40 points).
- **Low Pressure Problems** - Points may be given to projects that address low pressure problems. Points range from 43 for backflow prevention to 22 for larger main installations.
- **Future SDWA Regulations** - Points may be given to projects that address compliance with future SDWA regulations. Projects associated with Enhanced Surface Water Treatment will be given 15 points, while a minimum of 9 points will be given to projects that address sulfate problems.
- **Aesthetics** - Eight points may be given to projects that address problems with taste, color, odor, etc of water.
- **Construction for Source Protection** - Points may be given to projects involving the construction of facilities intended to protect a water systems source supply. For example, 72 points for systems using unfiltered surface water under a filtration waiver, 62 points for systems using filtered surface water, and 52 points for systems using ground water.
- **Redundant Facilities** - Points may be given to projects to install redundant facilities. Installation of a facility to address supply problems will receive 68 points, while projects that address transmission main problems will receive 18 points.
- **Other Eligible Projects** - Points may be given for three other project types: facility consolidation (65), resolution of dead-end water quality problems (34), or installation of meters (16).

### **(B) Add-Ons - Points will be given in all sub-categories (B1)-(B4) based on only one criterion**

- **System Compliance/Enforcement Status** - Points may be given to projects that address specific compliance and enforcement issues. Points (between 8 and 30) may be given for only one item. For example, 30 points will be given to a system faced with a court action or civil penalty assessment, while 8 points will be given to systems with Active Bi-Lateral Compliance Agreements with the State. Priority points will be given only to proposed projects that address the compliance/enforcement issue in question.

- Affordability - Up to 24 points will be given to systems based on the ratio of the average residential water bill to MHI. For example, systems will receive 24 points if the residential water bill is greater than 2.25 percent of MHI. Fewer points will be given as the percentage of the MHI that is paid for water decreases.
- Population Served - Points will be awarded based on the population that is served by the system with an emphasis on systems serving less than 10,000 people. The maximum number of points (10) will be given to systems serving between 3,300 and 9,999 people, while fewer points will be given to systems serving either smaller or larger populations.
- Public Water System Type - Six points will be given to CWSs, 3 points to NTNCWSs, and 1 point to TNCWSs.

### Notes

- **Funding Incentives** - If DWSRF funds are needed to complete the financing of a project and will also offer the best financial package, 15 bonus points will be given.
- Maine has created a priority system for set-aside activities, ranking projects that apply to land acquisition, source-water protection (available only to CWSs), and assistance for Capacity Development and Wellhead Protection.

## State of Maine Drinking Water State Revolving Loan Fund 1998 Intended Use Plan

The scoring system that will be used for ranking requests for DWSRF financial assistance is as follows:

### I. Standard Projects (only one priority point score to apply to each project)

#### a. Type of project Priority points

##### 1) Projects to address compliance and public health issues:

Installation of treatment for:	
acute contaminants	99
non-acute	80
chronic	70

Replacement of contaminated source with uncontaminated	
from existing source of: river/stream	95
lake/pond/impoundment	90
GWUDI	85
dug well	77
spring	75
filtered surface water	69

Replacement of aging infrastructure at risk of causing contamination-type of facility:	
uncovered f. w. storage	60
treatment facility	55
source-intake structure	45
pump station	42
storage	40
transmission mains	35
distribution mains	33
instrumentation/controls	30

Rehabilitation of aging infrastructure or upgrade of existing facilities at risk of contamination-	
type of facility: treatment facility	44
source-intake structure	25
pump station	23
storage (inside painting)	20
transmission mains	18
distribution mains	17
instrumentation/controls	15

##### 2) Installation of facilities to address low system pressure problems:

backflow prevention devices	43
storage	32
booster pump station	24
larger mains	22

<u>3) Projects for compliance with future SDWA regulations:</u>	
Proposed rule: Enhanced Surface Water Treatment	15
Groundwater Disinfection	14
Disinfectants/Disinfection Byproducts	13
Radon	12
Radionuclide	11
Arsenic	10
Sulfate	9

4) Projects to address aesthetics: taste, color, odor, etc. 8

5) Construction of facilities around a water system's source to address a health threat:\*

source type:

unfiltered surface water w/ filtration waiver	72
filtered surface water	62
groundwater	52

6) Installation of facilities to provide redundant facilities:

supply (present peak day supply problems)	68
disinfection equipment	56
treatment train	50
supply source	47
source-intake structure	32
river crossing	29
pump station	21
storage	19
transmission main	18

\*Source water protection activities are not eligible for funding with Project Funds but may be eligible for Other Non-Project Activity set-aside funds.

7) Other Eligible Projects:

System viability: Facility consolidation	65
Resolution of dead end water quality problems	34
Installation of meters	16

**b. Priority Point System Add-ons (only one priority point score for each category applies and is to be added with each category's score including project points to produce the final project priority rank)**

Priority points

1) System compliance/enforcement status\*

Court action or Civil Penalty assessment	30
Assessed Administrative Penalty	25
Active Administrative Compliance/Consent Order	20
Loss of Filtration Avoidance/Exemption	18
On long-term Boil Water Order (>1 year)	16
In Significant Non-Compliance	14
Outstanding Notice of Non-Compliance	12

Outstanding Treatment Technique Violation	10
Active Bi-lateral Compliance Agreement	8

\* These priority points are only added if proposed project addresses the compliance/enforcement issue in question.

2) Percentage of annual residential water bill of median household income

Greater than 2.25%	24
between 2.01% and 2.25%	18
between 1.76% and 2.00%	12
between 1.51% and 1.75%	9
between 1.26% and 1.50%	6
between 1% and 1.25%	3
less than 1%	1

3) Population served

100,000 people or more	1
between 10,000 and 99,999	3
between 3,300 and 9,999	10
between 500 and 3,299	8
less than 500 people	6

4) Public Water System Type

Community	6
Non-Transient	3
Transient	1

Water systems should inform the DWSRF Program of financing they are attempting to secure or have secured from other agencies (Rural Utility Services (RUS), Department of Economic and Community Development (DECD), etc.) for projects they are also attempting to finance with DWSRF funds. The Program will work to inform systems of their eligibility for funds from other agencies and will promote the application for these funds when the other agency presents a better financing package for the system or has available funds for which their project is eligible. The Program will the combined use of DWSRF funds and funds from other agencies if the DWSRF funds are necessary to complete the financing of the project. These projects will receive an additional 15 priority points. The Program will not authorize funds which will replace loan commitments already secured from another lending agency unless approval to do so has been obtained from that agency. RUS and DECD, the primary two agencies with funds available to finance drinking water facilities in Maine, have goals similar to those of the DWSRF Program. They both consider a projects ability to address a public health issue when prioritizing the projects eligible for their funds.

5) Projects with funds available from another agency

Funding from RUS/DECD	15
-----------------------	----

(Total Project Priority Point Score = a + b1 + b2 + b3 + b4 + b5)

## MASSACHUSETTS

### **Priority Ranking Criteria**

*Projects will be prioritized based on points accrued in the following four categories. Projects may receive points for all items that apply in each category. Up to 200 points can be given to any project.*

- **Public Health** - A maximum of 80 points may be given to projects to eliminate a serious public health risk. Up to 40 points may be assigned based on the severity of the problem, up to 20 points depending on the size of the population affected, and up to 20 points based on the extent to which the project will eliminate or mitigate the risk.
- **Compliance Criteria** - A maximum of 60 points may be given to projects to achieve or maintain compliance with federal or State rules and regulations. Projects may receive up to 24 points based on the extent to which they are needed to ensure compliance with an existing federal or State court or administrative order, up to 20 points depending on the extent to which they are needed for compliance with federal or State permit or approval, and up to 16 points based on the extent to which it addresses reasonably anticipated, additional federal or State requirements and has demonstrable benefits to or protection of drinking water quality or public health).
- **Affordability** - Projects may receive up to 20 points based on the extent to which they will assist systems whose service area MHI is less than or equal to 80 percent of the State MHI for non-metropolitan areas.
- **Program and Implementation** - A maximum of 40 points may be given to projects to address program and implementation issues (e.g., up to 16 points for projects to consolidate or restructure a PWS to address contamination, compliance, or capacity problems; up to 8 points for projects to implement, or be consistent with, one or more current watershed management plans, etc.).

MASSACHUSETTS DEPARTMENT OF ENVIRONMENTAL PROTECTION  
 DRINKING WATER STATE REVOLVING FUND (DWSRF)  
 1998 / 1999 PROJECT RATING SCORE SHEET

PWS Name:		PWS ID #:
PWS City or Town:		Project No.:
Watershed:	Region:	Reviewer:

Total Project Score (from page 2):

**A. Public Health Criteria [See 310 CMR 45.06(a).] 40% of the weight (80 points) will be on public health criteria.**

Criterion/Factor	Points Avail.	Score
<b>1. The extent to which the project will eliminate or mitigate a serious risk to public health:</b>		
a. The severity of the public health problem(s) the project is intended to address.	<b>40</b>	
b. The size of the population affected by the identified risk(s) to public health.	<b>20</b>	
c. The extent to which the project demonstrably eliminates or mitigates the identified serious risk(s) to public health.	<b>20</b>	
<b>TOTAL</b>	<b>80</b>	

**B. Compliance Criteria [See 310 CMR 45.06(b).] 30% of the weight (60 points) will be on compliance criteria.**

Criterion/Factor	Points Avail.	Score
<b>1. The extent to which the project is needed to achieve or maintain compliance with 310 CMR 22.00, the SDWA or other required or related federal and/or state permit(s), approvals, regulations and requirements, and the effect of compliance on public health and drinking water quality.</b>		
a. The extent to which the project is needed to ensure compliance with an existing federal or state court or administrative order.	<b>24</b>	
b. The extent to which the project is needed to come into or maintain compliance with 310 CMR 22.00, the SWDA, or other required or related federal or state permit or approval, including the Department's approval of a new drinking water source.	<b>20</b>	
c. The extent to which the project is to address reasonably anticipated, additional federal or state requirements and has demonstrable benefits to or protection of drinking water quality and/or public health.	<b>16</b>	
<b>TOTAL</b>	<b>60</b>	

**C. Affordability Criteria [See 310 CMR 45.06(c).] 10% of the weight (20 points) will be on affordability criteria.**

Criterion	Points Avail.	Score
1. The extent to which the project will assist systems whose service area consists of users with median household income ("MHI") of 80% or less of the state median household income for non-metropolitan areas.	20	
<b>TOTAL</b>	<b>20</b>	

**D. Program and Implementation Criteria [See 310 CMR 45.06(d).] 20% of the weight (40 points) will be on program and implementation criteria.**

Criterion	Points Avail.	Score
1. Whether the project is to consolidate and/or restructure a public water system (e.g., to address a system with a contaminated water supply or when a system is in noncompliance or lacks adequate technical, managerial and financial capability to maintain compliance).	16	
2. The extent to which the project implements or is consistent with one or more current watershed management plans (e.g., DEP basin plans) and/or watershed protection plans (e.g., local Zone II land use controls, comprehensive conservation management plans), or otherwise effectively addresses a watershed priority, as determined by the Department.	8	
3. The extent to which the project is consistent with local and regional growth and/or infrastructure plans, and promotes the rehabilitation and revitalization of infrastructure, structures, sites, and areas previously developed and still suitable for economic (re)use, as provided in Executive Order 385 (Growth Planning).	8	
4. Whether the project constitutes or is a component of a multi-community or regional approach to addressing the identified public health or drinking water quality problem.	8	
<b>TOTAL</b>	<b>40</b>	

**TOTAL PROJECT SCORE:**

**There are a total of 200 available project score points.**



## NEW HAMPSHIRE

### **Priority Ranking Criteria**

*Projects will be prioritized based on points accrued in the following five categories:*

- **Violations of National Drinking Water Standards** - Projects for systems with water quality issues may receive points for all criteria that apply in this category. Points may be given to a project for each of the following: total and fecal coliform; nitrate; turbidity; THMs; lead and copper; primary organic, inorganic, and radionuclide standards; secondary standards; and boil status. For example, 62 points will be given to projects addressing boil status classification, and 18 points to projects addressing copper level between 1.3 and 3.0 mg/l.
- **Quantity Deficiencies or Insufficient Storage** - Points will be given based on water quantity deficiencies (shortages due to limited water supply sources or insufficient storage to meet public need). For example, the maximum, 22 points will be given to systems for continual daily shortages while 14 points will be given to systems for shortages during seasonal high use in a system without an implemented conservation plan.
- **Treatment/Design Deficiencies** - Points will be given based on design deficiencies (conditions that could be corrected by enlarging, repairing, installing, or replacing all or a portion of the system). For example, 22 points will be given to systems that have no surface water filtration or that have GWUDI, while as few as 16 points will be given for other significant deficiencies.
- **Affordability** - Points will be given to each project if the proposed user rate is greater than 1 percent of the system's or town's MHI. The least affordable projects (Affordability index greater than 2.5) will receive the maximum of 15 points.
- **Bonus Points** - Projects may receive bonus points for all items that apply (a total of up to 28 points). Bonus points may be given for consolidation (10 points) and to systems that have implemented source water protection (5 to 10 points), water conservation (1 to 4 points), backflow prevention (2 points), and emergency plans (2 points).

### **Notes**

- **Tie-Breaking Procedure** - In the event of a tie, the project that serves the greater existing population will receive the higher ranking.
- **Consolidation** - For consolidation projects, points may be awarded for the relief of problems in the satellite system(s).

# NEW HAMPSHIRE

## **6A(1) Priority Ranking-Formula**

In order to direct the resources of New Hampshire's DWSRF toward the state's most pressing public health and compliance needs, and address affordability, projects will be rated using a point system and placed on a priority list. Project priority points (P) will be derived using the following formula:

$$P = [(A+B +C+D) + \text{bonus points}]$$

Where:

- A Violations of National Drinking Water Standards
- B Quantity Deficiencies
- C Treatment/Design Deficiencies
- D Affordability of project

Bonus points may be given for specific actions taken by systems to maximize public health protection. (Discussion at end of 6A(2).)

## **6A(2) Description of Factors**

Factors used in the formula are described and weighted below. Factors and points apply to the system applying for assistance. For consolidation projects, points can be awarded for the relief of problems in the satellite system(s). For planning projects, points can be awarded based upon the project likely to result from the planning activities.

### **A = Violations of National Drinking Water Standards**

Maximum Contaminant Levels (MCLs) are established by the SDWA for those contaminants which may be detrimental to public health. Exceedences of these levels in the 12 months preceding the development of a priority list (3 years for secondary contaminants) carry the following weightings. Points are given for all of the following that apply to a system.

	<b>Priority points</b>
a. Total and fecal -coliforms	
1. No MCL violations	0
2. 1-2 MCL violations	30
3. Greater than 2 violations	40
b. Nitrate	
1. No level above 1.0 mg/L	0
2. Levels >1.0<10mg/L	24
3. MCL violations	36
c. Turbidity	
1. No MCL violations	0
2. 1-2 MCL violations	26
3. Greater than 2 violations	36

d. THMs	
1. No MCL violations	0
2. 1-2 MCL violations	26
3. Greater than 2 violations	36
e. Lead and Copper (At the 90th percentile)	
1. Lead levels above .030 mg/L	28
2. Lead levels between .015 and .030 mg/L	22
3. Copper levels above 3.0 mg/L	24
4. Copper levels between 1.3 and 3.0 mg/L	18
f. Primary Organic, Inorganic, and Radionuclide Standards	
1. No MCL violations	0
2. 1-2 MCL violations	18 per contaminate group
3. Greater than 2 violations	20 per contaminate group
**Multiply number of MCL violations by the number of contaminant groups present.	
g. Secondary Standards	
Any exceedence of SMCL	14
h. Boil Status (non-catastrophic i.e. fecal coliform positive)	62

**B = Quantity Deficiencies or Insufficient Storage.** Quantity deficiencies are shortages due to limited water supply sources or insufficient storage within the distribution to meet public need. The associated public health and compliance risks associated with quantity deficiencies include domestic need of adequate potable water for drinking and hygiene, and maintaining adequate pressure in lines to prevent back siphonage and cross-connections. Projects related to anticipation of future growth are not eligible for funding under the DWSRF, therefore, projected shortages due to anticipated expansion are not eligible and should not be ranked under this category.

<b>Condition</b>	<b>Priority points</b>
Adequate quantity for the present (meets all current demand)	0
Continual shortage (daily)	22
Shortage during peak demands	20
Shortage during seasonal high use in a system with an <i>implemented</i> conservation plan.	18
Shortage during seasonal high use in a system without an implemented conservation plan	14

**C = Treatment/Design Deficiencies:** Design deficiencies are those which could be corrected by enlargement, repair, installation or replacement of all or a portion of the system. Any combination of the following deficiencies have the potential to adversely affect a system's ability to continually provide drinking water that meets all standards.

<b>Condition</b>	<b>Priority points</b>
No surface water filtration or presence of groundwater under the influence of surface water	22
Non-optimized surface water filtration when compared with AWWA composite correction criteria	18
Mandated chlorination of groundwater system	14
Distribution/ plant capacity deficiencies (includes situations where current demand exceeds treatment capacity; pipe tuberculation; pressure issues; asbestos cement removal )	18
Need to upgrade existing corrosion control treatment in order to meet action levels	17
Improper well construction	18
Inadequate water treatment wastewater disposal (backwash or sludge)	16
Other significant deficiencies (e.g. treatment of arsenic, iron, manganese, radon, radionuclides; other deficiencies observed during a sanitary survey).	16

**D Affordability:** In order to address affordability on a per household basis, ranking points will be awarded to any system whose proposed project user rate exceeds the state's definition of affordability found in Section 9. An affordable project is one that results in user rates that do not exceed 1 percent of the system's or town's median household income. Points will be awarded using the following system:

Affordability Index* (resulting project user rate / 1% of system or community MHI)	Priority Points Awarded
1.0-1.5	12
1.5-2.0	13
2.0-2.5	14
>2.5	15

**Bonus points:** In order to reward systems that operate in a manner that maximizes their efforts to protect public health and maintain compliance, bonus points may be awarded for a project in addition to the points that reflect public health and compliance need. The following points may be added to an applicant's score when they apply:

**Consolidation:** Projects which result in the consolidation, interconnection, and regulatory compliance for 2 or more drinking water systems may receive an additional 10 points applied to their total score.

**Source Water Protection:**

Drinking water systems which have implemented a comprehensive source water protection plan including permanent protection of existing lands may receive 10 points applied to their total score. Systems in the process or committed to implementing a source water protection program (via contract) may receive 5 points applied to their total score.

**Conservation:**

Drinking water systems that have taken measures to implement water conservation measures may add the following bonus points where they apply:

Master and customer meters with a meter reading, replacement and maintenance program	1
Rate structure that promotes conservation Implemented water conservation strategy	1
Unaccounted for water loss of 15% or less	1

**Backflow Prevention:**

Systems that have a residential, commercial and industrial backflow prevention program may receive 2 bonus points added to their score.

**Emergency Plans:**

Systems having an updated emergency plan may receive 2 bonus points added to their score. An acceptable emergency plan must meet the criteria in NH rules (Part Env-WS 365 - Emergency Plans) which require a phone list of contacts and a strategy for contingency supplies in the event of an unanticipated interruption/ disruption of service.

**6A(3). Tie-breaking procedure:**

When two or more projects score equally under the Project Priority System a tie breaking procedure will be utilized. In order to direct financial resources where they will benefit the greatest number of people, and because the vast majority of New Hampshire's systems are either small or very small, (statewide, only 5 systems serve greater than 10,000 people) the project with the greatest existing population served will receive the higher ranking).

## RHODE ISLAND

### **Priority Ranking Criteria**

*Projects will be prioritized based on points accrued in the five categories below and the incentive point under Notes. Points will only be given for one item in each category (i.e., scores are not cumulative within each category).*

- **Health Risk and Compliance** - Points will be given to projects that address water quality and contamination issues. Projects addressing treatment technique violations or exceedances of MCLs, State MCLs, or health advisories may receive up to 50 points. Projects needed for compliance with future SDWA regulations may receive up to 8 points. Thirty-five points may be given to projects extending service to people with contaminated private wells, and up to 21 points may be received by projects to upgrade or replace infrastructure.
- **Affordability** - Points will be given to projects based on the percentage of the MHI that goes to the average annual residential water bill. The maximum number of points will be given to systems where greater than 1.5 percent of the MHI goes to residential water bills.
- **Capacity Development** - Five points will be given to projects that involve the consolidation of two public water systems if one system lacks the proper technical, managerial, or financial capacity to maintain compliance with the SDWA. The result of the consolidation must ensure compliance with the SDWA.
- **System Type** - Points will be assigned based on the type of system for which the project is designed. CWSs will receive 5 points, NTNCWSs will receive 3 points, and TNCWSs will receive 1 point.

### **Notes**

- **Incentives** - One point will be given for systems that have no monitoring violations over the last 24 months.

**STATE OF RHODE ISLAND**  
**Drinking Water State Revolving Fund**  
**Project Priority Ranking**

**Total Project Priority Ranking Score A + B + C + D + E**

**A. Health Risk and Compliance** *(select no more than one from Section A)*

*Points*

- |   |    |
|---|----|
| 1) Project is to address a Treatment Technique Violation or the exceedence of an MCL, SMCL or a Health Advisory during the 18 months preceeding the development of the Project Priority List. |    |
| a) Microbiological  |    |
| i. Surface Water Treatment Rule   |    |
| (a) Filter Performance Criteria (NTU Compliance)  | 50 |
| (b) CT Disinfection   | 40 |
| ii. Total Coliform Rule   |    |
| (a) Acute MCL Violation (Fecal/E-coli violation)  | 60 |
| (b) Non-Acute MCL Violation (Total Monthly Coliform Violation)  | 45 |
| b) Inorganic Chemicals  |    |
| i. Nitrates   | 53 |
| ii. Lead and Copper   | 37 |
| iii. Other Primary Standards  | 35 |
| c) Organic Chemicals  | 35 |
| d) Radiologicals  | 33 |
| e) Secondary Standards (Aesthetics)   | 4  |
| 2) Projects for compliance with future SDWA regulations:  |    |
| a) Enhanced Surface Water Treatment   | 8  |
| b) Ground Water Disinfection  | 7  |
| c) Disinfection By-Products   | 6  |
| d) Arsenic  | 5  |
| e) Radon  | 5  |
| 3) Project is to extend the water lines of an existing system to an area where there is a public health threat due to contaminated private drinking water wells.                              | 35 |
| 4) Projects to upgrade, replace or repair infrastructure which is at risk of causing contamination due to age or design deficiencies.   |    |
| a) Source (excluding reservoirs, dams, dam rehabilitation and water rights)   | 21 |
| b) Treatment  | 19 |
| c) Source-intake structure  | 16 |
| d) Pump Station   | 14 |
| e) Storage  | 12 |
| f) Transmission/Distribution mains  | 10 |
| g) Instrumentation/Controls   | 8  |

**B. Economic Factors**

- 1) \*Percentage of average annual residential water bill to median household income.
  - a) Greater than 1.5 % 3
  - b) 1. 25% to 1. 49 % 10
  - c) 1.00 % to 1.24 % 7
  - d) 0.75 % to 0.99 % 4
  - e) 0.50 % to 0.74 % 2
  - f) 0.25 % to 0.49 % 1

**C. Capacity Development**

- 1) Project involves the consolidation of two public water system, one of which lacks either the proper technical, managerial, or financial capacity to maintain compliance with the Safe Drinking Water Act. The result of the consolidation must ensure compliance with the SDWA. 5

**D. Special Incentives**

- 1) No monitoring violations over the last 24 months 1

**E. System Type**

- 1) Community 5
- 2) Non-transient non-community 3
- 3) Transient non-community 1

\*The average annual residential water bill is to be based on 70,000 gallons of water per year. The MHI of the community in which the water service area is located will be determined from income data in the most recent United States census. If there is reason to believe that the census data is not an accurate representation of the MHI within the area to be served, the reasons will be documented and the applicant will furnish additional information regarding the MHI. Information will consist of reliable data from-local, regional, state or from an income survey conducted by a reliable impartial source.

MHIs for service areas which cross municipal boundaries is the weighted average based on the number of services in each community.



## VERMONT

### Priority Ranking Criteria

*Projects will be prioritized based on points accrued in the following five categories:*

- **Water Quality Deficiencies** - Projects that seek to address violations of national drinking water standards will receive points for all items that apply in this category. They will receive one point value for each of the following contaminants: bacteriological (5-25 points); nitrate (5-25 points); turbidity (5-10 points); primary inorganic, organic, and radiological standards (15-25 points); secondary inorganic/physical/chemical standards (3 points); do not drink orders (25-50 points); and compliance/enforcement orders (10 points). Projects will receive points only for concerns that will be addressed by the proposed improvements.
- **System Facility Improvements** - Projects may receive points for all deficiencies that will be corrected by the proposed project, such as new supply source/replacement of source to address a public health hazard (50 points), treatment for surface water filtration or ground water under the direct influence of surface water (45 points), etc.
- **System Reliability Criteria** - Projects designed to improve the reliability and efficiency of a system may receive points for all criteria that apply in this category. For example, systems with redundancy of critical components and consolidation or interconnection projects that will eliminate significant capacity problems will receive 15 points. (With the exception of consolidation projects, projects that received points for an improvement under the previous category are not eligible to receive points for the same reason in this category.)
- **Population** - Points will be given to projects based on population criteria. The smallest systems (serving 25 to 500 people) will receive the maximum score in this category, 10 points. Point values decrease as system size increases.
- **Affordability** - Points will be given to systems based on the ratio of system MHI to State MHI, with the maximum number of points given to projects in communities determined to be most in need i.e.  $(\text{system MHI} / \text{State MHI}) \times 100$  is  $< 120$ . Systems may receive up to 35 points.

# VERMONT

## V. Priority Ranking System

The State of Vermont will use a point system to prioritize the order in which eligible water supply projects will be financed. To be eligible, projects must maintain or facilitate compliance with the drinking water regulations or further the protection of public health. The projects must also be needed and the proposed type, size and estimated cost of the project must be suitable for its intended purpose. Additionally, the water system must have or will have the technical, financial and managerial ability to operate the system in compliance with federal and state law, and the system must not or will not be in significant noncompliance with the regulations.

Priority in funding will be given to projects that address the most serious risk to human health, are necessary to ensure compliance with the requirements of the Safe Drinking Water Act (SDWA) and the Vermont Water Supply Rule (WSR), and assist systems most in need according to State affordability criteria. Examples of projects that might meet these goals include repairing or replacing aged infrastructure (e.g., install or replace/upgrade treatment, storage, or transmission facilities), water system restructuring such as consolidation of systems, or management changes to ensure technical, managerial, and financial capabilities of the water utility. Projects not eligible include operation and maintenance costs, future growth, fire protection, and laboratory fees for monitoring. Separate priority lists will be maintained for each of the loan types.

Municipal projects to purchase land or conservation easements for the purpose of protecting public drinking water supplies and planning projects are also prioritized using this system.

### A. Priority Ranking System Scoring Criteria

The priority ranking system scores projects based on information submitted by water systems and from information in the WSD files. The numerical scores in the DWSRF priority ranking system are based on technical and non-technical criteria.

The technical criteria are:

1. Water Quality Deficiencies (MCL/treatment technique violations);
2. System Facility Improvements to Correct Deficiencies (violation of WSR system design, construction and protection standards);
3. System Reliability Criteria; and
4. Source Protection (Land Purchase or Conservation Easement Projects only).

The non- technical criteria are:

5. Population; and
6. Financial Need/Affordability.

Priority points assigned to projects are computed in the manner described below. Projects determined by the Secretary to require multi-year funding and planning projects are awarded points for the entire project.

1. Water Quality Deficiencies: Violations of Federal drinking water standards.

Points below shall be based upon water system performance for the 24-month period preceding development of the priority list. Points for items a. through f. will only be awarded if the proposed water system improvements or land purchase or easements address the water quality concerns. For example, a water system with a nitrate problem will not be given the nitrate points for a water storage project.

a. Bacteriological

- i. 1 - 2 MCL Violations 5 pts
- ii. Greater than 2 MCL Violations 15 pts
- iii. Permanent Boil Status 25 pts

Points will only be awarded for one (1) of the three (3) categories; for example, a water system on permanent boil due to repeated MCL violations would only receive points for being on permanent boil.

b. Nitrate

- i. Levels above 1.0 mg/L but below MCL - 5 pts
- ii. MCL Violations - 25 pts

c. Turbidity

- i. 1-2 MCL Violations - 5 pts
- ii. Greater than 2 MCL Violations - 10 pts

d. Primary Inorganic, Organic, and Radiological Standards

- i. 1-2 MCL Violation(s) - 15 pts
- ii. Greater than 2 MCL Violations - 25 pts

e. Secondary Inorganic, Physical, Chemical Standards

- 1 or more MCL Violation(s) - 3 pts

f. Do Not Drink Order

- i. Non-MCL - 25 pts
- ii. MCL - 50 pts

g. System is Under a Compliance/Enforcement Order: e.g., Compliance Schedule, Assurance of Discontinuance, Special Sampling Requirement, etc. - 10 pts

2. System Facility Deficiencies: Improvement projects (i.e., rehabilitation or replacement of facilities) to correct system integrity and capacity deficiencies.

The points assigned to each required improvement reflect the relative public health risk and compliance concern of the deficiency being corrected. In order to receive points, the proposed project must correct the deficiency.

- a. Contaminated source - Develop a new supply source; water quality indicates a public health hazard or significant public health risk requiring replacement of source - 50 pts
- b. Lack of approved source capacity
  - i. Water shortage requiring new source - 35 pts
  - ii. Documentation of capacity of permanent source or major equipment improvements to meet demand - 15 pts
- c. Inadequate source construction - 5 pts
- d. Vulnerable to potential sources of contamination (improvements could include abandonment or source replacement) - 20 pts
- e. No treatment for surface water filtration or groundwater under the direct influence of surface water - 45 pts
- f. Inadequate filtration performance - 10 pts
- g. Inadequate water treatment backwash disposal - 5 pts
- h. Inadequate disinfection - 20 pts
- i. Other inadequate treatment techniques or processes
  - i. Fe/Mn and other secondary non-acute contaminants - 5 pts
  - ii. Corrosion control for lead or other acute contaminants - 35 pts
  - iii. Chronic contaminants such as certain metals (cadmium) or organic constituents - 30 pts
- j. Inadequate finished storage capacity - 10 pts
- k. Inadequate finished storage construction - 5 pts
- l. Low system pressure (improvements could include storage, pump station, larger mains) - 25 pts
- m. Inadequate pumping station (hydro-pneumatic system including old or undersized tanks or pumps) - 10 pts

- n. Inadequate transmission main system - 10 pts
- o. Inadequate distribution system - 5 pts
- p. Inadequate cross-connection control - 10 pts
- q. Other - 10 pts

3. System Reliability Criteria: Improvement Projects To Improve the Reliability and Efficiency of the Water System. Projects awarded points for deficiencies under Section 2 above are not eligible for points under this section for the same improvement except for Items c. and d. below.

- a. Redundancy of critical components (pumps, valves, sources, disinfection equipment, etc.) - 15 pts
- b. Control/automation for operational efficiency (computerization; install testing equipment, control valves, monitoring or metering equipment; laboratory upgrading) - 5 pts
- c. Consolidation or interconnection of two or more drinking water systems - 15 pts
- d. System consolidation or interconnection will eliminate significant capacity problem - 15 pts

4. Source Protection - Land Purchase or Conservation Easement Projects (only): Sources must have an approved hydrologically delineated Source Protection Area and an approved Source Protection Plan prior to loan approval.

- a. Land Location points are not additive. Points for highest applicable improvement are counted.)
  - i. Project achieves Isolation Zone Control - 40 pts
  - ii. Project achieves Primary Recharge Zone Control - 10 pts
- b. Potential Sources of Contamination (PSOCs) addressed. Points are not additive; Points for highest applicable improvement are counted.
  - i. Project addresses Microbiological PSOCs - 20 pts
  - ii. Project addresses Nitrate PSOCs - 15 pts
  - iii. Project addresses Primary Inorganic or Organic PSOCs - 10 pts

5. Population Criteria:

Priority points will be assigned to the system based on population. Small systems are generally at a disadvantage because of economies of scale (affects ability to do physical improvements, improve system capacity, etc.); the points assigned for this factor will give minimal priority to these systems.

<b>Population</b>	<b>Priority Points</b>
25 - 500	10
501 - 3,500	5
3500 - 10,000	2
> 10,000	1

6. Affordability

Affordability only considers income because it is the most fundamental predictor of a household's ability to pay and which is represented by the median community household income statistic. Affordability is based on a comparison of state community median household income (SCMI) to the median household income (MHI) of the water system or of the town(s) in which the system exists. The SCMI figure is \$27,690 based on the 1990 census. For water systems which encompass more than one town, the MHI will be based on the weighted number of household connections in each town(s) if the MHI is to be based on town figures. The formula for affordability involves first dividing the community or water system MHI by the SCMI (\$27,690), and then multiplying this figure by one hundred (100) to yield a percentage. Different percentage brackets are then assigned points.

Formula:  $(\text{Community MHI} \div \text{SCMI}) \times 100 = X$   
 $X < 60$  35 Points

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60 $X < 70$	25 Points
70 $X < 80$	15 Points
80 $X < 90$	10 Points
90 $X < 100$	5 Points
100 $X < 120$	2 Points
$X \geq 120$	0 Points

## **B. Refinancing of Existing Facilities**

The DWSRF construction loan program may be used to buy or refinance municipal debt including all obligations for DWSRF eligible projects. Under federal law, privately owned systems (both profit and nonprofit) are not eligible for refinancing. The long-term debt must have been incurred and construction must have started after July 1, 1993 to be eligible for refinancing. The use of DWSRF funds are intended to be first directed at proposed projects that address ongoing compliance problems or public health risks.

State legislation allows for loans to systems that incurred debt and initiated construction after April 5, 1997 at interest rates and terms comparable to those for new projects. Projects that meet this criterion will receive priority ranking using the procedure described for new projects for the next two annual priority lists compiled following the initiation of construction. All other applications to refinance existing debt will be considered only after all new construction projects have been funded and if there are still funds available.

## **C. Construction Loan Fund Priority List**

The fund provides construction loans to municipalities and certain privately-owned water systems for planning, design, construction, repairing or improving public water systems to comply with State and Federal standards and protect public health. The projects that are ready to proceed in the Federal fiscal year October 1 - September 30 are assigned points in accordance with the Priority Ranking system scoring criteria. Project funding is based on priority score and the following considerations:

### **1. Tie Breaking Procedure**

When two or more projects score equally under the project priority system, the higher total score under technical criteria will be used as a tie breaker.

### **2. Amendments**

The state revolving fund priority list may be amended twice a year to consider updated or new information from water systems that have already been identified and ranked through the priority system public participation process and are listed on the Comprehensive Project Priority List. Amendments to the priority list will only affect the ranking of eligible projects; projects will not be removed from the Anticipated Loan Recipient category.

## NEW JERSEY

### Priority Ranking Criteria

*Projects will be prioritized based on points accrued in the four categories. To be eligible for funding, projects must receive points from the Compliance and Public Health Criteria category.*

- **Compliance and Public Health Criteria** - Projects to address contamination problems and ensure compliance with SDWA requirements will receive up to 500 points for 1 of the 16 criteria in this category (e.g., systems using surface water that are not in compliance or have had acute violations and have been issued an administrative order will receive 500 points; projects to redevelop or construct wells to meet New Jersey requirements will receive 15 points). If the project addresses more than 1 item, it will be divided into various projects. Points will be assigned in this category only if the project actually repairs, rehabilitates, or corrects a problem.
- **Approved Drinking Water Infrastructure Plan** - Projects that use comprehensive planning and regional solutions to address compliance problems will receive points as an incentive for cost-effective improvements. Projects for systems that connect to a regional system within a comprehensive water supply plan that is acceptable to NJ DEP will receive 50 points. Projects for systems that have local 5-year master plans or capital improvement plans will receive 25 points.
- **State Development and Redevelopment Plan** - Projects in municipalities that have been approved by the State Planning Commission under the Center Designation Process and projects in distressed communities will receive up to 20 points. For example, projects for distressed areas that have an endorsed Strategic Revitalization Plan will receive 20 points, while urban centers will receive 10 points.
- **Affordability** - Projects for systems that serve municipalities with an MHI lower than the State MHI will receive between 10 and 70 points. The maximum will be given to projects for systems where the municipal MHI is less than or equal to 40 percent of the State MHI.

### Notes

- **Tie-Breaking Procedure** - In the event of a tie, projects will receive points based on the population of the water system service area. The system that serves the larger permanent population will prevail. If systems are still tied, the system that serves the greater proportionate (taking into account transient populations) population in its service area will be given higher priority.



# NEW JERSEY PRIORITY SYSTEM

## II. Ranking Methodology

NJDEP will rank all eligible projects according to the total number of points each project receives and will subsequently place the projects on the Project Priority List according to their ranking. The projects with the higher number of points rank above those with lesser points. Due to annual addition of new projects to the Project Priority List, or to periodic revisions to the Priority System, individual project rankings may change annually. For projects which include multiple elements as listed in priority Category A below, projects will be separately listed by the elements involved, and priority points will be assigned for each element.

Priority points will be assigned only if the project scope includes actual repair, rehabilitation, correction of a problem or improvement clearly related to priority Category A. A project must be assigned points from Category A to be eligible for ranking, points assigned from the remaining categories are in addition to the points received in Category A.

The prospective applicant must notify NJDEP of any changes to project scope or any other circumstance which may affect the calculation of priority points. NJDEP shall then recalculate, if appropriate, the prospective applicant's ranking utilizing the new information submitted and revise the priority ranking accordingly.

The principal elements of the Priority System are: A) Compliance and Public Health Criteria, B) Approved Drinking Water Infrastructure Plan, C) Conformance with the New Jersey State Development and Redevelopment Plan, D) Affordability and E) Population. Points are assigned for each of the five priority categories discussed below, as applicable:

### **A. Compliance with Safe Drinking Water Act (SDWA) and Protection of Public Health**

DWSRF funds are to be utilized to address contamination problems and to ensure compliance with the SDWA requirements. Priority is given to water systems in non-compliance with the surface water treatment requirements and those incurring acute, primary or action level violations as defined in the SDWA, and the NJSDWA rules (N.J.A.C. 7:10). Table 1 describes the sixteen project elements that are eligible for DWSRF funds:

Table 1

1. Systems which utilize surface water, that are not in compliance with the surface water treatment requirements or have had any acute violations (either fecal coliform or nitrates) and have been issued an administrative order, directive or recommendation by NJDEP requiring the correction of any noncompliance of its treatment facilities to address an immediate public health threat 500 pts

2. Systems which utilize groundwater under the direct influence of surface water, that are not in compliance with the surface water treatment requirements or have had any acute violations (either fecal coliform or nitrates) and have been issued an administrative order, directive or recommendation by NJDEP requiring the correction of any noncompliance of its treatment facilities to address an immediate public health threat 350 pts
3. Systems which utilize groundwater that have had any acute violation (either fecal coliform or nitrates) 300 pts
4. Systems which have had any maximum contaminant level violations (except acute violations) or exceedance of action levels (lead and copper rule) 200 pts
5. Systems that have lost well capacity due to cutbacks in Critical Area #1 or 2 or due to saltwater intrusion and a solution is needed to preserve the aquifer as a viable aquifer 175 pts
6. Purchase of a water system to comply with the SDWA for capacity development 150 pts
7. Extension of water mains to private wells that have had any maximum contaminant level violations or exceeded lead and copper action levels 125 pts
8. Existing treatment facilities that need to be rehabilitated, replaced or repaired to ensure compliance with the SDWA 100 pts
9. Existing transmission or distribution mains with appurtenances that need to be rehabilitated, replaced, repaired or looped to prevent contamination caused by leaks or breaks in the pipe or improve water pressures to maintain safe levels or to ensure compliance with the SDWA 75 pts
10. Existing pump stations or finished water storage facilities that need to be rehabilitated or replaced to maintain compliance with the SDWA 60 pts
11. New finished water storage facilities or pump stations that are needed to maintain pressure in the system and/or prevent contamination 50 pts
12. Systems which have had any exceedance of any secondary drinking water regulations that have received notification issued by NJDEP that exceedance of a secondary drinking water regulation causes adverse effects on the public welfare, and for which the system has received a directive issued by the NJDEP requiring correction of the exceedance 45 pts

- |   |        |
|---|--------|
| 13. Construction of new or rehabilitation of existing interconnections between water systems to improve water pressures to maintain safe levels or to ensure compliance with the SDWA | 30 pts |
| 14. Replacement or installation of new water meters   | 25 pts |
| 15. Redevelop wells or construct new wells to meet the New Jersey SDWA rules for required pumping capacity  | 15 pts |
| 16. Other project elements, not including items 1 through 15 above, that ensure compliance with the SDWA and protect public health, as approved by NJDEP                              | 1 pt   |

**B. Approved Drinking Water Infrastructure Plan**

Planning water system improvements that advance comprehensive water supply concepts can facilitate cost effective drinking water system improvements. To provide an incentive to plan in this way, priority points will be given to each project that implements the actual repair, rehabilitation, correction of a problem, or improvement clearly identified in a five year master plan or five year capital improvement plan acceptable to NJDEP, or that is linked to a comprehensive water supply plan for a particular region or watershed acceptable to NJDEP. Points are assigned as follows:

1. 50 priority points will be assigned to a water system that connects to a regional solution that is contained in a comprehensive water supply plan for a particular region or watershed acceptable to NJDEP.
2. 25 priority points will be assigned to a water system that has a local five year master plan or five year capital improvement plan, or that is linked to a comprehensive water supply plan for a particular region or watershed acceptable to NJDEP. The plan should contain a description of the components of the system, population growth estimates, testing done, current deficiencies, immediate recommendations, recommendations for the next five years and a map of the distribution system.

**C. State Development and Redevelopment Plan**

NJDEP seeks to coordinate and enhance the State Planning Commission’s (SPC) efforts to implement the State Development and Redevelopment Plan. NJDEP assigns points to projects in municipalities the SPC has approved under the Center Designation Process. Points are also given to distressed areas. Points are assigned as shown in Table 2.

**Table 2**

1. Distressed areas that have an endorsed Strategic Revitalization Plan	20 pts
2. Urban Centers	10 pts
3. Regional Centers	5 pts
4. Towns	3 pts
5. Villages	2 pts
6. Hamlets	1 pt

Contact the N.J. Office of State Planning, Department of Community Affairs, 33 West State Street, 4th floor, P.O. Box 204, Trenton, N.J. 08625-0204 or call (609) 292-7156 for further information on the State Development and Redevelopment Plan.

Please note for water systems that service more than one municipality, the municipality that has the highest population will be counted for this category.

**D. Affordability**

The purpose of the affordability criteria is to determine which project sponsors' water systems are eligible for additional points under the Affordability Category.

Affordability is the degree of need for financial assistance based upon the New Jersey median household income compared to the municipal median household income (MHI). Affordability is determined by the following formula:

$$\frac{\text{Municipal MHI}}{\text{Statewide MHI}} \times 100 = \text{Affordability Factor}$$

Points are assigned as follows:

1. Affordability factor of 100 or greater	0 pts
2. Affordability factor from 85 through 99	15 pts
3. Affordability factor from 66 through 84	30 pts
4. Affordability factor less than or equal to 65	80 pts

The median household income of the municipality which the water system serves and the Statewide median household income will be determined from income data in the most recent United States census.

The NJDEP has determined that for the purposes of the DWSRF Program, a municipality whose median household income is 35% or more below the State’s MHI, shall be considered a Disadvantaged Community, and will receive 80 priority points, which are proportionately greater than the other affordability factor points. (New Jersey’s MHI is \$40,927 from the 1990 Census.)

A weighted MHI will be calculated for a project sponsor whose water system serves more than one municipality, as shown in the example below.

Example

Municipalities served	MHI	Population served	Fraction of total population served	Weighted municipal MHI
Lancaster	30,000	5,000	.167	5,000
Mayberry	20,000	10,000	.333	6,660
Holmeville	25,000	15,000	.500	12,500
<b>Total</b>		<b>30,000</b>	<b>1.00</b>	<b>24,160</b>

Population served for resort communities will be calculated by the following equation:

$$\frac{(2x \text{ Winter Population}) + \text{Summer Population}}{3} = \text{Avg. Population}$$

Please note for water systems that service more than ten municipalities, the ten municipalities that have the highest populations served will be considered in the above table for the affordability factor.

The revisions to Categories C and D in this IUP will cause a recalculation of priority points assigned to the projects included on the comprehensive Project Priority List.

**E. Population**

As a tie breaker, projects will be assigned points based on the permanent population of the water system service area. In the instance of a resort community where the summer and winter populations vary greatly, the permanent population will be calculated by taking the sum of twice the winter population and once the summer population and dividing by three. For water systems that service more than one municipality, total all the permanent population served in the multiple service areas. Priority points will be calculated as the permanent population served by the water system divided by 100,000, expressed as a decimal. In the event that projects remain tied, the project which serves a greater proportionate population in the water system’s area will be given higher priority.

## NEW YORK

### **Priority Ranking Criteria**

*Projects will be prioritized based on points accrued in the following five categories (three technical and two non-technical):*

#### **Technical Categories:**

- **MCL/Treatment Technique Violations** - Projects may receive points for all violations that they seek to address. Points will be given based on the treatment of MCL exceedances or replacement with an alternate source of supply, and for interconnection with, or purchase from an adjacent water system(s) in lieu of treatment. Scores range from 100 points (filtration problems leading to violations of the SWTR for microbiological contaminants) to 10 points (aesthetic problems).
- **Non-Treatment Sanitary Code Violations** - Projects for systems with non-treatment Sanitary Code violations may receive points for all items that apply in this category. Projects will receive points for addressing public health hazards associated with inadequate source capacity (50 points), inadequate distribution pressure (25 points), and uncovered finished water storage (25 points).
- **System Reliability/Dependability Issues** - Projects for infrastructure improvements that address system reliability and dependability issues will receive points for all items that apply in this category. Twenty points will be given to projects that involve the complete replacement or major rehabilitation of an existing treatment facility which has exceeded its design life, 10 points will be given to upgrade, replace, or install major vulnerable system components, and 5 points will be given for each additional issue addressed by the project (e.g., aged mains and appurtenances, asbestos main replacement, etc.).

#### **Non-Technical Categories:**

- **Government Needs** - Projects that seek to address State or local government needs, policies, or requirements will receive points for all items that apply in this category. For example, 40 points will be given for the development of a water system or extension of an existing system to service contaminated or inadequate private wells at existing residences, 25 points for consolidation of systems, etc.
- **Affordability** - Points will be assigned to projects based on the community MHI as a percentage of the State MHI. The lower the community MHI, the greater the number of points received (between 0 to 25 points).

#### **Notes**

- **Funding Ceiling** - A maximum of 50 percent of DWSRF resources can be received by a single applicant.
- **Tie-Breaking Procedure** - In the event of a tie, the system with the higher total score for technical factors will receive priority. If the projects remain tied, the system serving the larger population will be given preference.
- **Prior Year Funding** - Projects with prior funding from long- and short-term DWSRF loans will be given bonus points to help ensure funding of on-going projects.

# NEW YORK

## I. Priority Ranking System and Intended Use Plan

### A. Priority Ranking System

The purpose of the priority ranking system is to establish a list of eligible projects to be funded in a manner that the most serious risks to public health are given the highest priority. The New York State Department of Health (NYS DOH) proposes that the highest priority be given to acute public health risks, particularly those related to microbiological organisms. The next priority has been given to situations that pose chronic and longer term risks to consumers, such as organic chemical contamination. The scoring criteria also considers issues that are related to infrastructure upgrading or replacement. Consistent with these priorities, the numerical scores in the DWSRF priority ranking system are based on the following criteria:

#### Technical Factors

MCL/Treatment Technique Violations  
Other Sanitary Code Violations  
System Reliability/Dependability Issues

#### Non-Technical Factors

Governmental Needs  
Financial Needs

The total numerical score for a project or a project segment will be the sum of the scores for criteria A, B, C, D and E.

### B. Intended Use Plan

The State will prepare a document called the Intended Use Plan (IUP) that describes how the State intends to use available DWSRF resources for the year to meet the objectives of the Safe Drinking Water Act (SDWA) and to further the goal of protecting public health. The IUP will include specific detail on how the State will use all funds available. The IUP will also include a list of projects expected to qualify for financing within the fiscal period addressed by the IUP. A project must be listed in an IUP to be eligible for financing.

## II. Project Ranking

### A. Special Allocations and Restrictions

The federal Safe Drinking Water Act Amendments of (SDWA) require that, on an annual basis, water systems serving fewer than 10,000 persons must receive a minimum of 15% of the DWSRF. This minimum allocation for systems serving less than 10,000 persons will occur to the extent that there are a sufficient number of eligible projects to fund.

The SDWA also states that up to 30% of the annual DWSRF federal capitalization grant can be used to give loan subsidies to disadvantaged communities.

The State of New York will impose an annual cap or ceiling of 50% of DWSRF resources that can be received by any single applicant. In addition, the State may limit DWSRF financing to the demonstrated annual cash flow needs of any single applicant.

The New York State Clean Water/Clean Air Bond Act of 1996 requires the development of a Memorandum of Understanding among the Governor and Legislative Leaders regarding selection of projects to be funded from the Drinking Water provisions of the Bond Act. Projects identified in the Memorandum of Understanding will be incorporated into an annual funding list for Bond Act financing in conjunction with projects selected according to the Priority Ranking System.

## **B. Project Ranking Categories**

Projects will be placed in categories to allow priority ranking within a specific grouping of projects. Federal legislation requires that, on an annual basis, a minimum of 15% of the DWSRF be received by water systems serving fewer than 10,000 people. Also, water systems that qualify for financial hardship have special conditions that require a separate category for these projects. Therefore, three priority ranking categories will be created:

1. Category A. Water systems serving < 10,000 people.
2. Category B. Water systems serving = 10,000 people.
3. Category C. Water systems that have received written confirmation of qualification for financial hardship assistance.

## **C. Description and Use of the Project Lists**

Several lists of projects will be created to organize and manage projects with different levels of priority and readiness. These listings will display the status of all projects in the system and indicate the final list of projects that qualify for funding in the current IUP.

1. Multi-Year List:

This list will contain all eligible projects for which pre-application forms have been submitted and reviewed. This list will contain projects from Categories A and B. New projects can be added to this list on a continuous basis. Projects must be on the Multi-Year List to be eligible for short-term loans when short-term loans are made available.



Short-term loans for projects listed on the Multi-Year List will be limited to projects that have a total numerical score greater than (or equal to) the project with the lowest score (excluding bonus points awarded under Section II.E.2.) eligible to be funded from the current Project Readiness List. Applications for short-term loans, when available, will be approved on a first come/first served basis, up to the total amount reserved in the IUP for that purpose.

NOTE: Short-term loans may not be offered in the initial years of the DWSRF program.

2. Hardship List:

This list will contain all projects with written confirmation that they qualify for financial hardship assistance (Category C). This written confirmation will be limited to projects that have a total numerical score greater than (or equal to) the project with the lowest score (excluding bonus points awarded under Section II.E.2.) eligible to be funded from the current Project Readiness List. These projects will be selected from the Multi-Year List. Written qualification for financial hardship assistance will remain valid for two consecutive annual federal funding cycles. If a project has not been selected for funding during this period, it will be removed from the Hardship List (and re-listed on the Multi-Year List) unless requalified for the Hardship List.

3. Project Readiness List:

This list will contain Category C projects and the projects from the Multi-Year List which are anticipated to be ready for long-term financing during the effective period of the IUP. Applicants for these projects are expected to apply for the funds projected to be available during the fiscal period addressed by the IUP. Projects from Categories A and B will be listed in descending order of total numerical score (resulting from the Priority Ranking System Scoring Criteria).

4. Funding List:

This list will include all projects from the Project Readiness List expected to qualify for long-term loans within a particular IUP. Projects will be listed according to the three project categories. All Category C that are on the Project Readiness List will qualify for funding. Projects in Category A will then be selected from the Project Readiness List in priority order to meet the 15% minimum requirement for water systems serving less than 10,000 people. All remaining projects on the Project Readiness List will be selected in priority order until the remaining annual DWSRF funding amount is encumbered. The project selection is subject to Restrictions and Project By-pass Criteria in Sections II.A and D of this document.

**D. Project By-pass**

Projects on the Project Readiness List can be by-passed, upon written notice, if any of the following occurs:

1. Project is withdrawn by the applicant.
2. Project does not meet the dates and/or conditions in the project schedule or the Project Financing and Loan Agreement.
3. The applicant has reached the 50% annual DWSRF resources cap for fundable projects on the Project Readiness List.
4. All other projects for the applicant that would exceed the 50% cap will be by-passed.

**E. Special Priorities**

1. Emergencies:

An emergency is a catastrophic situation that results in an imminent threat to public health. The determination of when an emergency exists will be made by the NYSDOH. Imminent threats to public health include situations that result in the unavailability of a source of potable drinking water for an extended period of time. Projects designed to address emergencies will receive the highest priority ranking.

2. Projects with Prior Funding Agreements:

Projects with executed Project Financing and Loan Agreements for long-term and short-term DWSRF loans will be given significant additional bonus points when they are placed on the Project Readiness List. This will help to ensure the availability of DWSRF financing needed for completion of on-going projects. Phased or segmented projects for which additional funds have been conditionally committed in an executed Project Financing and Loan Agreement (PFLA) for long-term DWSRF financing will be listed, in descending priority score order. These projects will be assigned 2000 points in addition to their total project ranking system score. Projects for which funds have been committed in an executed PFLA for short-term DWSRF financing will be listed, in descending priority score order. These projects will be assigned 1000 points in addition to their total project ranking system score. Other projects will then be listed in descending priority score order.

**F. Tie Breaking**

In the event of a tie score for projects, the higher total score under Technical Factors (Criteria A, B and C) will be used as a tie breaker. If this still results in a tie score, the size of the population served by the system will be used as a tie breaker. The larger population will be given preference.

**G. Eligible Project Limitation**

Eligible projects are activities that address critical water system problems. NYS DOH may

require separation of unrelated project components into separate projects if it is necessary to focus on critical water system problems. These separate projects will be scored independently. Projects must adequately be supported by technical documentation, data, reports, etc.

### III. Priority Ranking System Scoring Criteria

The numerical scores in the DWSRF priority ranking system are based on technical and non-technical criteria. The technical criteria are A.) MCL/treatment technique violations; B.) Other sanitary code violations; and C.) system reliability and dependability issues. The non-technical criteria are D.) governmental needs and E). financial needs. The total numerical score for the project or project segment being scored shall be the sum of the scores for criteria A, B, C, D and E. Projects must be adequately supported by technical documentation, data, reports, etc.

<b>Technical Factors</b>	<b>Score</b>
<b>A. MCL/Treatment Technique Violations</b>	
Points awarded are based on treatment of MCL exceedances and/or replacement with an alternate source of supply, and for interconnection with, or purchase from adjacent water system(s) in lieu of treatment (more than one item may apply):	
1. Microbiological	
a) Surface Water Treatment Rule	
i. Filtration	100
ii. Filtration Performance Criteria (NTU compliance)	50
iii. CT Disinfection	30
b) E. coli	80
c) Total Coliform	40
2. Organics	
Organic chemicals (POC/UOC) and disinfection by-products	40
3. Lead and Copper/Corrosion (mandated)	30
4. Radiological	25
5. Inorganic/Physical	
a) Nitrates	50

	b)	Other health-related	25
	c)	Aesthetic	10
<b>B.</b>		<b>Non-treatment Sanitary Code Violations (more than one item may apply)</b>	
		The project need must be adequately supported by technical documentation, data, reports, etc.	
	1.	Inadequate Source Capacity (public health hazard)	50
	2.	Inadequate Distribution Pressure (public health hazard)	25
	3.	Uncovered Finished Water Storage (public health hazard)	25
<b>C.</b>		<b>System Reliability/Dependability Issues (more than one item may apply)</b>	
		The project need must be adequately supported by technical documentation, data, reports, etc.	
	1.	Complete replacement or major rehabilitation of existing treatment facility for primary contaminants that has exceeded design life and/or does not meet the design standards in the current edition of Recommended Standards For Water Works. In lieu of treatment, replacement with an alternate source of supply, and/or interconnection with, or purchase from, adjacent water system.	20
	1.	Upgrade, replace and/or install major vulnerable system components to meet the design standards in the current edition Recommended Standards For Water Works. Any of the following apply.	10
	a)	A principal component integral to an existing filtration process such as sedimentation, flocculation, filtration, chemical feed, or backwashing (can only receive points for Criteria C.2a. or C.1.)	
	b)	Pump stations	
	c)	Existing wells	
	d)	Existing disinfection system for a groundwater/surface water supply	
	e)	Transmission main	
	f)	Finished water or distribution storage	
	g)	Other water treatment systems for secondary contaminants	

only (or replacement of source instead of treatment)

- |    |   |   |
|----|---|---|
| 3. | Aged mains and appurtenances  | 5 |
| 4. | Redundancy of critical components (pumps, valves, chemical feed-systems, etc.)                                  | 5 |
| 5. | Asbestos main replacement   | 5 |
| 6. | Control/automation for operational efficiency (computerization, control valves, metering, laboratory upgrading) | 5 |
| 7. | Inadequate source capacity which is not a public health hazard (can only receive points for Criteria B1 or C7)  | 5 |

Non-Technical Factors:

**D. Governmental Needs (more than one may apply)**

Additional points will be assigned to a project on the basis of state or local government needs, policies, and/or requirements.

- |    |  |    |
|----|--|----|
| 1. | Development of a water system or extending existing system to service contaminated or insufficient yielding private wells at existing residential housing (new systems are not eligible for points under Criteria A, B or C) | 40 |
| 2. | Consolidation of water systems (can include improving technical, managerial and financial capacity development)  | 25 |
| 3. | System dependent on a Sole Source Aquifer for its source. (These points can only be obtained if system cores points from Criterion A, B, C.1.or C.2.g.)  | 25 |

- 4. A project that has received written commitment of funding from another governmental source (e.g., co-funded with Clean Water SRF, Rural Development, HUD, etc.) These points do not apply to refinancing of projects. 10
- 5. Consistent with Water Resources Management Strategy 5
- 6. Proposes operational changes that improve and insure adequate technical, managerial and financial capacity of the system in order to insure compliance (guidelines to be developed) 5

**E. Financial Need**

The Median Household Income (MHI) of the community in which the water service area is located is used as a numerator and the Statewide MHI is used as the denominator in the following equation to determine the financial need factor.

$$(\text{Community MHI} \times 100) / (\text{Statewide MHI}^*) = \text{Factor}$$

Factor	Points
<=70	25
70 - <=77.5	20
77.5 - <=85	15
85 - <=92.5	10
92.5 - <=100	5
1000	

\*1990 Statewide MHI is \$32,965.

The MHI of the community in which the water service area is located and the Statewide MHI will be determined from income data in the most recent United States census. If there is reason to believe that the census data are not an accurate representation of the MHI within the area to be served, the reasons will be documented and the applicant will furnish, or the Department may obtain, additional information regarding the MHI. Information will consist of reliable data from local, regional, state or federal sources or from an income survey conducted by a reliable impartial source.

## PUERTO RICO

### **Priority Ranking Criteria**

*Projects will be prioritized based on points accrued in the following six categories:*

- **Compliance with SDWA** - Projects to correct SDWA noncompliance may receive points for all items that apply in this category. Twenty to 100 points will be given for each microbiological, organic, MCL, radiological, and inorganic or physical violation (e.g., 100 points for filtration and/or groundwater well, interconnection and/or consolidation, 20 points for radiological violations).
- **Public Health Risk** - Projects to eliminate or combat critical, chronic, or potential health hazards may receive 25 to 50 points for all items that apply in this category (e.g., 50 points for inadequate source capacity, 25 points for new finished water storage facilities needed to maintain pressure and/or prevent contamination).
- **Systems in Need** - Projects to address a system's infrastructure needs will receive points for only one item in this category. For example, the maximum of 25 points will be given for complete replacement or major rehabilitation of the surface water filtration facility. Five points will be given for projects such as replacing or rehabilitating aged mains and appurtenances or asbestos mains.
- **Governmental Needs** - Points are given for all items that apply in this category for projects that address the priorities of local government (e.g., consolidation, 25 points; co-funding from another source, 10 points; capacity development, 5 points).
- **Special Priorities** - Thirty-five points will be awarded to projects identified through State strategies. Twenty points will be assigned to projects identified through Comprehensive Performance Evaluations.
- **Affordability** - Points will be awarded to disadvantaged systems, as determined by MHI. Projects serving communities with lower MHIs will receive more points (e.g., 30 points will be given if the MHI is less than \$8,895; no points will be given if the MHI is greater than \$17,790).

### **Notes**

- **Tie-Breaking Procedure** - In the event of a tie, projects will receive points based on the population of the water system service area. The system serving the larger population will be ranked higher.

# PUERTO RICO

Category A, below, projects will be separately listed by the elements involved, and priority points will be assigned for each element.

Points are assigned for each of the seven priority categories discussed below, as applicable:

## A. Compliance with Safe Drinking Water Act (SDWA):

DWSRF funds are to be utilized to address contamination problems through compliance requirements. Projects related to systems and or systems, which utilize surface water or ground water under the direct influence of surface water, that are not in compliance with the surface water treatment requirements. or have had any acute violations (e.g., fecal coliform or nitrates) and have been issued an administrative order, directive or recommendation by DOH requiring the correction of any noncompliance of its treatment facilities to address an immediate public health threat will be scored according the following:

Maximum Contaminant Level (MCL)/Treatment Technique Violations (more than one item may apply):

### 1. Microbiological

#### a) Surface Water Treatment Rule

- |     |  |         |
|-----|--|---------|
| i.  | Filtration and/or groundwater wells, interconnection and or consolidation of water systems to comply with the SDWA | 100 pts |
| ii  | Filtration Performance (NTU compliance)  | 50 pts  |
| iii | CT Disinfection  | 30 pts  |

b) E. Coli 80 pts

c) Total Coliform 40 pts

### 2. Organics

Organics chemical (*SOC/VOC*) and disinfection by-products 40 pts

3. Maximum Contamination Level (MCL) violations 30 pts

(except acute violations) or exceedance of *action levels* Lead and Copper/Corrosion (mandated)

4. Radiological 20 pts



## 5. Inorganic/Physical

- a) Nitrates 50 pts
- b) Other health-related inorganic 25 pts

## B. Public Health Risk:

For projects which eliminate critical or chronic health hazard or potential health hazard or provide protection against significant health hazard, documentation must be provided by the applicant to determine if the public health problem exist. More than one of the following may apply for rehabilitation, replaced or repaired appurtenances such as:

**1. Inadequate Source Capacity** 50 pts

**2. Existing transmission or distribution mains** 25 pts  
to prevent contamination caused by leaks or breaks in the pipe or improve water measures to maintain safe levels

**3. Existing pump stations or finished water storage** 25 pts  
(uncovered if applicable).

**4. New finished water storage facilities**  
that are 25 pts needed to maintain pressure in the system and/or prevent contamination

## C. Systems in need (Reliability Dependability):

Projects related to replacement or major rehabilitation of the existing treatment facilities or systems components to meet the design standards sanitary code. One of the following will apply:

**1. Complete replacement or major rehabilitation** 25 pts  
of the existing surface water filtration facility that has exceeded design life and/or does not meet the design standards in the current edition of PRASA's Design Standards. in lieu of filtration, installation of groundwater wells, and/or interconnection with, or purchase from adjacent water system.

**2. Upgrade, replace and/or install**  
major vulnerable system components to meet the design standards in the current edition PRASA's Design Standards. Any of the following apply:

a) A principal component integral to an existing filtration process such a sedimentation, flocculation, filtration, chemical feed, of backwashing (can only receive points for Criteria C.2a or C.1.) 10 pts

b) Pump stations 10 pts

- c) Existing wells 10 pts
- d) Existing disinfection system for a groundwater/  
surface water supply 25 pts
- e) Transmission main 10 pts
- f) finished water or distribution storage 10 pts
- g) Other water treatment systems (or replacement  
Of source Instead of treatment) 10 pts

**3. Aged mains and appurtenances** 5 pts

**4. Redundancy of critical components** 5 pts  
(pumps, valves, chemical feed-system, etc.)

**5. Asbestos main replacement** 5 pts

**6. Control/automation for operational efficiency** 5 pts  
(computerization, control valves, metering,  
laboratory upgrading)

**7. Inadequate source capacity** 5 pts  
which is not a public health hazard can only receive points for Criteria  
B1 or C7.

**D. Governmental Needs (more than one may apply)**

Additional points will be assigned to a project on the basis of state or local  
governmental needs, policies, and/or requirements.

**1. Development of a water system or extending existing system** 25 pts  
to service contaminated or insufficient yielding private  
wells at existing residential housing (new systems are  
not eligible for points under Criteria A, B or C2).

**2. Consolidation of water systems** 25 pts  
(can include improving technical, managerial and financial capacity development)

**3. System depend on a Sole Source Aquifer for its source.** 10 pts  
(These points can only *be obtained* if system scores  
points from Criterion A, B or C.)

**4. A project that has received written commitment of funding from another source** 10 pts  
(e.g. co-funded with Clean Water SRF, Rural Development, HUD, etc.)

**5. Proposes operational changes that improve and insure adequate technical, managerial and financial capacity**  
of the system in order to insure compliance (guidelines to be developed)

5 pts

**E. Other Factors**

As a tie breaker, projects will be assigned points based in the population of the water system service area. Priority points will be calculated as the population served by the water system divided by 100,000, expressed as a decimal and added to the total accumulated.

**F. Special Priorities**

**1. Strategy:**

Any project identified as a result of the Strategy identified above and or CPE will receive additional priority points that will be added to the total accumulated by the Project according to the following.

Strategy	35 pts
CPE	20 pts

**2. Emergencies:**

An emergency is a catastrophic situation *that results in* an imminent threat to public health. The determination of when an emergency exists will be made by the DOH. Projects designed to address emergencies will receive the highest priority ranking. Imminent threats to public health include:

- a) situations that result in the unavailability of potable drinking water for an extended period of time or evidence of a high incidence of water transmissible diseases
- b) evidence of presence of Regulated Contaminants in Drinking Water

**G. Affordability:**

This Criterion is to assist systems most in need on a household basis. The points awarded for this Category are documented by the latest census information. (See Attachments B). For those systems described or identified as disadvantaged systems the following priority points will be awarded:

Median Household Income Levels (MHIL) will be used to assign points for affordability.

Median Household Income (MHI)	Points
less than \$8,895.00	30
between \$8,895.00 and \$13,777.00	15
between \$13,778.00 and \$17,790	5
above \$17,790	0

## DELAWARE

### **Priority Ranking Criteria**

*Projects will be prioritized based on points accrued in the following seven categories:*

- **Quality Deficiencies** - Projects for systems with NPDWR violations will receive 70 points for acute threats to public health (e.g., E. coli, nitrite, and nitrate), 50 points for non-acute threats, (e.g., total coliform bacteria, VOCs, SOCs, etc.), and 20 points for secondary standard violations, (e.g., iron, manganese, taste, odors, etc.).
- **Quantity Deficiencies** - Projects for systems with quantity deficiencies will be given points for water pressure and supply problems. Forty-five points will be given for each acute quantity problem such as lack of adequate supply (90 points maximum), while 25 points will be awarded for each chronic problem such as lack of adequate storage (50 points maximum).
- **Treatment/Design Deficiencies** - Fifteen points may be given for each infrastructure problem resulting in, or at risk of causing, SDWA noncompliance that the project seeks to eliminate (e.g., degraded treatment facility, transmission mains, uncovered finished water storage).
- **Affordability** - Points will be assigned to each project based on a comparison of county MHI to the system MHI. Awards will range up to a maximum of 320 points (systems with an MHI  $\leq$  50 percent of county MHI) to a minimum of 10 points (systems with MHIs between 91 percent and 100 percent of county MHI).
- **Compliance with SDWA Regulations** - Projects will be given points to the extent that they address violations of SDWA Regulations. Projects will receive 40 points each for eliminating lead/copper rule and SWTR violations; 15 points each for elimination of Compliance/Enforcement Status; 5 points each for ensuring compliance with future SDWA Regulations, and up to 25 points for leading to system consolidation/acquisition.
- **System Description** - Projects will be given 5 to 15 points based on the population served by the system. Maximum points will be given to systems serving between 1,001 and 10,000 people. Projects will be given up to 5 points for system type. The maximum will be given to CWSs.
- **Bonus Points** - Two bonus points will be given to projects (10 points maximum) for each of the following: rate structures promoting conservation, metered service connections, unaccounted for water loss of 15 percent or less, certified operators, and documented maintenance schedule reviews.

### **Notes**

- **Funding Ceiling** - No single project may receive more than 50 percent of the total DWSRF capitalization grant in a single year.
- **Tie-Breaking Procedure** - In the event of a tie, the project with the highest number of points under the Quality Deficiencies category will receive the highest priority. If the score remains tied, the system serving the largest population will receive the higher ranking.
- **Consolidation** - For consolidation projects, points may be awarded for the relief of problems in the satellite system(s).

# DELAWARE

## VI. Criteria and Method for Distribution of Funds

### A. Process Description for Solicitation and Selection of Projects

The State of Delaware will utilize a ranking system to prioritize the order in which eligible projects will be financed. Projects will be ranked based upon the relative impact of the project in achieving the objectives of the Safe Drinking Water Act. Projects for the creation of new public water supply systems are not eligible to receive DWSRF funds.

Delaware Health and Social Services (DHSS) will conduct annual public workshops to inform public water supply systems of the availability of DWSRF assistance. Notices of solicitation for projects to be funded will be sent to all DWSRF eligible public drinking water systems (and unserved/underserved communities near existing systems). The solicitation letter will request systems to submit information on projects for which they are seeking DWSRF moneys for that designated year. This project information will be reviewed for accuracy and eligibility, and then given a priority ranking score based on the Project Priority Criteria system designated below. The availability of funds for projects from other agencies and/or sources will also be investigated and discussed with the system.

The DWSRF eligible projects and their respective information will then be listed in order of priority, highest to lowest, in a master list of all projects. This master list of projects will be the Comprehensive Priority List. Utilizing the provisions in this document and the amount of available funds, a list of projects in order of priority ranking (Project Priority List) which are expected to receive DWSRF financial assistance for the designated year will be placed in the IUP. The following information will be included for each project: Name of system, project description, population served, priority point score, and amount to be funded. All systems with projects listed in the IUP will be contacted by the Administrator of the DWSRF before the intended time of installation of the project to enter into a binding commitment for receipt of funds, to inform them of the project review and bid contract requirements, and the loan application process.

An Operating Agreement between EPA and Delaware Health and Social Services (DHSS), which will contain the standard operating elements of the DWSRF not expected to change from year to year, will be attached to the Capitalization Grant Application. The Operating Agreement (OA) will be supplemented with an Intended Use Plan (IUP). This section, the Project Priority Ranking Criteria, will be a part of the Operating Agreement.

## 1. Priority Ranking System

The purpose of the priority ranking system is to prioritize eligible projects to be funded by the Delaware DWSRF each year. Delaware Health and Social Services (DHSS) proposes that maximum priority be given to projects that provide the greatest protection to public health, projects needed for SDWA compliance and projects which assist systems most in need on a per household basis. The criteria for scoring will also consider issues that are related to infrastructure upgrading or replacement. Projects for disadvantaged communities/systems will be ranked at the same time using the following priority ranking system and may receive subsidies when available to bring the project into the affordable range using state affordability criteria (Section XIII.C.).

### a. Project By-Pass Provisions

A project on the fundable portion of the list may be bypassed if it is determined that the project will not be ready to proceed during the funding year, the Project Priority List fails to meet the 15% assistance to small systems, a system is unwilling to address any Significant Non-Compliance Issues (SNC) issues, or a system is lacking technical, managerial or financial capability. The applicant whose project is to be bypassed will be given written notice by DHSS. Projects that have been bypassed may be reinstated on the fundable portion of the list if sufficient funds are available and the project completes the necessary tasks to proceed. Funds which become available due to the utilization of the bypass procedure will be allotted to the next project on the list that is ready to proceed. Delaware will proactively work with bypassed projects to ensure that the project will be eligible for funding in the following fiscal year, to the maximum extent practicable.

#### i. Readiness to Proceed

A project will be determined "ready to proceed" if the system will begin construction within nine months after the approval of the State's capitalization grant application by the EPA Administrator. All required engineering, plan and environmental reviews for projects must be completed within 45 days prior to the start of construction.

#### ii. 15% Assistance to Small Systems

Annually, a minimum of 15% of the DWSRF capitalization fund must be allocated to provide loan assistance to systems serving fewer than 10,000 people (Section III.F.) to the extent that there are a sufficient number of eligible projects to fund. A fundable project, for a system larger than 10,000 people, may be by-passed if the Project Priority List fails to meet the required 15% assistance to small systems.

iii. Systems in Significant Non-Compliance (SNC) with the SDWA  
Projects for public drinking water systems that are in significant non-compliance with the Safe Drinking Water Act will NOT be eligible for DWSRF moneys unless:

- a.) the system resolves all SNCs to the satisfaction of the Office of Drinking Water, or
- b.) the project(s) for which they are applying for DWSRF moneys will resolve all SNCs.

iv. Systems Lacking Capacity Development

Projects for public drinking water systems that lack the technical managerial or financial capability to maintain SDWA compliance will NOT be eligible for DWSRF moneys unless:

- a.) the owner operator or the system agrees to undertake feasible and appropriate changes in operation, or
- b.) the use of the financial assistance from the DWSRF ensure compliance over the long-term.

b. Emergencies

Projects necessary to alleviate emergency or catastrophic situations that result in an imminent threat to public health can be immediately elevated to the top of the priority list upon recommendation by DHSS and the concurrence of the Cabinet Committee on State Planning Issues. Imminent threats to public health include events such as: total loss of water supply or loss of a major component due to a natural or unforeseen disaster which could not have been prevented by applicant (e.g. tornado, flood, severe weather, fire, collapse, etc.), or other water emergencies which could not have been prevented by exercise of reasonable care by the applicant.

Projects displaced due to an emergency project will be placed on the top of the Project Priority List and will be funded as soon as funds become available.

c. Single Project Limit

No single project may receive more than 50% of the total DWSRF capitalization fund in a single year.

d. Tie Breaking Procedures

When two or more projects score equally under the Project Priority System a tie breaking procedure will be utilized. The project with the greatest number of points under the Quality Deficiencies, Section VI.A.2.a., will receive the higher ranking. If this still results in a tie score, the size of the population will be used as a tie breaker with the highest priority going to the system with the largest population.

e. Projects Not Eligible for Funding

The following projects and activities will not be eligible for funding through the DWSRF:

- Dams, or rehabilitation of dams;
- 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;
- 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;
- Laboratory fees for monitoring;
- Operation and maintenance expenses, Projects needed mainly for fire protection;
- Projects primarily intended to serve future growth;
- Projects for systems that lack adequate technical, managerial and financial capability, unless assistance will ensure compliance;
- Projects for systems in significant non-compliance (SNC), unless funding will ensure compliance.

f. Refinancing of Existing Loans

The DWSRF may be used to buy or refinance debt obligations for DWSRF eligible projects (private systems are excluded). The long term debt must have been incurred after July 1, 1993 to be eligible for refinancing. Consideration for these applications will be entertained only after projects addressing public health protection and compliance have been funded.

2. Criteria Description

The criteria used to prioritize the eligible projects are described and weighted below. Points apply to the system applying for assistance. For consolidation projects, points can be awarded for the relief of problems in the satellite system(s). Scoring is based on the sum of all possible points awarded within each category. Systems which score the highest point total will be given the highest priority on the project list. Consistent with the priorities stated above, the numerical scores in the DWSRF priority ranking system are based on the following criteria:



**a. *Quality Deficiencies - Violations of National Drinking Water Standards***

Maximum Contaminant Levels (MCLs) are established by the SDWA for those contaminants which may be detrimental to public health. Exceedances of these levels in the 5 years preceding the development of a priority list carry the following weightings:

	<b><u>Priority</u></b> <b><u>Points</u></b>
<b>Acute</b> (Public Health: 0 - 210 points)	
<i>E. coli</i>	70
Nitrate (NO <sub>3</sub> - N)	70
Nitrite (NO-N)	70
<b>Non-Acute</b> (Public Health: 0 - 450 points)	
Total Coliform Bacteria	50
Volatile Organic Chemicals (VOCs)	50
Total Trihalomethanes (TTHMs)	50
Synthetic Organic Chemicals (SOCs)	50
Trace Metals	50
Unregulated VOCs	50
Unregulated SOCs	50
Turbidity	50
Radiologicals	50
<b>Secondary Standards</b> (Other: 0 - 100 points, 100 points maximum)	
Iron	20
Manganese	20
pH	20
Chloride	20
Total Dissolved Solids	20
Sulfate	20
Taste	20
Odor	20
Color	20

**b. *Quantity Deficiencies***

**Acute** (Public Health: 0 - 90 points)

System Water Pressure less than 25 psi	45
Water shortages - lack of adequate supply	45

**Chronic** (Public Health: 0 - 50 points)

Water shortages - lack of adequate storage	25
System Water Pressure greater than 100 psi	25

**c. Treatment / Design Deficiencies**

**Infrastructure problems resulting in or at risk of causing non-compliance with SDWA.**

(Compliance: 0 - 240 points)

Degraded Treatment Facility	15
Inadequate Source-Intake Structure	15
Faulty Pumping Station	15
Inaccurate Controls / Instrumentation	15
Unsatisfactory Storage	15
Aging or Corroded Transmission Mains	15
Aging or Corroded Distribution Mains	15
Broken Meters	15
Replacement of Contaminated Source with Uncontaminated Source	15
Lack of Disinfection Treatment	15
Lack of Corrosion Control Treatment	15
Lack of Nitrate Removal Treatment	15
Inadequate Filtration	15
Non-Functioning Backflow Prevention Devices	15
Lack of Critical Component Redundancy (pumps, valves, chemical feed, etc)	15
Unreliable Emergency Power Source	15

**d. Affordability (Affordability: 0 - 320 points)**

**Degree of need based upon County median household income (CMHI) compared to the System median household income (SMHI).**

SMHI is up to 50% of CMHI	320
SMHI is 51% to 60% of CMHI	160
SMHI is 61% to 70% of CMHI	80
SMHI is 71% to 80% of CMHI	40
SMHI is 81% to 90% of CMHI	20
SMHI is 91% to 100% of CMHI	10
SMHI is greater than 100% of CMHI	0

The MHI of the water system's service area and the County-wide MHI will be determined from income data in the most recent Delaware Health Statistics Center Census Tract Geography for Delaware. If there is reason to believe that the census data are not an accurate representation of the MHI within the area served, the reasons will be documented and the applicant will furnish additional information regarding the MHI. Information will consist of reliable data from local, regional, state or federal sources or from an income survey conducted by a reliable impartial party.

**e. SDWA Regulations**

**Project for compliance with SDWA Regulations** (Compliance: 0 - 80 points)

Lead / Copper Rule	40
Surface Water Treatment Rule	40

**Project will result in the elimination of Compliance / Enforcement Status**

(Compliance: 0 - 30 points, 30 points maximum)

In Significant Non-Compliance	15
Active Bi-Lateral Compliance Agreement	15
Alternate Contaminant Level	15
Active Administrative Compliance Order	15

**Project for compliance with future SDWA Regulations**

(Compliance: 0 - 35 points)

Enhanced Surface Water Treatment Rule	5
Groundwater Disinfection	5
Disinfection By-Products	5
Radon	5
Radionuclide	5
Arsenic	5
Sulfate	5
Project to result in (Other: 0 - 25 points)	
Service to unserved/underserved areas with water quality deficiencies	10
Consolidation of two or more systems	15

**f. System Description**

**Population Served** (Other: 5 - 15 points)

25-1,000	10
1,001 - 101000	15
> 10,001	5

**Public Water System Type** (Other: 1 - 5 points)

Community	5
Non-Transient Non-Community (non-profit)	3
Transient Non-Community (non-profit)	1

**g. Bonus Points** (Other: 0 - 10 points)

System utilizes rate structure based on water usage promoting conservation	2
System is metered at service connections	2
System has unaccounted for water loss of 15% or less	2
System has certified operator	2
System has documented maintenance schedule review	2
(Exercise valves, flush system, test backflow prevention devices, etc.)	

## VII. Comprehensive Project Priority List

A comprehensive list of all projects that are eligible for funding in the designated fiscal year will be included within the IUP. A project must be listed in the IUP to be eligible for financing. The comprehensive list of projects, in order of priority, will be made available for public review and comment each year. The following information will be included for each project: Name of system; project description; population served; priority point score; and amount to be funded.

A. As the State of Delaware is submitting the non-project activities portion (set asides) of the grant award, this document does not include the comprehensive priority list. This list will be included with the submission of the subsequent application for the project funds at a later date.

B. Delaware places priority on categories of projects that meet departmental and State goals as stated in the long and short term goals of the IUP (Section 11). The top three priorities are: the resolution of imminent threat to public health by addressing acute contaminants, followed by the resolution of compliance issues, and the availability of affordable drinking water. Other priorities include long term health protection through pollution prevention, meeting long term infrastructure needs, and consolidation of systems to promote viability, where appropriate.

## MARYLAND

### Priority Ranking Criteria

*Projects will be prioritized based on points accrued in the following four categories:*

- **Public Health** - Points will be given to projects based on the severity of the threat posed to public health. An acute public health problem (e.g., fecal coliform, non-compliance with the SWTR) will receive 40 points, a chronic contamination problem (e.g., persistent MCL violations) will receive 30 points, and a potential problem (e.g., periodic water outages, periodic MCL violations) will receive 20 points. Projects will receive points for only one type of health problem: acute, chronic, or potential.
- **Compliance** - Thirty points will be assigned to a project if the system is under either a State or local order to correct a violation of the State or federal drinking water standards.
- **Environmental and System Reliability** - Projects that seek to correct environmental and system reliability problems may receive points for all items that apply in this category. Up to 6 points will be given to projects that address environmental or public safety problems (e.g., insufficient sludge handling facilities, inadequate water pressure, etc.). Four points will be given for projects needed to improve reliability (e.g., consolidation, increased capacity for finished water storage, etc.).
- **Affordability** - Points will be given to systems based on affordability. Projects will earn the most points if the calculated Target User Rate (TUR)<sup>1</sup> is more than 1.5 percent of the community MHI.

### Notes

- **Land Acquisition/Conservation Easement** - Separate priority ranking criteria have been developed for the State's proposed Land Acquisition/Conservation Easement Loan Program. These projects will be evaluated based on source type, watershed relationships, and their ability to address violations of the drinking water standards.
- **Incentive-Based Protection Measures** - Separate eligibility and ranking criteria are used for projects such as creation of a local outreach program, creation of a local tree planting program, or funding the development of a local wellhead protection ordinance. Criteria on which these projects will be evaluated are existence of local support, recognition by local government, and whether primary drinking water contaminants are addressed.

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<sup>1</sup>(TUR = Debt + O&M per year per equivalent dwelling unit)

**MARYLAND  
DRINKING WATER STATE REVOLVING LOAN FUND PROGRAM  
PROJECT PRIORITY RANKING/SCORING SHEET**

**Project Name:** \_\_\_\_\_

**PROJECT SCOPE CATEGORY** (check where applicable)

- Drinking Water Source Development
- Drinking Water Treatment Plant
  - New                       Upgrade                       Expansion
  - Surface Water               Groundwater
- Drinking Water Storage
  - New                               Rehabilitation
- Drinking Water Distribution System
  - New                               Upgrade

**I. PUBLIC HEALTH BENEFITS** (Maximum 40 Pts)

- A. Project will eliminate an acute public health problem (40 pts) or
  - B. Project will eliminate a chronic public health problem (30 pts) or
  - C. Project will eliminate a potential public health problem (20 pts) or
- \_\_\_\_\_

**II. COMPLIANCE BENEFITS** (Maximum 30 Pts)

Project will provide compliance with a Notice of Violation or compliance with the Safe Drinking Water Act (30 pts)

\_\_\_\_\_

**III. ENVIRONMENTAL AND SYSTEM RELIABILITY BENEFITS** (Maximum 10 Pts)

- A. Project will eliminate an environmental problem (5 pts) or
  - B. Project will eliminate a public safety problem (5 pts) and/or
  - C. Project will improve the water system reliability (5 pts)
- \_\_\_\_\_

**IV. AFFORDABILITY SCORING CRITERIA (Maximum 20 Pts)**

- |  |             |
|--|-------------|
| 1. Project Target User Rate (TUR) is more than 1.50% of the Community Median Household Income (MHIc) | (20 pts) or |
| 2. Project TUR is between 1.25% and 1.50% of MHIc  | (10 pts) or |
| 3. Project TUR is between 1.00% and 1.25% of MHIc  | (5 pts) or  |
| 4. Project TUR is less than 1.00% of MHIc  | (0 pts)     |
- 

TOTAL SCORE/POINTS

=====

**DRINKING WATER STATE REVOLVING LOAN FUND PROGRAM  
PUBLIC HEALTH/WATER SUPPLY PRIORITY RANKING/SCORING CRITERIA**

**I. PUBLIC HEALTH BENEFITS**

- A. Project will eliminate an acute public health problem (40 pts)

Problems which pose immediate and ongoing health hazards to water consumers include:

1. Non-compliance with the Surface Water Treatment Rule.
2. Fecal coliform bacteria contamination.
3. Nitrate contamination.
4. High levels of any contaminant which presents an immediate risk to health.
5. Insufficient water quantity or pressure to meet basic sanitary needs.

OR

- B. Project will eliminate a chronic public health problem (30 pts)

Problems which pose chronic or long-term health hazards to water consumers include:

1. Persistent violation of a maximum contaminant level at a concentration which does not present an immediate risk to health (e.g. total coliform bacteria, volatile organic chemicals, synthetic organic chemicals).

OR

- C. Project will eliminate a potential public health problem (20 pts)

Problems which are likely to result in public health hazards include:

1. Extremely deteriorated or inadequate treatment and delivery systems which are likely to degrade water quality.
2. Periodic water outages.
3. Periodic maximum contaminant level violation.

## II. COMPLIANCE BENEFITS

Project is under a MDE Notice of Violation or a Local Health Department Order to correct violation of State and/or federal drinking water standards. (30 pts)

## III. ENVIRONMENTAL AND SYSTEM RELIABILITY BENEFITS

- A. Project will eliminate an environmental problem (5 pts)  
Problems which are likely to degrade the environment include:

1. Insufficient sludge handling facilities at an existing water treatment plant
2. Lack of system water conservation program

OR

- B. Project will eliminate a public safety problem (5 pts)  
Problems that present on-going public safety hazards include:

1. Inadequate water pressure
2. Unsafe finished water storage
3. Lack of significant safety measures (e.g. chemical containment)

AND/OR

- C. Project will improve the water system reliability (5 pts)

1. Interconnection of existing water systems or purchase of systems in whole or in part or of capacity in other systems where cost effective, or extension of water service for an existing community without a safe adequate water supply to meet system reliability

OR

2. Remedies to improve system reliability include: (5 pts)
  - a. Provide redundancy to critical treatment or delivery functions
  - b. Eliminate dead ends and provide adequate looping in a distribution system
  - c. Increase water storage capacity
  - d. Provide emergency backup electrical power source

## IV. AFFORDABILITY SCORING CRITERIA

Project Target User Rate (TUR) is more than 1.50% of the Community Median

1. Household Income (MHIC) (20 pts)
2. Project TUR is between 1.25% and 1.50% of MHIC (10 pts)
3. Project TUR is between 1.00% and 1.25% of MHIC (5 pts)
4. Project TUR is less than 1.00% of MHIC (0 pts)



## PENNSYLVANIA

### Priority Ranking Criteria

*Projects will be prioritized based on points accrued in the following six categories:*

- **Public Health** - A maximum of 40 points may be given to projects that eliminate public health hazards. For example, for an acute hazard, a project will receive 40 points, for a chronic health hazard 30 points and fewer points for periodic or potential health hazards.
- **Compliance** - A maximum of 20 points may be given to projects that improve a water system's ability to comply. For example, a system will receive 20 points for a project which achieves compliance with an order, decree, agreement, or regulatory deadline and 10 points for a project which improves compliance where no order, decree or agreement has been issued.
- **Affordability** - A maximum of 20 points may be given to projects based on affordability. Projects for systems where the municipal MHI is less than or equal to State MHI will receive 20 points. Projects for systems where the municipal MHI is higher will receive fewer points.
- **Environmental and Social Impacts** - Projects may receive points (maximum of 5) for all criteria that apply in this category: 3 points for projects that will have a beneficial environmental impact and 2 points for projects that will have a beneficial social impact.
- **Improvements in Adequacy and Efficiency** - A maximum of 5 points may be given to projects that increase the amount of water available (source, storage, pressure, etc.), provide water conservation, improve aesthetic water quality, improve the applicant's ability to operate and maintain the facility, or increase the reliability of service. The greatest number of points, 5, will be given to projects that include consolidation.
- **Public Safety** - A maximum of 5 points may be given to projects that correct a public safety hazard to workers or others in the event of system failure (e.g., storage tanks, major pump stations, treatment buildings, etc.), but only if the facility or equipment is essential for continued operation of the water system. Projects with critical or chronic hazards will receive 5 points, with periodic or potential hazards will receive 3 points and protection against hazard will receive 1 point.

### Notes

- **High Risk Levels** - Pennsylvania has developed a list of high-risk levels for common contaminants found in drinking water and uses it to assist in prioritizing public health projects.

# PENNSYLVANIA

## Project Prioritization Criteria

**A. BENEFITS TO PUBLIC HEALTH** - For projects which propose to remedy a contamination problem, the level of contamination must be determined in the same manner as compliance with an MCL (e.g. average of the original and a check sample when monitoring annually or less frequently, or annual average of quarterly samples).

### **1. Eliminates critical or chronic health hazard**

- a. **Forty (40) points** will be awarded to projects that propose to eliminate a problem that poses an acute, ongoing health hazard to the consumer. The applicant must provide written documentation to confirm these problems. The project engineer will be responsible for evaluating the documentation provided by the applicant to determine if the reported problems exist. **STATEMENT OF THE PROBLEM BY THE APPLICANT IN THE PLANNING AND FEASIBILITY REPORT (PART II OF THE APPLICATION) IS NOT, BY ITSELF, VERIFICATION. THESE STATEMENTS MUST BE SUPPORTED BY ANALYTICAL RESULTS AND/OR ENGINEERING REPORTS.**

Examples:

- i. A violation of a primary MCL or maximum unregulated contaminant concentration and its associated high risk to health level (see attached list).
- ii. In order for coliform violations to qualify for forty points, the presence of fecal coliform must be verified. Projects qualifying for 30 or 40 priority points due to coliform contamination will normally be waterline extension projects which propose to eliminate the use of individual wells or unpermitted community systems operating without disinfection.
- iii. No water is available at the tap from the system's permitted sources or for unpermitted systems from sources normally used. The length of the outage to some or all of the customers is, or is expected to be (e.g., verification that failure of a critical part of the system is probable), a week or more.
- iv. Giardia cysts in the filtered water. Giardia cysts in the raw water of systems without filtration or systems which currently have an unacceptable filter plant performance evaluation due to facility deficiencies.

**NOTE:** Since only the presence of Giardia cysts trigger the requirement for establishing concentrations and contact times (CTs), a system which is already triggered for filtration and disinfection due to source water coliform or turbidity is not given a higher ranking because of these source contamination problems. The regulatory requirement to provide 2.5 mg/l of disinfectant adequately addresses all water quality problems associated with the filter rule other than Giardia.

- b. **Thirty (30) points** will be awarded to projects that propose to eliminate a problem which poses a chronic health hazard to the consumer. The same verification and documentation as in "A.1.a." above will be required.

Examples:

- i. A violation of a primary MCL or maximum unregulated contaminant concentration but less than the associated High Risk level. For example, the annual average concentration of quarterly trichloroethylene samples is between 0.005 mg/L (MCL) and 0.3 mg/L (High Risk level).
- ii. Total coliform contamination.
- iii. Unfiltered surface water source AND a disinfection process which is not capable of 99.9% inactivation of Giardia cysts.

NOTE: For a disinfection process to be considered capable of 99.9% inactivation of Giardia cysts, a minimum of 60 minutes of contact time is required at peak hourly flow.

## 2. Eliminates periodic or potential health hazard

- a. **Twenty (20) points** will be awarded if the project proposed is to eliminate a documented health hazard which has occurred periodically or if there is documented (written correspondence, order, etc.) potential for the problem to occur.

Examples:

- i. A periodic exceedence of a primary MCL or maximum unregulated contaminant concentration due to an intermittent malfunction of treatment equipment.
  - ii. A periodic water outage. A water outage occurs when a water system is unable to provide water to all of its customers for a period of time at least a day in length, from its permitted sources (other than emergency permits). For unpermitted systems, these sources would be the ones normally used.
  - iii. Unacceptable filter plant performance evaluation due to a structural need AND a disinfection process which is not capable of 99.9% inactivation of Giardia cysts.
- b. **Fifteen (15) points** will be awarded to projects which propose to cover a finished water reservoir, add filtration for a surface water source where the disinfection process is currently capable of 99.9% inactivation of Giardia cysts, address structural needs identified in an unacceptable filter plant performance evaluation rating of a plant where the disinfection process is currently capable of 99.9% inactivation of Giardia cysts or add disinfection where none currently exists. Projects which propose to provide public water supply for anticipated future development will **NOT** receive 15 points for adding disinfection, since these homeowners would have the option of providing their own disinfection had they developed an individual water system.

## 3. Provides protection against significant potential health hazard

- a. **Ten (10) points** will be awarded to projects which propose preventative maintenance improvements.

Example: Although no MCL violation or health hazard has been observed, replacing an old, undersized or malfunctioning chlorinator or replacing leaking waterlines would fall into this category.

## **B. IMPROVEMENT IN ABILITY TO COMPLY**

**1. Improves water system's ability to comply** (PENNVEST should not be used to reward or penalize systems for compliance. Evaluation needs to be based strictly on benefits provided).

- a. **Twenty (20) points** will be awarded to projects which propose to comply with or to improve compliance with existing laws, rules or regulations; or a violation which poses an acute health or safety hazard (i.e., primary violation).

Example: Any project which will ensure compliance with the Filtration Rule interim and final deadlines.

- b. **Ten (10) points** will be awarded to projects which propose to improve compliance with existing laws, rules or regulations, when no compliance order, decree or agreement has been issued and there is no deadline date specified in regulation; or a violation which does not pose an acute health or safety hazard, but does pose a significant compliance problem (i.e., secondary violation).

Example: A significant compliance problem is one such as an MCL violation (not posing an acute health risk) or normal operating pressure of less than 20 pounds per square inch (PSI).

- c. **Five (5) points** will be awarded to projects which propose to provide protection against a significant problem by compliance with Section 109.4 of the Safe Drinking Water Regulations as follows:

Protect the water sources under the supplier's control

Provide treatment adequate to assure that the public health is protected

Provide and effectively operate and maintain public water system facilities

Take whatever investigative or corrective action is necessary to assure that safe and potable water is continuously supplied to the user.

**NOTE:** SINCE NON-PUBLIC WATER SYSTEMS ARE NOT INCLUDED IN THE DEFINITION OF WATER SYSTEM IN THE PENNVEST REGULATION, NO COMPLIANCE POINTS WILL BE AWARDED FOR CORRECTION OF A PROBLEM AFFECTING THESE TYPES OF SYSTEMS.

**C. AFFORDABILITY** is the degree of need based upon the Pennsylvania median household income<sup>1</sup> (PAMHI) compared to the municipal median household income. It is calculated by dividing the PA median household income by the median household income specific to the municipality from which the funding application is being submitted.

$$\frac{\text{MunicipalMedianHouseholdIncome}}{\text{PAMedianHouseholdIncome}} = X100\%$$

- a. **Twenty (20) points** will be assigned where the municipal median household income (MMHI) is 0% to 25% of the PA median household income (PAMHI).
- b. **Sixteen (16) points** are assigned where the MMHI is greater than 25% and up to 50% of the PAMHI.
- c. **Twelve (12) points** are assigned where the MMHI is greater than 50% and up to 75% the PAMHI.
- d. **Eight (8) points** are assigned where the MMHI is greater than 75% and less than 100%.
- e. **Four (4) points** are assigned where the MMHI is 100% or greater than the PAMHI.

## **D. ENVIRONMENTAL<sup>2</sup> AND SOCIAL IMPACTS**

### **1. Beneficial environmental and social impact**

- a. **Five (5) points** will be awarded to proposed projects which will improve some existing environmental condition.

Example: Installation of sludge handling facilities at an existing filtration plant.

- b. **Two (2) points** will be awarded to proposed projects which will improve the quality of life for consumers.

Example: Any project which provides benefits to public health or public safety.

- c. **One (1) point** will be awarded for any project in which there is no demonstrable negative environmental or social impact.

## **E. IMPROVEMENT IN ADEQUACY AND EFFICIENCY**

1. **Increases available water** (source, storage, pressure, etc.), provides water conservation, improves aesthetic water quality, improves applicant's ability to operate and maintain the facility and/or increases the reliability of service. Improvements to the aesthetic water quality will generally apply to lowering the levels of the secondary contaminants. Improvements designed to lower or prevent increases in turbidity levels will only be given points under Section A - Benefits to Public Health, since turbidity is a primary contaminant.

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<sup>1</sup> U.S. Census reports a PA median household income of 29,069.

<sup>2</sup> For the purposes of this guidance, "environmental" means all conditions, circumstances, and influences surrounding and affecting animal or plant organisms.

- a. **Five (5) points** will be awarded to projects which propose through water system consolidation to improve facility operation or maintenance, and/or improve the reliability/viability of the system. This only applies to existing public water systems, not to new systems or waterline extensions. Consolidation involves one water system assuming ownership of another; physical interconnection may or may not be involved. Consolidation occurs through acquisitions, mergers, satellite ownership, takeovers, buyouts or regionalization.
- b. **Three (3) points** will be awarded to projects which propose to increase available water, provide water conservation, improve aesthetic water quality, improve applicant's ability to operate and maintain the facility and/or increase the reliability of service by means other than water system consolidation.
- c. **One (1) point** will be awarded to proposed projects in which a regional water system is considered but is not available as a reasonable alternative.

## **F. BENEFITS TO PUBLIC SAFETY**

Water system facilities (e.g., storage tanks, major pump stations, treatment building, etc.) which pose a safety hazard to workers and/or others in the event of system failure will receive ranking points for correction only if the facility/equipment is essential for continued operation of the water system. Public safety may depend also upon the assured availability of adequate quantity and pressure of water for fighting fires. Projects that are mainly for fire protection are not eligible for DWSRF assistance. However, projects that include improvements to fire protection as an ancillary project benefit or as a secondary project purpose, may be considered for DWSRF assistance.

### **1. Eliminates critical or chronic safety hazard**

- a. **Five (5) points** will be awarded to projects that propose to eliminate a problem that poses an ongoing safety hazard. Written documentation of the problem is required.

Examples:

- i. Proposed project is for replacement or major rehabilitation of an unsafe water supply storage tank that may collapse or a major pump that may fail.
- ii. Project will meet fire code where system currently provides less than the minimum amount/pressure of water recognized as necessary for fire protection. (Improvement to fire protection is a secondary project purpose.)

### **2. Eliminates periodic or potential safety hazard**

- a. **Three (3) points** will be awarded if the project proposed is to eliminate a documented (in writing) safety hazard which has occurred periodically or if there is potential for the problem to occur.

Examples:

- i. Project will correct existing problems at a water storage tank that does not comply with Occupational Safety and Health Administration (OSHA) safety standards (e.g., no fencing is provided around the perimeter of the tank).

Project will replace or provide major rehabilitation of pumps that periodically fail (e.g., due to an inadequate backup electrical supply).

- ii. Project will install fire hydrants where, because of a current lack of or an insufficient number of hydrants, the system currently fails to meet fire protection codes. (Improvement to fire protection is a secondary project purpose.)

**3. Provides protection against significant potential safety hazard**

- a. **One (1) point** will be awarded to projects which propose preventative maintenance improvements.

Examples:

- i. Project will provide recoating of a water storage tank.
- ii. Project will correct problems in the sufficiency of water pressure at some locations in the system which cause the system to fail to meet fire protection codes. (Improvement to fire protection is a secondary project purpose.)

**G. READINESS TO PROCEED** is described in terms of the readiness by which the project will be initiated. "Readiness" is described specifically by the applicant-proposed project start dates.

- a. A "High" value is assigned for those applicants that propose project start dates within six months of the actual or anticipated funding approval date.
- b. A "Medium" value is assigned where the project will be initiated greater than six months but less than or equal to one (1) year from the date of funding approval.
- c. A "Low" is assigned where the project will be initiated greater than one (1) year from the date of funding approval.

# VIRGINIA

## Priority Ranking Criteria

*Projects will be divided into two tiers. Tier H projects, addressing acute or chronic health or SDWA compliance problems, are given first priority. Tier O projects, addressing all other problems, are then prioritized. Within the two tiers, projects are prioritized based on eight criteria that fall under three category groups. Tier H projects are prioritized based on all eight criteria, while Tier O projects are prioritized based only on criterion 3 to criterion 8.*

### **Group I - Health and Compliance**

- **1. Acute Health Priority, SDWA Compliance** - Projects for systems with acute health issues that may affect individuals in the short term will be given 50 points (e.g., Commissioner's letter declaring health hazard, SWTR violations, TCR violations).
- **2. Chronic Health Priority, SDWA Compliance** - Projects for systems with chronic health issues that may affect individuals over a lifetime will be given 30 points (e.g., SNC, lead and copper violations).
- **3. Public Health Priority, Waterworks Regulations Compliance** - Projects to improve infrastructure necessary for compliance with Waterworks Regulations will be given a maximum of 15 points (e.g., resolve quality or quantity inadequacies of groundwater supply, ensure water receives proper treatment).

### **Group II - Affordability**

- **4. Affordability** - Projects will be given up to 20 points based on resources available to the population served by the system. For example, if the county/city MHI is less than \$22,000, the project will receive 20 points, but if it is greater than \$33,000, the project will receive no points.

### **Group III - State Discretion**

- **5. Regionalization** - Regionalization projects will receive 8 points.
- **6. Readiness to Proceed** - Not applicable after 10/1/98.
- **7. Other Funds** - Points will be given to projects based on the amount of funds, as a percentage of the construction loan, that the system will contribute. For example, systems that contribute more than 20 percent toward a project will receive 4 points, and systems that contribute less than 5 percent toward a project will receive no points.
- **8. Projected Cost per Connection** - Points will be given to projects based on the construction loan's cost per household. For example, projects that would cost each household more than \$5,000 will receive no points and projects that would cost each household less than \$500 will receive 3 points.

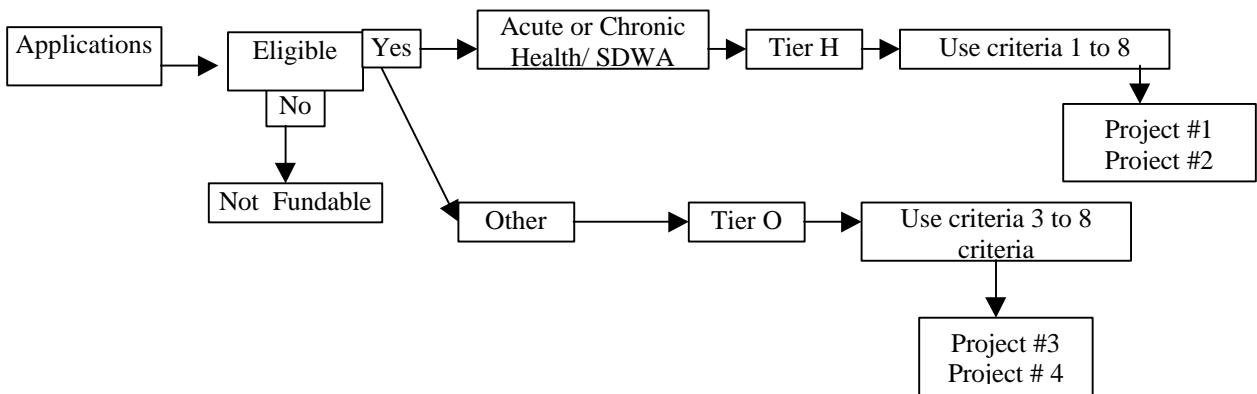


# VIRGINIA

## IX. CRITERIA UTILIZED IN PRIORITIZING CONSTRUCTION PROJECTS

This priority system ensures that all eligible acute or chronic health/ SDWA compliance projects are funded before any other eligible project. The priority of project funding is based upon a two-tiered system after considering eligibility.

Each application for project funding is reviewed and is identified as being based on either (1) an eligible acute or chronic health/ SDWA compliance problem or (2) other problem. All eligible acute or chronic health/ SDWA compliance projects are designated as Health (Tier Designation H). The remaining eligible projects are designated as Other (Tier Designation O). **Tier H projects are funded first.** After all Tier H projects are funded, Tier O projects would be funded.



After VDH designates a project to a particular tier, it is necessary to sort priority within that tier. Eight criteria within three general groups are used to accomplish the sorting within tiers. VDH will assign points to all eligible projects (including potential refinancing efforts) in accordance with the following criteria.

**GROUP I** -- Health and Compliance criteria (direct health violations or infrastructure needs that affect health issues.

- |   |           |
|---|-----------|
| (1) Acute Health Priority, SDWA Compliance                    | 50 points |
| (2) Chronic Health Priority, SDWA Compliance                  | 30 points |
| (3) Public Health Priority, Waterworks Regulations Compliance | 15 points |
| POINTS SUBTOTAL = 95 points or 70.37%                         |           |

**GROUP II** -- Affordability Criteria

- |  |           |
|--|-----------|
| (4) County/ City Median Household Income (MHI) | 20 points |
| POINTS SUBTOTAL = 20 points or 14.815%         |           |

**GROUP III -- State Discretion criteria**

(5) Regionalization	8 points
(6) Readiness to proceed (disallowed for projects funded beginning with grant from Federal FY 99 funds)	5 points
(7) Other funds	4 points
(8) Projected cost per connection	3 points
POINTS SUBTOTAL = 20 points or 14.815 %	

TOTAL 135 points

**Acute Health Priority, SDWA Compliance (50 points).** *These are health concerns that affect an individual in the immediate short-term and are given the highest weight of any criteria.*

- Commissioner's letter declaring a health hazard
- Surface Water Treatment Rule violation, i.e., inadequately treated surface water or groundwater under the influence of surface water (GUDI)
- Persistent Total coliform rule (TCR) or Nitrate violations
- Continuing Boil Water Notice
- Inadequate individual water supplies documented by District Health Director, Planning District Commission, etc. to show health problems.

**Chronic Health Priority, SDWA Compliance (30 points).** *Chronic health problems that affect an individual over a lifetime.*

- Persistent PMCL Violations for contaminants such as VOC, SOC, IOC, RAD, etc.
- Lead and Copper Action Levels
- Significant noncompliance (SNC)

**Public Health Priority, Waterworks Regulations Compliance (15 points maximum)**

*Improvements to infrastructure necessary to bring the waterworks into compliance with the Waterworks Regulations and to ensure the provision of safe drinking water such as:*

- Resolving conditions of inadequate quality and quantity of a groundwater source of water supply. (5 points)
- Ensuring that drinking water receives appropriate treatment to protect the public health. (5 points)
- Preventing conditions favoring the entrance of contaminants into the distribution system or to provide adequate storage capacity and pressure, and to reduce leakage. (5 points)

**Affordability--County/City Medium Household Income (20 points maximum).** *The census median household income (MHI) is used in order to weigh assistance to those with fewer resources available per household.*

Less than \$22,000 MHI	20 points
\$22,000 =< MHI =<\$28,000	10 points
\$28,000 < MHI =<\$33,000	5 points
Greater than \$33,000 MHI	0 point

**Regionalization (8 pts).** *State law encourages regionalization; therefore, such efforts receive additional consideration.*

**Readiness To Proceed (5 points maximum, non-cumulative).** *The closer a project is to construction the more points are awarded to the project. No points allowed for projects funded beginning with grants from the Federal FY 99 funds. Readiness to proceed will continue to be considered as a decision factor for selecting projects to receive funding.*

Applicant has hired an Engineer	1 point
A Preliminary Engineering Report (PER) has been approved by VDH	2 points
Plans @ VDH	3 points
Plans approved by VDH	5 points

**Other Funds Available (4 points maximum).** *Incentive points are assigned to encourage an applicant to have or seek other funds in addition to the construction loan from the DWSRF program. The percentage is calculated by dividing the other funds by the total project cost.*

Less than 5%	0 point
5% to =<10%	1 point
10% to =<15%	2 points
15% to =<20%	3 points
Greater than 20%	4 points

**Projected Cost per Connections Served (3 points maximum).** *The cost per household is calculated by dividing the amount of the construction loan from the DWSRF program by the actual number of households receiving the benefit.*

Less than \$500/household	3 points
\$500 to =<\$2500/household	2 points
\$2500 to =<\$5000/household	1 point
Greater than \$5000/household	0 point

## WEST VIRGINIA

### **Priority Ranking Criteria**

*Projects will be prioritized based on points accrued in the following three categories:*

- **Public Health** - Up to 50 points will be given to projects that address public health issues. Points will be awarded based on the seriousness of the health risk, ranging from 50 points for projects to eliminate acute health hazards to 10 points for general system improvements. Projects that address multiple health hazards may receive points for only the highest classification.
- **Regulatory Compliance** - Up to 20 points will be given to projects to address regulatory compliance. For example, systems to correct chronic noncompliance will receive 20 points, while projects designed to prevent future noncompliance will receive 5 points.
- **Affordability** - Up to 30 points may be given to projects based on a comparison of drinking water system rates to magisterial district MHI. Systems with rates greater than 2.0 percent of MHI will receive the maximum of 30 points, decreasing incrementally to 5 points for systems with rates between 51 percent and 1.0 percent.

### **Notes**

- **Tie-Breaking Procedure** - The system with the highest public health rating will receive priority. If two systems remain tied, the system with the smaller population served will be ranked higher.

# WEST VIRGINIA

## Project Priority Ranking System

### (1) **PUBLIC HEALTH** (0 to 50 points - 50 points maximum)

Up to fifty points may be given to a project for public health. The public health categories are listed below. A particular project may apply to several categories. In such cases, the project will be given the highest rating.

#### (A) **Projects to correct acute health hazards** - (50 points)

Fifty points will be given to projects that propose to eliminate a problem that poses an acute, ongoing health hazard to the consumer. Examples are listed below.

- Projects that address documented nitrate or nitrite violations.
- Projects that address documented exceedance of primary inorganic MCLs.
- Projects that address a problem where a system has been put on the EPA SNC list for turbidity violations. The project must ensure compliance in order to receive DWTRF assistance.
- Projects that address a problem where a system has been put on the EPA SNC list for microbiological violations. The project must ensure compliance in order to receive DWTRF assistance.
- Projects that propose filtration for surface water source that currently does not have filtration.
- Projects that propose disinfection for a system that currently does not have disinfection.
- Projects that address documented water outages for extended periods (1 week) due to system or design deficiencies.

#### (B) **Correct chronic health hazards** - (40 points)

Forty points will be given to projects that propose to eliminate a chronic health hazard to the consumer. Examples are listed below.

- Projects that address a turbidity violation for a system that has not yet been put on the EPA SNC list.
- Projects that address a microbiological violation for a system that has not yet been put on the EPA SNC list.
- Projects that address exceedances of the Lead and Copper Rule.

- Projects that address documented exceedances of primary organic MCLs.
- Projects that address documented exceedances of radiological MCLs.
- Projects that address treatment technologies for the SWTR.
- Projects that address documented water outages due to system or design deficiencies.

**(C) Correct periodic health hazards - (30 points)**

Thirty points will be awarded to projects that propose to eliminate a documented health hazard which has occurred periodically. Examples are listed below.

- Projects that address low chlorine residuals.
- Projects that address periodic exceedances of a primary MCL.
- Projects that address periodic water outages to some customers for at least a day due to design or system deficiency.
- Projects to bring existing facilities to current design standards which affect water quality: treatment, chemical application, pumping facilities, finished storage and distribution systems.

**(D) Correct potential health hazards - (20 points)**

Twenty points will be given to projects that propose to eliminate potential health hazards. Examples are listed below.

- Projects for line extensions to areas with poor water quality or limited quantity.
- Projects to develop new source to augment existing sources where there is no other health hazard associated with the project. Dams and reservoirs are not eligible.
- Projects for installation / upgrade of waste disposal facilities.

**(E) System Improvements - (10 points)**

Ten points will be given to projects that propose general system improvements. Examples are listed below.

- Projects to replace / repair old, undersized, or malfunctioning equipment.
- Projects to replace leaking water line.
- Projects to improve aesthetic quality of the water such as iron, manganese, taste and odor.

**(2) REGULATORY COMPLIANCE (0 to 20 points - 20 points maximum)**

**(A) Correction of chronic non-compliance - 20 points**

- Compliance with administrative orders, agreements, statutes, or regulatory deadlines

**(B) Compliance with periodic and potential non-compliance - 10 points**

- Compliance with sanitary survey recommendations, NPDES permits, new regulations, or design standards.

**(C) Protection against non-compliance - 5 points**

- Compliance with proposed regulations.

**(D) Line extensions with documented cases of fecal coliform - 3 points**

**(3) AFFORDABILITY (0 to 30 points)**

Rates = 0% to 0.5% MHI	( 0 points)
Rates = 0.51% to 1.0% MHI	( 5 points)
Rates = 1.01% to 1.5% MHI	(20 points)
Rates = 1.51% to 2.0% MHI	(25 points)
Rates > 2.0% MHI	(30 points)

Note: MHI = median household income by magisterial district as published by the West Virginia Infrastructure and Jobs Development Council.  
Rates based on 4500 gallons.

Public Health \_\_\_\_\_  
Compliance \_\_\_\_\_  
Affordability \_\_\_\_\_  
**Total Points** \_\_\_\_\_

### Tie Breaker:

In the event that two systems have the same score the following will be used as the tie breaker:

1. Whichever system has the highest public health rating will be ranked higher.
2. In the event there is still a tie, then the system with the lower population served will be ranked higher.

The list of eligible projects that are expected to receive assistance from the DWTRF for the 1997 fiscal year is enclosed as Attachment 3. This list includes the name of the public water system, description of the project, priority assigned, the expected financial terms, and size of community served. These projects are considered the 1997 Project Priority List to receive financial assistance from the DWTRF. A project must first be determined to be technically and financially feasible by the Water Technical Review Committee and the Funding Committee of the West Virginia Infrastructure and Jobs Development Council. Approval from the West Virginia Infrastructure and Jobs Development Council is required for any project to receive DWTRF funding assistance.

### **Bypass Procedure**

After all projects are ranked in order of priority the following procedure will be used to determine those that will receive financial assistance from the DWTRF.

1. There is a federal requirement that at least 15 % of the construction funds be used for small systems which serve less than 10,000 persons. Annually, an amount up to 15 % of the funds will be assigned to small systems starting at the top of the priority list.
2. The remainder of the funds will be assigned in order of priority on the priority list.
3. The following provisions will be used to bypass a project on the priority list or amend the priority list and fund another project on the comprehensive list.
  - (1) The project is for a system that is defined as a Significant Non-Complier (SNC) per the Safe Drinking Water Act and the project will not ensure compliance.
  - (2) The project is for a system that does not have properly certified operators to operate and maintain the system.
  - (3) The project has been funded by another entity,
  - (4) The project has had a change in scope,
  - (5) The project is unable to proceed in a timely manner,
  - (6) All other funding is not committed,
  - (7) The project costs exceed the anticipated loan amounts,
  - (8) The system declines the assistance,
  - (9) The project is not certified as technically and financially feasible by the West Virginia Infrastructure and Jobs Development Council (WVIJDC) Water Technical Review and Funding Committees.
  - (10) The project is unable to meet the schedule developed and agreed upon by the project sponsor and the Bureau for Public Health.
  - (11) Other situations that cannot be foreseen that the Bureau for Public Health determines will delay the loan assistance.
  - (12) A project previously ranked below attains a higher rating due to revised information.



When a project has been bypassed, the water system will be given written notice that it has been bypassed and will not be funded with DWTRF funding for that year. The project may be applied to the next years' priority lists. The Bureau for Public Health will work with those projects that have been bypassed to ensure, to the maximum extent possible, that the project will be eligible in the following year.

In such cases where a project is bypassed, the next project on the list will be funded within the funds available and the criteria outlined in this section. If a funded project comes in under cost, the remaining funds may be used to fund the next project on the priority list provided that the cost does not exceed the available funds.

### **Rational for different assistance**

Loans will be offered at 2% for up to 20 years plus a 1% administrative fee. To qualify for loans at an interest rate less than 2% or extended loan terms up to 30 years, the proposed user rates for 4,500 gallons must be equal to or greater than 11/2% of the median household income (MHI). In such cases the interest rate will be reduced to keep user rates as close to 1.5% of the MHI as possible. The MHI is defined by magisterial district and is enclosed as Attachment 1.

Funds from the 1% administrative fee must be kept in a separate, non project account. The monies can only be used for purposes directly related to the DWTRF program and must be properly accounted for in the annual audit.

The long term impact of these funding decisions will be that after initial capitalization years (2004) the fund will be receiving approximately \$3 million in repayments that year (2004) for funding additional projects.

# ALABAMA

## Priority Ranking Criteria

*Projects will be prioritized based on points accrued in the following seven categories:*

- **Violations of National Drinking Water Standards** - Projects for systems with MCL exceedances during the 30-month period prior to pre-application submittal (3 years for secondary contaminants) may receive up to 40 points for each item that applies in this category (e.g., 40 points for more than 2 bacteriological violations, 20 points for MCL exceedances of secondary standards, 5 points for 1.0 - 5.0 mg/L of nitrate).
- **Quantity Deficiencies** - Projects for systems with quantity deficiencies or shortages due to water source or storage may receive between 5 and 30 points for each item that applies in this category (e.g., 30 points for continual shortages, 5 points for inadequate storage without implemented conservation program).
- **Treatment/Design Deficiencies** - Projects for systems with design deficiencies that could be corrected by enlargement, repair, installation, or replacement of the system or a portion of the system may receive between 10 and 30 points for each item that applies in this category (e.g., 30 points for no filtration for surface water or groundwater under the influence of surface water, 12 points for inadequate treatment or process facilities). In addition, projects may receive 10 or 15 bonus points if they have committed to or implemented a source water protection plan or delineated source water areas and assessed contaminants.
- **Affordability Factor** - Projects will receive points based on the relative needs of applicants on a per household basis. The number of points is determined by the ratio of the average annual household water bill to the 1997 MHI for the project area multiplied by 100 (e.g., 24 points if the number is greater than 2.0, 3 points if the number is less than or equal to 0.5).
- **New Customer Connections Served** - Projects will receive between 10 and 26 points based on the number of new customer connections that they will serve (e.g., 26 points for more than 600 new connections, 10 points for fewer than 20 new connections).
- **Consolidation** - Projects which result in the consolidation, interconnection, or improvement of services for two or more drinking water systems may receive between 10 and 50 points depending on the action being taken (e.g., 50 points for total system consolidation, 10 points for improvement of services).
- **Benefit/Cost Factor** - Projects will receive between 2 and 22 points depending on the factor resulting in dividing the number of benefiting connections by the amount of the DWSRF loan in millions of dollars (e.g., 22 points if the factor is greater than 10,000; 2 points if the factor is between 0 and 25).

## Notes

- **Tie Breaking Procedure** - In the event of a tie, priority will go to the project with the smallest number of existing customers served.

## ALABAMA

### **335-7-13-.10 Criteria for Project Loan Priority.**

(1) Each year, the Department shall develop a project priority list in accordance with the SDWA for the forthcoming fiscal year. The criteria for ranking projects gives priority to projects that: 1) protect public health, and return systems to compliance; 2) benefit the most people per dollar expended; 3) assist systems most in need on a per household affordability basis; and 4) use consolidation with other systems to correct existing deficiencies and improve management. Each year, the project priority list shall be the subject of a public notice, including a public comment period. Water systems desiring to place a project on the list shall make their request for placement by May 1 of each year, or as otherwise established by the Department. Those projects will be ranked in accordance with the priority system and placed on the list. The pre-application, in the form of an Engineering Report, shall be submitted by the authorized representative of the water system with a request for placement on the list:

- (a) Brief description of the project;
- (b) Brief description of existing deficiencies (for example, low pressure, inadequate treatment, bacteriological contamination, etc.);
- (c) Number of customers for entire water system;
- (d) Number of customers for project area;
- (e) Estimated costs associated with the project including planning and design expenses;
- (f) Financial information summary including, but not limited to, the following:
  - 1. Annual operations and maintenance cost estimates;
  - 2. Total existing water system debt obligations;
  - 3. Total annual revenues;
  - 4. Most recent financial statement;
  - 5. Existing water service rates and proposed increases;
  - 6. Average annual customer water bill based on historical usage; and
  - 7. Median household income for project area;
  - 8. Where one or more project option exists, projected costs for each option.
- (g) Engineering Report as described in Rule 335-7-4-.04, unless otherwise directed by the Department; and

(h) Benefits of pollution prevention or water shed enhancement project.

Each project considered eligible for assistance shall be assigned a point rating (P) computed according to the following formula:

$$P = A+B+C+D+E+F+G$$

Where:

A= Violations of National Drinking Water Standards

B= Quantity Deficiencies

C= Treatment Deficiencies

D= Affordability

E= New Customers Served

F= Consolidation

G= Benefit/Cost

*A = Violations of National Drinking Water Standards*

Maximum Contaminant Levels (MCLs) are established by the EPA for those contaminants that may be detrimental to public health. Exceedances of these levels during the 30-month period prior to pre-application submittal (3 years for secondary contaminants) carry the following weightings:

	<b>Condition</b>	<b>Priority Points</b>
a.	Bacteriological	
1.	No MCL violations	0
2.	1-2 MCL violations	30
3.	Greater than 2 violations	40
b.	Nitrate	
1.	< 1.0 mg/L	0
2.	1.0 B 5.0mg/L	5
3.	5.0 B 10.0mg/L	20
4.	MCL violations	40
c.	Turbidity in the last 30 months	
1.	No MCL violations	0
2.	1-2 MCL violations	30
3.	Greater than 2 violations	40
d.	Primary Organic, Inorganic, and Radionuclide Standards	
1.	No MCL violations during last 2 monitoring periods	0
2.	1-2 violations	30
3.	Greater than 2 violations	40

e.	Total Trihalomethanes (TTHM)	
1.	No MCL violations during last 2 monitoring periods	0
2.	1-2 violations	30
3.	Greater than 2 violations	40
f.	Secondary Standards B MCL exceedances	20
g.	Boil Water Status in the last 3 years	30
h.	Lead or Copper Exceedance	30

*B = Quantity Deficiencies.      Quantity deficiencies or shortages due to water source/storage.*

	<b>Condition</b>	<b>Priority Points</b>
	Adequate quantity for the present	0
<u>Source</u>		
	Continual Shortage	30
	Shortage during peak demands (daily)	20
	Shortage during seasonal high use with an implemented conservation program.	15
	Shortage during seasonal high use without an <i>implemented</i> conservation program	5
	<u>Storage (less than 24 hrs available based on average demand)</u>	
	Inadequate storage with <i>implemented</i> conservation program	20
	Inadequate storage without <i>implemented</i> conservation program	5
<u>Pressure</u>		
	Consistently < 20 psi	30
	Occasionally < 20 psi	15

*C = Treatment/Design Deficiencies. Design deficiencies are those which could be corrected by enlargement, repair, installation or replacement of all or a portion of the system.*

<b>Condition</b>	<b>Priority Points</b>
No filtration of surface water or groundwater under the influence of surface water	30
No filtration of groundwater with the following raw water quality referenced in 335-7-5-.20 Administrative Code	
1. Turbidity > 5.0 NTU	25
2. Total Coliform > 100 per 100 ml of sample	20
3. Fecal Coliform > 20 per 100 ml of sample	25
4. Iron > 0.6 mg/L	15
5. Iron >0.3 <0.6 mg/L	10
6. Manganese > 0.1 mg/L	15
7. Manganese >0.05 <0.1mg/L	10
Inadequate treatment or process facilities	12
Distribution or plant capacity deficiencies	12
Improper well construction	12
Other contaminants of concern such as cryptosporidium or Giardia with monitoring or studies to demonstrate existence or high potential for occurrence	25
Bonus Points:	
System has implemented or committed (by letter) to implementing a source water protection program	15
System has completed or in process (by letter) of delineating source water areas and assessing contaminants.	10

*D = Affordability Factor. An affordability factor will be assigned to each project to reflect the relative needs of applicants on a per household basis. The affordability factor is defined as the ratio of the Average Annual Household water bill to the 1997 median household income for the project area.*

<b>Condition</b>	<b>Priority Points</b>
<u>Average annual household water bill</u>	X 100
Median household income of project area	
a. > 2.00%	24
b. 1.76 B 2.00	21
c. 1.51 - 1.75	18
d. 1.26 B 1.50	15
e. 1.01 - 1.25	11
f. 0.51 - 1.00	7
h. < or = 0.5	3

*E = New Customer Connections Served.*

<b>Condition</b>	<b>Priority Points</b>
New customer connections the project will serve:	
a. < 20 connections	10
b. 21-50	12
c. 51-100	14
d. 101-150	16
e. 151-200	18
f. 201-300	20
g. 301-400	22
h. 401-600	24
i. > 600	26

*F = Consolidation. Projects which result in the consolidation, interconnection, or improvement of services for two or more drinking water systems, will have the following weighted factor.*

<b>Condition</b>	<b>Priority Points</b>
No consolidation	0
Total system consolidation	50
Physical interconnection	30
Management consolidation	20
Improvement of Services (managerial, operational, and financial)	10

*G = Benefit/Cost Factor. Benefit/Cost points assigned to each project will be determined using the following formula:*

$$\text{Benefit/Cost Factor} = \frac{\text{Number of benefiting connections}}{\text{Amount of DWSRF Loan (in \$1.0 millions)}}$$

Applicants must furnish information (including hydraulic analyses, if necessary) to support their estimate of the number of benefiting connections. The amount of DWSRF loan is in millions of dollars.

<b>Condition</b>	<b>Priority Points</b>
a. factor > 10,000	22
b. factor 3,001 to 10,000	20
c. factor 1501 to 3,000	18
d. factor 801 to 1,500	16
e. factor 501 to 800	14
f. factor 301 to 500	12
g. factor 201 to 300	10
h. factor 121 to 200	8
i. factor 61 to 120	6
j. factor 26 to 60	4
k. factor 0 to 25	2

- (2) The priority list shall be divided into a fundable and extended portion. The fundable portion shall include those projects anticipated to be funded from the projected available loan funds for the applicable period. The extended portion shall include those projects anticipated for funding from future projected loan funds.
- (3) Following completion of the ranking process, the priority list will be reviewed to determine if at least 15% of amount projected to be funded is for public water systems which regularly serve fewer than 10,000 people, as required by the SDWA. If this is not the case, the priority list will be adjusted by exchanging the lowest ranking projects above the funding line that serve 10,000 or more with the highest ranking projects below the funding line that serve fewer than 10,000, until the 15% requirement is satisfied.
- (4) When two or more projects score equally under the project priority system, a tie breaking procedure will be utilized. The project with the smallest number of existing customers served will receive the higher ranking.
- (5) A project on the fundable portion of the list may be bypassed and the next eligible project funded if it is determined that the project will not be ready to proceed during the funding year. The applicant whose project is to be bypassed will be given written notice by the Department. Projects that have been bypassed may be funded at a later date when the project is ready to proceed.



## FLORIDA

### Priority Ranking Criteria

*Projects will be prioritized based on points accrued in the baseline and affordability categories below. Each project will be assigned points from one of the baseline point categories. Then, points from all three affordability categories will be added to the base score.*

**Baseline Point Categories** - If a project comprises components qualifying for different baseline point scores, the project will receive the highest number of points for which at least 50 percent of the estimated project costs qualify. If no single component generates 50 percent of the cost, the cost of the highest priority component will be combined with the cost of a lower priority component to make 50 percent and the project will receive the points attributed to the lower priority component. Noncompliance and public health risks documented in the 48-month time period prior to applying for a loan are used to rank projects.

- **Acute Public Health Risk** - Projects that address documented acute public health risks such as fecal coliform and E. Coli MCL exceedances or failure to meet SWTR requirements will receive 800 points.
- **Potential Acute Public Health Risk** - Projects that address documented potential acute public health risks such as total coliform MCL exceedances or violations of disinfection requirements will receive 700 points.
- **Chronic Public Health Risk** - Projects that address documented chronic public health risks such as primary chemical contaminant MCL exceedances (except nitrate, nitrite, and total nitrogen) or trihalomethane MCL exceedances will receive 600 points.
- **Potential Chronic Public Health Risk** - Projects that address documented potential chronic public health risks, such as exceedances of 50 percent of an MCL value for primary chemical contaminants (except nitrate, nitrite, and total nitrogen) or exceedances of 80 percent of an MCL value for trihalomethanes, will receive 500 points.
- **Compliance** - Projects that address SDWA compliance and other enforceable requirements such as secondary contaminant violations or lack of required facilities to enable compliance will receive 100 points.
- **Other** - Projects that are not addressed in the above categories, such as water softening treatment or computer facilities, will receive 100 points.

### **Affordability Point Categories**

- **MHI** - Projects will be given affordability points based on the extent to which a community's MHI falls below the statewide average using the formula:  $MHI\ score = 200 \times (1.00 - MHI\ fraction)$  where the MHI fraction is the MHI estimate for the project service area divided by the statewide average MHI. The maximum points that a project may receive is 100 points, and the number will be rounded to the nearest tenth of a point.
- **Population** - Projects will receive affordability points based on the formula:  $50 - (P/1,000)$ , where P is the population of the project's service area. Points will be rounded to the nearest tenth of a point.
- **Consolidation** - Projects will receive 15 points for each public water system serving 500 or fewer persons that is consolidated or regionalized. The maximum score that a project may receive is 45 points.

**Notes:**

- **Tie-Breaking Procedure** - In the event of a tie, priority will go to projects whose application has the earliest postmark or date of receipt.
- **Funding Ceilings** - No single project listed on the fundable portion of the priority list may receive more than 25 percent of the DWSRF capitalization grant per year for construction loans or more than \$1,000,000 for pre-construction loans unless the project is based, in part, on consolidation or regionalization, in which case the maximum will be \$1,500,000.

**62-552.650 Priority Determination.**

(1) The priority system for financial assistance is based on public health considerations, compliance with the Act or other enforceable requirements relating to drinking water systems, and affordability. Affordability includes the evaluation of median household income, population affected, and consolidation of very small public water systems which serve a population of 500 people or fewer. The baseline priority score shall be determined as set forth in subsections (2), (3), and (4) below. The affordability score shall be determined as set forth in subsection (5) below and shall be added to the baseline score. Special consideration shall be given, in the form of the cost-effectiveness preference under rule 62-552.700(2), F.A.C., to projects in areas where salt water intrusion jeopardizes adequate supplies of safe drinking water.

(2) Each project, or component of a project when a project has components qualifying for different baseline priority scores, shall be assigned a baseline priority score to indicate protection of public health, compliance with the Act or other enforceable requirements, or another lower priority need. When a project has components qualifying for different baseline priority scores, the score for the entire

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project shall be the highest number of points for which at least 50% of the estimated project costs qualify. When no single project component generates at least 50% of the estimated project costs, the cost of the highest priority component shall be combined with one or more lower priority component costs, at the lowest number of points associated with any of the combined components, to achieve the 50% threshold and thereby establish the overall project baseline priority score.

(3) Compliance monitoring results for public water systems or County Health Department sampling results for other supply, treatment, or distribution systems during the 48-month period immediately preceding the date upon which a request for inclusion is submitted under rule 62-552.600(1) or rule 62-552.680(1)(a)2., F.A.C., shall be used to justify public health and compliance baseline priority scores involving a comparison to a maximum contaminant level (MCL) or other numerical standard relating to drinking water quality. A certification by the State Health Officer of the existence of a public health risk during the referenced 48-month period also shall justify a public health baseline priority score.

(4) Baseline priority scores shall be assigned to projects that will eliminate any of the following conditions or satisfy the Florida Administrative Code requirements cited below:

(a) Acute public health risk sub-category projects shall be assigned a baseline priority score of 800 points when the following is documented.

1. Exceedance of the fecal coliform or E. Coli MCL value as set forth in rule 62-550.310(3)(b), F.A.C.;

2. Failure to meet the surface water treatment or disinfection requirements of rules 62-550.560 and 62-555.600 through 62-555.630, F.A.C., commonly known as the Surface Water Treatment Rule;

3. Exceedance of a lead or copper action level as set forth in Title 40 of the Code of Federal Regulations, part 141, sections 80 through 91 (1995) for two (2) successive monitoring periods; or

4. Exceedance of a nitrate, nitrite or total nitrogen MCL value as set forth in rule 62-550.310(1), F.A.C. For public water systems, an exceedance shall be established according to the monitoring requirements of rule 62-550.512, F.A.C.

(b) Potential acute public health risk sub-category projects shall be assigned a baseline priority score of 700 points when the following is documented.

1. Exceedance of the total coliform MCL value as set forth in rule 62-550.310(3)(a), F.A.C.;

2. Violation of the disinfection requirements under rule 62-555.320(4), F.A.C.;

3. Exceedance of 50% of a nitrate, nitrite or total nitrogen MCL value as set forth in rule 62-550.310(1), F.A.C.;

4. Treatment or disinfection facilities are needed to enhance compliance with the Surface Water Treatment Rule; or

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5. A certification is made by the State Health Officer that an acute public health risk exists as a result of contaminants for which the Department has no established standards for water supplies and the proposed project will eliminate the risk.

(c) Chronic public health risk sub-category projects shall be assigned a baseline priority score of 600 points when an exceedance of an MCL value for the following is documented.

1. Primary chemical contaminants (except nitrate, nitrite, and total nitrogen) identified in Tables 1, 2, and 3 of chapter 62-550, F.A.C.;
2. Trihalomethanes identified in rule 62-550.310(2)(a), F.A.C.; or
3. Radionuclides identified in rule 62-550.310(4), F.A.C.

(d) The potential chronic public health risk sub-category projects shall be assigned a baseline priority score of 500 points when the following is documented.

1. Exceedance of 50% of an MCL value for primary chemical contaminants (except nitrate, nitrite, and total nitrogen) identified in Tables 1, 2, and 3 of chapter 62-550, F.A.C.; or
2. Exceedance of 80% of an MCL value for trihalomethanes identified in rule 62-550.310(2)(a), F.A.C.; or

3. A certification is made by the State Health Officer that a chronic public health risk exists as a result of contaminants for which the Department has no established standards for water supplies and the proposed project will eliminate the risk.

(e) The compliance with the Act and other enforceable requirements category projects shall be assigned a baseline priority score of 300 points when any of the following is documented.

1. Violation of any secondary contaminant standard found in Table 4 of chapter 62-550, F.A.C.
2. Required facilities do not currently exist or must be provided to enable compliance with rules of the Department. The situations requiring compliance are listed below:
  - a. Requirements for the minimum number of wells in rule 62-555.315(1), F.A.C.;
  - b. Well set-back and construction requirements of rules 62-555.312 and 62-555.315, F.A.C., respectively;
  - c. Treatment, storage, power, and distribution requirements of rule 62-555.320, F.A.C.; and
  - d. Cross connections and backflow control requirements of rule 62-555.360, F.A.C.

(f) A separate category having a baseline priority score of 100 points shall be assigned to all other projects that cannot be categorized under paragraphs (a) through (e) above. Examples of such projects are water softening treatment and computer or laboratory facilities.

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(5) In addition to the assignment of a baseline score, each project shall be awarded points based upon the three affordability criteria outlined below. These points shall be added to the baseline category score to determine the total priority score for the project.

(a) A median household income (MHI) score shall be derived based on the extent to which a community's MHI falls below the statewide average. Data used to determine the score shall be from the most recent decennial census or from verifiable estimates provided by the project sponsor. Household income data shall be representative of all areas to be served by the proposed project. The score is based on the following formula:

$$\text{MHI score} = 200 \times (1.00 - \text{MHI fraction})$$

Where the MHI fraction is the MHI estimate for the project service area divided by the statewide average MHI. This score shall not exceed a maximum of 100.0 points and shall be rounded to the nearest tenth of a point.

(b) Projects for small systems are generally less affordable than those for larger systems because of the limited rate base from which to recover costs. These systems also often have difficulty complying with the Act. Thus, special consideration will be given to such projects based on population. The population score is based on the following formula:

$$\text{Population score} = 50.0 - (P/1,000)$$

Where P is the population of the project's service area. The minimum score shall be 0.0 points and shall be rounded to the nearest 0.1 point.

(c) Because very small public water systems often experience difficulty complying with the regulatory requirements, a consolidation score will be used to reflect a project's consolidation or regionalization of such systems. For each project which consolidates or regionalizes public water systems serving 500 or fewer persons, an additional 15 points for each such system will be awarded. However, the consolidation score shall not exceed 45 points regardless of the number or consolidated or regionalized systems.

Specific Authority 403,8532, FS.

Law Implemented 403.8532, FS.

History- New - 4-7-98.

## GEORGIA

### **Priority Ranking Criteria**

*Projects will be prioritized based on points accrued in the following three categories:*

- **Protection of Public Health** through compliance assurance - A maximum of 350 points will be given for projects that seek to protect public health. Projects that supply safe drinking water to an existing privately-owned PWS that demonstrates or may demonstrate non-compliance with current or future regulations will receive 350 points. Projects that supply safe drinking water to a new or proposed development project that will serve people year round will receive 250 points. Projects may receive points for only one item.
- **Environmental Criteria** - A maximum of 300 points may be given to projects that seek to correct environmental problems. Projects needed to bring a PWS into compliance with the SDWA, correct acute contaminant violations, or correct deficiencies causing a chronic health threat would receive 300 points. Similarly, 200 points would be given for projects designed to address primary or secondary drinking water quality standards. Projects may receive points for only one item.
- **Financial Management and Need** - A maximum of 150 points may be given for projects that assist fiscally responsible and financially strapped systems. Projects may receive points for all items that apply in this category. Assessment of financial management is based on reporting procedures and ratios (coverage and operating).

### **Notes**

**Funding Ceiling** - A maximum of \$2.0 million may be received by a single community per calendar year, per federal appropriation unless other suitable projects are not available.

# GEORGIA

## PROJECT RATING AND SELECTION CRITERIA

(Maximum Point Total -- 1,000 Points)

The projects will be rated in five (5) categories to determine their eligibility and selection for funding under the DWSRF

- 1) Protection of Public Health through Compliance Assurance (maximum 350 points)
- 2) Environmental Criteria (maximum 300 points)
- 3) Project Readiness (maximum 200 points)
- 4) Financial Management and Need (maximum 150 points)
- 5) Community and Regional Enhancement (maximum zero points)

### 1. Protection of Public Health Through Compliance Assurance

(Only one applicable -- maximum 350 points)

Protect public health by supplying safe drinking water from a Qualified Local Government or a Water Authority within a certified government to an existing privately-owned public water system that demonstrates or may demonstrate non-compliance with the current or future state and federal drinking water regulations. 350

### 2. Environmental Criteria

(Only One Applicable - Maximum 300 Points)

Protect public health by supplying safe drinking water to any new or proposed development project that will serve people living year-round. 250

Project needed to bring public water system into immediate compliance with the SDWA regulations. 300

Project needed to correct "acute" Microbial, D/DBPs, and Corrosion By-Products Violations. 300

Project needed to correct deficiencies that are posing "chronic" health concerns. 300



Infrastructure improvements and/or modifications to provide safe drinking water. These include installation, -replacement or rehabilitation of new or aging water sources, treatment facilities and processes, pumps, storage, transmission and distribution, and other pertinent infrastructure needs. 275

Development of alternate and/or additional water sources. 250

Water plant Improvements/upgrade to improve water quality in conformance with the primary or secondary drinking water quality standards. 200

Land acquisition needed for a planned infrastructure improvement. 175

### 3) Project Readiness (Only One Applicable -- Maximum 200 Points)

Plans and specifications and all necessary construction permits approved by EPD (including all bid items, land disturbing activity, DOT & railroad permits, etc.) 200

Final plans and specifications conditionally approved by EPD. Applicable permit applications for the construction are issued. 175

Complete plans and specifications submitted to EPD for review. 150

Project design -development report (DDR) or equivalent (i.e. Engineering Report) approved by EPD; schedule for completion of final plans and specifications. 100

Project design development report (DDR) submitted to EPD. 75

Project design under contract. Planning completed and approved by EPD. 50

Engineering Report (ER) submitted to EPD. 25

### 4) Financial Management/ Need (Maximum 150 Points)

#### A. Financial Reporting (maximum 55 points)

GFOA Certificate of Achievement 55

GAAP Audit 20

GAAS Audit 20

#### B. Financial Operation (maximum 95 points)

Coverage Ratio (> 150%) 70

Operating Ratio (> 120%) 25

**5) Community and Regional Enhancement (0 Points)**

Project associated solely with future growth	0
Project associated solely with fire protection	0
Project associated solely with operation and maintenance expenses	0
Project associated solely with laboratory fees for routine monitoring	0
Project associated solely with water rights	0
Projects associated with purchase or construction of dams or reservoirs (Excluding finished water reservoirs)	0

Projects or parts of projects that may not qualify for loans under DWSRF may be eligible for loans under existing State-backed loan programs currently administered by GEFA.

# KENTUCKY

## Priority Ranking Criteria

*Projects will be prioritized based on points accrued in the following five categories.*

- **Resource Development** - Projects to obtain and maintain financial, managerial, and technical capabilities to comply with the SDWA may receive points for each criterion that applies in this category. Between 10 and 25 points will be given (based on the population served by the systems) for consolidation, between 5 and 25 points for interconnections, and 15 points for source water quantity and quality correction.
- **Water Treatment** - Projects to implement treatment techniques to obtain compliance with the SWTR and the NPDWR may receive points for each contaminant technique criterion that applies in this category. Between 20 and 25 points will be given to address microbiological and turbidity problems (e.g., 20 points for finished water turbidity, 25 points for CT removal requirements). Between 10 and 20 points will be given to implement best available technologies (e.g., 10 points for secondary contaminants, 20 points for VOCs, IOCs, SOCs, and radionuclides).
- **Water Distribution** - Projects to improve infrastructure to obtain compliance with the SWTR, TCR, LCR, or the Asbestos Standard may receive points for each criterion that applies in this category. Ten points will be given to address each pressure and quality problem.
- **Public Health Protection** - Projects to extend water lines to serve an area where households have insufficient financial and technical capabilities to maintain water supply systems that comply with the SDWA will receive 10 points.
- **Financial Health Need** - Projects that serve communities with an MHI less than 80 percent of the State median will receive 4 points, while those that serve communities with an MHI of 80 percent or more of the State median will receive 2 points (if the MHI is less than the State median MHI).

## Notes

- **Tie Breaking Procedure** - In the event of a tie, projects for systems that serve fewer than 10,000 people are given higher priority than those that serve more than 10,000 people. If there is still a tie, the higher priority goes to the system with the lowest DWSRF project cost per household (that benefits from the project).
- **Restrictions** - Certain point categories have restrictions depending on the type of contaminant (e.g., new water treatment plants are limited to finished water turbidity concerns), the percentage of infrastructure included (e.g., points for inadequately sized water lines are only allowed when the need applies to at least 20 percent of all waterlines), the time needed (e.g., for inadequate distribution storage), etc.

**KENTUCKY - DIVISION OF WATER  
DRINKING WATER SUPPLY REVOLVING FUND  
PRIORITY SYSTEM (1997 CAPITALIZATION GRANT)**

**PURPOSE**

The Drinking Water Supply Revolving Fund (DWSRF) Priority System was developed to prioritize eligible projects for funding from the DWSRF to facilitate a Public Water System's (PWS) ability to obtain and maintain financial, managerial, and technical capabilities for compliance with the Safe Drinking Water Act (SDWA) which includes compliance with existing and future national drinking water standards or otherwise significantly further the health protection objectives of the SDWA.

**METHODOLOGY**

The structure of the priority system incorporates existing initiatives of the SDWA (Financial, Managerial, and Technical Capacity - Surface Water Treatment Rule - Total Coliform Rule -Lead and Copper Rule - Asbestos Standard - Best Available Technology) and also allows for incorporation of future initiatives (Capacity Development - Enhanced Surface Water Treatment Rule - Disinfectants and Disinfection Byproducts Rule Groundwater Disinfection Rule - and Best Available and Affordable Technology) with minor modifications. Projects are prioritized based on a Priority Formula and a Tie Breaker.

Priority Formula The priority formula focuses on a Public Water Supply's financial, managerial, and technical capabilities to comply with national drinking water standards or to otherwise promote the public health objectives of the SDWA. Violations of drinking water standards occur primarily as a result of inadequate infrastructure (which is fundable from the DWSRF) or as a result of poor operation (which is not fundable from the DWSRF). Therefore, a proactive approach was developed to set priorities based on infrastructure needs to achieve and maintain compliance with national drinking water standards or otherwise promote the public health objectives of the SDWA. A priority system based on violations of drinking water standards would have been reactive and possibly allowed priorities to be set based on operation deficiencies.

Tie Breaker The tie breaker was developed to consider three factors:

1. Maintaining priorities to be funded in the order as set forth by the priority formula;
2. Expending DWSRF dollars to maximize the benefit toward compliance with the SDWA.
3. Provide funding of projects that are affordable to the households that benefit from the project.

Although there is an element to the DWSRF program that focuses on smaller systems, that focus was to assist those systems to comply with the SDWA. A tie breaker that only focuses on the population of smaller systems could prioritize a project that would not maintain the intent of the priority formula, not maximize the use of funds, and be less affordable to individual households.

## **APPLYING THE PRIORITY SYSTEM TO PROJECTS**

The Division of Water, Drinking Water Branch will assign priority formula points to each of the five categories (Resource Development - Water Treatment - Water Distribution Extension of Service for Public Health Protection - Public Water System Financial Need) as described below and listed in the 1997 Project Priority Formula Table based on information supplied by PWSs and their consultants. The project priority points will be the sum of all points assigned to each of the five categories.

### Resource Development

This category allows affordable alternatives for a PWS to obtain and maintain financial, managerial, and technical capabilities to comply with the SDWA. Projects may include, but not be limited to: intakes, wells, raw and finished water lines, and pump stations.

*Elimination of Public Water Systems Through Mergers* - For example, a PWS (trailer park) with their own water supply may not be financially capable of complying with the SDWA. A possible solution includes merger with another willing PWS that has the capabilities to maintain compliance.

*Interconnections* - For example, a PWS that has a water treatment plant that needs to be rehabilitated, modified, or expanded to comply with the SDWA and meet existing demands may determine that a more affordable alternative would be to interconnect with another PWS to replace or supplement their water treatment facilities.

*Source Water Quantity and Quality* - For example, a PWS is responsible to ensure that sufficient quantity (for drought vulnerable PWSs) and quality (based on existing water treatment capabilities) of raw water is available to meet existing demands. An affordable solution may be to secure a new source to replace or supplement the existing source rather than to provide additional treatment or interconnection or merger with another PWS (reservoirs, dams, dam rehabilitation, and water rights are prohibited from funding by the DWSRF).

### Water Treatment

This category allows a PWS to comply with the Surface Water Treatment Rule (SWTR) and the national drinking water standards of the SDWA.

*Microbiological and Turbidity* - The sub-categories listed allow a PWS to comply with the bacterial and viral contamination standards of the SWTR.

"CT Removal Requirements" refers to treatment processes to comply with CT removal requirements of the SWTR. Treatment processes include, but are not limited to: pre-settling basins, rapid mix, flocculation, sedimentation, baffling of flocculation and sedimentation basins, and chemical feeders for proper coagulation.

"CT Inactivation Requirements" refers to disinfection techniques to comply with CT inactivation requirements of the SWTR. Disinfection techniques include, but are not limited to: pre-chlorination, post chlorination, and baffling of clearwells.

"Finished Water Turbidity" refers to filtration processes to comply with turbidity requirements of the SWTR. Filtration processes include, but are not limited to: filter media, filter surface wash, backwash pumps, filter underdrains, and continuous turbidity monitors.

*Best Available Technologies* - The sub-categories listed allow a PWS to comply with chemical contamination standards of the SDWA. Treatment processes include, but are not limited to: aeration towers, ion-exchange, and iron and manganese removal.

### Water Distribution

This category allows a PWS to comply with the Surface Water Treatment Rule (as it relates to disinfection residual), Total Coliform Rule, Lead and Copper Rule, and the Asbestos Standard. Projects may include, but not be limited to; installation, refurbishment, or replacement of raw and finished water lines; installation, refurbishment, replacement, or baffling of potable water storage facilities; pump stations in relation to storage facilities; elimination of constantly running or hydro-pneumatic pump stations; looping of water lines; flushing devices; and disinfection booster stations.

### Extension of Service for Public Health Protection

This category allows water line extensions to serve an area where households have insufficient financial and technical capabilities to maintain water supply systems that comply with the SDWA.

### Public Water System Financial Need

This category provides additional points based on the median household income of the PWS service area.

### Restrictions

Priority formula points are credited absolutely or not at all with the following restrictions:

1. New water treatment plants are limited to Finished Water Turbidity - 2(a)(iii) - unless a need for best available technology based on raw water quality is demonstrated. Construction of new water treatment plants is only allowed to replace existing facilities when the cost of upgrading for compliance with the SDWA is not determined to be the best affordable alternative over the lifetime of the project or when a public water system demonstrates, for public health protection, that existing household water system contamination exists and no other PWS is capable of serving the area.
2. Expansion of existing water treatment plants is limited to Finished Water Turbidity - 2(a)(iii) - unless a need for best available technology based on raw water quality is demonstrated. Expansion of existing water treatment plants is only allowed when the flow rates of existing plants are reduced to comply with the SDWA resulting in insufficient capacity to meet existing demands or when the State institutes a water line extension or water tap-on ban due to insufficient capacity to meet peak periods of existing demand.

3. Points for Inadequately Sized Water Lines - 3(a)(i) - are only allowed when the need applies to at least twenty (20) percent of all waterlines included in the project and documentation supports reduced pressures and flows that have or may result in noncompliance with the Total Coliform Rule or the Surface Water Treatment Rule (as it relates to disinfection residual).
4. Points for Leaks, Breaks, or Restrictive Flows Due to Age - 3(a)(iii) - are only allowed when the need applies to at least twenty (20) percent of all water lines included in the project and documentation supports reduced pressures and flows that have or may result in noncompliance with the Total Coliform Rule or the Surface Water Treatment Rule (as it relates to disinfection residual).
5. Points for Replace Lead, Copper, or Asbestos Cement Lines - 3(b)(iii) - are only allowed when the need applies to at least twenty (20) percent of all water lines included in the project and documentation supports existing or potential noncompliance with the Lead and Copper Rule or the Asbestos Standard.
6. Points for Inadequate Distribution Storage - 3(a)(ii) - will not be allowed for additional storage in excess of the one day storage need for existing customers.
7. Points for Source Water Quality and Availability - 4(a) - are only allowed when the need applies to at least fifty (50) percent of the customers connecting to the proposed waterlines. Note: Bacteriological samples submitted in support of the project need must comply with the sample collection requirement as outlined in the state Regulation - 401 KAR 8:200 Section 1(7).

## **PROJECT PRIORITY LIST DEVELOPMENT**

A project priority list is generated for all eligible projects. The list identifies projects to receive funding from the 1997 capitalization grant and projects to receive funding from future capitalization grants.

### Project Priority

Projects are prioritized based on project priority points. The higher the points, the higher the priority for funding. Projects with equal project priority points are differentiated by the tie breaker. The tie breaker first considers the size of PWSs. PWSs with a population fewer than 10,000 are prioritized higher than PWSs with a population of 10,000 or more. The tie breaker then calculates the DWSRF project cost per household that benefits from the project and assigns the highest priority to the project with the lowest cost per household.

PWS Population Fewer Than 10,000 Bypass

Projects from PWSs that have populations fewer than 10,000 will receive priority, to the

extent possible, for funding for at least fifteen (15) percent of the funds available for eligible infrastructure projects. These projects will be identified in the priority list. Projects in this category not ready to proceed, as defined below, will be replaced with the next highest priority project from a PWS that has a population fewer than 10,000. If no such projects exist, or they are not ready to proceed, then priority will be given to the next highest priority project identified in the priority list..

Not Ready to Proceed Bypass

Any project that cannot demonstrate readiness to proceed six months after approval of the Commonwealth's capitalization grant application by the EPA Administrator may be bypassed. The next highest prioritized project identified in the priority list then becomes eligible for funding. Readiness to proceed is demonstrated through the successful completion or progress toward satisfying the DWSRF program requirements including, but not limited to: County Water Supply Planning requirements, Environmental Assessment and State Clearinghouse review, Project Design, and Plans and Specifications approval.

DOW:DWB:DWSRF Priority System:08/20/97

KENTUCKY  
DIVISION OF WATER  
DRINKING WATER SUPPLY REVOLVING FUND  
PROJECT PRIORITY FORMULA TABLE (1997)

*The Drinking Water Supply Revolving Fund provides assistance for eligible project expenditures to facilitate a Public Water System's ability to obtain and maintain financial, managerial, and technical capabilities for compliance with the Safe Drinking Water Act (SDWA) which includes compliance with national drinking water standards or otherwise significantly further the health protection objectives of the SD WA.*

*1. Resource Development*

(a) Elimination of Public Water Systems Through Mergers	
(i) Systems Serving 500 or Fewer Population	25
(ii) Systems Serving 501 - 3,300 Population	20
(iii) Systems Serving 3,301 - 10,000 Population	15
(iv) System is Serving 10,001 or Greater Population	10
(b) Interconnections	
(i) Elimination of Water Treatment Plants	25
(ii) Supplement Potable Water Supply	15
(iii) Emergency Backup Potable Water Supply	5
(c) Source Water Quantity and Quality	
(i) Replace Existing Raw Water Source	15
(ii) Supplement Existing Raw Water Source	15



## 2. Water Treatment

(a) Microbiological and Turbidity	
(i) CT Removal Requirements	25
(ii) CT Inactivation Requirements	20
(iii) Finished Water Turbidity	20
(b) Best Available Technologies	
(i) VOCs, IOCs, SOCs, and Radionuclides	20
(ii) Disinfection By-Products	15
(iii) Secondary Contaminants	10

## 3. Water Distribution

(a) Pressure	
(i) Inadequately Sized Water Lines	10
(ii) Inadequate Distribution Storage	10
(iii) Leaks, Breaks, or Restrictive Flows Due to Age	10
(b) Quality	
(i) Inadequate Turnover of Water	10
(ii) Inability to Maintain Disinfection Residual	10
(iii) Replace Lead, Copper, or Asbestos Cement Lines	10

## 4. Extension of Service for Public Health Protection

(a) Source Water Quality and Availability	10
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## 5. Public Water System Financial Need

(a) Median Household Income less than 80% of the State Median	4
(b) Median Household Income less than the State Median and 80% or more of the State Median	2

# MISSISSIPPI

## Priority Ranking Criteria

*First, projects will be assigned to a priority class (I-VII). Projects in Class I are funded to the extent of available funds; projects in Classes II through VII are ranked in order (i.e., all Class II projects are ranked higher than Class III projects, etc.). The system is intended to give highest priority to projects needed to protect public health.*

- **Previous Year Certified Projects:** have met all the Priority System requirements but were not funded due to lack of funds.
- **Minimum Pressure/Primary Drinking Water Standards Projects:** correct deficiencies causing pressure failure and MCL violations, which in Mississippi are often related to pressure problems.
- **System Capacity Expansion to Serve Existing Unserved Residences/Businesses:** to expand existing system capacity or construct new systems to serve existing residences or businesses in currently unserved areas.
- **Back-Up Water Supply:** for systems with insufficient or non-existent back-up supply sources.
- **Existing Facilities Upgrades:** rehabilitation, replacement, or upgrade of equipment to ensure continued dependable operation.
- **Secondary Drinking Water Standards:** to provide treatment to bring systems into compliance.
- **Consolidation.**

*Projects are then prioritized within each classification based on the total priority points accrued in the following three categories:*

- **Benefit/Cost** - The number of points given in this category is equal to the number of benefiting connections divided by the total eligible cost of improvements.
- **Need Per Household** - Using the figure derived for benefit/cost, multiplied by the affordability factor (ratio of the State MHI to the State MCL) assigned to the project, an adjusted point total will be calculated.
- **Consolidation** - Additional points will be given to projects to consolidate two existing systems. The points given will be the product of the benefit/cost points multiplied by 0.5.

## Notes

- **Small Systems** - Mississippi will amend the priority list if at least 15 percent of funding does not go to systems that regularly serve fewer than 5,000 people.
- **Tie-Breaking Procedure** - Projects for systems in communities with the lowest MHI will be given preference.

MISSISSIPPI  
Drinking Water Systems, Improvements  
Revolving Loan Fund  
Priority System

A. Program Funding and Ranking Rationale

1. Projects will be scheduled on the fundable portion of the Priority List according to both priority ranking and readiness to proceed. The term "readiness to proceed" means that all deadlines established in Section C. can be met. If a project cannot reasonably be expected to meet these deadlines, then the project will not be placed on the fundable portion of the Priority List, but rather will be shown on the planning portion of the list. It is the Board's judgement as to whether the project can be ready to proceed. Projects on the fundable portion of the Priority List will be funded as soon as they meet all the deadlines in Section C. and are ready for loan award

Project By-pass Procedure: Should any project on the fundable portion of the Priority List fail to comply with the deadlines in Section C., the funds reserved for said project will be released and made available to any project(s) on the planning list that are ready for loan award on a first come, first served basis.

Should less than the assumed funds become available, the funding line will be moved to reflect the actual available funds, and projects above this line will be funded as described above, without further public review or comment. Also, should more than the assumed funds become available or if the assumed funds exceed the project amounts on the fundable portion of the list, projects on the planning portion of the Priority List that are ready to proceed will be funded on a first come, first served basis within the available funds, without further public review or comment.

Project categories are defined below. Projects in Category I will be funded each year to the extent the Board makes funds available. Projects in Categories II through VII are ranked in categorical order. That is, all Category II projects are ranked higher than Category III projects, etc. Ranking is established in like manner through all remaining categories. Adjustments will be made as necessary to comply with small community set aside provisions of the Federal Safe Drinking Water Act and as established by the Board [Section 1542(a)(2) of SDWA]. The order of Categories II - VII is intended to give highest priority to those projects that address the most serious risks to human health. Projects within each category will be funded as described in Section B. if they meet established Priority System deadlines.

2. Category I. Previous Year Certified Projects

Previous Year Certified Projects. This category includes projects (both above and below the funding line) that are determined by the Department to have met all the Priority System requirements, secured approval of all required documents, and were substantially ready to receive loans during the previous fiscal year, but were not funded because of a lack of improvement loan funds or failure to receive an assurance of CDBG, ARC or other matching funds in the previous fiscal year. Each year, the Board will normally designate such projects in an amount of up to approximately 25 % of the current year's available funds as Category I Projects. Providing this special category in FY-98 to fund projects that have been certified complete from FY-97 will encourage applicants whose projects initially fall below the funding line to continue meeting all Priority System deadlines. Those applicants who continue to meet deadlines in attempting to qualify for Category I in FY-98 also provide a pool of projects, ready for loan award in FY 97, to replace any projects (initially above the funding line) that have their funds released for failure to meet deadlines during FY-97. Within this category, projects will be ranked according to the current Priority Ranking Criteria. (There will be no Category I this first year of the Improvements Fund's operation. Applicants should, however, be aware of its existence so that they maintain milestone dates to possibly qualify for next year's Category I.).

3. Category II - Minimum Pressure/Prima Drinking- Water Standards Projects

Projects to correct deficiencies that result in existing systems routinely failing to maintain minimum acceptable dynamic pressure (20psi) and/or projects to otherwise facilitate compliance with Primary Drinking Water Regulations. Experience has shown that failure of water systems to maintain minimum acceptable dynamic pressure is symptomatic of major deficiencies that can and have resulted in system contamination. Violations of Primary National Drinking Water Regulations' maximum contaminant levels (MCLs) are rarely experienced in the State. One exception is violation of bacteriological contaminant levels. Most such violations are related to failure of systems to maintain adequate pressure. The State Department of Health considers pressure related problems to be serious and indicative of problems that are potentially major threats to public health. Deficiencies causing pressure failures may include, but are not limited to, the following:

- a. Insufficient supply source (wells, etc.);
- b. Insufficient treatment capacity;
- c. Insufficient storage (elevated or ground);
- d. Distribution system leakage;
- e. Distribution system inadequacies; and
- f. Worn-out, malfunctioning or inadequate equipment, facilities, etc.

Projects to correct deficiencies, other than those related to pressure, that result in existing water systems failing Primary Drinking Water Regulations (MCLs) will also be considered Category II projects.

4. Category III - System Capacity Expansion To Serve Existing Unserved Residences/Businesses.

Projects to expand existing system capacity (source, treatment and/or distribution), or construct new systems to serve existing residences/businesses in currently unserved areas.

5. Category IV - Back-up Water Supply Sources Projects

Projects to provide additional supply to systems with insufficient or non-existent back-up water supply sources. As a minimum, a system using ground water should be able to lose any one of the wells supplying the system and still maintain minimum acceptable dynamic pressure (20 psi) throughout the entire system.

6. Category V - Existing Facilities Upgrades (Meeting Primary Standards)

Projects to rehabilitate, replace, protect or upgrade deteriorated, worn, aged or obsolete equipment, facilities, etc., to assure continued, dependable operation of water systems.

7. Category VI - Secondary Drinking Water Standards Projects

Projects to provide treatment that brings systems into compliance with Secondary Drinking Water Regulations.

8. Category VII - Consolidation Projects

Projects to consolidate separate systems into a single system for purposes other than included in Categories II through VI. Consolidation will also be considered in establishing priority ranking within all categories.

B. Priority Ranking Criteria

The criteria for ranking projects within each category is intended to give priority to projects that: 1) benefit the most people per dollar expended; 2) assist systems most in need on a per household affordability basis as required by the Safe Drinking Water Act; and 3) use consolidation with other systems to correct existing deficiencies and improve management. These considerations are addressed by the Priority Ranking Criteria in the following manner:

1. Benefit/Cost

Benefit/Cost points assigned to each project will be determined using the following formula:

$$\text{Benefit/Cost Points} = \frac{\text{Number of benefiting connections}}{\text{Total eligible cost of improvements (in \$1.0 millions)}}$$

The number of benefiting connections must be included in the facilities plan submitted by the applicant and is defined as the sum of individual connections experiencing deficiencies that will be corrected by the improvement and includes residences, businesses, and public buildings. Applicants must furnish information (including hydraulic analyses, if necessary) to support their estimate of the number of benefiting connections. The total eligible cost is in millions of dollars (i.e., \$800,000 = \$0.8 M).

2. Affordability Factor

An affordability factor will be assigned to each project to reflect the relative needs of applicants on a per household basis. The Benefit/Cost points calculated in Section B.1. will be adjusted using the affordability factor in the following formula:

$$\text{Adjusted Benefit/Cost Points} = (\text{Affordability Factor}) \times (\text{Benefit/Cost Points})$$

The affordability factor used in the calculation is defined as the ratio of the 1995 median household income for the State of Mississippi (\$28,077) to the 1995 median household income for the affected community and will be no less than 1.0 and no greater than 1.5. Median household incomes to be used in the calculations will be those displayed in the publication "The Sourcebook of Zip Code Demographics" Tenth Edition. Where the affected community is included in more than one zip code area, an average will be used for the community's median household income.

3. Consolidation

Any project that includes consolidation (ownership and management) of separate existing systems into a single system will receive consolidation points equal to 0.5 times the Benefit/Cost points assigned to the project. The purpose of assigning consolidation points is to promote reliability, efficiency and economy of scale that can be achieved with larger water systems while discouraging the proliferation of numerous separate small systems with their inherent inefficiencies and limitations. Projects that do not include consolidation will receive zero consolidation points.

$$\text{Consolidation Points} = 0.5 \times (\text{Benefit/Cost Points})$$

4. Ranking Within Each Category

Within each category, projects will be ranked in order based on the total points assigned the project using the following formula:

$$\text{Total Priority Points} = (\text{Adjusted Benefit/Cost Points}) + (\text{Consolidation Points})$$

Projects receiving the most priority points will be given the highest ranking on the Priority List. In cases of ties in the number of priority points, projects with the lowest median household income will receive the highest ranking.

5. Small Community Set-Aside

Following completion of the ranking process, the Priority List will be reviewed to determine if at least 15 % of funding for projects above the funding line is for public water systems which regularly serve fewer than 5,000 people, as required by the Safe Drinking Water Act. If this is not the case, the Priority List will be adjusted by exchanging the lowest ranking projects above the funding line that serve 5,000 or more with the highest ranking projects below the funding line that serve fewer than 5,000, until the 15 % requirement is satisfied.

C. Priority System Deadlines

**Should any project fail to comply with any of the following deadlines in this Priority System, the funds reserved for said project will be released and made available to any projects that are ready for loan award on a first-come, first-served basis.**

1. By October 1, 1996, submit two (2) copies of the DWSIRLF facilities plan prepared in accordance with the DWSIRLF loan program regulations, to the Department of Environmental Quality and one (1) copy to all intergovernmental review agencies (see Appendix K of DWSIRLF Loan Program Regulations): The Department of Environmental Quality must be copied on the transmittal letters to all intergovernmental review agencies. Intergovernmental review comments and public hearing comments may be excluded in this submittal.

Prior to beginning the facilities plan, the potential applicant and/or its registered engineer must request and receive facilities planning guidance from the Department of Environmental Quality, and should attend a preplanning conference with the Department staff as early in the planning process as practical.

2. By October 1, 1996, the loan recipient must advertise for the DWSIRLF facilities plan a public hearing, and submit proof of such advertisement to the Department of Environmental Quality.
3. By December 1, 1996, the following documents must be submitted to the Department.
  - all intergovernmental review comments;
  - a transcript of the public hearing comments;
  - plan revisions pursuant to public hearing/IGR comments; and
  - a summary of how each public hearing/IGR comment was addressed.

It is not necessary to receive comments on the facilities plan from the Department of Environmental Quality prior to:

- advertising the public hearing;
- holding the public hearing; or
- submitting this information to the Department.

Any significant changes made to the facilities plan (i.e., changes in the chosen alternative, location of the facilities, etc.) after this deadline will be considered as a first submittal of the facilities plan. The loan recipient will then be considered to be in violation of this Priority System deadline.

4. By January 1, 1997, the following documents, if required by the project, must be submitted to the appropriate Intergovernmental Review agency:
  - completed archaeological /cultural surveys must be submitted to the Department of Archives and History for approval.
  - completed vegetative/wildlife surveys must be submitted to the Natural Heritage Program for approval: and
  - Section 404/Section 10 Permit applications must be submitted to the Army Corps of Engineers (and the Bureau of Marine Resources for Jackson, Harrison, and Hancock County projects).

These submittals must be made in accordance with the Intergovernmental Review Process, if required for the project. The Department of Environmental Quality must be copied on the transmittal letter to these agencies.



## NORTH CAROLINA

### **Priority Ranking Criteria**

*Projects will be prioritized based on points accrued in the following five categories:*

- **Public Health** - Projects necessary for compliance with federal or State regulations may receive points from the item with the highest point value in this category. Projects to correct acute or imminent health hazards (e.g., nitrate, nitrite, or fecal coliform MCL violations) may receive a maximum of 150 points. A maximum of 100 points will be given to projects that correct immediate health hazards, a maximum of 60 points will be given to those correcting chronic health hazards, projects correcting potential health hazards may receive a maximum of 40 points, and system improvement projects may receive a maximum of 20 points.
- **Consolidation** - A maximum of 10 points may be given to projects to improve water system reliability through interconnection with an existing system, purchasing part or all of a system, or purchasing water capacity from another system. Projects to provide water service to an existing community whose water supply does not meet standards for PWSs may receive 10 points. Consolidation projects and projects where consolidation is not physically feasible may receive 5 points.
- **Reliability** - A maximum of 5 points may be given to projects to increase system reliability. Projects to provide redundancy to critical treatment or delivery functions may be awarded 3 points and projects to provide emergency backup electrical power sources may receive 3 points (up to the maximum).
- **Affordability** - Projects may receive up to 50 points based on a comparison of the projected monthly residential user cost at the completion of the project with the service area's MHI. Projects with rates greater than or equal to 1.01 percent will receive 50 points while projects with rates between 0.26 percent and 0.5 percent will receive the minimum, 5 points.
- **Source Protection and Management** - Projects for systems with existing activities or programs that efficiently protect the public health may receive up to 10 points. Systems employing voluntary watershed or wellhead protection programs may receive 5 points each. For water loss reduction, cross-connection and demand management programs systems may receive 3 points each (up to the 10 point maximum).

### **Notes**

- **Funding Ceiling** - The maximum amount of funding to a single applicant in any one fiscal year is \$3 million. Loans solely for project planning purposes are capped at \$25,000 per fiscal year.
- **Project Planning** - In any fiscal year, a maximum of five percent of the annual allocation may be used for loans for project planning purposes.

# NORTH CAROLINA

## SECTION .0600 - PRIORITY CRITERIA

### .0601 GENERAL CRITERIA

(a) In determining the priority to be assigned each eligible application the Division will consider whether the project will:

- (1) Address the most serious risk to human health,
- (2) Facilitate compliance with the N.C. Drinking Water Act or the federal Safe Drinking Water Act, and
- (3) Assist systems most in need on a per household basis.

(b) The total priority points received will be the sum of all points awarded for each categorical element.

History Note: Authority G.S. 159G-5; G.S. 159G-15;

Eff. January 31, 1998.

### .0602 PUBLIC HEALTH AND COMPLIANCE

Public health and compliance points may be awarded to a project based on the following criteria. A proposed project shall be necessary to facilitate compliance with the N.C. Drinking Water Act or the federal Safe Drinking Water Act and to alleviate the type of public health concern for which points are awarded. A project will receive only points in the highest sub-category for which it may qualify:

(1) Acute/Imminent Health Hazards. A maximum of 150 points will be awarded to projects that propose to eliminate any one or more of the following acute, ongoing health hazards to the consumer:

- (a) Projects that address documented nitrate, nitrite or fecal coliform MCL violations, or contaminant levels in drinking water which constitute acute health risks as defined in 40 C.F.R 141.32(a)(1)(iii) which is incorporated by reference at 15A NCAC 18C .1523; or
- (b) Projects that eliminate any contaminant in the public water system that poses an acute risk or imminent hazard to public health as determined by the State Health Director or a health risk assessment from the Division of Epidemiology, Department of Health and Human Services in accordance with G.S. 130A-2(3).

(2) Immediate Health Hazards. A maximum of 100 points will be awarded to projects that propose to eliminate any one or more of the following immediate health hazards to the consumer:

- (a) Projects that address surface water treatment technique violations occurring for two or more consecutive months;
- (b) Projects that resolve any microbiological MCL problems for a water system with three or more microbiological MCL violations during the previous 12 months;
- (c) Projects that propose filtration for a surface water source or for a well that is determined to be under the direct influence of surface water by the Department that does not currently have filtration;
- (d) Projects that address the inability of a public water system to inactivate giardia and viruses in accordance with 15A NCAC 18C .2001; or
- (e) Projects that address documented recurrent water outages or low pressure below the requirements of 15A NCAC 18C .0901. Only problems that affect human consumption of drinking water will be considered for award of points under this criteria.

(3) Chronic Health Hazards. A maximum of 60 points will be awarded to projects that propose to eliminate any one or more of the following chronic health hazards to the consumer:

- (a) Projects that address exceedances of the lead and copper action levels under 15A NCAC 18C .1507;
- (b) Projects that address violations of inorganic or organic chemical or contaminant MCLs under 15A NCAC 18C .1510, .1517, and .1518;
- (c) Projects that address violations of radiological contamination MCLs under 15A NCAC 18C .1520 and .1521; or
- (d) Projects that address a chronic health hazard as determined by the State Health Director or a health risk assessment from the Division of Epidemiology, Department of Health and Human Services.

(4) Potential Health Hazards. A maximum of 40 points will be awarded to projects that propose to eliminate any one or more of following potential health hazards to the consumer:

- (a) Projects that address low chlorine residuals in the distribution system;
- (b) Projects that address periodic violations of an MCL;
- (c) Projects for line installation or extensions to areas with poor water quality or limited quantity;

(d) Projects to develop new sources of water, to augment existing sources, or to expand treatment capacity to meet current demand when the average daily demand for the previous 12 months equals or exceeds the available water supply as calculated in local water supply plans prepared in accordance with G.S. 143-355(l) or the maximum day demand for the previous 12 months equals or exceeds the approved water treatment plant design capacity; or

(e) Projects to provide disinfection for a system that currently does not have disinfection.

(5) System Improvements. A maximum of 20 points will be awarded for projects that will provide any one or more of the following general system improvements when needed for public health purposes:

(a) Projects that replace water supply production or treatment equipment that is undersized, malfunctioning or has exceeded its useful life;

(b) Projects that replace undersized or leaking water lines;

(c) Projects that address other water quality concerns such as iron, manganese, taste, and odor;

(d) Projects to bring existing facilities to current design standards which affect water quality such as treatment, chemical storage and application, pumping facilities, finished storage, distribution systems;

(e) Projects that eliminate dead ends and provide looping in a distribution system.

(f) Projects that increase water storage capacity;

(g) Projects to develop new sources of water, to augment existing sources, or to expand treatment capacity to meet current demand when the average daily demand for the previous 12 months exceeds 80 percent of the available water supply as calculated in local water supply plans prepared in accordance with G.S. 143-355(l) or the maximum day demand for the previous 12 months exceeds 80 percent of the approved water treatment plant design capacity; or

(h) Projects for installation or upgrade of water treatment plant waste disposal facilities.

History Note: Authority G.S. 159G-5; G.S. 159G-15;

Eff. January 31, 1998.

### **.0603 CONSOLIDATION**

A maximum of 10 points will be awarded in this categorical element for projects that propose to improve water system reliability by interconnecting with an existing water system, by purchasing systems in whole or in part, or by purchasing water capacity from other systems, as follows:

(1) Projects that propose consolidation to provide water service to an existing community whose water supply cannot meet the rules governing public water systems at 15A NCAC 18C, 10 points;

(2) Projects that propose consolidation of existing water systems will be awarded 5 points;

(3) Projects where consolidation is not physically feasible, 5 points.

History Note: Authority G.S. 159G-5; G.S. 159G-15;

Eff. January 31, 1998.

**.0604 RELIABILITY**

A maximum of 5 points will be awarded in this categorical element to projects that propose to increase the reliability of the water system; points may be awarded for both Items (1) and (2) of this Rule up to the maximum, as follows:

(1) Projects that provide redundancy to critical treatment or delivery functions, such as interconnection, 3 points;

(2) Projects that provide emergency backup electrical power source, 3 points if not awarded points in Item (1) of this Rule.

History Note: Authority G.S. 159G-5; G.S. 159G-15;

Eff. January 31, 1998.

**.0605 AFFORDABILITY**

Points for affordability will be determined by comparing the projected monthly residential user cost at the completion of the project with the median household income (MHI). User cost shall be calculated from water rates based on a maximum of 4,500 gallons. The median household income shall be determined in the service area of the water system. If median household income data is not available for the service area, data from the nearest comparable community area shall be used. The Division may use county-wide median household income data if data for the service area or nearest comparable community area are not available. Points will be awarded on the following scale:

Rates = 0% to .25% MHI 0 points

Rates = 0.26% to .50% MHI 5 points

Rates = .51% to .75% MHI 20 points

Rates = .76% to 1.0% MHI 40 points

Rates = 1.01% or greater MHI 50 points

History Note: Authority G.S. 159G-5; G.S. 159G-15;

Eff. January 31, 1998.

## **.0606 SOURCE PROTECTION AND MANAGEMENT**

The maximum value to be given for source protection and management categorical elements is 10 points. Points shall only be awarded for existing activities or programs that efficiently protect the public health, as follows:

(1) Participation in source water protection activities; points may be awarded in Sub-Items (a) and (b) of this Item up to the maximum, as follows:

(a) Voluntary water supply watershed protection activities, 5 points, or

(b) Voluntary wellhead protection program, 5 points.

(2) Efficient water use, as shown by the applicant's establishment and administration of the described programs; points may be awarded in Sub-Items (a), (b), and (c) of this Item up to the maximum, as follows:

(a) Water loss reduction program which includes water audits, comprehensive metering, and hidden leak detection, 3 points;

(b) Cross-connection control program, 3 points;

(c) Demand management strategies, such as a water conservation incentive rate structure, incentives for new or replacement installation of low flow faucets, showerheads and toilets, or a water reclamation or reuse system, 3 points.

History Note: Authority G.S. 159G-5; G.S. 159G-15;

Eff. January 31, 1998.

## SOUTH CAROLINA

### Priority Ranking Criteria

*First, projects will be assigned to one of the eight priority classes (I-VIII).*

- **Significant Non-Compliance (Acute)** - Projects designed to address significant non-compliance problems with primary MCLs or treatment techniques that pose an acute risk to public health (e.g., microbial, nitrate, nitrite, SWTR) will receive the highest priority.
- **Non-Compliance (Acute)** - Projects intended to correct non-compliance problems that are not determined to be significant, yet pose an acute risk to public health, including GWUDI, low pressure, and leaky lines.
- **Significant Non-Compliance (Chronic)** - Projects designed to address significant non-compliance problems with primary MCLs or treatment techniques that pose a chronic risk to public health (e.g., synthetic organic contaminants).
- **Non-Compliance (Chronic)** - Projects intended to correct non-compliance problems that are not significant, but that pose a chronic risk to public health (e.g., lead & copper action levels).
- **Projects Supplying Safe Drinking Water to an Area Not Presently Served by a Public Water System Where a Hazard to Public Health has been Identified.**
- **Projects to Correct Non-Compliance With Secondary Maximum Contaminant Levels.**
- **Projects to Ensure Compliance With the State SDWA and the State Primary Drinking Water Regulations.**
- **Projects to Extend or Provide Service to Existing Residences in an Area Experiencing Problems With Secondary Water Quality Contaminants or Quantity Issues That Could Result in Public Health Problems.**

*Once projects have been grouped into the eight classes listed above, they are prioritized within each class based on the following three categories:*

- **Regionalization/Consolidation** - Preference is first given to projects that incorporate regionalization or consolidation.
- **Affordability** - Preference is then given to systems with current annual user rate charges greater than 1.25 percent of MHI.
- **Number of Taps Affected By the Project** - Last, preference is given to projects that serve the most taps.

## Notes

- **Funding Ceiling** - No more than 25 percent of the project loan fund may be lent to any one project.
- **Disadvantaged Communities** - Projects for disadvantaged communities may be given loans with more favorable conditions than the 20-year maximum, standard interest rate loans. Projects may qualify for Level 1 or Level 2 disadvantaged community status based on the MHI of the service population, the local county's unemployment rate, and the level of the current or proposed user charge. Level 1 communities are funded at the standard rate, but are given a 30-year maximum. Level 2 communities are also given a 30-year maximum. If the user charge rates still exceed the target level with the standard interest rate, then the interest rate will be reduced incrementally, to a minimum of 0 percent as needed, to reach the target level, if possible. If a project is still considered unaffordable, assistance will be provided in locating other potential funding sources that may be packaged with a loan.



# SOUTH CAROLINA

## III. Project Selection

The state must develop a comprehensive priority list of projects and identify those projects expected to receive funding in the first year after the grant is awarded (priority projects). Only those projects on the comprehensive list of projects may be considered for a loan under the DWRSF program.

### A. Priority Ranking System

Section 1452(b)(3) of the SDWA requires that the IUP, to the maximum extent practicable, give priority for use of the DWSRF to projects that:

- Address the most serious risk to human health;
- Are necessary to ensure compliance with the requirements of the Safe Drinking Water Act; and,
- Assist systems most in need on a per household basis, according to state affordability criteria.

The State of South Carolina will use the following ranking system in developing a comprehensive priority list of projects eligible for assistance from the DWSRF. This ranking system is based on the above criteria as well as a State initiative to encourage and facilitate the consolidation or regionalization of public water systems. This state initiative, in concert with state regulatory programs, promotes compliance with the SDWA.

Projects eligible for assistance will be divided into eight categories with projects in Category #1 receiving the highest priority for funding and projects listed in Category #8 receiving the lowest priority for funding.

#### **Category # 1**

Projects which will correct significant non-compliance problems, as defined by the EPA, with primary maximum contaminant levels or treatment techniques which pose an acute risk to public health (i.e., microbial, nitrate, nitrite and surface water treatment rule). For the purpose of this ranking system, a public water system which was determined to be in significant non-compliance as of April 1, 1997, will be considered for ranking within this category.

#### **Category # 2**

Projects which will correct non-compliance problems which are not considered to be "significant" as defined by the EPA and any identified problems such as groundwater under the direct influence, leaking water lines and low pressure, which pose an acute risk to public health.

#### **Category # 3**

Projects which will correct significant non-compliance problems, as defined by the EPA, with primary maximum contaminant levels or treatment techniques which pose a chronic risk to public health (i.e., synthetic organic contaminants, inorganic contaminants other than nitrate and nitrite, radionuclides and the lead and copper rule). For the purpose of this ranking system, a public water system which was determined to be in significant non-compliance as of April 1, 1997, will be considered for ranking within this category.

#### **Category # 4**

Projects which will correct non-compliance problems which are not considered to be "significant" as defined by the EPA and any identified problems such as systems exceeding the lead and/or copper action levels, which pose a chronic risk to public health.

#### **Category # 5**

Projects which will protect public health by supplying safe drinking water to an area not presently served by a public water system where a hazard to public health has been certified by the Department. For example, the groundwater in an area which is utilized by a number of existing residences on private wells is contaminated with a synthetic organic contaminant.

#### **Category # 6**

Projects to correct a public water system's noncompliance with a secondary maximum contaminant level(s).

#### **Category # 7**

Projects necessary to ensure continued compliance with the State Safe Drinking Water Act and State Primary Drinking Water Regulations (i.e., replacing or rehabilitating infrastructure before it becomes a non-compliance problem).

#### **Category # 8**

Projects to extend or provide service into an area to serve existing residences which are experiencing problems with secondary water quality contaminants or quantity issues that could result in public health problems.

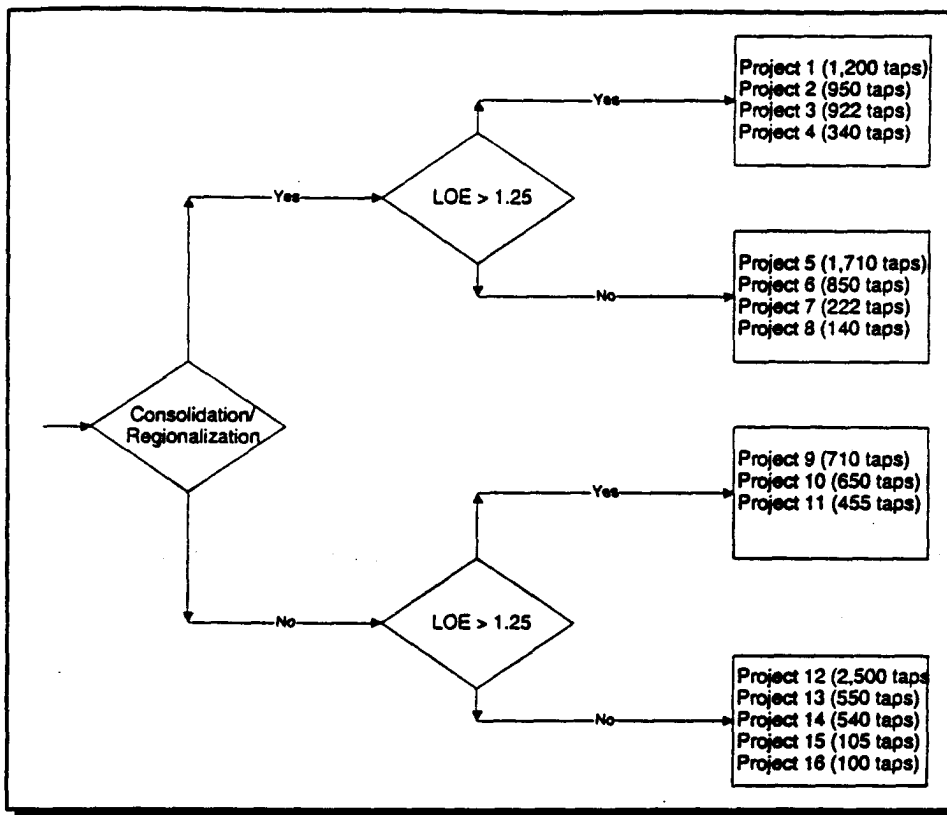
Projects within each category are prioritized based on the following criteria:

- Regionalization/Consolidation
- Affordability; and,
- Number of taps affected by the project

Projects within each category are first grouped based on whether or not the project will result in the consolidation or regionalization of water systems. Consolidation of water systems is when two or more separately managed water systems combine to form one system under one management structure. Regionalization is when two or more separately managed water systems interconnect for the purpose of utilizing a water source(s) in lieu of each system developing its own or additional water source(s); however, each system retains its own identity under separate management. The group of projects resulting in the consolidation or regionalization of water systems will be ranked higher than those that do not.

The projects within each of these two groups are further subdivided based on the greatest need on a per household basis. Those systems which have rates where the current annual user charge, based on 6,000 gallons per month, exceeds 1.25 percent of the median household income (MHI) will receive the highest ranking within the group. For purposes of this ranking system, this percentage will be referred to as the level of effort (LOE). Municipal projects have been ranked using the City's 1990 MHI and projects for other entities have been ranked using the applicable county 1990 MU. An eligible sponsor may obtain the NEW for its actual service area from the Office of Research and Statistics, State Budget and Control Board. If the sole beneficiary of a project is a municipality, but the project sponsor is another entity, the MHI of the municipality to be served may be used in lieu of the sponsor's MHI. The final criteria for ranking projects will be based on the number of current taps affected by the project with the highest number of taps receiving the highest ranking.

The figure below illustrates conceptually how projects in each category will be ranked:



## **Disadvantaged Community Systems**

Projects will normally be funded at the standard interest rate for a maximum term of 20 years; however, loan applicants which are considered disadvantaged community systems will be offered loans at even more favorable terms. Loan terms and conditions will be determined after DHEC has approved construction plans and specifications and the BCB has completed review of the financial loan application.

Disadvantaged community systems, subdivided into two levels, are public water systems which meet affordability criteria that are based on the median household income (MHI) of the water system's entire service area, the local county's unemployment rate and the level of the current or proposed user charge.

### **A. Level 1 Disadvantaged Community System**

To qualify as a Level 1 Disadvantaged Community System one of the following criteria must be met:

- The applicant's service area is less than eighty (80%) percent of the State MHI; or,
- The applicant's service area is more than eighty (80%) percent of the State MHI but less than 100% of the State MHI and:
  - The applicant is located in a county with an unemployment rate at least one percentage point higher than the latest annual State average; or,
  - The current or proposed annual user charge, based on 6,000 gallons per month, exceeds 1.25% of the applicant's MHI.

If the applicant meets one of the above criteria, the term of the loan may be extended up to thirty (30) years (not to exceed the project's useful life), and the project would be funded at the standard interest rate.

### **B. Level 2 Disadvantaged Community System**

To qualify as a Level 2 Disadvantaged Community System both of the following two criteria must be met:

- The applicant's MHI is less than \$26,256 (the State MHI); and,
- A rate increase is required for the project which would result in a user charge higher than the target user charge. Target user charge is defined as the annual average residential user charge for water, based on 6,000 gallons per month, equal to at least 1.25% of the applicant's MHI.

If an applicant qualifies as a Level 2 Disadvantaged Community System the loan term must first be extended to the project's maximum useful life, up to 30 years. If, after such term extension, user charge rates still exceed the target level with the standard interest rate, then the interest rate will be reduced incrementally, to a minimum of 0% as needed, to reach the target level, if possible. If a project is still considered unaffordable after the maximum available interest rate subsidy, assistance will be provided in locating other potential funding sources that may be packaged with a loan.

### **Maximum Loan to an Individual Project**

In order to assist as many projects as possible the maximum amount to be lent for any one project will be 25 % of the project loan fund (maximum loan = \$3,853,616.00). In order to meet the allocation commitment under the SDWA, DHEC may waive the maximum loan amount for any one project if there are not enough projects ready to proceed.

## TENNESSEE

### Priority Ranking Criteria

*Projects will be prioritized based on points accrued in one of the following seven categories. Priority points will be assigned on a 100-point scale based on the severity of the problem. Projects addressing acute risks will receive the greatest number of points.*

- **Water Quality Problems** - One hundred points will be assigned for disease outbreaks or acute health risks, 80 points for chronic water quality problems, 60 points for potential water quality problems, 40 points for operational problems, and 20 points for any other problems.
- **Source or Plant Capacity** - Eighty points will be assigned for water shortage or rationing, 60 points for 80 percent capacity rule, 40 points for exceeding capacity on peak days, and 20 points for projected need within 10 years.
- **Storage** - Eighty points will be assigned for less than 50 percent daily demand, 60 points for 50 to 75 percent daily demand, 40 points for 75 to 100 percent daily demand, and 20 points for 100 to 125 percent daily demand.
- **Leakage** - Eighty points will be assigned for 50 percent or greater water loss, 60 points for 40 to 49 percent water loss, 40 points for 30 to 39 percent water loss, and 20 points for 20 to 29 percent water loss.
- **Pressure** - Eighty points will be assigned for pressure consistently less than 20 psi, 60 points for pressure periodically less than 20 psi, 40 points for pressure occasionally less than 20 psi, and 20 points for marginal pressure (20 to 30 psi).
- **Replacement or Rehabilitation Projects** - Eighty points for essential equipment failure, 60 points for essential equipment deteriorated and near failure, 40 points for non-essential equipment failure, and 20 points for non-essential equipment deteriorated.
- **Water Line Extensions** - One hundred points for special acute health problems, 80 points for exceeding drinking water limits or without water, 60 points for nuisance or quantity problems, 40 points for all water line extensions, 40 points for water line relocations.

### Notes

- **Tie-Breaking Procedure** - In the event of a tie, communities with greater economic need are given a higher priority ranking. Economic need is determined by an Ability to Pay Index developed by the University of Tennessee Center for Economic and Business Research.

## STATE OF TENNESSEE

In accordance with Section 1452(b), states must develop a list of projects that will receive funding in the first year after the grant award and a comprehensive priority list of eligible projects for funding in future years. Priority for the use of funds must be to projects that:

- Address the most serious risk to human health
- Are necessary to ensure compliance with the requirements of SDWA
- Assist systems most in need, on a per household basis, according to state affordability criteria

Water systems requesting loans for water projects through the drinking water State Revolving Fund (SRF) will be assigned priority points based on instructions given in the Safe Drinking Water Act (SDWA). The SDWA instructs states to utilize SRF funds to address risks to human health, compliance with the Act, and to assist systems most in need on a per household basis. Tennessee has established a priority ranking system, which will comply with the instructions in the SDWA. Priority points will be assigned on a 100 point scale based on the severity of the problem. The only projects eligible for the maximum of 100 points will be those that address serious, acute risks to human health. Other projects will be assigned 20, 40, 60, or 80 points depending on the severity of the problem and whether a compliance problem exists. Projects requesting funds for ineligible activities such as fire protection, dam construction or future growth will not be assigned priority points. Projects that receive the same priority points will be ranked according to the ability to pay index for each community. This will satisfy SDWA requirements to assist systems most in need on a per household basis. Seven categories of projects have been established which encompass all types of water system projects. A project can receive points from only one category.

### PRIORITY POINTS FOR DRINKING WATER SRF PROJECTS

1. Water Quality Problems
  - 100 Points - disease outbreak or acute health risk
  - 80 Points - chronic water quality problems
  - 60 Points - potential water quality problems
  - 40 Points - operational problems
  - 20 Points - other
2. Source or Plant Capacity
  - 80 Points - water shortage or rationing
  - 60 Points - 80% capacity rule
  - 40 Points - exceeding capacity on peak days
  - 20 Points - projected need within 10 years
3. Water Storage
  - 80 Points - less than 50% daily demand
  - 60 Points - 50 to 75% daily demand
  - 40 Points - 70 to 100% daily demand
  - 20 Points - 100 to 125% daily demand

4. Leakage Problems

- 80 Points - 50% or greater water loss
- 60 Points - 40 to 49% water loss
- 40 Points - 30 to 39% water loss
- 20 Points - 20 to 29% water loss

5. Pressure Problems

- 80 Points - pressure consistently less than 20 psi
- 60 Points - pressure periodically less than 20 psi
- 40 Points - pressure occasionally less than 20 psi
- 20 Points - pressure marginal (20 to 30 psi)

6. Replacement or Rehabilitation projects

- 80 Points - essential equipment failure
- 60 Points - essential equipment deteriorated & near failure
- 40 Points - non-essential equipment failure
- 20 Points - non-essential equipment deteriorated

7. Water Line Extension

- 100 Points - special acute health problems
- 80 Points - exceeding drinking water limits or without water
- 60 Points - nuisance or quantity problems
- 40 Points - all water line extensions
- 40 Points - water line relocations

The affordability criteria is used to prioritize projects that have the same number of points based on project need. Affordability criteria is based on the Ability to Pay Index (ATPI) established by the University of Tennessee Center for Business and Economic Research. Communities with greater economic need are given lower points and a higher ranking. The allocation formula uses a broad definition of fiscal capacity that includes per capita income, per capita property tax base, and per capita sales. The intent is to measure fiscal capacity in terms of the available resources for paying for services.



## ILLINOIS

### Priority Ranking Criteria

*Projects will be prioritized using the State Loan Priority Index, based on the following four factors:*

- **Population** - Projects will receive up to 5.3 points based on the service population of the system. The number of points is derived using the log base 10 of the number of people served by the system.
- **Project Need** - Points will be assigned based on the evaluated need for the project. For example, projects that address an immediate threat to public health will receive 100 points, projects to address acute violations of the SDWA will receive 75 points, projects to address chronic violations of the SDWA will receive 50 points, etc. Projects may only receive points for one item.
- **Financial Hardship** - Projects will receive points based on the financial hardship facing the system. Projects will receive up to 5 points depending on the percentage of people in the community who are living at or below the poverty level. In addition, the project will receive up to 5 points based on percentage of people living above the State average unemployment rate. (maximum points go to higher percentages)
- **Small Public Water Systems** - Five points will be assigned to projects for public water systems serving fewer than 10,000 people.

### Notes

- **Affordability** - Unlike most States, which use MHI to assess affordability, Illinois uses the unemployment rate.

# ILLINOIS

## SUBPART B: PROCEDURE FOR CALCULATING THE LOAN PRIORITY INDEX

### Section

663.210 Formula for Computing the Loan Priority Index

EMERGENCY

663.220 A1 Factor -- Population

EMERGENCY

663.230 A2 Factor -- Project Need

EMERGENCY

663.240 A3 Factor -- Financial Hardship

EMERGENCY

663.250 A4 Factor -- Small Public Water Systems

EMERGENCY

663.260 A5 Factor -- Readiness to Proceed

EMERGENCY

663.270 Scoring Conventions

EMERGENCY

## SUBPART B: PROCEDURE FOR CALCULATING THE LOAN PRIORITY INDEX

### Section 663.210 Formula for Computing the Loan Priority Index

EMERGENCY

The Loan Priority Index (LPI) is a number that is the product of five factors. The LPI is calculated as follows:  $(A1 + A2 + A3 + A4) \times A5 = LPI$ .

### Section 663.220 A1 Factor (Population)

EMERGENCY

A1 is a factor, which evaluates the existing population that is served by the proposed project. A1 is calculated as log base 10 of the number of persons served by the project, with a maximum value of 5.30 points. The applicant shall provide the population served figure, which the Agency will verify from its records.

## **Section 663.230 A2 Factor (Project Need)**

### **EMERGENCY**

A2 is a factor that evaluates and quantifies eligible drinking water needs associated with a proposed project. The need for the proposed projects will be quantified by using the single most appropriate of the following methodologies:

a) For projects that meet the Health Hazard Determination criteria set out in Section 663.120, the A2 score will be 100 points.

b) For projects that will correct violations of the Safe Drinking Water Act determined through compliance monitoring, points will be awarded based on the seriousness of the violations that make the project necessary. The violations will be quantified from the applicant's Monthly Operating Reports. The values for the violations are as follows:

1) Acute Violation      75 points;

2) Chronic Violation    50 points

c) For projects that will prevent future acute or chronic violations and address a need that has been demonstrated by compliance monitoring, Section 663.260 allows for assigning a portion of the acute and chronic violation points for priority scoring purposes.

d) For projects that will correct violations of the State's protection of public health rules regarding adequate pressure, transmission, and storage of drinking water, as contained in 35 111. Adm. Code Part: 653, and evidenced by an Agency issued notice of violation, Agency field inspection report or Agency approved project planning, the A2 factor value will be 25 points.

e) For projects that will extend or provide community drinking water to an area currently served by private wells will receive a score of 15 points, plus a need factor which will be quantified from the percentage of private wells found to be out of compliance with regulations or advisories administered by the Illinois Department of Public Health and which pose a potential threat to public health based on sampling or inspection as determined by the health authority responsible for the area to be served. The percentage of wells, expressed as a decimal, that are unsatisfactory will be multiplied by 10 and the result added to the 15 points to complete the A2 score.

f) Renovation, repair, reconstruction or replacement of facilities to maintain the safe and adequate water supply capabilities for which they were designed and to enable their continued service will be assigned an A2 value of 10 points.

**Section 663.240 A3 Factor (Financial Hardship)**

**EMERGENCY**

A3 is a factor, which adds points for applicants that have a higher rate of unemployment than the State average, and includes points for the percentage of persons in poverty. The A3 factor is calculated by adding the unemployment percentage points to the persons in poverty points from the following tables:

Percentage Above State Average Unemployment Rate

Percentage	Points
0.1 to 2.0	1.25
2.1-4.0	2.50
4.1-6.0	3.75
6.1 and above	5.00

Percentage of Persons in Poverty

Percentage	Points
5.0-10.0	1.00
10.1-15.0	2.00
15.1-20.0	3.00
20.1-25.0	4.00
25.1 -- and above	5.00

**Section 663.250 A4 Factor (Small Public Water Systems)**

**EMERGENCY**

A4 is a factor that provides a five point bonus to public water systems serving populations of less than 10,000.

**Section 663.260 A5 Factor (Readiness to Proceed)**

**EMERGENCY**

A5 is a factor that measures the progress that an applicant has made on completing an application for loan assistance. A5 will be calculated by adding the points awarded for completion of significant milestones to the one point that will be awarded to all projects as follows:  $(A5a + A5b + A5c + A5d + A5e) + I = A5$ . The points awarded for each of the significant application items as follows:

- a) Submission of project planning 0.20 points;
- b) Agency approved project planning 0.20 points;
- c) Submission of plans and specifications 0.10 points;
- d) Agency approved plans and specifications 0.30 points;
- e) Agency approved dedicated source of revenue 0.20 points.

## **663.270 Scoring Conventions**

### **EMERGENCY**

a) For purposes of assigning the A2 factor, projects that are being proposed to meet regulations that have been published in the Federal Register but have a future effective date will be considered the same as projects to correct violations of regulations that are already in effect.

b) Projects that are being proposed to prevent future acute or chronic violations predicted by compliance monitoring are eligible for A2 factor points as follows:

1) The applicant's compliance monitoring records must show concentrations of the contaminant to be controlled of at least 75% of the acute or chronic violation limit (existing contaminant concentration + acute/chronic limit x 100 = % violation limit);

2) The A2 points for the project will be calculated by multiplying the percentage violation limit by the appropriate acute or chronic A2 points in Section 663.230(b).

For integrally related projects which require construction by more than one local government unit, each project will proceed at the Loan Priority Index of the component project with the most favorable priority ranking.

## INDIANA

### **Priority Ranking Criteria**

*Projects will be prioritized based on points accrued in the following four categories:*

- **Public Health** - Projects for systems with MCL violations from the 3 preceding years may receive points for all standards violated in this category (up to 230 points). For example, 30 points for acute violations (e.g., microbiological), 20 points for chronic violations (e.g., VOCs, radionuclides, etc.).
- **Assure SDWA Compliance** - Projects to ensure SDWA compliance may receive points for all items that apply in this category (up to 50 points). For example, 5 points for significant noncompliance, 25 points for an agreed order.
- **Affordability** - Projects may receive up to 60 points on the basis of MHI (5 to 30 points) and water rate charges (5 to 30 points). Projects will receive more points for lower MHIs and higher water rate charges.
- **Additional Considerations** - Projects to address infrastructure replacement and improvement, to fund small systems, to consolidate and regionalize, and to address inadequate water supply, may receive from 5 to 15 points for all items that apply (up to 90 total points).

### **Notes**

- **Tie-Breaking Procedure** - In the event of a tie, the project with more points in the Public Health Protection category will prevail. If the tie persists, the system serving the smaller population will prevail.

## **State of Indiana**

### **DWSRF Priority Scoring and Ranking System**

#### **VI. Tie Breaking**

If two or more projects score equally under the Project Scoring and Ranking System, the project with the highest points in the Public Health Section will prevail. If a tie persists, then the project that serves the smallest population will prevail.

#### **VII. Scoring and Ranking System Criteria**

The purpose of the scoring and ranking system is the prioritization of all eligible DWSRF projects that are seeking funding for that year. Projects that seek to further the health protection objectives of the Safe Drinking Water Act (section 1452 (a)(2)) and projects that rectify chronic and long term health risks will also be given high priority consideration under this scoring and ranking system. Finally, projects that have documented a financial need based on a per-capita household basis will be given enhanced point consideration under this proposed scoring and ranking system. Scoring is based on the sum of all possible points awarded within each category. Systems which score the highest point total will be given the highest priority on the project list.

#### **VIII. Scoring and Ranking System**

The criteria used to prioritize the eligible projects are described and weighted below. Points apply to the system applying for assistance. Scoring is based on the sum of all possible points awarded within each category. Systems which score the highest point total will be given the highest priority on the project priority list (PPL).

In determining the scoring and ranking system for eligible DWSRF projects the Indiana Department of Environmental Management (IDEM) proposes that the highest priority be given to projects which seek to do the following: alleviate public health risks, help assure compliance with the SDWA, and assist systems most in need according to state affordability criteria.

Systems which score the highest point total will be given the highest priority on the project list. Consistent with these aforementioned priorities, the numerical scores in the DWSRF priority ranking and scoring system will be based on the following criteria:

- I      Public Health Protection:** The project addresses the most serious risk to human health.  
(Total Maximum Points / 230)
  
- II     Assure SDWA Compliance:** The project will ensure compliance with the requirements of the Safe Drinking Water Act, SDWA. (Total Maximum Points/50)
  
- III    Affordability:** This criterion is based on the State's Affordability Criteria, service area population, and the service areas median home income. It is designed to assist systems most in need, on a per household basis.  
(Total Maximum Points / 60)

**IV Additional Considerations:** This criterion offers additional points to projects for their efforts to improve drinking water quality.  
(Total Maximum Points / 90)

The total numerical score for a project or a project segment will be the sum of the scores for criteria I, II, III, and IV.

**Drinking Water State Revolving Fund Scoring and Ranking Point System**

**I. PUBLIC HEALTH PROTECTION:**

The project addresses the most serious risk to human health.

**Public Health / SDWA MCL violation:**

**Public and Environmental Health** - Violations of National Drinking Water Standards Maximum Contaminant Levels (MCLs) are established by the SDWA for those contaminants which may be detrimental to public health. Violations of these levels in the 3 years preceding the development of a priority list carry the following weightings:

	<u>Points</u>
<b>Microbiologicals, acute</b>	<b>30</b>
<b>Nitrate / Nitrite, acute</b>	<b>30</b>
<b>Treatment Techniques / SWTR / Turbidity, acute</b>	<b>30</b>
<b>Volatile Organic Compounds (VOCs) / TTHMs</b>	<b>20</b>
<b>Synthetic Organic Compounds (SOCs)</b>	<b>20</b>
<b>Inorganic Chemicals (IOCs)</b>	<b>20</b>
<b>Radionuclides</b>	<b>20</b>
<b>Lead/Copper</b>	<b>20</b>
<b>Consolidated Private Wells: 25% exceeds Maximum Contaminant Levels</b>	<b>20</b>
<b>Other Treatment Techniques</b>	<b>20</b>
	<b>230 Maximum</b>

**II. ASSURE SDWA COMPLIANCE:** The project will ensure compliance with the requirements of the Safe Drinking Water Act, SDWA.

**SDWA Compliance:**

<b>Significant Non-Compliance</b>	<b>5</b>
<b>Warning of Non-Compliance (WONC)</b>	<b>5</b>
<b>Notice of Violation (NOV)</b>	<b>15</b>
<b>Agreed Order (AO)</b>	<b>25</b>
	<b>50 Maximum</b>

**III. AFFORDABILITY:**

<b>A. Median Household Income (MHI)</b>	
<b>MHI at or above \$31,242</b>	<b>5</b>
<b>MHI \$24,994-\$31,242</b>	<b>15</b>
<b>MHI below \$24,994</b>	<b>30</b>



<b>B.</b>	<b>Water Rate Charge Per 4,000 gallons</b>	
	<b>Over \$30.00 per 4,000 gallons</b>	<b>30</b>
	<b>Rate between \$25.00-\$30.00 per 4,000 gallons</b>	<b>15</b>
	<b>Rate Below \$25.00 per 4,000 gallons</b>	<b>5</b>
	**State agency approval of user charges or rate structure	<b>60 Maximum</b>

**IV ADDITIONAL CONSIDERATIONS:**

This criterion allows for additional points in the scoring and ranking of projects.

**A. Infrastructure Replacement / Improvement**

Water system infrastructure replacement projects will correct deficiencies or ensure compliance with the SDWA are based on at least a 20 year useful life. Loan assistance to upgrade, replace, or install the following:

<b>Source-Intake Structure</b>	<b>5</b>
<b>Controls / Instrumentation</b>	<b>5</b>
<b>Disinfection and Filtration System</b>	<b>5</b>
<b>Emergency Power Source</b>	<b>5</b>
<b>Pumping Station</b>	<b>5</b>
<b>Back Flow Prevention</b>	<b>5</b>
<b>Transmission and Distribution System</b>	<b>5</b>
<b>Storage Facility</b>	<b>5</b>

**B. Small System Funding**

The Safe Drinking Water Act requires that a State must, to the extent practicable, use a minimum of 15 percent of all dollars credited to the Fund to provide loan assistance to small systems that serve fewer than 10,000 persons.

<b>Systems with 10,000 persons or &lt;</b>	<b>10</b>
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**C. Consolidation / Regionalization**

This criterion is included to support the concept that larger systems are more apt to have managerial, financial and technical capabilities to ensure continued compliance with current and future requirements of both federal and state Safe Drinking Water laws and regulations.

<b>Physical Consolidation</b>	<b>5</b>
including the consolidation of private wells into an existing system, where at a minimum 25% of the wells exceed Drinking Water Maximum Contaminant Levels.	
*Dependent upon the requisite EPA authorization.	

**D. Inadequate Water Supply**

Water supply operation projects which remedy the following conditions will be awarded points as follows as defined by the 10 State Recommended Standards for Water Works:

**a) Water Pressure**

**10**

The normal working pressure should be approximately 80psi and not less than 35psi. The system shall be designed to maintain a minimum operating pressure of 20psi throughout the distribution system under all conditions of flow including peak periods.

**b) Water Supply**

**10**

The system is incapable of meeting the recommended daily peak water use demands.

**c) Water Storage**

**15**

The structure shall provide stability and durability as well as protect the quality of stored water. The minimum storage capacity (or equivalent capacity) for systems not providing fire protection shall be equal to the average daily consumption.

**90 Maximum**

**Total  
Maximum  
Points = 430**

# MICHIGAN

## Priority Ranking Criteria

*Projects will be prioritized based on points accrued in the following six categories. Projects may receive up to 1000 total points.*

- **Drinking Water Quality** - Up to 450 points will be awarded to projects that will eliminate acute violations of drinking water standards (250 points for each violation), projects that will eliminate non-acute drinking water violations (200 points for each violation), projects that will upgrade a facility to maintain compliance with drinking water standards or capacity requirements (150 points), and projects that will eliminate exceedances of secondary MCLs (25 points).
- **Infrastructure Improvement** - Up to 350 points will be awarded to projects that will upgrade source or treatment equipment (125 points), projects that will upgrade transmission or distribution equipment (125 points), and projects that will upgrade water storage facilities or pumping stations (125 points).
- **Population** - Up to 50 points will be awarded to projects based on the system's service population. Large systems will receive more points than small systems; transient noncommunity systems are eligible for only half of the total points available in this category.
- **Disadvantaged Communities** - Up to 50 points will be awarded to community water supplies that serve disadvantaged communities.
- **Consolidation** - Up to 100 points will be awarded to consolidation projects. Projects that will bring 1 or more PWSs into compliance as a result of consolidation will receive 100 points. Projects that will correct deficiencies for 1 or more PWSs as a result of consolidation will receive 60 points and other consolidation projects will receive 40 points.
- **Wellhead Protection** - Projects that serve communities with completed wellhead or source water protection plans will receive 100 points.

## Notes

- **Tie Breaking Procedure** - In the event of a tie, systems with fewer than 2 violations of monitoring, record-keeping, and reporting requirements in the previous 2-year period will rank above systems with more violations. If systems are still tied, the cost per population served for each project will be calculated; the system with the lowest ratio of cost to population will rank higher.
- **Segmentation** - Projects may be segmented if the cost of the proposed project exceeds 30 percent of the total amount available during the fiscal year or if the department has approved the system's application for segmentation. Segmented projects will be assigned points as outlined above; after funding for the first segment of a project is accepted, subsequent segments will retain first priority during the following 3 fiscal years.
- **Prior Year Eligibility** - Projects on the priority list that are not funded during the year that the priority list is in effect will be automatically prioritized on the next annual list using the same criteria.

## MICHIGAN

### Sec. 5406.

(1) The department shall annually develop a priority list of project eligible for assistance under this part. Projects that are not funded during the year that a priority list developed under this section is in effect shall be automatically prioritized on the next annual list using the same criteria, unless the water supplier submits and amendment to its project plans submitted by water suppliers under section 5405 and the criteria listed in subdivisions(a) through (f). Each project shall be assigned points up to a maximum of 1,000. The point values are maximum values available for each category or subcategory listed in this section and shall only be awarded if the project, substantially addresses the problem for which the point award was given. If a project is primarily designed to replace individual wells at private homes, 50% or more of the homes in the affected area shall meet equivalent water quality or infrastructure deficiency criteria listed in subdivisions (a) through (f) in order to receive the maximum available points. If less than 50% of the homes in the affected area can demonstrate deficiencies, 1/2 of the total points shall be awarded. Points shall be awarded as follows:

(a) A maximum of 450 points may be awarded to a project that addresses drinking water quality as outlined in Act 399, if the project:

(i) Is designed to eliminate an acute violation of a drinking water standard as defined in part 4 of the administrative rules for Act 399. A violation of a surface water treatment technique, or of a waterborne disease outbreak has been documented, 250 points shall be awarded for each violation.

(ii) Is designed to eliminate a violation of a drinking water standard other than those outlined in subparagraph (i), 200 points shall be awarded for each violation.

(iii) Is designed to upgrade a facility to maintain compliance with drinking water standards or system capacity requirements, 150 points shall be awarded.

(iv) Is designed to eliminate an exceedance of a secondary maximum containment level for aesthetic water quality, 25 points shall be awarded.

(b) A maximum of 350 points shall be awarded to a project that addresses infrastructure improvements, as follows:

(i) If source of treatment facilities are upgraded, including the water mains to connect to the distribution system, a maximum of 125 points shall be awarded, if the improvement is:

(A) To meet minimum capacity requirements, 100 points shall be awarded.

(B) For reliability, 75 points shall be awarded.

(C) For other source or treatment facility upgrades not included in subparagraph (i)(A) or (B), 25 points shall be awarded.

(D) To satisfy the conditions of a formal enforcement action, 25 points shall be awarded.

(E) For source water protection, 50 points will be awarded.

(ii) If transmission or distribution water mains are upgraded, a maximum of 125 points shall be awarded, if the improvement is:

(A) To meet minimum capacity where flow or residual pressure is less than acceptable, 100 points shall be awarded.

(B) For reliability, including looping or redundant feeds, 75 points shall be awarded.

(C) Other transmission or distribution system upgrades not included in subparagraph (ii)(A) or (B), 25 points shall be awarded.

(D) To satisfy the conditions of a formal enforcement action, 25 points shall be awarded.

(iii) If water storage facilities or pumping stations are upgraded, a maximum of 125 points shall be awarded, if the improvement is:

(A) To meet minimum capacity where storage or pumping capacity is less than requirements, 100 points shall be awarded.

(B) For reliability, 75 points shall be awarded.

(C) Other storage facility or pumping station upgrades not included in subparagraph (iii)(A) or (B), 25 points shall be awarded.

(D) To satisfy the conditions of a formal enforcement action, 25 points will be awarded.

(c) A maximum of 50 points shall be awarded based on the population served by the water system according to the following table. However, a transient noncommunity water supply as defined in section 2 of Act 399 is eligible for 1/2 the point value listed in the following table.

<b><u>Population</u></b>	<b><u>Points</u></b>
>50,000	50
10,001 - 50,000	40
3,301 - 10,000	30
501 - 3,300	20
0 - 500	10

(d) A maximum of 50 points shall be awarded to a community water supply that is a disadvantaged community.

(e) A maximum of 100 points shall be awarded for projects that include consolidation as follows:

(i) If one or more public water supplies are brought into compliance with state drinking water standards as a result of consolidation, 100 points shall be awarded.

(ii) If deficiencies, which are documented in writing by department, at 1 or more public water supplies are corrected as a result of consolidation, 60 points shall be awarded.

(iii) Other consolidations, not included under subparagraph (i) or (ii), shall be awarded 40 points.

(f) For communities that have completed a wellhead protection plan or a source water protection plan, 100 points shall be awarded.

(g) After scoring, using the criteria in subdivisions (a) through (f), if 2 or more projects have the same score, the following tie-breaker shall be applied:

(i) If the system has fewer than 2 violations of the monitoring, record-keeping, and reporting requirements of Act 399 in the previous 2-year reporting period, or no violations if ownership of the system has changed in the previous 2 years, it will rank above systems having more violations.

(ii) After applying the tie-breaker in subparagraph (i), if 2 or more projects score exactly the same, a calculation of the cost per population served by the water system shall be made. The affected projects shall be ranked with the lowest ratio of cost to population ranked higher.

(2) The priority list shall be submitted annually to the chairpersons of the senate and house of representatives standing committees that primarily consider legislation pertaining to the protection of public health and the environment.

(3) In preparing the priority list, to ensure that a disproportionate share of available funds for a given fiscal year is not committed to a single water supply project, the department may segment a project if either of the following criteria is present:

(a) The cost of the proposed project is more than 30% of the total amount available in the fund during the fiscal year.

(b) The department has approved a water supplier's application for segmenting a project.

(4) Segments of a project that have been segmented under subsection (3) shall be assigned priority points based on the project as identified in the project plan. After funding assistance for the first segment is accepted, the remaining segments will retain first priority for funding assistance on the next 3 fiscal year priority lists. All projects with previously funded segments will be designated with first priority. Ranking order of these projects to receive funding assistance will be subject to the relative ranking of all first segment projects.

(5) In preparing the intended use plan, the department shall make every effort to assure that funding assistance is equitably distributed among public water supplies of varying sizes.

(6) For purposes of providing assistance, the priority list shall take effect on the first day of each fiscal year.

## MINNESOTA

### Priority Ranking Criteria

*Projects will be prioritized based on points accrued in the following five categories:*

- **Public Health Priority Points** - Under the public health category, only existing eligible public drinking water supply projects may receive priority points for acute violations, noncompliance with treatment technique requirements, and violations of nonacute MCLs. All projects must address the public health issues described. Up to 100 points will be assigned to systems with acute violations. Projects may receive points for all items that apply (e.g., 25 points for 1 or more acute violations in the past 36 months, 25 points for 1 or more violations of the MCL for total coliform in the past 36 months, etc.). Up to 15 points will be awarded to systems that fail to comply with treatment technique requirements. Fifteen points will be awarded to systems that violate non-acute primary MCLs. Up to 25 points will be assigned to projects for contaminated private wells that will result in the creation of an eligible PWS or connection to a PWS.
- **Inadequate Water Supply Priority Points** - Up to 15 points will be assigned to systems that cannot consistently provide adequate water. Systems that serve more than 1,000 people must have evidence of an emergency and water conservation plan to receive points in this category.
- **Public Drinking Water Infrastructure Improvement Priority Points** - Systems that have received points under either category above cannot receive points in this category. Systems can only receive points for one of the following improvements: system reliability (7 points), looping of water mains (7 points), chlorine feed equipment (7 points), 1-day storage (6 points), or other infrastructure upgrades (5 points).
- **Additional Priority Point Categories** - Ten points will be assigned to systems that have suffered as a result of a natural disaster and have no other source of State or federal disaster relief. Ten points will be assigned to projects that result in compliance with an enforceable document of the Minnesota Department of Health. Ten points will be assigned to projects that result in the consolidation of existing drinking water systems. Three points will be assigned to projects that protect drinking water sources.
- **Financial Need** - Only community systems are eligible for points based on financial need. A system with an MHI less than either the MHI for a metropolitan or nonmetropolitan area, as applicable, will be assigned 5 points.

### Notes

- **Tie-Breaking Procedure** - If two or more projects have the same priority points total, the project for the system whose service population has the lowest MHI will receive the highest priority.

## **MINNESOTA DEPARTMENT OF HEALTH DRINKING WATER REVOLVING FUND**

### **4720.9015 PROJECT PRIORITY LIST.**

**Subp. 1. General.** The commissioner must develop and maintain a project priority list for entities that have a need for a new or upgraded water supply system.

**Subp. 2. Notice.** At least once a year, the commissioner must provide notification to all eligible public drinking water suppliers that requests for placement on the project priority list are being accepted. The notice must include the schedule for submittal of the requirements listed in subparts 4 and 5, or subpart 6, in order to be placed on the project priority list.

**Subp. 3. Project priority list amendments.** As needed, but at least once per year, the commissioner must amend the project priority list to add or delete projects.

**Subp. 4. General requirements.** To be eligible for placement on the project priority list, a written request for placement on the project priority list must be submitted to the commissioner. The request must include:

- A. the type of project (planning, design, or construction) for which financial assistance is being requested;
- B. a current cost estimate and, if different, the amount of financial assistance being requested; and
- C. a proposed project schedule in a form acceptable to the commissioner.

**Subp. 5. Additional requirements for applicants seeking financial assistance for planning activities and design.** The request for inclusion of a project under the planning or design section of the project priority list must include:

- A. a description of the need for the project;
- B. an estimate of the population and number of households to be served; and
- C. a map showing the geographical area the project is expected to serve.

**Subp. 6. Additional requirements for applicants seeking financial assistance for construction.** The request for listing a construction project on the project priority list under this part must include:

- A. a map of the geographical area;
- B. the population and number of households to be served;
- C. a description of the current drinking water supply system;
- D. a discussion of any existing and potential problems or failures in the current drinking water system;
- E. an analysis of possible alternatives for the correction of the problems or failures, including a cost estimate for each alternative;



F. the selection of an alternative, including the reasons for the selection of this alternative and a detailed cost estimate; and

G. for public water suppliers serving more than 1,000 persons, the status of the applicant's implementation of an approved emergency and water conservation plan required under Minnesota Statutes, section 103G.291.

**Subp. 7. Priority points.** A project must be assigned project priority points before being listed on the project priority list. The commissioner must review and approve the information submitted under subpart 4, 5, or 6 before assigning project priority points. Approval must be based on the determination that the information addresses the requirements under subpart 4, 5, or 6 and an evaluation that the selected alternative will provide a solution to the problems presented. A project's priority points must be the total number of priority points assigned under parts 4720.9020 to 4720.9040. The project priority points may be recalculated when new information becomes available until the project is placed on the intended use plan as provided in part 380.0255.

**Subp. 8. Listing order.** Projects must be listed on the project priority list in descending order according to the number of total priority points assigned to each one. When two or more projects have the same priority point total, the project sponsored by the entity with the lowest median household income must receive the highest priority.

#### **4720.9020 PUBLIC HEALTH PRIORITY POINTS.**

**Subpart 1. Existing eligible public drinking water supply.** Only existing eligible public drinking water supply projects can be assigned priority points under subparts 2 to 4.

**Subp. 2. Acute violations.** A maximum of 100 priority points may be assigned to a project as described in items A to E.

A. 25 priority points must be assigned if there has been one or more violations defined as an acute violation in Code of Federal Regulations, title 40, section 141.32(a)(1)(iii)(A), within the past 36 calendar months.

B. 25 priority points must be assigned if there has been one or more violations defined as an acute violation in Code of Federal Regulations, title 40, section 141.32(a)(1)(iii)(B), within the past 36 calendar months.

C. 25 priority points must be assigned if there has been one or more occurrences defined as a waterborne outbreak in Code of Federal Regulations, title 40, section 141.2, within the past 36 calendar months.

D. 25 priority points must be assigned if there have been one or more violations of the maximum contaminant level for total coliforms pursuant to Code of Federal Regulations, title 40, section 141.32(a)(1)(iii)(C), when total coliforms are determined to be present in the well(s) of a groundwater system or at the point of entry for a surface water system within the past 36 calendar months.

E. 15 priority points must be assigned if there have been one or more violations of the maximum contaminant level for total coliforms pursuant to Code of Federal Regulations, title 40, section 141.32(a)(1)(iii)(C), when total coliforms are determined to be present in a part of the system other than the well(s) of a groundwater system or at the point of entry for a surface water system within the past 36 calendar months. Points may not be assigned under this item if points have been assigned under item D.

**Subp.3. Failure to comply with treatment technique requirements.**

A. 15 priority points must be assigned if there have been one or more failures to comply with a treatment technique requirement pursuant to Code of Federal Regulations, title 40, section 141.70 to 141.74.

B. 13 priority points must be assigned if there have been one or more failures to comply with a treatment technique requirement, other than those referred to in item A, within the past 36 calendar months. Additional points must not be assigned for multiple failures to comply with the same requirement.

**Subp 4. Violations of nonacute primary maximum contaminant levels.** Fifteen priority points must be assigned if there has been a violation of any nonacute primary maximum contaminant levels within the past 36 calendar months.

**Subp. 5. Contaminated private wells.** Only projects that will result in the creation of an eligible public water supply or connection to an eligible public water supply may be assigned points under this subpart. More than 50 percent of the private wells in the proposed project service area must meet a criterion in item A or B for priority points to be assigned under item A or B. If 50 percent or less of the private wells in the proposed project service area meet the criterion, one-half of the listed points must be assigned. Results of tests, done in accordance with the U.S. Environmental Protection Agency approved analytical methods, must be submitted.

A. Twenty five priority points must be assigned if test results indicate that a condition exists that meets the criteria in subpart 2, item A, B, C, or D.

B. Ten priority points must be assigned if a drinking water advisory has been issued by the Minnesota Department of Health.

**4720.9025 INADEQUATE WATER SUPPLY PRIORITY POINTS.**

**Subpart 1. Consistently provide.** For the purposes of this part, the term, "consistently provide" will mean that, at all times, the minimum pressures and flow rates for plumbing fixtures as defined in the Minnesota Plumbing Code part 4715.1770, are maintained.

**Subp. 2. Existing public drinking water supplies.** For existing public drinking water supplies serving more than 1000 people, evidence of the implementation of an emergency and water conservation plan approved by the Minnesota Department of Natural Resources pursuant to Minnesota Statutes, section 103G.291, subdivision 3, must be provided to the commissioner before priority points will be assigned under this item.

A. Fifteen priority points must be assigned if an existing public drinking water supply is unable to consistently provide adequate water for the domestic water supply, excluding industrial and commercial uses.

B. Seven priority points will be assigned if an existing public drinking water supply is able to consistently provide adequate water for the uses listed under item A, but is unable to consistently provide water for other uses, including industrial and commercial.

**Subp. 3. Inadequate supply from private wells.** Only projects that result in the creation of an eligible public water supply or connection to an eligible public water supply may be assigned points under this subpart.

A. Fifteen priority points must be assigned if more than 50 percent of the private wells in the proposed project service area are unable to consistently provide an adequate amount of water for general household purposes as demonstrated by an analysis of the aquifer supply and the demand for water in the area.

B. Five points must be assigned if 50 percent or less of the private wells in the proposed project service area meet the criteria in item A.

#### **4720.9030 PUBLIC DRINKING WATER INFRASTRUCTURE IMPROVEMENT PRIORITY POINTS.**

**Subpart 1. Existing public drinking water supplies.** Only existing eligible public drinking water supply projects may be assigned priority points under this part. A project may be assigned priority points under only one subpart. If it has been assigned points under parts 4720.9020 or 4720.9025, it may not be assigned points under this part.

**Subp. 2. System Reliability.** Seven priority points must be assigned to projects that will address a demonstrated need for a new backup well or interconnection with another public water supply.

**Subp. 3. Looping of water mains.** Seven priority points must be assigned to projects that will address a demonstrated need for looping of watermains.

**Subp. 4. Chlorine feed equipment.** Seven priority points must be assigned to projects that will address a demonstrated need for chlorine feed equipment.

**Subp. 5. One day storage.** Six priority points must be assigned to projects that allow the supply to have one day storage capacity equal to the average daily use.

**Subp. 6. Other infrastructure projects.** Five priority points must be assigned to projects that will address a demonstrated need for new or upgraded public drinking water facilities if priority points have not been assigned under subpart 2, 3, 4, or 5.

#### **4720.9035 ADDITIONAL PRIORITY POINTS CATEGORIES.**

**Subpart 1. Natural disaster.** In order to be assigned priority points under this subpart, a description of the existing public drinking water supply, or portion thereof, damaged or destroyed by a natural disaster must be submitted along with a statement that other state or federal disaster relief is not available.

A. Fifteen extra priority points must be assigned if more than 50 percent of the proposed project will replace or repair the existing public drinking water supply damaged or destroyed by a natural disaster.

B. Ten extra priority points must be assigned if 50 percent or less of the proposed project will replace or repair the existing public drinking water supply damaged or destroyed by a natural disaster.

**Subp. 2. Compliance.** Ten extra priority points must be assigned if the proposed project will enable an eligible public drinking water supply to comply with an administrative penalty order, bilateral compliance agreement, permit, or other enforceable document issued by the Minnesota Department of Health.

**Subp. 3. Consolidation.** Ten extra priority points must be assigned if the proposed project will result in the consolidation of existing public drinking water supplies.

**Subp. 4 Source water protection.** Three extra priority points must be assigned if the proposed project, or any portion thereof, is needed in order to protect the drinking water source.

#### **4720.9040 FINANCIAL NEED.**

**Subpart 1. General.** Only projects sponsored by community public drinking water supplies can be assigned priority points under this part.

**Subp. 2. Median Household Income.** The metropolitan and nonmetropolitan median household income levels of the state must be determined from income data from the most recent census of the United States or from data from the state demographer.

A. A municipal community public water supply must use the median household income for the appropriate political subdivision or subdivisions encompassing its service area, except as provided in item C.

B. A nonmunicipal community drinking water supply must use the median household income for the smallest political subdivision encompassing the nonmunicipal community drinking water supplies, except as provided in item C.

C. If there is reason to believe that the United States census data or the data from the state demographer is not a currently accurate representation of the median household income, documentation of the reasons why the data is not an accurate representation may be submitted. If the commissioner, after review, agrees, the applicant may submit additional information regarding median household income. The information must consist of reliable data from local, regional, state or federal sources, or from a survey conducted by a reliable impartial source. The median household income level must be updated to reflect the most current and accurate figures.

**Subp. 3. ASSIGNMENT OF POINTS,** A project sponsored by a community public drinking water supply with a median household income less than either the median household income for a metropolitan or nonmetropolitan area, as applicable, must be assigned five priority points.

# OHIO

## **Priority Ranking Criteria**

*Projects will be prioritized based on points accrued in the following six categories:*

- **Public Health Issues** - Points may be given to projects to correct acute contamination occurring in the past 12 months, chronic contaminants, and secondary standard violations. For acute violations, 0 to 100 points per item (MCL violations, Nitrate, SWTR) will be given depending on the frequency or level of contamination. For chronic violations (IOCs, VOCs, Radionuclides, THMs) 0 to 20 points per contaminant will be given based on contaminant level. Points will also be given for other chronic health issues (e.g., lead and copper, boil status, contaminated private wells). One point per standard will be given for secondary standard iron and manganese violations.
- **Compliance with Federal and State Safe Drinking Water Act** - Projects to achieve or maintain federal and State SDWA compliance by eliminating design deficiencies or inadequate storage and distribution infrastructure will receive points. Projects may receive 5 to 20 points each for various deficiencies associated with water quantity, water source, and water treatment plants. They may also receive 5 to 20 points each for various storage and distribution deficiencies.
- **Effective Management** - Points may be given to projects that implement beneficial management practices such as backflow prevention programs, preventative maintenance programs, and water conservation programs (1 point per program).
- **Consolidation and Regionalization** - Points may be given to projects that have the potential for, or propose to involve, consolidation of water systems (25 points for potential and 25 additional points for each system that commits to interconnection).
- **Affordability** - Points will be given to projects based on affordability. If the water and sewer rates for the system are more than the Combined Water and Sewer Benchmarks<sup>1</sup> or if the eligible water system has no rate structure, the project will receive 20 points.
- **Population Distribution** - Projects will receive up to 24 points based on population, with the maximum number of points going to the smallest systems. For example, systems that serve fewer than 500 people will receive 24 points. Those that serve more than 30,000 people will receive only 3 points.

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<sup>1</sup>Benchmarks were developed using data obtained from the Ohio EPA's 1991 Sewer and Water Rate Survey and the 1990 U.S. Census Report of MHI for Ohio.

# OHIO

## PROJECT PRIORITY RANKING AND SELECTION

The purpose of the priority ranking system is to establish a list of eligible projects to be funded in a manner that the most serious risks to public health are given the highest priority.

All eligible projects will be rated with respect to six categories to determine their ranking and selection for funding under the DWSRF. These categories are:

1. Public health issues
2. Continued compliance with federal and state SDWA requirements
3. Bonus points for effective management
4. Consolidation/regionalization
5. Affordability
6. Population

Any projects ranking will be the sum of all points received in each category. However, before any final funding is granted, each project will be carefully evaluated to ensure that the project addresses all issues for which points are scored. Each category is briefly described below.

### **1. Public Health Issues**

The greatest emphasis will be placed on addressing public health issues related to the acute contaminants microbial and nitrate. The period of analysis will be the 12 months prior to inclusion on the priority list. Maximum Contaminant Level (MCL) violations caused by failure to monitor or report will not be included in the analysis. The following are the points assigned to the various levels of contamination.

#### Acute contaminants per 12 months

##### Bacteriological /contamination (Actual confirmed, not monitoring and/or reporting violations)

No MCL violations	0 points
1-2 MCL violations	50 points
3 or more violations	100 points

##### Nitrate

Level consistently less than 5.0 mg/l	0 points
Level >5.0 mg/l <10 mg/l	50 points
Level >10 mg/l	100 points

Surface Water Treatment Rule

No violations treatment technique violation points	0 points
1-2 treatment technique violations	50 points
3 or more treatment technique violations	100 points

Chronic contaminants will be addressed as shown below with greater weight being given to exceedances of the Unreasonable risk to Health (URTH) value as published by the United States Environmental Protection Agency (USEPA) in the latest table of Drinking Water Regulations and Health Advisories.

Chronic Contaminant Groups: Inorganic Chemicals (IOCs), Volatile Organic Chemicals (VOCs), Radionuclides, Trihalomethanes (THMs)

No MCL violations	0 points*
Above MCL < URTH	10 points*
Greater than URTH	20 points*

\*multiply by the number of violations in each contaminant group

Lead and Copper

In compliance	0 points
Exceedance of copper action level	5 points
Exceedance of lead action level	10 points

Boil Status (on boil advisory)

No boil advisories	0 points
Boil advisory 1-10 weeks	7 points
Boil advisory > 10 weeks	15 points

Disinfectant Residual in the Distribution System (for 12 month period)

0-5 violations	0 points
5-25 violations	10 points
25 or more	20 points

Contaminated Private Wells\*

If 51% or more of the wells in the project area are contaminated	60 points
If less than 50% but more than 25%	30 points
If less than 25% but more than 0%	20 points

\*Based on best estimate after consultation with local health department

Note: Only fundable project is service from a public water system, preferably extension of existing system.

While not directly related to public health, Ohio does enforce the secondary standards for iron and manganese. Therefore, the following point allocation has been included in the priority ranking system.

Secondary Standards

Any exceedance of iron and/or manganese standard	1 point*
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\*per standard

**2. Compliance with Federal and State Safe Drinking Water Act**

The next category is continued compliance with federal and state Safe Drinking Water Act requirements. The condition of the physical infrastructure has been selected as an indicator or predictor of the systems ability to remain in compliance. The rationale being that without adequate supplies of source water, with inadequate, undersized or deteriorated plants, and with inadequate finished water storage and/or distribution systems, a public water system will be unable to maintain compliance with Safe Drinking Water Act requirements. Included in this portion of the evaluation are bonus points to reward systems that are taking steps to stay in compliance with state requirements and to reduce water usage. The following are the points assigned to the various elements in this category.

Design Deficiencies

Quantity

Adequate	0 points
Shortage during peak demand	5 points
Shortage during peak season	10 points
Continual shortage	15 points

Source

Ground Water Under the Direct influence of Surface Water (GWUDI)(final)	20 points
Improper well construction	10 points
Inadequate intake structure	20 points



### Plant

Inadequate processes	5 points*
Insufficient plant capacity	20 points
Deteriorated plant	20 points

\*points for each inadequate process. Processes to be considered are: chemical feed, rapid mix, clarification (flocculation/settling), filtration, disinfection control, aeration/stripping, ion-exchange, corrosion control, and pumping. Maximum-45 points.

Inadequate processes and insufficient plant capacity projects will require a sufficiency evaluation to determine if operations are optimized prior to ranking.

### Storage and Distribution System

#### Storage

Greater than or equal to 1 day	0 points
Adequate hydropneumatic tank but less than one day's storage	5 points
Inadequate hydropneumatic tank and/or less than 1 day's storage	10 points

#### Distribution

Low pressure	10 points
Deterioration	20 points
Inadequate size	20 points

### **3. Bonus points for effective management**

Backflow prevention program	1 point
Contingency plan	1 point
Bacteriological sample siting plan	1 point
WHP program in progress	1 point
Preventative maintenance program	1 point
Water conservation program (unaccounted water loss of 15% or less)	1 point
Metered system	1 point

### **4. Consolidation/Regionalization**

The third category considered is Consolidation/Regionalization. This category is included to support the concept that larger systems are more apt to have managerial, financial and technical capabilities to ensure continued compliance with current and future requirements of both federal and state Safe Drinking Water laws and regulation. The following elements are considered. Points are given to the applicant for the loan only, and not to systems for which the points are earned.

Projects which provide the potential for consolidation (there are existing public water systems which could connect to the project without political conditions and adequate capacity to serve them) 25 points

If the project involves the consolidation/regionalization of more than one community water system or an eligible noncommunity water system and there is a signed commitment letter to tie in or an ordinance mandating tie-in 25 points/  
additional  
system

If the project involves the consolidation/regionalization of more than one noncommunity water system (for-profit Privately owned PWS) and there is a signed commitment letter to tie in or an ordinance mandating tie in 25 points/  
additional  
system

### **5. Affordability Criteria**

The next category is affordability. One of the best indicators of affordability is the environmental/health utility burden placed on a household (i.e. the cost of water/sewer service). A higher degree of financial burden will be placed on water systems with relatively lower populations because the user base will be smaller over which the cost of the utility service is recovered. Per household analysis is relevant in that household costs of infrastructure improvements are a function of the population size of the community or service area.

Not all public water systems have sewer systems associated with them and some public water systems have no rate structure on which to base comparisons. Therefore it was necessary to develop a means to evaluate affordability in these circumstances, and to set some default limits for public water systems with no economic data. The options are presented below.

If entity is an eligible water system that does not have a rate structure (e.g. Mobile Home Parks, Schools) (By default) 20 points

If Combined Water and Sewer Benchmarks (1990) are <Annual Combined Water and Sewer Rates (1995) 20 points

If the Combined Water and Sewer Benchmarks (1990) are > or =Annual Water and Sewer Rates (1995) 0 points

For systems with only an existing water system

If the Water Benchmark (1990) is < Annual Water Rate(1995) 20 points

If the Water Benchmark (1990) is > or = Annual Sewer Rate (1995) 0 points

For systems with only an existing sewer system

If the Sewer Benchmark (1990) is < Annual Sewer Rate (1995)	20 points
If the Sewer Benchmark (1990) is > or = Annual Sewer Rate (1995)	0 points

### Sewer and Water Benchmark Values

The affordability analysis is performed through an economic screening which measures the financial impact of the rate structure on a residential user or household. This is accomplished through a comparison of the current annual cost per residential user to a sewer AND/or water benchmark value. Benchmarks were developed using data obtained from the Ohio EPA's 1991 Sewer and Water Rate Survey and the 1990 U.S. Census Report of median household income (MHI) for Ohio.

In developing the sewer and water benchmark values, sewer and water rates as a percentage of income were analyzed for: 1) all communities that responded to the 1991 Sewer and Water Rate Survey, and 2) only those communities that responded to the Survey and had either a sewer and/or water rate increase. The benchmarks are based on Ohio communities that had a sewer rate and/or water rate increase, because these rates should best reflect current conditions and costs of wastewater treatment plants and/or water supply systems. It is assumed that communities raised their rates to meet these prevailing costs and conditions.

The income value of \$25,155 represents the median of the 1989 Median Household Income for Ohio cities and villages that responded to the 1991 Sewer and Water Rate Survey.

### Sewer Benchmark

Of the Ohio communities which experienced a sewer rate increase during 1990 through 1991, The following values were established by an analysis of the 75th and 90th percentiles for this group:

<u>Income</u>	<u>Benchmark</u>
1989 MHI $\leq$ \$25,155	1.5 % of MHI
1989 MHI $>$ \$25,155	1.9 % of MHI

### Water Benchmark

Of the Ohio communities which experienced a water rate increase during 1990 through 1991, the following values were established by an analysis of the 75th and 90th percentiles for this group:

<u>Income</u>	<u>Benchmark</u>
1989 MHI $\leq$ \$25,155	1.1 % of MHI
1989 MHI $>$ \$25,155	1.5 % of MHI

## **6. Population Distribution Points**

The final category is population served by the water system. As it is a goal of the program to give particular emphasis and assistance to smaller systems, more points are awarded to communities which have relatively smaller populations. The lower the population, the smaller the user base, and the less likely it is for such a community to realize economies of scale in the financing of a drinking water system. Recognizing that the smaller the system the more likely it would be to need assistance in financing, the following point weighting was developed.

<u>Population or Service Area</u>	<u>Points</u>
0<500	24 points
500<750	22 points
750<1000	20 points
1000<2000	18 points
2000<3000	16 points
3000<5000	14 points
5000<10,000	12 points
10,000<30,000	8 points
30,000<Beyond	3 points

# WISCONSIN

## Priority Ranking Criteria

*Projects will be prioritized based on points accrued in the following four categories:*

- **Risk to Human Health** - Points are given for only one item from (a) or one from (b)  
*(a) Acute Contaminants:* Projects that eliminate an MCL violation for total/fecal coliform will receive 500 points (300 points if it eliminates an anticipated MCL violation). Projects that eliminate an MCL violation for water treatment deficiencies will receive 400 points (200 points if it proposes to eliminate anticipated violations). Projects that eliminate a nitrate/nitrite MCL exceedance will receive 300 points (100 points for an anticipated violation).  
*(b) Chronic Contaminants:* The chronic contaminants are grouped as inorganics, VOCs, synthetic organics, radionuclides, or THMs. Different point values will be given depending on the type of contaminant and whether it exceeded or is anticipated to exceed the MCL.
- **Affordability** - A project will be granted additional points if it is associated with a system considered most in need of financial assistance on a per household basis. The total number of points will be based on population served, with an emphasis on the smallest systems, and MHI. The system must serve a population of fewer than 10,000 persons and have an MHI less than or equal to 80 percent of the State MHI to acquire any points in this section.
- **Secondary Contaminants & System Compliance** - Projects that seek to eliminate compliance issues may receive points in 21 categories that address State regulations. Points per item range from 4 to 10 and include 10 points to reduce State MCLs, 10 points to address documented storage deficiency, 4 points if the project includes replacement of asbestos-cement pipe material, 4 points for projects including long-term zebra mussel control, etc. No points will be given for a project that has already received points under the first category.
- **System Capacity** - Projects may receive points for all criteria related to the technical, financial, and managerial capacity of the public water system. For example, if the applicant has written an emergency action plan or implemented a private well abandonment ordinance, then 5 additional points per item will be given.

## Notes

- **Tie-Breaking Procedure** - If two or more projects have the same priority score, the project serving the larger population shall have the higher priority.
- **Funding Ceiling** - There is a biennial funding limit of 25 percent for applicants.

# WISCONSIN

## SUBCHAPTER II - Priority Scoring and Ranking System

**NR 166.25 Priority scoring criteria.** The purpose of the priority scoring criteria is to establish a list of eligible projects to be funded in a manner that is in accordance with the federal requirements of the 1996 Safe Drinking Water Act reauthorization. Consistent with the act, the following criteria shall apply:

*Note: The act requires, to the maximum extent practicable, that priority ranking be given to projects that 1) address the most serious risk to human health; 2) are necessary to ensure compliance with the requirements of the Safe Drinking Water Act (including requirements for filtration); and 3) assist systems most in need on a per household basis according to state affordability criteria. The department will give first priority to acute public health risk, particularly those related to microbiological organisms and second priority given to situations that pose chronic and longer term health risks to consumers, such as organic chemical contamination. The scoring criteria also considers issues that are related to infrastructure upgrading or replacement to address those projects (or portions of a project) which are eligible for funding but not included in the first two sections.*

### **(1) Risk to human health.**

A project shall be assigned points based on criteria in a single category in par. (a) or a single category in par. (b) but not from both. If the severity of the problem is not reflected in any of the following categories, the department will determine the number of points the project shall be assigned.

(a) Project addresses a maximum contaminant level (MCL), action level (AL) or treatment technique violation, or an acute or chronic health hazard.

1. Acute contaminants: The acute contaminants are divided into three groups. Points are awarded in the following manner for a project that eliminates a problem that poses an acute health hazard from one of these groups:

a. Total/fecal coliform - five hundred (500) points shall be awarded to a project that proposes to eliminate an MCL violation that has occurred or will address a confirmed waterborne disease outbreak as defined in s. NR 809.04(65).

b. Water treatment deficiencies - four hundred (400) points shall be awarded to a project that eliminates violations of filtration requirements (turbidity) given in s. NR 809.76 and disinfection requirements in s. NR 809.77 or confirmed microbial (including Giardia and Cryptosporidium) contamination found in finished water.

c. Nitrate/nitrite - three hundred (300) points shall be awarded to a project that eliminates a continuing nitrate/nitrite MCL exceedance.

2. Chronic contaminants: The chronic contaminants are divided into five subgroups; inorganics, volatile organic chemicals (VOC), synthetic organic chemicals (SOC), radionuclides, and total trihalomethane compounds (THM). Points shall be awarded in the following manner for a project that eliminates a chronic health hazard from these groups of chemicals:

a. For each subgroup, other than the THM subgroup, only the MCL exceedance of greatest percentage magnitude is to be used for the point calculation, even though multiple contaminant MCL exceedances might be occurring. For exceedances in multiple subgroups, see letter c below. The MCL exceedance shall be divided by the current MCL or AL and then multiplied by 50 to obtain a subgroup point total.

b. For the THM subgroup, the total sum THM exceedance as defined in NR 809.23 is used for the calculation similar to letter a. above.

c. For MCL exceedances in more than one subgroup, the highest point level of the subgroups shall be used as the primary number to be divided by the current MCL or AL and then multiplied by 50. The other subgroup exceedances will be divided by their respective MCL or AL and then multiplied by 10. The total point value shall be the sum of points in each subgroup.

(b) Project prevents an anticipated MCL, AL, or treatment technique violation or critical health hazard. Points shall be awarded to a single group under either 1. or 2 to a project that proposes to eliminate an anticipated acute or chronic health hazard.

1. Acute contaminants: The acute contaminants are divided into three groups. Points shall be awarded from one of the following groups for a project that eliminates an anticipated acute health hazard.

a. Total/fecal coliform - three hundred (300) points shall be awarded to a project that eliminates an anticipated MCL violation, where no actual violation has yet occurred.

b. Water treatment deficiencies - Two hundred (200) points shall be awarded to a project that proposes to eliminate anticipated violations of filtration requirements (turbidity) given in s. NR 809.76, interim enhanced surface water treatment rule requirements, or microbial (including Giardia and Cryptosporidium) detections in the raw water.

c. Nitrate/nitrite - one hundred (100) points shall be awarded to a project that proposes to eliminate an anticipated nitrate/nitrite violation.

2. Chronic contaminants: The chronic contaminants are divided into five subgroups; inorganics, volatile organic chemicals (VOCs), synthetic organic chemicals (SOCs), radionuclides, and total trihalomethane compounds (THMs). Points shall be awarded in the following manner for a project that eliminates an anticipated chronic health hazard from these groups of chemicals:

- a. Twenty (20) points shall be awarded to a project that proposes to eliminate an anticipated exceedance of an inorganic, volatile organic chemical, synthetic organic chemical, radionuclide or total trihalomethane chemical contaminant. An additional five (5) points shall be awarded for each additional subgroup addressed by a project that eliminates an anticipated exceedance.

**(2) Financial need.**

Projects will be granted additional points if the project is associated with a system considered most in need of financial assistance on a per household basis. The number of points will be determined by evaluating table A and table B for the public water system in question and totaling the points allocated in the point columns. A public water system must have a population less than 10,000 and a median household income less than or equal to 80% of the states median household income to acquire any points in this section.

POPULATION	POINTS
0-99	30
100-999	25
1000-1999	20
2000-2999	15
3000-4999	10
5000-9999	5

Median Household Income	POINTS
75%-80%	5
70%-74%	10
65%-69%	15
60%-64%	20
<60%	25

(3) Projects that address a secondary contaminant violation or system compliance with ch. NR 811, except that no points will be awarded for specific areas already receiving points under sub. (1). A project shall be assigned points from the following categories:

- (a) Ten (10) points shall be awarded if the project will reduce a secondary drinking water contaminant, as listed in s. NR 809.60(2), to a level below the aesthetic standard.
- (b) Ten (10) points shall be awarded if the project addresses areas of inadequate distribution system pressure, as defined in s. NR 811.63(1).
- (c) Ten (10) points shall be awarded if the project will address a documented storage deficiency (excludes fire demand) within an existing public water supply system.
- (d) Ten (10) points shall be awarded if the project addresses a source or capacity deficiency where there is a demonstrated need within the existing public water supply system.
- (e) Four (4) points shall be awarded if the project includes replacement of lead service lines.
- (f) Four (4) points shall be awarded if the project includes long term zebra mussel control.



(g) Four (4) points shall be awarded if the project includes installation of an auxiliary power source to a well, pump station, or water treatment plant.

(h) Four (4) points shall be awarded if the project includes replacement of asbestos-cement pipe material.

(i) Four (4) points shall be awarded if the project includes upgrading of existing or SCADA system.

(j) Four (4) points shall be awarded if the project includes installation or replacement of fluoridation equipment.

(k) Four (4) points shall be awarded if the project includes the upgrading of existing facilities for capturing, holding, or disposing of waste (liquid or solid) generated from the water system operation.

(l) Four (4) points shall be awarded if the project includes the replacement of undersized mains (less than six inches in diameter).

(m) Four (4) points shall be awarded if the project includes the looping of water mains and/or the elimination of dead end water mains.

(n) Four (4) points shall be awarded if the project includes treatment that reduces the potential for formation of disinfection by-products including trihalomethanes.

(o) Four (4) points shall be awarded if the project as a secondary benefit will increase the fire protection of the community.

*Note: If the primary purpose of the project is to improve the fire protection of the system, the project is not eligible for funding.*

(p) Four (4) points shall be awarded if the project will include the installation of a water booster station or pressure reducing station to improve the quality of service to the customers by supplying water at a more acceptable level.

(q) Four (4) points shall be awarded if the project includes the installation of an additional river, railroad, or highway crossing to a major system divide that results in better system reliability.

(r) Four (4) points shall be awarded if the project includes the replacement of one or more pumps or pump motors that are no longer functional, or have reached the end of their useful life.

(s) Four (4) points shall be awarded if the project improves the intake structure for a surface water plant.

(t) Four (4) points shall be awarded if the public water system currently has a documented water loss in excess of 30% and the project reduces the water loss within the system.

(u) Four (4) points shall be awarded if the project includes removal of watermains that pass through sanitary sewer manholes.

(4) System capacity points. Points shall be awarded to a project based on the technical, financial and managerial capacity of the public water system in the following manner:

(a) Five (5) points shall be awarded if the applicant has a written emergency action plan for the public water system.

(b) Five (5) points shall be awarded if the applicant has and is implementing a private well abandonment ordinance for the public water system.

(c) Five (5) points shall be awarded if the applicant has a wellhead protection plan and ordinance for all the wells in the public water system.

(d) Five (5) points shall be awarded if the applicant has a certified operator and provisions for a certified back-up operator.

(e) Five (5) points shall be awarded if the applicant has a cross connection control program for the public water system.

(f) Five (5) points shall be awarded if the applicant has a dedicated replacement fund for the water system.

(5) Project priority score. The total points from subsections (1) through (4) shall be added together to determine the final project priority score.

**NR 166.26 Procedure for determining and updating project priority scores.**

(1) An applicant intending to apply for safe drinking water loan program financial assistance under ch. NR 166 shall submit to the department an intent to apply form and a project priority ranking form.

(2) No project shall be assigned a priority score or be placed on the project priority list until a completed priority ranking form has been submitted by the applicant and evaluated by the department.

(3) Upon completion of the review and determination of the priority score, the department shall notify the applicant in writing of the determination.

(4) The department may review and, if necessary under the requirements of this chapter, recalculate priority scores to assure accuracy and timeliness of the information provided. The department shall notify the applicant in writing of any change in the priority score.

(5) If the applicant objects to the department's determination of the priority score in sub. (3) or (4), the applicant shall notify the department in writing within 30 days. The notice shall state the specifics of the objection. The applicant shall submit any information which supports the objection and the priority score which the applicant believes should be assigned to the project based on this information.

(6) Upon receipt of a notice under sub. (5), the department shall reevaluate its determination of the project priority score and shall notify the applicant. If the department denies the requested priority value, it shall state the reasons in writing.

(7) Notwithstanding sub. (4), an applicant may request a reevaluation of its project priority score or any factor thereof at any time. The department shall notify the applicant of the results of the reevaluation in the same manner as required in sub. (5).

**NR 166.27 Project ranking system.**

(1) The department shall maintain a project priority list which shall be based on the intent to apply forms submitted and shall rank the projects for which priority scores have been determined. The projects shall be ranked in the order of descending priority score, with the project with the highest priority score ranked first. A funding list shall be developed consisting of all projects for which applications have been submitted as per s. NR 166.05(2).

(2) In case 2 or more projects have the same priority score, the project serving the larger population shall have the higher priority.

(1) Projects will normally be funded in the order they appear on the funding list. Projects on the funding list may be by-passed, upon written notice by the department, if any of the following situations occur:

(a) The Safe Drinking Water Act Amendments of 1996 require that 15% of the funds available for loans shall go to small systems with a population of less than 10,000. In the event that ranking the projects in descending order do not result in 15% of the funds going to small systems with a population less than 10,000, systems under 10,000 will be given priority until the 15% requirement is met.

(b) Requirements of NR 166.10 are not met.

(c) A project is withdrawn by an applicant.

(d) The department determines that the applicant is unable to proceed with construction of the project in the fiscal year in which funds are requested.

(e) The project failed to meet the engineering review requirements or does not have department approval of the project.

(f) The applicant has reached the 25% biennial funding cap.

(g) The DOA is unable to certify the applicant's ability to repay the loan.

(h) Refinancing restrictions.

# ARKANSAS

## **Priority Ranking Criteria**

*Projects will be prioritized by assigning points based on the following five factors:*

- **Primary MCL Violations Factor** - Projects for systems with primary MCL violations may receive 50 to 100 points for each of the following items: more than one treatment technique or microbiological MCL violation within 18 months (100 points); chemical contamination that poses a threat to public health (100 points); systems that lack or have inadequate filtration (100 points); and current exceedances of any EPA MCL or Action Level (50 points).
- **Source Vulnerability Factor** - Projects in areas which are vulnerable to sources of pollution may receive 15 to 25 points each for the following items: microbiological contamination (25 points), contamination from industrial operations, agricultural operations, or oil, gas, or mineral operations (15 points), and lack of an adequate buffer zone (15 points).
- **Consolidation/Interconnection Factor** - Consolidation or interconnection projects may receive points for agreeing to legally merge with other systems (10 to 50 points) and for proposing interconnection with another system as a solution to a problem for which points are awarded (5 to 25 points) depending on the number of service connections effected.
- **Affordability Factor** - Projects for systems that serve fewer than 1,321 service connections will receive 10 points. Projects may also receive 3 to 15 points based on the Affordability Ratio, which is the yearly residential water rate divided by the MHI (e.g., for a ratio less than 1 percent, the project would receive 3 points; for a ratio greater than 2.49 percent, the project would receive 15 points).
- **Other Deficiencies Factor** - Projects may receive between 5 and 25 points each for other deficiencies such as violations of any of EPA's Secondary Drinking Water Standards (25 points); systems with water quantity deficiencies (5 to 25 points); and systems with design inadequacies such as treatment, distribution, or storage deficiencies (8 to 10 points).

## ARKANSAS

### PRIORITY SETTING PROCEDURES FOR THE DRINKING WATER STATE REVOLVING LOAN FUND

A. Priority Points.

Priority Points shall be used for ranking proposed drinking water projects for eligibility for funding from the Drinking Water State Revolving Loan fund utilizing the following point system.

PRIMARY MCL VIOLATIONS FACTORS		POINTS
1.	Surface Water Treatment Rule treatment technique violations, microbiological MCL violations, new service areas	100
2.	Acute Chemical Violations	100
3.	Surface Water or Groundwater under the direct influence of surface water with no filtration	100
4.	Chemical MCL Violations	50
SOURCE VULNERABILITY FACTOR		POINTS
1.	Vulnerable to point or non-point upstream discharge	
	a. Microbiological	25
	b. Industrial, agricultural, or mineral	15
	c. Unprotected watershed	15
CONSOLIDATION / INTERCONNECTION FACTOR		POINTS
1.	Consolidation with an existing system	
	< 40 service connections	50
	41 - 200	40
	201 - 1,320	30
	1,321 - 4,000	20
	> 4,000	10
2.	Interconnection with an existing system	
	< 40 service connections	25
	41 - 200	20
	201 - 1,320	15
	1,321 - 4,000	10
	> 4,000	5

AFFORDABILITY FACTOR		POINTS
1.	Total Population Served: Service Connections < 1,321	10
2.	Affordability Ratio	
	a) > 2.49 %	15
	b) 2.0 % - 2.49 %	12
	c) 1.5 % - 1.99 %	9
	d) 1.0 % - 1.49 %	6
	e) <1.0 %	3

OTHER DEFICIENCIES FACTOR		POINTS
1.	Secondary MCL violation	25
2.	Quantity deficiencies	
	Continual/frequent outages	25
	Peak demand/daily shortages	20
	Peak demand/seasonal shortages	10
	Peak demand/sporadic shortages	5
3.	Design deficiencies	
	Disinfection	10
	Chemical Feed	8
	Mixing	8
	Clarification	8
	Filtration	8
	Storage	8
	Distribution/low pressures	10
	Distribution/deteriorated mains	8
	Distribution/unaccounted for water	8
	Treatment capacity	8
	Intake structure	8
	Well construction	10

B. Eligibility for Priority Points.

Public Water Systems shall not be eligible for points in any category unless they meet the requirements specified below for that category.

Primary MCL Violations Factors

1. SWTR treatment technique violations, microbiological MCL violations, new service areas. Points will be awarded only for a water system which has had more than one treatment technique or microbiological MCL violation of the Safe Drinking Water Act during the eighteen months preceding the date of the most recent ranking questionnaire. Points will be awarded for a project to serve an unserved area provided that at least 50% of samples are coliform positive, based on a random survey of at least 10% of the private water sources in the project area.

2. Acute Chemical & Chemical MCL violations. Points will be awarded only for a water system which currently has contamination from a Safe Drinking Water Act regulated contaminant, or other chemical contaminant for which no MCL has been adopted, which presents an acute health risk to consumers, based on EPA standards, health advisories, or other peer reviewed health risk studies found acceptable to the Department.
3. Surface Water or Groundwater under the direct influence of surface water with inadequate filtration. Points will be awarded only for a water system which currently is required by the Safe Drinking Water Act to provide filtration, and the system does not have a filtration system which complies with the Safe Drinking Water Act regulations.
4. Chemical MCL Violations. Points will be awarded only for a water system which currently has contamination from a Safe Drinking Water Act regulated contaminant at a level which exceeds the MCL or Action Level specified by EPA.

#### Source Vulnerability Factors

1.a. Source vulnerable due to contamination from point or non point source discharge (with the potential to cause microbiological contamination). Points will be awarded only to a surface water source where there exists identifiable point or non-point discharges which can be documented to result in, or can potentially result in, instances where the raw water coliform concentrations exceed the limitations set forth in Section IX.A of the “Rules and Regulations Pertaining to Public Water Systems”, or otherwise cause significant microbiological contamination of the source water.

1.b. Source vulnerable due to contamination from Industrial Operations. Points will be awarded for a water source where analyses indicate the occasional presence of hazardous chemicals from an industrial source. In the case of a water system utilizing a well source, points will be awarded when documentation is provided that a contaminant plume exists in the source aquifer and is approaching the well.

Source vulnerable due to contamination from agricultural operations. Points will be awarded for a water source where analyses indicate the occasional presence of agricultural chemicals. Points will be awarded in the case of a water system utilizing a well source, only when analyses indicate the occasional presence of contaminants of agricultural origin in the source water or documentation of a contaminant plume in the source aquifer which is approaching the well.

Source vulnerable due to potential contamination form Oil, Gas, or Mineral Operations. Points will be awarded for a surface water source where analyses indicate the occasional presence of contaminants from oil, gas, or mineral. Points will be awarded for a ground water source where the recharge area contains oil, gas, or mineral operations which have caused a plume of contamination which is approaching the water supply well.

1.c. Source with inadequate buffer zone. Points will be awarded for a surface water source where the required 300 feet buffer zone required previously in these regulations has not been obtained. Points will be awarded for a ground water source where the 100 feet radius buffer area zone required previously in these regulations has not been obtained.

#### Consolidation/Interconnection Factor

1. Consolidation with an existing system. Points will be awarded only for systems which agree to legally merge with another water system which is fully compliant with Safe Drinking Water Act water quality regulations.

2. Interconnection with an existing system. Points will be awarded only for systems which propose an interconnection and water purchase agreement with another water system as a means of resolving a water quantity or quality problem for which points are awarded.

#### Affordability Factor

1. Total Population Served. Points will be awarded for systems serving fewer than 1321 service connections.

2. Affordability Ratio. Points will also be awarded based on the value of the Affordability Ratio, calculated as the current average yearly residential rate for 4000 gallons of water, divided by the Median Household Income. The Median Household Income shall be based on the entire service area of the water system.

#### Other Deficiencies Factor

1. Secondary MCL violations. Points will be awarded only for those water systems where analyses document that a violation of an MCL for any of the unregulated Secondary Drinking Water Standards.

2.a. Quantity Deficiencies, Continual Shortage (Frequent Outages). Points will be awarded only for a water system that experiences frequent complete pressure losses which are the result of demand exceeding supply and are not the result of main break, equipment failure, or lack of proper maintenance.

2.b. Quantity Deficiencies, Shortage During Peak Demand Period (Daily). Points will be awarded only for a water system which frequently experiences minimal pressures due to daily demand exceeding supply.

2.c. Quantity Deficiencies, Shortage During Peak Demand Period (Seasonal). Points will be awarded only for a water system which has to routinely issue conservation orders during heavy use periods or experiences minimal pressures during heavy use periods.

2.d. Quantity Deficiencies, Occasional Shortage During Peak Demand Period. Points will be awarded only for a water system which once or twice a year experiences some pressure loss due to peak demands.



- 3.a. Design Deficiencies, Inadequate Disinfection. Points will be awarded only for a water system which either does not disinfect or does not continuously disinfect due to equipment failure or lack of adequate feed rate capacity.
- 3.b. Design Deficiencies, Inadequate Chemical Feed. Points will be awarded only for a water system which is unable to either reliably or consistently feed adequate chemicals to meet treatment objectives.
- 3.c. Design Deficiencies, Inadequate Mixing. Points will be awarded only for a water system whose rapid mixing detention time is inadequate based on Department design standards.
- 3.d. Design Deficiencies, Inadequate Clarification. Points will be awarded for a water system whose clarification process is functioning improperly due to an inadequate detention time, using Department accepted design standards. Points will be awarded for a water system where improper functioning is occurring due to mechanical or structural failure.
- 3.e. Design Deficiencies, Inadequate Filtration. Points will be awarded for a water system whose filtration process is functioning improperly due to excessive filtration rates, damaged underdrains, or other physical plant defects. Points shall not be awarded under this section if points were awarded under the section pertaining to filtration of surface water or groundwater under the direct influence of surface water.
- 3.f. Design Deficiencies, Inadequate Storage. Points will be awarded only for a water system whose usable storage is less than one day's average system demand.
- 3.g. Design Deficiencies, Inadequate Distribution (Low Pressures). Points will be awarded only for a water system which has areas of chronic low pressure due to localized peak demands.
- 3.h. Design Deficiencies, Inadequate Distribution (Deteriorated Mains). Points will be awarded only for a water system which has chronic consumer complaints which can be directly tied to the deterioration of cast iron, galvanized, or other metal piping, or has frequent main breaks due to deteriorated pipe.
- 3.i. Design Deficiencies, Inadequate Distribution (Unaccounted for Water). Points will be awarded only for a water system which has Unaccounted for Water at a level which exceeds 10% of average daily production.
- 3.j. Design Deficiencies, Inadequate Treatment Unit Capacity. Points will be awarded only for a system whose plant, or individual process units in the plant, are undersized for process flow rates determined by using Department accepted design standards.

3.k. Design Deficiencies, Inadequate Intake Structure. Points will be awarded only for a water system whose intake structure is either unable to deliver an adequate quantity of water or whose intake structure will not allow for adjustment of withdrawal depth.

3.l. Design Deficiencies, Improper Well Construction. Points will be awarded only for a water system whose well is vulnerable to surface drainage into the well from either improper wellhead and appurtenances construction, or inadequate casing and/or grouting.

# LOUISIANA

## Priority Ranking Criteria

*Projects will be prioritized based on points accrued in the six categories below:*

- **SDWA Compliance** - Projects will receive points for each MCL violation assessed in the last eight quarterly reports. Between 1 and 6 points will be given for each violation depending on the type (e.g., 6 points per violation for acute coliform, chemical, SWTR violations; 1 point per violation for secondary MCL).
- **Consolidation** - Projects that seek to consolidate water systems will be given points based on the number of systems and the population served by the systems involved in the consolidation project (e.g., 4 points for each system that serves a population of more than 10,000 persons, and 1 point for each system that serves a population of fewer than 100 persons).
- **Affordability** - Projects for systems that serve populations with an MHI 25 percent or more below the State MHI will receive 4 points.
- **Other Considerations** - Projects may be awarded or penalized between 5 and 10 points for various reasons. For example, projects will receive 10 additional points if the proposal represents part of a multi-year, multi-phase project or a project which has received prior DWSRF funding, but a project will be penalized 5 points if the proposal includes work that is unnecessary to address the stated public health problem.
- **Physical Conditions** - Projects to correct certain, specific existing physical conditions will be given between 1 and 4 points (e.g., 1 point if pressure is between 15 and 35 psi, 2 points if dead ends will be eliminated, and 4 points if components exceeding their design life are to be replaced).
- **Sanitary Code Violations** - Projects to correct Sanitary Code violations will be given 1 point for each violation that will be corrected (e.g., exclusion of surface water from well site, well construction standards, and well abandonment).

## Notes

- **Tie Breaking Procedure** - In the event of a tie, the project that serves the smaller population will be given higher priority.
- **Funding Ceiling** - No single project may receive more than 30 percent of the DWSRF capitalization grant per year unless adequate projects are not available to commit all available funds within a given fiscal year. This ceiling may be waived depending on the number of applicants.
- **Water Conservation** - Projects from applicants who do not have metered water will be subject to a condition in the loan agreement to require metering.

# LOUISIANA

## Project Priority System

The principal elements addressed by the system are 1) elimination of adverse public health effects, 2) unacceptable/undesirable physical condition, 3) environmental criteria, and 4) affordability criteria. No funding commitment will be made to a project until all of the environmental review and technical, financial and managerial requirements have been met, unless commitments are necessary to obligate funds within the time limit specified in the SDWA. Projects will be ranked against all other projects competing for funds. Any ties will be broken by the project(s) serving the smaller population. The Project Priority System meets the requirements of Section 1452(b)(2)(B) of the SDWA, as amended.

Single projects will be limited to a total of 30% of the capitalization grant per year (excluding closing costs), unless adequate projects are not available to commit all available funds within a given fiscal year. The LDHH may waive this maximum amount depending upon the number of applications. This provision is not retroactive.

Project Bypass Provisions - Project Bypass Provisions - The LDHH reserves the right to allow lower priority projects to bypass higher priority projects for funding if, in the opinion of the DWRLF Program Manager, a higher priority project has not taken the necessary steps to expeditiously prepare for funding and is not ready to proceed with construction within six months of being placed on the Annual Fundable List of the current funding year. Where it becomes evident to the OPH DWRLF Program Manager that a project on the Annual Fundable List (AFL) will not be able to receive loan assistance within the specified time during the current funding year, he may remove the project from the AFL and return it to the Comprehensive Priority List (CPL). Specific reasons for such removal from the Annual Fundable Priority List include, but are not limited to:

LDHH has not received an approvable System Improvement Plan (SIP);

LDEQ has not received an approvable financial application;

The project is not ready to proceed to construction (i.e. plans and specifications are not finalized and ready for bidding);

The community voluntarily withdraws its project for consideration.

The project has received FULL funding from another source.

\*The applicant does not meet the criteria for technical, managerial and financial capacity.

If a project must be by-passed because it has been delayed, this may affect the project's priority rating in the following year. The LDHH may also, in cases of a public health or environmental emergency, (e.g., source contamination, flood, hurricane, etc.) raise the priority of a project currently on the Comprehensive Priority List over a project on the Annual Fundable List.

\*Capacity Development -The DWRLF will not provide any type of assistance to a system that lacks the technical, managerial or financial capability to maintain SDWA compliance, unless the owner or operator of the system agrees to undertake feasible and appropriate changes in operation or if the use of the financial assistance from the DWRLF will ensure compliance over the long-term. The following is criteria for evaluating the three categories of Capacity Development for systems applying for DWRLF first year monies:

1) Technical Capacity- System must have a certified operator with a regular certificate. Operator must have the appropriate class (es) of certification for the population served by the system. System must have an operator on duty at all times, or the operator must be available to respond and be on-site within an hour of notification.

2) Managerial Capacity-

a) Corporations/government bodies- Must have an established accountable board and/or council responsible for the system.

2) Unincorporated Entities- Must have an accountable owner that can verify ownership/responsibility.

3) Financial Capacity- Water must already be metered or a condition of the loan agreement would be added to require metering so that customers are paying for what they use. Must also meet any other DEQ requirements relative to same.

Project Bypass Procedures - Before a project is bypassed:

(1) The DWRLF Manager shall send written notice to the applicant of his determination that the project will not be able to receive loan assistance during the funding period.

(2) Within 15 days after notice is mailed to the applicant, the applicant may request in writing reconsideration of the bypass in a meeting with the Manager. Within 15 days, the Manager shall consider any relevant evidence presented by the applicant during the meeting.

(3) A bypassed project shall be reinstated on the Fundable Priority List when the Manager determines that the project will become ready for funding during the funding year and unobligated funds are available to fully fund the project; otherwise, it shall be considered for future funding in accordance with these rules.

This Priority System is applicable for projects to be funded through the DWRLF from FY1997 funds and will be used to develop/update Priority Lists in future years. Amendments to the Priority System will be considered, as appropriate, to reflect the changing character of the program. The actual Rating and Selection Criteria that correspond to the Priority System are as follows:

**PROJECT PRIORITY RATING / SELECTION CRITERIA** - The first step in developing the Comprehensive Project Priority List is a determination of project eligibility. Systems eligible for assistance are community water systems, both publicly and privately owned, and non-profit non-community water systems. The DWRLF may provide assistance only for expenditures of a type or category which will facilitate compliance with national primary drinking water regulations applicable to the system under section 1412, or otherwise significantly further the public health protection objectives under section 1452(a)(2) of the Act. Upon receipt of the pre-application documents, the LDHH will make a determination relative to project eligibility.

Once projects are determined to be eligible, they will be rated in six (6) categories to determine their project priority ranking for funding under the DWRLF. These specific categories are:

- 1) Compliance History - This is evaluated by reviewing the SDWA MCL violations assessed in the last eight (8) quarterly reports. Priority points are awarded for each violation based on the following schedule:

Number of Total Coliform MCL Violations	@ 2 pt each
Number of Acute Coliform MCL Violations	@ 6 pt each
Number of SWTR Violations (Turb., CT)	@ 6 pt each
Number of Chronic Chemical MCL Violations	@ 2 pt each
Number of Acute Chemical MCL Violations	@ 6 pt each
Number of Secondary MCL Exceedances	@ 1 pt each

- 2) System Consolidation - This area examines the population that is proposed to be absorbed into the subject system from other public water systems. Priority points are awarded based on the number of systems to be tied into the subject system, by population, according to the following schedule:

Size and number of other community and non community systems to be tied into this system.

<u>Size (Population)</u>	<u>Number of Systems</u>	
> 10,000	No. of Systems ___	@ 4 pt each = ___
3,301 - 10,000	No. of Systems ___	@ 3 pt each = ___
100 - 3,300	No. of Systems ___	@ 2 pt each = ___
< 100	No. of Systems ___	@ 1 pt each = ___

- 3) Affordability - If the service area lies within a census tract where the Median Household Income is 25% or more below the State average the system is awarded 4 priority points.

- 4) Other Considerations - Additional priority points (or penalty points) may be awarded for a variety of other factors. They are: (a) an additional 10 points if the proposal represents part of a new multi-year, multi-phase project or a project which has received prior DWRLF funding; (b) an additional 5 points if the project has also secured a partial project funding commitment from another source (Rural Development Grant, a grant or loan from the Rural Utilities Service, Community Development Block Grant, etc.); (c) the system's priority rating may be reduced by 5 penalty points if the proposal addresses problems which could be resolved by normal repair and maintenance, and; (d) the system's priority rating may also be reduced by 5 penalty points if the proposal includes work that is not necessary to address the stated public health problem.
- 5) Physical Conditions - Priority points will be awarded for certain specific, existing physical conditions **IF** the proposal would correct the identified condition. These conditions, and their respective priority points are:

<u>Condition</u>	Pts
Pressure < 35 psi (but > 15 psi)	1
Leaks / Water Loss > 15% of production	1
Leaks / Water Loss > 25% of production	2
Dead Ends Will be Eliminated	2
AC Pipe or Lead Pipe (Replacement)	2
No disinfection (PWS has variance from mandatory dis.)	3
Existing Production < 85% of potable (non-fire) demand	3
Existing Storage < 2 day potable demand	2
Source capacity Inadequate	2
Groundwater Under Influence (No Filtration)	4
Directly Impacted By Point Source Discharge	3
Industrial, Agricultural, Oil/Gas Spills, etc.	2
Unprotected Watershed	2
Will Serve Area NOT on Community Sewerage	2
Proposed System Will Replace Private Wells	2
Application Requests System Redundancy	2
Components Exceeding Design Life to Be Replaced	4

None of these physical conditions are violations of the Sanitary Code Sections shown in 6 below.

- 6) Sanitary Code Violations - One (1) additional priority point may be awarded to the system for violations of EACH of the following Sanitary Code sections which would be corrected by/under the proposal:

12:008-2	Exclusion of Surface Water from Well Site
12:008-3	Distances to Sources of contamination
12:008-15	Well Construction Standards
12:010	Well Abandonment
12:011-1	Reservoir Sanitation
12:012-1	Distribution
12:013-1	Storage
12:021-1	Mandatory Disinfection

Project Funding Lists--Once the projects are rated, they are ranked based on assigned priority points and two Lists are compiled. Those two lists are referred to as the Comprehensive Priority List and the Annual Fundable List. These lists are as follows:

1) The Comprehensive Priority List will annually include all the public water systems which have submitted a completed DWRLF Pre-Application Form (#100A), letter of intent, resolution and the Louisiana DWRLF Project Priority Worksheet by the appropriate deadline date. The proposed projects will be listed and ranked on this list in priority order based upon the priority ranking system.

2) The Annual Fundable List is a subset of the Comprehensive Priority List. The Annual Fundable List will be prepared as follows: Beginning at the first project (one with highest priority ranking) on top of the Comprehensive Priority List and working down the list, a funding line will be drawn at the point where the total amount of available DWRLF monies available from Federal Fiscal Year 97 (FFY97) funds and the corresponding state match funds is reached. Those projects which are above the funding line will be placed on the Annual Fundable List since these are the projects which are expected to be funded from DWRLF monies currently available from FFY97 funds and corresponding state match funds.

Once these lists are prepared and included as part of the Intended Use Plan which undergoes public review, those systems on either of these lists will be given six months to submit a complete loan application package. The basic components of the complete loan application include a loan application form, approved environmental review checklist, resolution, site certificate for easement or title to project site(s), agreements for professional services, approved System Improvement Plan (SIP). A project on the Annual Fundable List may be bypassed and removed from consideration of funding during the current funding year because of: 1) failure to submit a complete loan application package within the 6 month period allowed, 2) failure to correct and resubmit application forms returned due to incompleteness within 30 days of the receipt of the returned application 3) it is determined that the project will not be ready to proceed during the funding year, 4) system was found not to be credit worthy by DEQ, or 5) system did not meet the OPH technical, managerial and financial capacity requirements. Once one or more systems on the Annual Fundable List have been bypassed, the agency will then turn its attention to those projects existing on the Comprehensive Priority List below the previously drawn funding line. Any system(s) existing on the Comprehensive Priority List below the previously drawn funding line which have submitted a complete loan application will then be advanced up into the Annual Fundable List based upon their priority order until the available funding is consumed.

Information for listing projects will be accepted by OPH on a continuous basis. However, deadlines for



projects in a particular FFY IUP will be established each year. New projects will be ranked and added to the appropriate FFY Comprehensive Priority List as they are identified by applicants interested in DWRLF Financing. The projects on the Fundable List will be identified in the appropriate IUP. The public will be notified of changes to the Fundable List through a notice in the OPH Water Funnel Newsletter and/or the Baton Rouge Advocate newspaper.

Removal from Comprehensive Priority List - Any project that has had no written communication with the Drinking Water Revolving Loan Fund staff for a period of three (3) years and has presented no other evidence of progress toward completion of items that are prerequisites to funding during the three-year period shall be deemed to be a dormant project and may be removed from the DWRLF Comprehensive Priority List.

Prior to removal of a dormant project from the Priority List, the DWRLF staff will contact the project representative in writing to advise them of the impending removal of the project and to request a meeting with them to discuss progress on the project should they wish to avoid removal of the project from the DWRLF Comprehensive Priority List.

**Attachment 4** is Louisiana's grant payment schedule which is based on the State's projection of binding commitments. In the event projects require DWRLF funds earlier than currently anticipated LDHH will request that the grant payment schedule be amended.

## NEW MEXICO

### Priority Ranking Criteria

*Projects will be prioritized based on points accrued in the following nine categories:*

- **Primary Water Quality** - Projects for systems with microbiological, turbidity, and nitrate MCL violations may receive 10 or 20 points for each contaminant criterion that applies in this category depending on the number of violations per period.
- **Chemical and Secondary Water Quality** - Projects for systems with inorganic, radiological, organic, and secondary parameters MCL violations may receive between 2 and 10 points for each contaminant criterion that applies in this category depending on the number of violations per period.
- **Operation and Management** - Projects for systems with good operation and management practices may receive between 2 and 5 points for each criterion that applies in this category (e.g., 5 points if the system has a certified operator, 2 points if the system has monthly financial statements).
- **Storage Capacity** - Projects may receive 2 or 4 points depending on the storage capacity of the system (e.g., 2 points for 1 to 2 days storage capacity, 4 points for less than a day's average storage capacity).
- **Distribution Capacity** - Projects will receive 5 points if the system cannot maintain pressure between 20 and 80 psi.
- **Reliability** - Projects will receive 5 points if the system averages more than 4 days without water per year.
- **Emergency Assistance** - Projects will receive 5 points if the system has a potential for an emergency situation that is outside of the control of the operator, as determined by the division staff, and that will result in a violation of drinking water standards or threaten the public health of the system's customers.
- **Regionalization/Consolidation** - Projects will receive 10 points if, by consolidating or expanding to include 5 or more hookups into the system, they will eliminate public health problems resulting from contaminated water.
- **Affordability** - Projects will receive 5 points if the MHI of the county or census tract of the system is below the State MHI.

### Notes

- **Tie Breaking Procedure** - In the event of a tie, priority will go to projects for systems with smaller service populations.

## NEW MEXICO

### V. Priority Ranking

The following criteria shall be used in ranking applicants to the State Revolving Loan Fund (DWRLF). Where identical ranking occur the smaller systems will be given preference as determined by the population served by the system. The period of record is from January 1, 1996 to September 30, 1997.

### CRITERIA FOR DEVELOPMENT OF THE INTENDED USE PLAN PRIORITY LIST

#### FACTORS

#### RATING POINTS

#### A. Microbiological, turbidity and nitrates (Primary)

##### A.1. Microbiological Quality

0 MCL violations/period	0
less than 3 MCL violations/period	10
3 or more MCL violations/period	20

##### A.2. Nitrates (>10 mg/l)

0 - <5mg/l	0
5 - <10mg/l	10
10 or greater mg/l	20

##### A.3 Turbidity-Quality

0 violations/period	0
less than 3 violations/period	10
3 or more violations/period	20

#### B. Chemical and Secondary Quality

##### B.1. Inorganic Quality

0 MCL violations/period	0
less than 3 MCL violations/period	5
3 or more MCL violations/period	10

##### B.2. Radiological Quality

0 MCL violations/period	0
1 MCL violations/period	5
2 or more MCL violations/period	10

##### B.3. Organic Quality

0 MCL violations/period	0
less than 4 MCL violations/period	5
4 or more MCL violations/period	10

##### B.4. Secondary Parameters Quality

0 MCL violations/period	0
1 MCL violations/period	2
2 or more MCL violations/period	4

**C. Operation and Management**

Utility demonstrates good operation and management practices	
-Facility has certified operator	5
-System has monthly financial statements	2
-System has full-time/part-time manager	2
-Rates have been reviewed/updated in last 3 years	2
Utility demonstrates poor operation and management practices	
-Facility does not have certified operator	0
-System has no monthly financial statements	0
-System has no full-time/part-time manager	0
-Rates have not been reviewed/updated in last 3 years	0

**D. Storage Capacity**

- < 1 days average storage	4
- 1-2 days of storage	2
- >2 days average storage	0

**E. Distribution Capacity**

- Pressures maintain between 20 and 80 PSI	0
- Pressures not maintained between 20 and 80 PSI	5

**F. Reliability of System**

- Less than four days per year without water	0
- Greater than four days per year without water	5

**G. Potential Need for Emergency Assistance\***

- No potential for an emergency situation exists, as determined by the Division staff	0
- Potential for an emergency situation exists, as determined by the Division staff	5

**H. Need for Regionalization or Consolidation of System\*\***

- Project will not eliminate public health problems as a result of contaminated water	0
- Project will not eliminate public health problems as a result of contaminated water	10

**I. Affordability Criteria**

- The median income of the county/census tract is below State Median Income	5
- The median income of the county/census tract is below State Median Income	0

**J. Readiness to Proceed** will be considered after the above criteria is applied and a priority list is created to identify which system are ready for a loan application

**System is ready to proceed (all of the following in place)**

50

Preliminary and/or final design & cost

Funds identified for project

Easements and ROW secured

\*This criteria applies when a situation arises in a water system that is outside the control of the operator that will, if unchecked, result in a violation of drinking water standards or threaten the public health of the customers.

\*\*Points will be allowed if the system is consolidating or expanding to include five or more hookups into their water system.

In case of ties, the smaller of the systems will be given priority over the larger systems.

# OKLAHOMA

## Priority Ranking Criteria

*Projects will be prioritized based on points accrued in the following nine categories:*

- **Violations of Maximum Allowable Levels (Primary Standards)** - Projects will receive points for each violation of the maximum allowable levels of a contaminant during a 24-month period. Points assigned range from 20 points for fecal coliform and nitrate to 2 points for barium. For example, a system with 3 nitrate and 2 barium violations would receive 64 points.
- **Quantity Deficiencies** - A project will receive up to 10 points for shortages of water due to source, treatment, or distribution problems. A continual shortage would justify 10 points, followed by 8 points for a shortage during peak demands (daily), and finally 6 points for a shortage during high use (seasonal). A project may only receive points for one item.
- **Design Deficiencies** - Projects will receive up to 10 points for each design deficiency that could be corrected by enlargement, repair, or replacement of a portion of the system. For example, a system could receive 10 points for inadequate filtration/disinfection and 8 points for inadequate intake structure. Projects may receive points for all items that apply.
- **Vulnerability to Potential Pollution** - Projects will receive points for their vulnerability toward 5 potential sources of contamination if the project addresses the problem. For example, a system could receive 10 points for a point source discharge within a delineated protection area, and 3 points for an unprotected watershed. Projects may receive points for all items that apply.
- **Violation of Recommended Maximum Levels (Secondary Standards)** - Projects will receive 3 points for each parameter that is not harmful to health, but makes water undesirable for use (chloride, color, copper, corrosivity, foaming agents, iron, manganese, odor, pH, sulfate, TDS, and zinc). Projects may receive points for all items that apply.
- **Consolidation** - Projects that result in the consolidation, interconnection, or improvement of services for two or more water systems will receive up to 40 additional points (20 points for consolidation, 10 points for interconnection, and 10 points for improvement of services such as back-up supply). Projects may receive points for all items that apply.
- **Compliance Orders** - Projects that will result in the compliance with a formal enforcement action will receive 50 points.
- **Source Water Protection** - Water supply systems that have implemented source water protection programs will receive 10 points.
- **Affordability** - Points will be given to projects based on affordability. The project will be given the maximum, 30 points if the MHI in the project area is below \$10,000.

## Notes

- **Tie-Breaking Procedure** - The project that has the greatest ranking value for primary standards will be prioritized first.

# OKLAHOMA

## DRINKING WATER STATE REVOLVING FUND PROJECT PRIORITY SYSTEM

### Part II: DWSRF Project Priority System

- A. Preparation.** DEQ shall prepare and maintain a current Project Priority List which ranks projects according to these DWSRF Project Priority System Procedures in the order of priority. Priority for the use of the DWSRF funds shall be given to projects that:
1. address the most serious risk to human health;
  2. are necessary to ensure compliance with the requirements of the SDWA; and
  3. assist systems most in need, on a per household basis.

Applicants shall be ranked according to the formula in Section IV of these procedures with the projects ranked by points (the project with the most points shall be first on the Project Priority List; the project with the least points shall be last).

- B. Public participation.** DEQ shall insure that there is adequate public participation on the DWSRF Project Priority System and the Project Priority List. A public meeting shall be held to discuss the DWSRF IUP, which includes the Project Priority List and any revisions that were made to the DWSRF Project Priority System. These public participation procedures shall follow the Oklahoma Administrative Procedures Act. The notice of public meeting shall precede the public meeting by 30 days and shall be published in a statewide publication. At this time, DEQ shall circulate information about the IUP and the Project Priority List including a description of each proposed project. Attendees of the public meeting will be allowed to express their views concerning the Project Priority List and system. A 30 day public comment period shall follow each meeting.
- C. Project Priority List.** A Project Priority List shall become effective and supersede all previous lists upon completion of the public participation process and resolution of comments. A Project Priority List, as updated during the funding year, shall remain effective until such time as it is superseded by a new list.
- D. Additional allotments.** After determining the fundable portion of the Project Priority List, DEQ may determine that it is necessary or desirable to obligate available funds and the funding point may be extended to include the next highest ranked project(s) on the contingency section of the Project Priority List in priority order. Any sum made available to the DWSRF by reallocation or the release of funds that were previously obligated shall follow these procedures.
- E. Project removal.** DEQ may remove a project from the Project Priority List when the project has been funded, the project is found to be ineligible, it is indicated that the applicant does not intend to continue in the DWSRF, or DEQ has determined that the applicant does not have financial capability to construct the project. The applicant whose project is affected shall be given a written notice that the project is to be removed from the list.
- F. Amount of financial assistance.** The amount of financial assistance shall be the sum of the total eligible costs related to construction. The amount is contingent upon the availability of funds for this purpose.

- G. Addition of new projects to the Project Priority List.** To be included on the Project Priority List, the applicant must submit a request to DEQ, including project description, estimated assistance to be requested and a schedule for the proposed project for such placement. The request must specify that the applicant intends to apply for financial assistance from the DWSRF. DEQ will evaluate the request for eligibility and if it is determined that this request could result in a project that meets DWSRF requirements, the potential project will be ranked and added to the Project Priority List.

### **Part III: Management of the Project Priority List.**

- A. Projects included.** The comprehensive Project Priority List shall consist of all eligible projects requesting placement on the Project Priority List. Projects which meet all requirements for funding shall be placed on a Fundable List and included in the current Intended Use Plan (IUP). Projects which rank below the available funding level shall be considered the contingency section of the Fundable List. Projects in this part of the list may receive loans due to bypass provision or due to additional funds becoming available.
- B. Project ranking.** The ranking factors are based on the relative impact of the project in achieving the objectives of the Safe Drinking Water Act of 1996. The ranking factors are listed in Part III of these procedures.
- C. Tie breaking procedure.** A tie breaking procedure shall be used when two or more projects have equal points under the Project Priority System and are in competition for funds. Tied projects will be ranked with the first project which has the greatest value for the ranking factor for Violations of Maximum Allowable Levels (Primary Standards).
- D. Project bypass.** A project on the fundable portion of the Project Priority List may be bypassed for one year if it is not on schedule as indicated in the IUP or the project's specific consent/administrative order. The applicant whose project is affected shall be given a written notice that the project is to be bypassed. Bypassed projects may be reinstated on the funded portion of the list if sufficient funds are available, and the applicant completes the necessary tasks to proceed. Funds which become available due to the utilization of these bypass procedures will be applied to the next ranked project on the project priority list.
- E. Project Priority List update.** The priority list shall be periodically reviewed by the DEQ Water Quality Division Director and changes (i.e., loan award dates, estimated construction assistance amounts, project bypass, addition of new projects, etc.) will be made as necessary.



## Part IV: Ranking System

**A. Formula.** The project priority points (P) are derived from the formula:

$$P = A + B + C + D + E + F + G + H + I$$

where the factors are defined as:

1. A = Violations of Maximum Allowable Levels (Primary Standards).
2. B = Quantity Deficiencies.
3. C = Design Deficiencies.
4. D = Vulnerability to Potential Pollution.
5. E = Violation of Recommended Maximum Levels (Secondary Levels).
6. F = Consolidation.
7. G = Compliance Orders.
8. H = Source Water Protection.
9. I = Affordability.

Ranking factors one through eight are to address the risks to human health and the compliance with the Safe Drinking Water Act of 1996 requirements. Ranking factor nine addresses the affordability requirements of the Safe Drinking Water Act of 1996.

### **B. Factors Descriptions.**

#### **1. Violations of Maximum Allowable Levels (Primary Standards).**

Maximum allowable levels are established for those parameters which may be detrimental to public health. Severity point values will be the sum of points for the violations of a contaminant during a 24 month period, from the date of the request. Contaminants reported quarterly, such as nitrate, may include up to eight violations during this 24 month period. Those contaminants reported monthly, such as fecal coliform, may include up to twenty-four violations during this 24 month period. Violations of standards of contaminants based on a running annual average, such as total trihalomethanes, will be based on a 12 month reporting period and will include only severity value. Violations of more than one contaminant are additive. These violations are documented by inclusion in the Safe Drinking Water Information System (SDWIS). These values may be increased quarterly in the event that there are repeated violations.

<b>Contaminant</b> (Points Per Violation)	<b>Severity</b>
Antimony	10
Arsenic	10
Asbestos	10
Barium	2
Beryllium	10
Cadmium	10
Chromium	10
Fluoride > 4	5
Gross Alpha Radioactivity	5
Gross Beta Radioactivity	5
Lead	10
Mercury	10
Nickel	10
Nitrate	20
Selenium	5
Thallium	10
Turbidity(Significant Non-complier)	10
Radium	10
Fecal Coliform	20
Total Coliform(Significant Non-complier)	10
Total Trihalomethanes	10
Pesticides and other SOCs	10
Volatile Organic Contaminants	10
Haloacetic Acids	10

2. **Quantity Deficiencies (B).** Quantity deficiencies are shortages of water due to source, treatment, or distribution problems. Deficiencies of only one condition will be allowed. These conditions are documented by inspection records, a comprehensive performance evaluation, or another system evaluation.

<b>Condition</b>	<b>Severity</b>
Continual shortage	10
Shortage during peak demands (daily)	8
Shortage during high use (seasonal)	6

- 3. Design Deficiencies (C).** Design deficiencies are those which could be corrected by enlargement, repair, or replacement of a portion of the system. Deficiencies of more than one condition are additive. These conditions are documented by inspection records, a comprehensive performance evaluation, or another system evaluation.

<b>Condition</b>	<b>Severity</b>
Inadequate filtration (surface)	10
Pressure filtration	9
Inadequate disinfection	10
Inadequate chemical feed	8
Inadequate mixing	8
Inadequate settling	8
Inadequate storage	8
Inadequate distribution (low pressure)	8
Inadequate distribution (area not served)	8
Inadequate distribution (deterioration)	8
Demand exceeds design capacity	10
Inadequate laboratory equipment	7
Inadequate intake structure	8
Improper well construction	10
Groundwater under the influence of surface water	10
Inadequate water treatment wastewater disposal	10

- 4. Vulnerability to Potential Pollution (D).** Vulnerability describes a condition in which the source of supply for a system could potentially be contaminated and for which the project will address. Vulnerabilities to more than one condition are additive. These conditions are documented by vulnerability assessments for monitoring waivers or source water protection area assessments.

<b>Condition</b>	<b>Severity</b>
Point source discharge in delineated area	10
Subject to industrial spills	5
Subject to agricultural chemicals	5
Subject to oil/gas/coal/mineral operations	5
Unprotected watershed	3

- 5. Violation of Recommended Maximum Levels (Secondary Standards) (E).** Recommended maximum levels are set for parameters which are not harmful to health, but make the water undesirable for use. Deficiencies of more than one condition are additive. These conditions are documented in the State Environmental Laboratory data base.

<b>Contaminant</b>	<b>Severity</b>
Chloride	3
Color	3
Copper	3
Corrosivity	3
Foaming Agents	3
Iron	3
Manganese	3
Odor	3
pH	3
Sulfate	3
TDS	3
Zinc	3

- 6. Consolidation (F).** Projects which result in the consolidation, interconnection, or improvement of services for two or more water systems shall add twenty (20) for consolidation, ten (10) for interconnection, and ten (10) for improvement of services such as back-up or emergency supply.

Projects may meet more than one of these conditions. The points awarded for this category are documented in the preliminary engineering report.

- 7. Compliance Orders (G).** Projects that will result in the compliance with a formal enforcement action will receive fifty (50) points.

- 8. Source water protection (H).** Water supply systems which have implemented source water protection programs such as watershed protection programs or wellhead protection programs will add ten (10) to their total.

- 9. Affordability (I).** This element is to assist systems most in need, on a per household basis. The points awarded for this category are documented by the latest census information.

<b>Median Household Income</b>	<b>Severity</b>
less than \$10,000	30
between \$10,000 and \$17,000	20

## TEXAS

### **Priority Ranking Criteria**

*Projects will be prioritized based on factor points accrued in the categories below. A combined rating factor will be calculated for each project by adding together the health and compliance factor and the affordability factor. If the combined rating factor is zero, the physical deficiency rating factor will be used.*

- **Health and Compliance** - A factor rating will be given in this category for each of the following factors: microbiological, filtration, acute chemical, chronic chemical, carcinogen, lead & copper, population, and secondary chemicals depending on the frequency and severity of violations over a 12 month period or during the most recent compliance period. Factors will be determined based on monitoring data maintained by the commission. The population factor, which increases from 0 to 4 as the population served by a system increases, will be used only when the sum of the other health and compliance factors is greater than 0.
- **Affordability** - An affordability rating factor of 1 will be assigned to projects serving an area in which the per capita income averages 25 percent or more below the State average.
- **Physical Deficiency Rating Criteria** - Projects that receive a combined rating factor of 0 will be evaluated for the existence of physical deficiencies. For example, if the system has documented instances of water distribution outages, pressure loss, or lack of disinfection, the project will receive a rating of 3. If water production capability or storage capacity is less than 85 percent of the minimum required by the commission, the project will receive a rating of 1.

### **Notes**

- **Consolidation** - If a project will involve consolidation of two or more water systems, the combined rating factor for each project will be the sum of the combined rating factors for each system to be consolidated (if the resulting consolidated water system will be wholly responsible for the operation and maintenance of the entire system). If the consolidated system will be responsible only for supplying wholesale water to the individual systems, and will not be responsible for the operation and maintenance of the individual systems, the combined rating factor will be one-half the sum of the combined rating factor for each system to be consolidated.
- **Water Conservation Plans** - The Board is required to exclude projects from applicants who have not adopted and implemented water conservation plans that satisfy the requirements of 30 Texas Administrative Code (TAC) Chapter 288.

# TEXAS

**Water Development Board**  
**Title 31. Natural Resources and Conservation**  
**Subchapter B. PROGRAM REQUIREMENTS**  
**§ 371.19 Rating Process**

**(b) Health and Compliance Factors:**

Health and compliance factors for rating purposes will be calculated as follows.

(1) The microbiological factor will be equal to the sum of: the total number of coliform bacteria violations occurring within the preceding 12 months; the total number of acute coliform bacteria violations occurring within the preceding 12 months; and the total number of treatment technique violations occurring within the preceding 12 months, minus one.

(2) The filtration factor of 12 points will be awarded to any system with one or more sources of water identified as surface water, or groundwater under the direct influence of surface water for which no filtration is provided as identified by records maintained by the TNRCC.

(3) The chronic chemical factor for each contaminant listed in the following table will be equal to the average value of chronic chemical violations occurring within the most recent compliance period for which data exist, divided by the maximum contaminant level listed.  
T31S371.19(b)(3)

(4) The acute chemical factor will be equal to three times the quotient of the average value of nitrate or nitrite violations occurring within the most recent compliance period for which data exist, divided by the maximum contaminant level for nitrate or nitrite established by 30 TAC Chapter 290 (Water Hygiene).

(5) The carcinogen factor for each contaminant listed in the following table will be equal to twice the quotient of the average value of carcinogen violations occurring within the most recent compliance period for which data exist, divided by the maximum contaminant level listed.  
T31S371.19(b)(5)

(6) The lead/copper factor will be equal to the product of two times the greater of: the 90th percentile lead level divided by 0.015, or the 90th percentile copper level divided by 1.3, as established in 30 TAC Chapter 290 (Water Hygiene).

(7) The population factor shall be based on the current population served by the system in accordance with the following table: Population--Factor: Zero to 100--0; 101 to 1,000--1; 1,001 to 10,000--2; 10,001 to 100,000--3; Greater than 100,000--4. Current population will be based on population data maintained by the Commission. The population factor will be used only when the sum of the factors listed in this paragraph and paragraphs (1)-(6) of this subsection is greater than zero. In that event, the population factor will be added to the sum of the factors listed in this paragraph and paragraphs (1)-(6) of this subsection.

(8) The secondary chemical factor for each constituent so designated in the following table will be equal to one-half the quotient of the average of the secondary chemical constituent exceedances occurring during the most recent compliance period for which data exists, divided by the secondary chemical constituent level listed in this section. A maximum of two points may be assigned to this factor. T31S371.19(b)(8)

(9) The total health and compliance factor for each applicant shall be the sum of all individual factors calculated according to this paragraph and paragraphs (1)-(8) of this subsection.

(10) The health and compliance factors for chronic coliform, acute coliform and treatment technique will be calculated based on data maintained by the commission from the most recent consecutive 12 months for which data are maintained by the commission, resulting from monitoring conducted by the commission or from public water system monitoring required by 30 TAC Chapter 290 (Water Hygiene).

(11) The health and compliance factors for chronic chemical, acute chemical, secondary chemical and carcinogen will be calculated based on data maintained by the commission from the current compliance period, resulting from monitoring conducted by the commission or from public water system monitoring required by 30 TAC Chapter 290 (Water Hygiene).

(12) The health and compliance factor for lead/copper will be calculated based on data maintained by the commission from the most recent complete compliance period, as defined in 30 TAC Chapter 290 (Water Hygiene), resulting from monitoring by the commission or from public water system monitoring required by 30 TAC Chapter 290 (Water Hygiene).

**(c) Affordability Factor:**

A project having a service area in which the per capita income averaged 25% or more below the state average based upon the most recent census data available shall have an affordability rating factor of 1.

**(d) Combined Rating Factor:**

The combined rating factor for a project shall be the sum of the affordability factor and the total health and compliance factor. Projects which did not receive either a health and compliance factor or an affordability factor shall have a combined rating factor of zero.

**(e) Consolidation:**

In the event a project proposed for funding is to further consolidation of two or more water systems, the combined rating factor will be the sum of the combined rating factors for each of the systems to be consolidated if the resulting consolidated water system will be wholly responsible for the operation and maintenance of the entire system; or will be one-half the sum of the combined rating factors of each of the systems to be consolidated if the consolidated system will be responsible only for supplying wholesale water to the individual systems and not be responsible for the operation and maintenance of the individual systems.

**(f) Physical Deficiency Rating Criteria:**

All projects which receive a combined rating factor of zero will be evaluated for the existence of physical deficiencies based on information maintained by the commission. If the existence of physical deficiencies is confirmed, the projects will receive physical deficiency rating scores based on the following criteria.

- (1) If the system has experienced documented instances of water distribution outages or water distribution pressures of less than 20 pounds per square inch the project will receive a rating score of 3.
- (2) If the system is not providing disinfection the project will receive a rating score of 3.
- (3) If the documented water production capability is less than 85% of the minimum required by the commission the project will receive a rating score of 1.
- (4) If the documented treated water storage capacity is less than 85% of the minimum required by the commission the project will receive a rating score of 1.
- (5) If the system has experienced documented instances of water distribution pressures between 20 and 35 pounds per square inch the project will receive a rating score of 1.
- (6) If the water system is experiencing documented water distribution system losses of greater than 25% the project will receive a rating score of 1.
- (7) If the water system exceeds any secondary constituent listed in the following table and is not designated as a secondary chemical factor, the project shall receive a rating score of 1.  
T31S371.19(f)(7)
- (8) The total physical deficiency rating score for a project will be the sum of all of the individual deficiency rating scores for that project.
- (9) The physical deficiency rating scores will be used only for rating and ranking of projects with a combined rating factor equal to zero. In no instance will a project which receives a physical deficiency rating score be ranked higher than a project with a combined rating factor greater than zero.

**(g) Combination of Funding Sources Factor:**

If an eligible applicant for project funding, at the time of the yearly solicitation for intended use plan project information, documents access to other funds equaling not less than 10% of the total project cost that will be applied to the total cost of the project, that project will have added to its combined rating factor or in the event the combined rating factor is not greater than zero, its physical deficiency rating criteria score, a combination of funding sources factor of 1.



**(h) Source Water Protection Priority Rating:**

Eligible entities that seek consideration for source water protection funding will be rated according to the following criteria.

(1) Ground Water System Vulnerability Factor.

(A) Ground water systems without the necessary water well geologic protection will receive 4 points.

(B) Ground water systems with documented Nitrate (N) concentrations of greater than two mg/l will receive 1 point.

(C) Ground water systems obtaining water from selected vulnerable aquifers will receive 1 point.

(D) Ground water systems with confirmed detections of organic chemical contamination identified in the following table will receive 2 points. T31S371.19(h)(1)(D)

(E) No ground water system may receive more than 6 system vulnerability points. Ground water systems that receive no system vulnerability points will not be considered for source water protection funding.

(2) Surface Water System Vulnerability Factor.

(A) Surface water systems with contributing watersheds of 20 square miles or less as determined by the Commission will receive 3 points.

(B) Surface water systems with confirmed detections of organic chemical contamination identified in the following table will receive 3 points. T31S371.19(h)(2)(B)

(C) No surface water system may receive more than 6 system vulnerability points. Surface water systems that receive no system vulnerability points will not be considered for source water protection funding.

(3) No combination ground and surface water system may receive more than 6 system vulnerability points.

(4) Ability to Implement Best Management Practices Factor.

(A) Systems that receive system vulnerability points and that possess the ability and authority to implement land use controls including but not limited to zoning or ordinances, will receive 2 points.

(B) Systems that receive system vulnerability points and that possess the ability to implement other non-land use controls such as public education, contingency planning, or conducting toxic/hazardous waste collection events will receive 1 point.

(C) Systems that receive system vulnerability points and that propose to plug abandoned wells within the delineated source water protection area will receive 1 point.

(D) Systems that receive system vulnerability points and that have confirmed siting or well construction problems listed on the most recent Commission sanitary survey will receive 1 point for proposals which will correct these problems.

(E) Systems that receive no Ability to Implement Best Management Practices points will not be considered for source water protection funding.

(5) Affordability Factor. A system having a service area in which the per capita income averaged 25% or more below the state average based upon the most recent census data available shall have an affordability rating factor of 1.

(6) The total source water protection rating score will be the sum of points generated from ground and surface water system vulnerability, ability to implement best management practices and affordability factors. Source: The provisions of this § 371.19 adopted to be effective March 18, 1997, 22 TexReg 2502; amended to be effective October 13, 1997, 22 TexReg 9893. Cross Reference: This Section cited in 31 TAC § 371.23, (relating to Criteria and Methods for Distribution of Funds for Source Water Protection); 31 TAC § 371.25, (relating to Criteria and Methods for Distribution of Funds for Disadvantaged Communities); 31 TAC § 371.26, (relating to Criteria and Methods for Distribution of Funds from Community/Noncommunity Water Systems Financial Assistance Account ).

# IOWA

## **Priority Ranking Criteria**

*Projects will be prioritized based on points accrued in the following five categories. The maximum total number of points that a project may receive is 130. Points may be given for only one item in each category.*

- **Water Quality and Human Health Risk-related Criteria** - Projects to address potential threats to human health may receive points for one of the items in this category. Point values vary depending upon the seriousness of the health hazard (e.g., 60 points will be given for acute MCL violation corrections, while 15 points will be given for lead or asbestos cement pipe replacement).
- **Infrastructure and Engineering-related Improvement Criteria** - Projects to improve system infrastructure or enhance water system reliability may receive points for one of the items in this category (e.g., 35 points for addressing water demand and pressure issues, 30 points for capacity expansion, 15 points for emergency provisions, etc.).
- **Special Category Improvements** - Projects may receive points for one of the items in this category. Fifteen points will be given to systems with wellhead protection or source protection plans and 5 points for water conservation measures or plans.
- **Affordability** - Ten points will be given to systems serving low-income populations (according to Community Development Block Grant Iowa Department of Economic Development Low-Moderate Income Criteria).
- **Population** - Ten points will be given to projects serving fewer than 10,000 people.

# IOWA

Eligible public drinking water supply projects shall be scored pursuant to the following priority point scoring system.

## IOWA SRF PROJECT SCORING SYSTEM

(Multiple attributes within a lettered subcategory are not additive, but points are additive from other subcategories; consolidation/restructuring is an approved option to correct violations or "improve" treatment)

<b>Scoring Criterion</b>	<b>Points</b>
<b><u>A. Water Quality &amp; Human Health Risk-related Criteria (maximum of 60 points)</u></b>	
1. Acute MCL violation corrected (fecal coliform, e. coli nitrate, SWTR including turbidity & Giardia)	60
2. Chronic MCL violation corrected (all non-acute MCLs including heavy metals, SOCs, VOCs)	50
3. Treatment technique requirement correction (Pb/Cu corrective measures, CT time corrective measures, disinfectant residual corrective measures)	40
4. Imminent threat from groundwater contamination (from UST site, from CERCLA site, from uncontrolled site)	35
5. Connection of individual residences to PWS to eliminate use of contaminated individual private wells (bacterial, nitrate, or IOC/VOC/SOC well contamination all eligible)	35
6. Intermittent non-acute MCL violation correction (generally defined as more than 4 MCLs of a single contaminant in 3 years)	25
7. Lead or asbestos cement pipe replacement (replace at least 200 feet of pipe)	15
<b><u>B. Infrastructure &amp; Engineering related Improvement Criteria (maximum of 35 points)</u></b>	
1. System redundancy and/or additional source to meet peak day demand w/ largest well or intake out of service; Plant process rehabilitation (made to assure redundancy of treatment units to protect against acute or chronic MCL with system's largest treatment unit out of service); Water storage improvements (system reliability enhancement --- to increase effective storage to Avg. Daily Demand, including either at-ground and elevated storage); Pumping improvements meeting hydraulic & ten-State Standard requirements for Avg. Daily Demand.	35

- |  |    |
|--|----|
| 2. Capacity expansion (points allowable only when system is operating at 85% or over of system capacity (source, plant, or distribution system capacity improvements are all eligible))  | 30 |
| 3. Pressure improvements, including pump upgrades, pipe looping and pressure reduction valves such that avg. distribution system pressure increases by more than 10 psi in project area. | 20 |
| 4. Other distribution system enhancement (e.g., valves, fittings, line replacement, hydrants, pumping stations)  | 20 |
| 5. Provision of emergency power/ emergency pumping capacity including purchase of diesel generators or installation of automatic switching systems                                       | 15 |
| 6. Rectify excessive water loss per established water conservation plan (more than 15% of water must be unaccounted for to be eligible for points)                                       | 10 |

**C. Affordability Criteria (maximum of 10 points)**

- |   |    |
|---|----|
| 1. System serves low income population (Community Development Block Grant (CDBG) Iowa Department of Economic Development (IDED) Low Moderate Income Criteria (LMI)) | 10 |
|---|----|

**D. Special Category -Improvements (maximum of 15 points)**

- |  |    |
|--|----|
| 1. Wellhead protection (detailed contaminant inventory, contingency plan, conservation easements, and land acquisition)            | 15 |
| 2. Source protection (detailed contaminant inventory, contingency plan, conservation easements, and land acquisition)              | 15 |
| 3. Water Conservation Measures/Conservation Plan preparation insofar as new water conservation ordinances are adopted and enforced | 5  |

**E. IDNR Adjustment Factor for Population ---use 1 score only**

- |   |    |
|---|----|
| 1. (Project Serves) Population less than 10,000 | 10 |
|---|----|

<b>TOTAL MAXIMUM POINTS</b>	<b>130</b>
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# KANSAS

## Priority Ranking Criteria

*Projects will be prioritized based on points accrued in the following five categories:*

- **Water Quality Issues** - Projects for systems with violations of drinking water regulations may be given points depending on the threat to public health. For example, a project will be given up to 35 points if it addresses an acute MCL violation (e.g., nitrate) and up to 10 points for violations of secondary standards. Projects may be given points for all items that apply.
- **Consolidation** - Projects may be given up to 10 points for each system to be served by a consolidation project (i.e., two systems consolidated would receive a maximum of 20 points).
- **Improvements to Reliability** - Points may be given to projects for reliability improvement. Ten to 15 points may be given for each item such as correcting a low pressure problem, looping dead-end lines, and adding a second source for single-source systems. Projects may receive points for all items that apply.
- **Affordability** - This category will allow for additional points if the MHI in the project service area is below the State MHI. (Kansas is still compiling data to apply this category.)
- **Special Categories** - Fifteen points will be added for each of the following items addressed by a project:
  - Upgrade to meet future regulations
  - Plant expansion
  - Water treatment waste discharges
  - Extend distribution system to unserved area

## Notes

- **Water Conservation Plans** - The Secretary is required to exclude projects from applicants who have not adopted and implemented water conservation plans consistent with Kansas Water Office guidelines.
- **Small Systems** - Kansas statutes require that a minimum of 20 percent of loan fund monies be reserved for communities serving populations of fewer than 5,000 people. If available, projects for systems in this category totaling 30 percent of the fund will be included in the IUP to ensure that the 20 percent requirement is met.

**Kansas Department of Health and Environment**  
**Kansas Public Water Supply Loan Fund**  
**Project Priority System**  
**FFY 97**

**I. INTRODUCTION**

The SDWA and the Kansas Statutes establishing the public water supply loan fund require KDHE to develop a project priority system, including ranking criteria to determine which projects should receive loans. In preparing a priority list, the Secretary is required to exclude projects from applicants who have not adopted and implemented water conservation plans consistent with Kansas Water Office guidelines. KDHE is also required to ensure that at least 20% of loan fund monies are made available to communities serving a population of less than 5,000 people.

**II. PRIORITY RATING CRITERIA**

The priority rating criteria are used to numerically rank projects for potential funding assistance from the Kansas Public Water Supply Loan Fund. State law and the SDWA both provide guidance on factors to be considered when ranking projects.

The SDWA requires priority be given to projects that address the most serious risks to human health, that are necessary to assure compliance with requirements of the SDWA (national primary drinking water regulations) and to assist public water supplies most in need, on a per household basis according to state affordability criteria.

Kansas statutes require KDHE to give consideration to projects consistent with the public water supply regionalization strategies developed in the Kansas Water Plan. Since no regionalization strategies have been proposed, the rating criteria cannot address this issue. However, the rating criteria do award points for system consolidation.

The Bureau of Water will consider the following factors in determining the numerical scores of each project:

- 1) Water quality issues, including compliance with maximum contaminant levels, treatment techniques, aesthetic factors, and unregulated contaminants.
- 2) Consolidation of systems;
- 3) Improvements to reliability;
- 4) State median and applicant household income levels, and
- 5) Special categories.
- 6) KDHE adjustment.

### **III. IDENTIFICATION OF POTENTIAL PROJECTS**

Potential projects for inclusion on the project priority list may be identified by public water supply officials, by KDHE, through participation in national needs surveys, or through routine inspection and special studies; or by federal, state, or local agencies.

Projects may also be identified by the Secretary of KDHE in accordance with section IV.4 as necessary for correction of an emergency condition.

### **IV. ADMINISTRATIVE PROCEDURES**

KDHE will use the following procedures in administering the priority system:

1. The Bureau of Water will prepare annually, a tentative priority list of all projects to be included in the Intended Use Plan for possible funding during the following federal fiscal year. The tentative priority list will include the rank for each project. This list will contain projects equal to at least 150% of available loan funds, to assure money is obligated.
2. The Bureau of Water will give public notice of the priority list and hold a minimum of one public hearing to receive comments. The Bureau of Water will provide information upon request, on the detailed calculation of the priority rank of a project.
3. Projects included in the IUP will be funded in the order applications are received at KDHE.
4. The Secretary of KDHE may amend the priority list and the Intended Use Plan to include a project requested by the Bureau of Water as needed to protect public health, or to meet emergency needs.
5. Projects will be elevated to the Intended Use Plan (IUP) for funding based on priority ranking and readiness to proceed.
6. A project must be listed in the IUP prepared by KDHE and approved by EPA, to receive a loan; unless funded under the emergency provision of VI.4 or the bypass provision of IV.7.
7. If available monies are not used by the projects identified in the IUP, those funds will be made available to the highest ranked projects ready to proceed. This ability to bypass projects is necessary to assure available funds are obligated on a timely basis.
8. Kansas legislation requires 20% of available loan funds to be made available to public water suppliers that serve less than 5,000 people. If available, projects serving less than 5,000 people, totaling at least 30% of available loan funds, will be included in the IUP to assure sufficient projects to meet the 20% requirement. Projects from public water suppliers serving less than 5,000 population will be indicated on the project priority list and may be included in the IUP regardless of priority ranking.



## V. PROJECT RATING PROCEDURE

Projects identified in accordance with Section IV, other than projects identified in accordance with section IV.4, will be ranked by the rating system set forth below. The ranking will be in descending order with the highest point total having the highest priority for funding. A separate ranking will be prepared for each project. Projects will receive points, up to the stated maximum, for each applicable category.

### 1. Water quality issues:

Acute MCL violation corrected	Up to 35 points
Chronic MCL violation corrected	Up to 30 points
Treatment technique violation corrected	Up to 30 points
Impending MCL violation corrected	Up to 20 points
Unregulated contaminant correction	Up to 15 points
Compliance with existing administrative order	Up to 10 points
Secondary MCL correction	Up to 10 points

2. Consolidation of two or more water systems 10 points each

### 3. Reliability improvement:

Second source for single source systems	Up to 15 points
Low water pressure (less than 20 psi)	Up to 15 points
Water restrictions in last 3 years	Up to 10 points
Plant rehabilitation	Up to 10 points
Storage (less than 24 hours)	Up to 10 points
Excessive water loss	Up to 10 points
Distribution system looping	Up to 10 points

### 4. Beneficiaries income:

LT 80% of State Median Household Income (SMHI)
GT 80% of SMHI but LT SMHI

### 5. Special categories:

Upgrade to meet future regulations	Up to 15 points
Plant expansion	Up to 15 points
Water treatment waste discharges	Up to 15 points
Extend distribution system to unserved area	Up to 15 points

6. KDHE point adjustment Up to 35 points

# MISSOURI

## Priority Ranking Criteria

*Priority points will be assigned only if the proposed project is intended to correct the deficiency or problem associated with the points. Projects will be prioritized based on points accrued in the following four categories:*

- **Safe Drinking Water Act Compliance** - Projects to correct SDWA compliance and water quality issues affecting existing eligible PWSs may receive 10 to 25 points for each compliance issue to be corrected in this category. Point values vary depending on the severity of the threat to human health and the nature of the compliance issues addressed (e.g., projects addressing acute risk contaminants will receive 25 points, while projects designed to enable compliance with an administrative order, bilateral compliance agreement, or other enforceable document will be given 10 points).
- **Public Health** - This category is divided into four subcategories. In the first subcategory, 25 points will be given if 51 percent or more of a project addresses a waterborne disease outbreak as declared by the DOH. In the second subcategory, projects to address inadequate water supply may receive points (e.g., 10 points if existing PWS can document its inability to consistently maintain at least 35 psi as a normal working pressure in the distribution system, etc). The third subcategory, applicable only to existing eligible PWSs, awards points based on system infrastructure improvements. Up to 20 points per item will be given to projects for a variety of infrastructure needs and deficiencies. These needs are divided into 8 subcategories, 2 of which place 20-point caps on cumulative scoring (these two subcategories will be used in the tie-breaking procedure). In the final subcategory, 10 points will be given to projects if the system has a DNR-approved wellhead protection plan.
- **Affordability** - Projects for CWSs will receive points based on affordability criteria. Ten points will be given to a project for a CWS with an MHI below the metropolitan or nonmetropolitan area's MHI. Up to 25 points will also be assigned based on the ratio of monthly water bills to the MHI of the project area. Higher ratios will receive more points.
- **Additional Points** - Projects to address natural disaster recovery, consolidation, or unique circumstances related to SDWA compliance or public health may receive 10 to 20 points per item (e.g., natural disasters, 10 points; permanent supply interconnection, 20 points).

## Notes

- **Tie-Breaking Procedure** - The project with the most points under distribution system reliability and design considerations with the 20-point cap lifted will receive priority (please see Part II of Public Health). If projects remain tied, the system serving the larger population will receive the higher ranking.

**Missouri**  
**Drinking Water Revolving Fund**  
**PRIORITY RANKING CRITERIA (1998)**

**GENERAL INFORMATION**

The department must prepare annually a document called the Intended Use Plan (IUP) that describes how the drinking water revolving fund (DWRF) resources for the year will be used. The IUP must include a list of proposed projects expected to qualify for financing within the fiscal year addressed by the IUP. A project must be listed in the IUP to be eligible for funding. The projects must be listed in priority order. The criteria for setting priorities must be included in the IUP.

The department must seek public comment on the draft IUP, including criteria for listing proposed projects in priority order. The final IUP for funding projects from the drinking water revolving fund must be approved by the Safe Drinking Water Commission and submitted to the U.S. Environmental Protection Agency.

The purpose of this priority ranking criteria is to list eligible projects in priority order so that the most serious problems are given the highest priority. Consistent with the federal Safe Drinking Water Act (SDWA), priorities are based primarily on protection of public health, compliance with the SDWA, and household affordability. Tie breaking and project bypass criteria have also been developed. Tie breaking is discussed below under Assignment of Points. By-pass criteria are in 10 CSR 60-13.020.

**ASSIGNMENT OF POINTS**

**Priority points shall be assigned only where the proposed project is intended to correct the deficiency or problem associated with the points.** For example, if the public water system has had persistent violations of a secondary MCL but the proposed project does not address that problem, the 10 points associated with persistent violations of a secondary MCL will not be assigned or included in the priority points awarded the project.

The sections on Distribution System Reliability (section II.B.2.) and Design Considerations (section II. B. 6.) are limited to a maximum of 20 points each. This is done in order to ensure that projects addressing MCL violations are not overwhelmed by projects addressing only design considerations or distribution system problems. The 25 points available for violations of acute risk contaminant MCLs was used as the baseline in developing the priority point criteria.

Eligible projects will be ranked by the number of points received. In the event of a tie, the project receiving the highest number of points under Distribution System Reliability and Design Considerations (sections II.B.2. and II. B. 6.) with the 20 point maximum limits lifted will receive the higher ranking. If the projects are still tied, the secondary tie-breaking criteria will be number of affordability points. The applicant with the highest affordability points will receive the higher ranking. If the projects are still tied, the third tier of tie-breaking criteria will be the number of people served. The system serving the larger number of people will receive the higher ranking.

No priority points shall be assigned to a project intended to correct deficiencies resulting solely from inadequate operation and maintenance of the public water system, unless the project enables the public water system to meet technical, managerial, and financial capacity development requirements determined by the department.

The public water system must meet DWRF eligibility requirements and pass an initial review of financial capability. The proposed project must also meet eligibility requirements.

## **PRIORITY POINTS**

- I. **Safe Drinking Water Act Compliance.** *Only projects for existing eligible public water systems will be assigned points under this section. See Attachment A for further explanation of categories A - D below.*
  - A. **Acute Risk Contaminants.** 25 points will be assigned if there have been persistent violations of maximum contaminant levels (MCLs) or treatment performance criteria for acute risk contaminants (such as coliform, turbidity or nitrate) within the past 36 calendar months.
  - B. **Treatment Technique Requirements.** 20 points will be assigned if there have been persistent violations of treatment technique requirements listed in the annual Intended Use Plan (such as, for example, the Surface Water Treatment Rule, Lead & Copper, etc.).
  - C. **Non-Acute Risk Contaminants.**
    1. 15 points will be assigned if there have been persistent violations of any non-acute risk primary MCL within the past 36 calendar months.
    2. 10 priority points will be assigned if there have been persistent violations of any secondary MCL within the past 36 calendar months.
  - D. **Anticipated Federal Regulations.** 15 points will be assigned if the proposed project will enable the public water system to comply with anticipated federal regulations which are identified in Attachment A.
  - E. **Compliance.** 10 points will be assigned if the proposed project will enable an eligible public water system to comply with an administrative order, a bilateral compliance agreement, or other enforceable document issued by the Missouri Department of Natural Resources.

## II. Public Health.

- A. Waterborne disease outbreak. 25 points will be assigned if a waterborne disease outbreak as declared by the Department of Health is attributable to an existing public water system and 51 percent or more of the proposed project addresses the problem(s) causing the waterborne disease outbreak.
- B. Inadequate water supply.
1. 10 points will be assigned if an existing public water system can document its inability to consistently maintain at least 35 psi as a normal working pressure in the distribution system.
  2. 10 points will be assigned if an existing public water system can document its inability to consistently maintain pressures of at least 20 psi at all service connections.
  3. 20 points will be assigned if the private or noncommunity wells or sources in the proposed project service area are unable to consistently provide an adequate amount of potable water for general household purposes and 51 percent or more of the proposed project addresses this need. Private or noncommunity wells or sources contaminated by commercial, industrial or mining wastes will be considered in this category.
- C. Public Water System Infrastructure Improvement. *Note: Only projects for existing eligible public water systems will be assigned points under this subsection.*
1. System source reliability.
    - a. 10 points will be assigned a project that addresses a need for new backup well or a backup interconnection with another public water system.
    - b. 10 points will be assigned if the system has one or more improperly constructed wells.
  2. System distribution reliability. *(Limited to a maximum of 20 points.)*

*Reminder: After points have been calculated for all eligible applicants, ties will be broken by calculating total points possible under this section and section II.B.6., design considerations, without the 20 point limitations. The project receiving the higher score under these two sections without the 20 point limitations will be ranked above the project receiving the lower score.*

    - a. 10 points will be assigned if the system has unaccounted-for water that exceeds 10 percent of the drinking water produced by the system, and the water loss is due to broken and/or leaking waterlines.
    - b. 10 points will be assigned if the distribution system is anticipated to exceed design capacity or useful facility life within the next five years

- c. 10 points will be assigned if the distribution system has faulty pipes or substandard pipe materials
  - d. 5 points will be assigned if the public water system requires distribution system valves and flushing devices.
  - e. 5 points will be assigned if the public water system requires looping of water mains.
3. Disinfection. 10 points will be assigned if the public water system is unable to maintain a disinfectant residual at all points in its distribution system.
  4. 10 points will be assigned if the system has storage facilities in poor condition, not related to inadequate maintenance of the facilities.
  5. Reliability of service. 10 points will be assigned if the system has water storage capacity that is less than one day's average use or lacks adequate standby power.
  6. Design considerations. *(Limited to a maximum of 20 points)*

*Reminder: After points have been calculated for all eligible applicants, ties will be broken by calculating total points possible under this section and section II.B.2., system distribution reliability, without the 20 point limitations. The project receiving the higher score under these two sections without the 20 point limitations will be ranked above the project receiving the lower score.*

- a. 20 points will be assigned if the source or treatment facility is anticipated to exceed design capacity or useful facility life within the next five years.
  - b. 20 points will be assigned if the system has suffered significant degradation of the quality of the raw water supply.
  - c. 20 points will be assigned if the system has suffered significant degradation of the quality of finished water in storage.
  - d. 10 points will be assigned if the system currently does not meet existing state requirements for the treatment and/or storage of waste residues generated by the water treatment plant.
7. 20 points will be assigned if the treatment facility(ies) for required disinfection or turbidity removal are severely deteriorated and beyond the facility useful life.

8. Vulnerability.
  - a. 10 points will be assigned to a water system whose source is vulnerable to natural disasters (such as flood or drought) or contamination.
  - b. 10 points will be assigned to a water system whose treatment plant is vulnerable to natural disasters (such as flood, earthquake, etc.) or contamination.
- D. Wellhead Protection. 10 Points will be awarded to applicants who have an DNR-approved wellhead protection plan.

III. Affordability. *Only community water system projects will be assigned points under this section.*

- A. Median household income. The statewide median household income levels of the state must be determined from income data from the most recent census of the United States.
  1. A community water system will use the median household income for the appropriate political subdivision or subdivisions encompassing its service area, except as provided in section III.A.3. below.
  2. A nonmunicipal community water system will use the median household income for the smallest political subdivision encompassing the nonmunicipal community water system, except as provided in paragraph 3. below.
  3. If there is reason to believe that the current United States census data do not accurately represent the median household income of the project area, an accurate representation may be submitted. The information submitted must consist of reliable data from local, regional, state, and/or federal sources, or from a survey conducted by a reliable impartial source.
- B. Assignment of points. *(Limited to a maximum of 25 points)*
  1. 10 points will be assigned a project sponsored by a community water system with a median household income below the median household income for either the metropolitan or nonmetropolitan area, as applicable.
  2. From 1 to 25 points will be assigned, determined by the ratio of monthly water bill for 5,000 gallons of water to the monthly median household income for the project area to be served (expressed in percent times 10) and rounded to the nearest whole number.

For example: Monthly water bill = \$20

Monthly median household income = \$2,000

$$20:2,000 = .01 = 1\%$$

$$1\% * 10 = 10 \text{ points}$$

IV. Additional Priority Point Categories.

- A. Natural disasters. 10 points will be assigned if 51 percent or more of the proposed project will repair or replace an existing public water system damaged or destroyed by a natural disaster. In order to be assigned these points, the project must be located in an area declared a federal or state natural disaster area, and a description of the public water system damaged or destroyed by the natural disaster must be submitted along with a statement that other state or federal disaster relief is not sufficient to meet the costs of the project.
- B. Consolidation.
1. 20 points will be assigned a project that provides necessary upgrades to facilities of a primary water system to continue or expand services as a regional water supplier.
  2. 20 points will be assigned if the proposed project will result in the permanent supply interconnection of two or more existing public water systems, where at least one of the systems has demonstrated technical, managerial, and financial capacity with respect to the national primary drinking water regulations. This would include new water systems (generally water districts) which will allow small water systems within their boundaries to consolidate.

*Note: Currently, federal requirements restrict the DWRP loan program to existing water systems. This interpretation of the federal law is under review at EPA and may change in the future. When this occurs, Missouri's DWRP loan program will implement the new federal policy.*

3. 10 points will be assigned for consolidation of two or more public water systems or if the proposed project will result in a regional management system responsible for the day-to-day operation of the water system, where the management system has the required technical, managerial, and financial capacity to meet the national primary drinking water regulations.



**Drinking Water Revolving Fund  
PRIORITY RANKING CRITERIA -- ATTACHMENT A**

**SDWA Compliance Priority Points: Existing and Anticipated Regulations**

**Existing State Regulations**

Acute Risk Contaminants

10 CSR 60-4.020, Maximum Microbiological Contaminant Levels and Monitoring Requirements, subsections (7)(A) and (7)(B)

10 CSR 60-4.030, Maximum Inorganic Chemical Contaminant Levels, Action Levels, and Monitoring Requirements, numbers 13, 14 and 15 in section (1)

10 CSR 60-4.050, Maximum Turbidity Contaminant Levels and Monitoring Requirements, section (4)

Treatment Technique Requirements

10 CSR 60-4.050, Maximum Turbidity Contaminant Levels and Monitoring Requirements, subsection (1)(A)

10 CSR 60-4.055, Disinfection Requirements, subsection (1)(A), section (2), section (3), and section (4)

10 CSR 60-15.010, General Requirements (lead and copper), sections (4), (5) and (6)

Non-Acute Primary MCL

10 CSR 60-4.030, Maximum Inorganic Chemical Contaminant Levels, Action Levels, and Monitoring Requirements, section (1)

10 CSR 60-4.040, Maximum Synthetic Organic Chemical Contaminant Levels and Monitoring Requirements, section (1)

10 CSR 60-4.060, Maximum Radionuclide Contaminant Levels and Monitoring Requirements, subsections (1)(A), (1)(B), (3)(A) and (3)(B)

10 CSR 60-4.090, Maximum Trihalomethane Contaminant Level and Monitoring Requirements, section (1)

10 CSR 60-4.100, Maximum Volatile Organic Chemical Contaminant Levels and Monitoring Requirements, section (2)

Secondary MCL

10 CSR 60-4.070, Secondary Contaminant Levels and Monitoring Requirements, section (1)

## **Anticipated Federal Regulations**

### Microbial/Disinfection By-Products Rule Cluster.

This includes the Proposed Rules and Notices of Data Availability for the Disinfectants/Disinfection By-Products Rule and the Interim Enhanced Surface Water Treatment Rule. These were published in the July 29, 1994, November 3, 1997 and March 31, 1998 *Federal Registers*. The final rules are expected to be published in the *Federal Register* in November 1998. The *Federal Register* is available at all major libraries and is on the Internet. One of the Internet addresses is: <http://www.epa.gov/EPA-WATER/>

# NEBRASKA

## **Priority Ranking Criteria**

*Projects will be prioritized based on points accrued in the three categories below. Projects can receive points for only one of the items in each category; if more than one item applies, the one with the highest point value is used.*

- **Health Benefit Provided by Project** - A project may receive up to 80 points based on the type and level of public health benefits offered. For example, 80 points will be given to projects addressing acute health effects (microbiological or nitrate/nitrite contamination), while as few as 15 points will be given for factors such as consolidation and general infrastructure improvements.
- **Financial Impacts** - Projects may receive up to 25 points based on the annual cost of the loan per person as a percentage of the MHI. A 20-year loan will be assumed with the interest rate based on the minimum effective interest rate of 4.0 percent. Projects for systems with a percentage greater than 0.4 percent will receive 25 points, those with percentages between 0.2 percent and 0.4 percent will receive 15 points, and systems with percentages less than 0.2 percent will receive 5 points.
- **Enforcement Action** - Ten points will be given to projects that address compliance with Title 179 (Nebraska Administrative Code) NAC 2 drinking water standards or the enforcement actions taken by the State requiring systems to address the deficiencies or water quality concerns that contribute to noncompliance.

## **Notes**

- **Tie-Breaking Procedure** - The project with the higher annual loan cost per person as a percentage of MHI will have the higher priority.
- **Disadvantaged Systems** - Eligible public water supply systems may qualify for additional financial assistance if their MHI is less than the State MHI.
- Nebraska has developed a similar priority ranking system to rank the projects on the DWSRF IUP project list for the use of the Land Acquisition and Source Water Loan Fund (using identical categories and slightly different point values).

# NEBRASKA

## *Drinking Water State Revolving Fund Priority Ranking System*

### **2. Drinking Water State Revolving Loan Fund (DWSRF) Priority Ranking System**

#### **A. Priority Ranking System for the Use of the Drinking Water Facilities Fund**

The following DWSRF Priority Ranking System shall be used to rank the projects on the DWSRF Intended Use Plan (IUP) project list for the use of the Drinking Water Facilities Loan Fund. Points for only one benefit in each category shall be awarded; when a project has more than one significant benefit, the benefit with the highest point value shall be used. The greater the total number of points, the higher the ranking. The ranking will be done and the priority list will be prepared annually at the time the IUP is prepared. Priority ranking for the projects will be based on total points awarded for the following four categories.

##### **i. Health Benefit Provided by Project**

This category incorporates the type of project and the level of benefit to human health. These projects are for the development, construction or modification of the public water supply system to ensure compliance with the requirements of the Nebraska Safe Drinking Water Act (NSDWA) and the regulations adopted thereunder.

(1) Maximum Contaminant Level (MCL)/Treatment Technique Requirements Maximum allowable levels are established for those parameters which may be detrimental to public health.

- (a) Acute Health Effect
  - (i). Microbiological - (80 points)
  - (ii). Nitrate/Nitrite - (80 points)
- (b) Chronic Health Effects - (70 points)

(2) System Design Deficiencies - (30 points)

These projects would be for the development, construction or modification of the public water system to correct or prevent deficiencies relating to the Design Guidelines in Title 179 NAC 2. Some examples of such projects are\*

- (a) Inadequate source capacity
- (b) Inadequate distribution pressure/storage
- (c) Reliability/dependability (e.g., multiple sources, standby power)

(3) Secondary Contaminant Level (SMCL) - (25 points)

Recommended maximum levels are set for parameters which are not harmful to health but make the water undesirable for use. Project would enhance water quality and include disinfection.

(4) Other Factors - (15 points)

These projects would address other water supply system concerns such as:

- (a) Consolidation of public water supply systems.
- (b) Replacement or rehabilitation of system components that are aged and/or have exceeded design life.
- (c) Controls/automation to improve operational efficiency.

**ii. Financial Impacts**

This category addresses the financial impact of the proposed project on the users that will provide the revenue to repay the loan. Priority points are awarded according to the annual cost of the loan per person as a percentage of the median household income (MHI). A 20-year loan shall be assumed with the interest rate based on the minimum effective interest rate of 4.0%.

Annual Loan Costs Per Person as a Percentage of Median Household Income

Greater than 0.4 Percent - (25 points)

0.2 to 0.4 Percent - (15 points)

Less than 0.2 Percent - (5 points)

**iii. Readiness to Proceed**

This category addresses the status of project planning, preparation of plans and specifications, and readiness to proceed with project construction.

Plans and Specifications Submitted - (15 points)

Environmental Review Completed/Engineering Report Approved - (10 points)

Engineering Report Submitted - (5 points)

**iv. Enforcement Action**

This category addresses compliance with Title 179 NAC 2 drinking water standards and/or the enforcement actions taken by the State requiring the system to address the deficiencies/water quality concerns that contribute to noncompliance.

Administrative Order Issued/Other Enforcement Action Taken Relating to Design/infrastructure

Deficiency(ies)/Water Quality Concerns Addressed by the Proposed Project - (10 points)

**B. Priority Ranking System for the Use of the Land Acquisition and Source Water Loan Fund**

The following Priority Ranking System shall be used to rank the projects on the DWSRF Intended Use Plan (IUP) project list for the use of the Land Acquisition and Source Water Loan Fund. Priority ranking for the projects will be based on total points awarded for the following four categories. Points for only one benefit in each category shall be awarded; when a project has more than one significant benefit, the benefit with the highest point value shall be used. The greater the total number of points, the higher the ranking. The ranking will be done and the priority list will be prepared annually at the time the IUP is prepared.

**i. Health Benefit Provided by Project**

This category incorporates the type of project and the level of benefit to human health- These projects are for the acquisition of land or a conservation easement to protect the source water of the system from contamination and to ensure compliance with the NSDWA and Title 179 NAC 2.

(1) Acquisition of Land or a Conservation Easement to Protect the Source Water of the System from Contamination

- (a) Acute Health Effects
  - (i) Microbiological - (40 points)
  - (ii) Nitrate/Nitrite - (40 points)
- (b) Chronic Health Effects - (35 points)

(2) Community Water System Implementing Voluntary Incentive Based Source Water Protection Measures

- (a) Acute Health Effects
  - (i) Microbiological/Nitrate - (40 points)
- (b) Chronic Health Effects - (35 points)

**ii. Financial Impacts**

This category addresses the financial impact of the proposed project on the users that will provide the revenue to repay the loan. Priority points are awarded according to the annual cost of the loan per person as a percentage of the median household income (MHI). A 20-year loan shall be assumed with the interest rate based on the minimum effective interest rate of 4.0%.

Annual Loan Costs Per Person as a Percentage of Median Household Income

- Greater than 0.4 Percent - (25 points)
- 0.2 to 0.4 Percent - (15 points)
- Less than 0.2 Percent - (5 points)

### **iii. Readiness to Proceed**

This category addresses the status of project planning, preparation of plans and specifications and readiness to proceed with the proposed project or source water protection.

Project Contract Documents Submitted - (15 points)

Environmental Review Completed/Engineering Report Approved - (10 points)

Engineering Report Submitted - (5 points)

### **iv. Enforcement Action**

This category addresses compliance with Title 179 NAC 2 drinking water standards and/or the enforcement actions taken by the State requiring the system to address the issues that contribute to noncompliance.

Administrative Order Issued/Other Enforcement Action Taken Relating to Source Water Protection Addressed by the Proposed Project - (10 points)

### **3. Tie Breaker**

Two or more projects may receive the same total number of priority points on the IUP project list. Resolution of ties is not needed at that time. Ties shall be broken only when:

- A) Two or more projects receive the same total of priority points based on the above four categories
- B) The environmental reviews have been completed
- C) The systems are ready to sign the loan contracts, and
- D) Adequate funding for all these projects is not available.

The status of the plans and specifications will be considered first in breaking the tie. Projects with plans and specifications approved by the Department shall have a higher priority than those projects with plans and specifications currently in the Department's review and approval process. For projects with a similar status of plans and specifications, as approved, the project with the higher annual loan cost per person as a percentage of the median household income shall have the higher priority.

### **4. Small System Priority**

Fifteen percent (15%) of the total funds available for loan shall be earmarked for systems serving fewer than 10,000 persons. In the event there are not enough systems with fewer than 10,000 persons that apply for funding, the funds may be used for other systems.

### **5. Affordability (Disadvantaged) Criteria**

The purpose of this affordability criteria is to determine which of the projects receiving funds from the DWSRF may also qualify for financial assistance beyond the ordinary benefits available through the DWSRF. Eligible public water supply systems may qualify for additional financial assistance if their median household income is less than the state median household income.

Public water supply systems that are eligible for such disadvantaged assistance will be required to submit the financial information and infrastructure improvement needs information with their application for disadvantaged determination. Projects that meet the eligibility requirements for such disadvantaged assistance will receive a written confirmation of eligibility. Disadvantaged assistance to eligible public water supply systems will depend on disadvantaged determination. Disadvantaged determination will be based upon a comparison of projected and targeted service charges (total debt service plus operation and maintenance costs) for a typical household expressed as a percentage of median household income for the service area. The most recent United States census data for the public water supply system's median household income will be used. The information submitted must consist of reliable data from local, regional, state, and/or federal sources, or from a survey conducted by a reliable impartial source.

The financial disadvantaged assistance program, the extent of the availability of such disadvantaged funds for this program, and the disadvantaged determination criteria will be included in the IUP.



## COLORADO

### Priority Ranking Criteria

*First projects will be ranked by priority class (I-V).*

- **I. Acute Health Hazard** - Continuous violation(s) of an acute MCL or a SWTR treatment technique requirement.
- **II. Chronic Health Hazard** - Continuous violation(s) of an MCL or a treatment technique requirement for a chronic contaminant.
- **III. Potential Acute Health Hazard** - Periodically exceeds an acute MCL, has levels greater than 50 percent of an acute MCL on a regular basis, or has short-term problems meeting an SWTR treatment technique requirement that can be controlled temporarily.
- **IV. Potential Chronic Health Hazard** - Periodically exceeds a chronic MCL, has levels greater than 50 percent of a chronic MCL on a regular basis, or has short-term problems meeting other treatment technique requirements.
- **V. Other Future Needs** - Facility is beyond its useful/design life and is in need of equipment replacement or repair to maintain compliance or further the public health protection goals of the SDWA.

*Projects within each class above will be prioritized based on points accrued in the following five categories:*

- **Population** - Points will be given to projects based on population with an emphasis on small communities (e.g., a system serving 25-1,000 people will receive the maximum, 20 points; one serving more than 10,000 people will receive 5 points).
- **Affordability** - Points will be given to projects based on financial need. If the community served has to pay over 3 percent of its MHI for water service, the project will receive 20 points. The lower the percentage, the fewer the points the project will receive. In addition, projects will receive points based on the total cost of the project per equivalent residential tap. The higher the cost, the fewer the points the project will receive (e.g., over \$5,000 - 20 points, \$2,000 to \$3,000 - 10 points).
- **Consolidation** - Fifteen points will be given to consolidation projects.
- **Incentives** - Five points will be given to projects if the governmental agency implements water conservation measures, 2 points for source water protection measures, and 2 points for utilization of water treatment plant sludge.
- **Health Risk** - Points will be given depending on the project's health risks. Up to 20 points will be given based on the type and level of contaminant present at a treatment facility.

# DRINKING WATER REVOLVING FUND REGULATIONS

## 5 CCR 1003-3

ADOPTED BY THE BOARD OF HEALTH (COLORADO)

October 15, 1997

Revised: April 15, 1998

### PRIORITY SYSTEM

All governmental agencies treatment facilities with identified water quality problems related to health and compliance issues may be included in one of the categories listed below.

All treatment facility projects of governmental agencies that fall into one of the categories listed below and have a planning document that describes a project to correct the water quality problem, shall be prioritized as ready for funding on the project eligibility list.

Funding for the projects under each category shall result in the treatment facility complying with existing standards.

#### Eligible Project Criteria

Categories were developed to emphasize the most immediate public health and compliance issues. Projects on the eligibility list will be classified by category 1, 2, 3, 4, or 5 below, with 1 being the highest priority. Once a planning document is received, projects within each category will be further prioritized by the assignment of points from the priority point listings under each category. No consideration will be given to governmental agencies that appear to have violations caused by poor operation and maintenance procedures or are under an administrative order for violating reporting requirements.

#### CATEGORIES BY PRIORITY RANKING

- (1) Acute Health Hazard. The Division has identified continuous violation of an acute maximum contaminant level (MCL) or a surface water treatment rule (SWTR) treatment technique requirement.
- (2) Chronic (long term) Health Hazard. The Division has identified a continuous violation of an MCL or a treatment technique requirement for a chronic contaminant.
- (3) Potential Acute Health Hazard. The system has periodically exceeded an acute MCL, has levels greater than 50% of an acute MCL on a regular basis, or has short term problems meeting an SWTR treatment technique requirement that can be controlled temporarily by operational means.

(4) Potential Chronic Health Hazard. The system has periodically exceeded a chronic MCL, has levels greater than 50% of a chronic MCL on a regular basis, or has short term problems meeting other treatment technique requirements.

(5) Other Future Needs. Facility is beyond the useful/design life and is in need of equipment replacement, rehabilitation or repair, in order to maintain compliance or further the public health protection goals of the SDWA.

PRIORITY POINT ASSIGNMENTS WITHIN EACH CATEGORY

Once a planning document is received, projects within each category will be prioritized by the assignment of points from the following:

(1) Population. Points shall be assigned to water systems based on the following schedule of population served by the project with emphasis given to small communities:

25 to 1,000	20 points
1,001 to 3,300	15 points
3,301 to 10,000	10 points
Over 10,000	5 points

(2) Financial Need. Points shall be assigned to water systems in accordance with the following A financial need criteria established by the state.

(a) ability to pay (annual water service fee as a percentage of median household income):

Over 3.0%	20 points
Over 2%; up to 3.0%	15 points
Over 1%; up to 2%	10 points

(b) local burden (total project cost per equivalent residential tap):

Over \$5,000	20 points
Over \$3,500	15 points
Over \$2,000	10 points

(3) Consolidation. Fifteen points shall be assigned to an entity if the project includes consolidating two or more public water systems.

(4) Water Conservation. Five points shall be assigned to a project if the governmental agency implements a water conservation measure.

(5) Source Water Protection. Two points shall be assigned to a project if the governmental agency implements source water protection measures.

- (6) Beneficial Use of Sludge. Two points shall be assigned to a project if the governmental agency intends to utilize water treatment plant sludge for a beneficial use as defined herein.
- (7) Health Risk. To further clarify the ranking of treatment facility projects, the Division shall assign up to twenty points for a project's health risks. Determination of the health risk will be made based upon the type and level of contaminant present within categories.

#### Emergency Procedures

- (1) If a system has an emergency situation causing immediate public health concerns and it is identified on the Eligibility List, it may receive a DWRF loan out of priority order if funds are available.
- (2) If an emergency arises and the system is not identified on the Eligibility List, funding shall be sought from other available sources. The project, which may include refinancing and/or additional construction costs, may be added to the Eligibility List for funding in the following year.

# MONTANA

## Priority Ranking Criteria

*Projects will be prioritized based on points accrued in the following six categories:*

- **Acute Health Risks** - Projects for systems with acute health risks such as boil water orders, SWTR violations, chemical contaminants posing unreasonable risks to health, or nitrate/nitrite MCL violations may be given up to 120 points. Projects for systems with unfiltered surface water will be given the highest number of points, 70 percent of the maximum possible (120 points). Systems with filtered surface water will only be given 50 percent of the maximum possible points. For boil orders resulting from a turbidity violation, fecal MCL violations, and documented disease outbreaks, an additional 10 percent (for each) of the maximum possible points will be given.
- **Non-Acute Health Risks** - Projects for systems with non-acute health risks such as (non-fecal) coliform bacteria and chemical contaminants may be given up to 60 points. For lead and copper or other chemical violations, a project will be given 50 percent of the maximum possible (60 points). Projects may be given higher or lower percentages of points (raised or lowered by 10 percent increments) depending on the severity of the problem.
- **Proactive Compliance Measures** - Points will be given for improvements in infrastructure, management, or operations of a public water system that help it remain in compliance with current regulatory requirements, ensure compliance with future requirements, or prevent future SDWA violations. Up to 50 points will be given for proactive efforts (not for existing documented violations).
- **Potential Health Risks** - Projects for systems with potential health risks may be given up to 25 points for problems such as recurring detects of microbiological health risks, or nitrates/ nitrites, and may be given up to 20 points for chemical contaminant health risks.
- **Consolidation/Regionalization** - Regionalization projects to increase the technical, managerial, or financial capacity of the overall system, improve public health, or bring a public water system into compliance with the SDWA will receive 30 points.
- **Affordability** - Points will be given to projects based on affordability criteria. The higher the expected average household combined water and sewer user rates, including debt retirement and O&M, the more points given. If this figure totals 3.5 percent of MHI or greater, the project will receive the maximum, 20 points.

## Notes

- **Funding Ceiling** - If the demand for funds exceeds the amount available for the time period covered by an IUP, no single project may be given more than 4 million dollars or 50 percent of the total capitalization grant.
- **Disadvantaged Communities** - Projects for disadvantaged communities may receive additional subsidies on DWSRF funds beyond the standard below-market rate financing. Disadvantaged communities are defined as those with combined monthly water system and wastewater system rates equal or greater than 2.2 percent of the community MHI or, if there is only a water system, rates greater than 1.4 percent of the community MHI.

# MONTANA

## **Priority List of Projects**

To develop its comprehensive project list, DEQ sent surveys to all community and noncommunity, nontransient water systems in Montana. Of the approximately 900 surveys sent out, about 100 were returned. Surveys also were sent to DEQ's consultant list, and additional projects were identified by flagging systems with repeated or chronic compliance problems. DEQ staff called many of these systems in an attempt to build a comprehensive list.

Systems that are in significant non-compliance with regulatory requirements must adopt a plan for returning to compliance as part of their Drinking Water SRF funding proposal (if the proposal does not intrinsically address this concern). Projects that primarily expand system capacity or enhance fire protection capabilities may not be eligible for funding unless public health or compliance issues also are addressed by the project.

Appendix 1 contains a comprehensive list of public water systems in Montana that have expressed interest in the Drinking Water SRF, that are planning capital improvement projects, or that have been identified as serious public health risks by DEQ. It is not anticipated that all of the projects in Appendix 1 will use SRF funds. Some systems do not have major projects planned, the remainder expect to be proceeding with projects within the next several years. Cost information is not always available, as some systems had not yet completed the financing plans for their projects at the time the project list was developed.

## **Limitations on individual project financing**

At this point, the anticipated demand for the Drinking Water SRF funds exceeds the supply of these funds. DEQ, DNRC and the Drinking Water SRF Advisory Committee discussed at length whether to attempt to limit the total amount of loans available to any one project, and if so, how. The Committee determined that should the actual demand for funds during the period of time covered by an intended use plan exceed the funds available for that same period, then the maximum amount of loan funds available to any one project could not exceed either \$4 million or 50% of the total capitalization grant amount for that period. Actual demand will not be known until applications are received from those projects ready to proceed within the timeframe of this capitalization grant. At that point, DEQ and DNRC, in consultation with the Advisory Committee, will determine whether the limit on individual projects would be applied in this round.

## Ranking Criteria for Drinking Water SRF Priority List

### 1. Documented health risks

#### a. Acute health risks - 120 points max.

Fecal coliform or other pathogens - two or more boil orders in any twelve-month period. Risk must be documented as a reoccurring and unresolved problem that appears to be beyond the direct control of the water supplier.

Surface Water Treatment Rule (SWTR) treatment technique violation - source must have been developed as an unfiltered supply, an inadequately filtered supply, Ground Water Under the Influence of Surface Water, and/or without adequate contact time prior to the development of EPA SWTR regulations that would have mandated improved treatment.

Chemical contaminants (other than nitrate or nitrite) - risk must be documented as reoccurring and unresolved problem confirmed through quarterly sampling (or as determined by DEQ) that appears to be beyond the direct control of the water supplier. Contaminants must be present at levels exceeding Unreasonable Risk to Health (URTH) levels.

Nitrate or nitrite Maximum Contaminant Level (MCL) violations - MCL violation must be confirmed through routine and check sampling as required by DEQ.

**Guidance for ranking: For unfiltered surface water, use 70% of max. points in this category unless there have also been documented problems with turbidity, fecal contamination or disease outbreaks. Award an additional 10% of max points for each of the following: boil order resulting from a turbidity violation, fecal MCL violation, documented disease outbreak. If disease outbreak has been documented, award maximum points.**

**For filtered surface water systems, a CT violation without boil orders or fecal MCL violations, etc, should receive 50% of maximum points under this category. Award additional points for the additional violations.**

**Example: an unfiltered surface water system has had turbidity violations resulting in a boil order, as well as a fecal MCL violation. There have been no documented disease outbreaks. The system would get 70% + 10% + 10% = 90% of max points in this category.**

**b. Non-acute health risks - 60 points max.**

(Non-fecal) coliform bacteria - two or more Total Coliform Rule (TCR) (non-acute) MCL Significant Non-Compliances (SNCs) automatically qualify if the problem is documented as a regularly reoccurring and unresolved problem that is beyond the direct control of the water supplier.

Man-made chemical contaminants - problem must be documented as a reoccurring and unresolved problem that is beyond the direct control of the water supplier. Contaminants must be present at levels that are above the PQL, and less than the URTH level. Contaminants must be detected at least twice during quarterly monitoring in any twelve month period. MCL violations may or may not occur.

Natural chemical contaminants - problem must be documented as a reoccurring and unresolved problem through quarterly sampling (or as otherwise determined by DEQ) that is beyond the direct control of the water supplier. Contaminant levels must be confirmed as an MCL violation, but the averaged value of the violation must be less than the URTH level.

**Guidance for Ranking: Start with 50% of maximum points in this category for lead and copper or other chemical violations and go up or down in 10% increments depending on the severity of the problem.**

**2. Proactive compliance measures - 50 points max.**

Improvements in infrastructure, management or operations of a public water system that are proactive measures to remain in compliance with current regulatory requirements, to ensure compliance with future requirements, or to prevent future, potential SDWA violations.

**Guidance for ranking: If a system is reacting to an existing documented health violation under category 1a or 1b, it should receive no points under this category. Emphasis should be toward a deliberate proactive approach to potential health problems. A system with points awarded in this category typically will currently be in compliance with most or all SDWA regulations.**

**3. Potential health risks**

**a. Microbiological health risks - 25 points max.**

Occasional but reoccurring detects of coliform bacteria resulting in one or less TCR (non-acute) MCL violation in any twelve month period.

Reoccurring and unresolved problems with non-coliform growth that are beyond the direct control of the water supplier, and result in inconclusive coliform bacteria analyses.

Water distribution pressures that routinely fall below 35 psi at ground level in the mains, or 20 psi at ground level in customers' plumbing systems. Problems must be the result of circumstances beyond the direct control of the water supplier.



**b. Nitrate or nitrite detects - 25 points**

Occasional but reoccurring detects of nitrate or nitrite at levels above the MCL that occur once or less in a twelve month period. MCL violations are not confirmed by check sampling.

**c. Chemical contaminant health risks - 20 points max.**

Occasional but reoccurring detects of man-made chemical contaminants that occur once or less in any twelve month period. Levels must be above the PQL, but below the URTH level. MCL violations do not occur because of the presence of the contaminant is not adequately documented through check-sampling.

Occasional but reoccurring detects of natural chemical contaminants (other than nitrate or nitrite) at levels above the MCL that occur once or less in a twelve month period. MCL violations are not confirmed by check sampling.

**Guidance for ranking: No additional points should be given in this category for contaminants already addressed in categories 1 or 2. However, if a project scope includes remedies for different types of violations, it should receive points in each of the applicable categories.**

**4. Construction of a regional public water supply that would serve two or more existing public water supplies - 30 points.**

Regionalization would increase the technical, managerial and/or financial capacity of the overall system, would result in some improvement to public health, or bring a public water system into compliance with the SDWA.

**5. Affordability (Only one applicable - maximum 20 points)**

Expected average household combined water and sewer user rates, including debt retirement and O&M are:

- greater than 3.5% of MHI - 20 pts
- between 2.5% and 3.5% (inclusive) of MHI - 15 pts
- between 1.0% and 2.5% (inclusive) of MHI - 10 pts
- 1.0% or less of MHI - 5 pts

## **Drinking Water SRF Priority List Bypass Procedures**

If it is determined by DEQ that a project or projects are not ready to proceed or that the project sponsors have chosen not to use the Drinking Water SRF funds, other projects may be funded in an order different from that indicated on the priority list. If DEQ chooses to bypass higher ranked projects, it should follow the bypass procedure.

The bypass procedure is as follows:

1. DEQ shall notify, in writing, all projects which are ranked higher than the proposed project on the Drinking Water SRF priority list, unless it is known that a higher project will not be using Drinking Water SRF funds.
2. The notified water systems shall have 15 calendar days to respond in writing with any objections they may have to the funding of the lower ranked project.
3. DEQ shall address, within a reasonable time period, any objections received.

## **Emergency Bypass Procedures**

If DEQ determines that immediate attention to an unanticipated failure is required to protect public health, a project may be funded with Drinking Water SRF funds whether or not the project is on the Drinking Water SRF priority list. DEQ will not be required to solicit comments from other projects on the priority list regarding the emergency funding.

## **Subsidies to Disadvantaged Communities**

Communities seeking a Drinking Water SRF loan that meet the disadvantaged community criterion listed below may receive an additional subsidy on their SRF loans, beyond the standard below-market rate financing. This includes communities that will meet the disadvantaged criterion based on projected rates as a result of the project.

A community is considered economically disadvantaged when its combined monthly water and wastewater system rates are greater than or equal to 2.2% of the community's Median Household Income (MHI). If the community has only a water system, the percentage is 1.4% of the community's MHI. These percentages are consistent with affordability requirements for other state funding agencies in Montana. The water and sewer rates used for this calculation include new and existing debt service and required coverage, new and existing operation and maintenance charges, and normal depreciation and replacement expenses.

To assist these economically disadvantaged communities, the Drinking Water SRF loan program will provide to qualifying communities a waiver of the loan loss reserve fee, which will result in an annual 1.0% interest rate reduction on the project loan. The total amount of reduced interest rate loans that the Drinking Water SRF may make under any single capitalization grant will be limited to 20% of that capitalization grant. This measure is taken to ensure that the corpus of the Drinking Water SRF fund will be maintained and thus that the program will be able to operate in perpetuity, while still providing some additional assistance to economically disadvantaged communities. Qualifying disadvantaged communities also are eligible for extended loan terms of up to 30 years, provided the loan term does not exceed the design life of the project.

Systems that are expected to receive reduced interest rates or extended loan terms in the next year are identified on the Anticipated Funding List within the section describing the project list.

## NORTH DAKOTA

### **Priority Ranking Criteria**

*Projects will be prioritized based on points accrued in the nine categories listed below for a maximum total of 200 points.*

- **Water Quality** - Projects for systems with water quality issues may receive points (maximum of 60) for all items that apply (35 points for documented waterborne disease outbreaks; 30 points for unresolved nitrate/nitrite or microbiological MCL exceedances; 22-27 points for URTH exceedances; 12-20 points for disinfection treatment inadequacies, multiple turbidity treatment technique requirement exceedances, potential or actual turbidity or MCL exceedances, or general water quality problems).
- **Water Quantity** - Points will be given to projects for system's with critical (imminent loss of supply), extreme (<150 gpcd), serious (<200 gpcd), moderate (<250 gpcd), or minor (<300 gpcd) water supply problems. Points will be given for only one item (3-35 points).
- **Affordability** - Points will be given to projects based on affordability. For CWSs points will be based on relative income index and relative water rate index (present and future). For NTNCWSs points will be based on relative income index, percentage revenue increase required to offset project cost, and relative water service cost index. (Maximum 25 points)
- **Consolidation/Regionalization** - Projects that seek, through consolidation or regionalization, to correct SDWA compliance problem(s), contamination problems, or water quality problems will receive points (maximum 25) for all items that apply in this category.
- **Infrastructure Adequacy** - Projects that seek to resolve inadequate infrastructure problems may receive points (maximum 20) for all items that apply in this category. Four points per item will be given to projects that seek to correct general disinfection treatment deficiencies. Three points will be given to projects that seek to correct design deficiencies (e.g., surface water intake and storage facilities), provide a second well (conditional), or replace inoperative instrumentation.
- **Project Financial Considerations** - Projects may receive points (maximum 15) for all items that apply in this category based on financial considerations such as project cost ratio (up to 5 points), cost impact on DWSRF fund (up to 5 points), establishment of a separate water account (3 points), and phasing of the project (2 points).
- **Operator Safety** - Projects that seek to correct a problem that poses a safety hazard to operators may receive points (maximum 10) for all items that apply in this category (10 points for critical and chronic safety hazards, 5 points for intermittent safety hazards, and 3 points for a potentially significant safety hazard).
- **Prevention Initiatives** - Projects that have implemented or seek to implement proactive measures such as obtaining a certified operator, developing an operations and maintenance manual, etc may receive points (maximum 7 - 1 point per item) for all items that apply in this category.
- **Water Conservation** - Projects may receive points (maximum 3 - 1 point per item) for metering at least 95 percent of service connections, developing non-declining block water rates, or developing a leak detection program.

# NORTH DAKOTA

## PRIORITY RANKING SYSTEM FOR FINANCIAL ASSISTANCE THROUGH THE DRINKING WATER STATE REVOLVING LOAN FUND (DWSRF) PROGRAM

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The following criteria and point system will be utilized by the DWSRF Program to rank eligible projects for potential financial assistance through the DWSRF Program:

1. Water Quality (Maximum Points Limited to 60)
2. Water Quantity (Maximum Points = 35)
3. Affordability (Maximum Points = 25)
4. Consolidation or Regionalization of Water Supplies (Maximum Points = 25)
5. Infrastructure Adequacy (Maximum Points Limited to 20 )
6. Project Financial Considerations (Maximum Points = 15)
7. Operator Safety (Maximum Points = 10)
8. Prevention Initiatives (Maximum Points = 7)
9. Water Conservation (Maximum Points = 3)

**Maximum Total Points = 200**

DWSRF funds may be used to buy or refinance existing local debt obligations (publicly-owned systems only) where the initial debt was incurred and the construction started after July 1, 1993. DWSRF assistance requests of this type, if eligible, will be ranked based on the original purpose and success of the constructed improvements.

### CATEGORY

### POINTS

#### 1. Water Quality - Select All That Apply (Maximum Points Limited to 60)<sup>1,5</sup>

- |   |    |
|---|----|
| A. Documented waterborne disease outbreak(s) within last 2 years  | 35 |
| B. Unresolved nitrate or nitrite maximum contaminant level (MCL) exceedance(s)<br>OR<br>Acute microbiological MCL exceedance(s) within last 12 months                       | 30 |
| C. Exceedance(s) of EPA-established unreasonable risk to health (URTH) level(s) within last 4 years for regulated chemicals or radionuclides (excludes nitrate and nitrite) |    |
| >1.5 times the URTH level   |    |
| ≥ 2 contaminants  | 27 |
| 1 contaminant only  | 26 |

1.3 to 1.5 times the URTH level	
≥ 2 contaminants	25
1 contaminant only	24
<1.3 times the URTH level	
≥ 2 contaminants	23
1 contaminant only	22
D. Disinfection treatment inadequate to satisfy the Surface Water Treatment Rule (SWTR), the enhanced SWTR or ESWTR (once finalized), or the groundwater disinfection rule or GWDR (once finalized)	
OR	
Groundwater source(s) deemed by the DWP to be under the direct influence of surface water	
OR	
Multiple turbidity treatment technique requirement (TTR) violations within last 2 years ( <u>includes</u> at least one event where the turbidity exceeded 5 nephelometric turbidity units (NTU))	20
E. Multiple turbidity TTR violations within last 2 years ( <u>no</u> events where turbidity exceeded 5 NTU)	
OR	
3 or more <u>non-acute</u> microbiological MCL violations within last 12 months	18
F. MCL or TTR exceedance(s) ( <u>no</u> URTH level exceedances) within last 4 years - excludes disinfection, microbiological contaminants, nitrate, nitrite, and turbidity >1.5 times the MCL or TTR to URTH level	
≥ 2 contaminants	17
1 contaminant only	16
1.3 to 1.5 times the MCL or TTR	
≥ 2 contaminants	15
1 contaminant only	14
<1.3 times the MCL or TTR	
≥ 2 contaminants	13
1 contaminant only	12

G. Potential MCL or TTR compliance problems based on most recent 4 year period (excludes disinfection, microbiological contaminants, and turbidity)

75% to 100% of MCL or TTR	
≥ 2 contaminants	10
1 contaminant only	9
50% to 74% of MCL or TTR	
≥ 2 contaminants	8
1 contaminant only	7
25% to 49% of MCL or TTR	
≥ 2 contaminants	6
1 contaminant only	5

H. General water quality problem (see attachment 1)

significant general water quality problem	8
moderate general water quality problem	5
minor general water quality problem	3

**2. Water Quantity - Select One (Maximum Points = 35)<sup>2,5</sup>**

A. Correction of a critical water supply problem involving the loss or imminent loss of a water supply in the near future 35

B. Correction of an extreme water supply problem: 11

maximum water available <150 gallons per capita per day (gpcd)  
(community water systems only)

OR

continuous water shortages during all periods of operation (nonprofit noncommunity water systems only)

C. Correction of a serious water supply problem: 8

maximum water available <200 gpcd (community water systems only)

OR

daily water shortages, or inability to meet peak daily water demand, at a frequency of at least once per week during all periods of operation (nonprofit noncommunity water systems only)

D. Correction of a moderate water supply problem: 5

maximum water available <250 gpcd (community water systems only)

OR

occasional daily water shortages, or occasional inability to meet peak daily water demands, on a seasonal basis (nonprofit noncommunity water systems only).

- E. Correction of a minor water supply problem: 3

maximum water available <300 gpcd (community water systems only)

OR

sporadic water shortages, or occasional inability to meet peak water demands (nonprofit noncommunity water systems only)

**3. Affordability - Select One From Each Category (Maximum Points = 25)**

A. Community Water Systems

1. Relative income index - ratio of local annual median household income (AMHI) to the state nonmetropolitan AMHI (based on 1990 census data)

<50%	10
50% to 60%	9
61% to 70%	8
71% to 80%	5
81% to 90%	3
91% to 100%	1

2. Relative water rate index (future) - ratio of expected average annual residential user charge for water service resulting from the project, including costs recovered through special assessments, to the local AMHI

>2.5%	9
2.0% to 2.5%	8
1.5% to 1.9%	5
1.0% to 1.4%	3
0.5% to 0.9%	1

3. Relative water rate index (present) - ratio of present average annual residential user charge for water service, including costs recovered through special assessments, to the local AMHI

>2.5%	6
2.0% to 2.5%	5
1.5% to 1.9%	4
1.0% to 1.4%	2
0.5% to 0.9%	1

B. Nonprofit Noncommunity Water Systems

1. Relative income index - ratio of local or service area AMHI to the state nonmetropolitan AMHI (based on 1990 census data)

<50%	10
50% to 60%	9
61% to 70%	8
71% to 80%	5
81% to 90%	3
91% to 100%	1

2. Percentage revenue increase required to offset project cost

>100%	9
75% to 100%	8
50% to 74%	5
25% to 49%	3
10% to 24%	1

3. Relative water service cost index - ratio of present water service expenditures to total operating expenses

>20%	6
15% to 20%	5
10% to 14%	4
5% to 9%	2
2% to 4%	1

**4. Consolidation or Regionalization of Water Supplies - Select All That Apply (Maximum Points = 25)<sup>4</sup>**

- A. Correction of Safe Drinking Water Act (SDWA) compliance problem(s), or extreme to critical water supply problem(s), for 1 or more PWS through consolidation with or regionalized service by another PWS

>4 PWSs	12
4 PWSs	10
3 PWSs	9
2 PWSs	8
1 PWS	7

- B. Correction of contamination problems (regulated contaminants), or extreme water quantity problems (no water, imminent loss of water supply, or continuous/ frequent daily water shortages), for individual residences or businesses through consolidation with or regionalized service by a PWS



- C. Correction of general water quality problems, or moderate to serious water quantity problems, for 1 or more PWSs through consolidation with or regionalized service by another PWS
  - >4 PWSs 6
  - 4 PWSs 5
  - 3 PWSs 4
  - 2 PWSs 3
  - 1 PWS 2
- D. Correction of general water quality problems, or moderate water quantity problems (occasional daily or seasonal water shortages), for individual residences or businesses through consolidation with or regionalized service by a PWS 1

**5. Infrastructure Adequacy - Select All That Apply (Maximum Points Limited to 20)**

- A. Correction of general disinfection treatment deficiencies - excludes improvements necessary to directly comply with the SWTR, the ESWTR (once finalized), or the GWDR (once finalized) 4
- B. Correction of well construction deficiencies 4
- C. Correction of distribution system pressure problems (dynamic pressure <20 psi) 4
- D. Replacement of deteriorated water mains 4
- E. Replacement of deteriorated finished water storage structures 4
- E. Replacement of distribution system piping/materials shown via DWP-approved testing to contribute unacceptable levels of lead or asbestos 4
- G. Water treatment plant operating at or above design capacity 4
- H. Water treatment plant operating at or beyond useful or design life 4
- I. Correction of specific design deficiencies associated with water treatment plant unit processes (excludes disinfection treatment) 3
- J. Correction of specific design deficiencies associated with surface water intake facilities 3
- K. Correction of specific design deficiencies associated with finished water storage facilities 3
- L. Correction of specific design deficiencies associated with raw or finished water pumping facilities 3
- M. Correction of specific design deficiencies associated with raw or finished water distribution system piping 3

- N. Correction of specific design deficiencies associated with chemical feed installations (excludes disinfection) 3
- O. For systems relying solely on their own groundwater supply, provision of a second well where only one functional well exists 3
- P. Replacement of inoperative, obsolete, or inadequate instrumentation or controls 3

**6. Project Financial Considerations - Select All That Apply (Maximum Points = 15)**

- A. Project cost ratio (select one)
  - ≤\$500 per benefitted connection or user 5
  - \$501 - \$1,000 per benefitted connection or user 4
  - \$1,001 to \$1,500 per benefitted connection or user 3
  - \$1,501 to \$2,000 per benefitted connection or user 2
  - \$2,001 to \$2,500 per benefitted connection or user 1
- B. Cost impact on DWSRF fund (select one)
  - project cost ≤\$500,000 5
  - project cost \$500,001 - \$1,000,000 4
  - project cost \$1,000,001 - \$2,000,000 3
  - project cost \$2,000,001 - \$3,000,000 2
  - project cost \$3,000,001 - \$5,000,000 1
- C. Applicant maintains or agrees to establish a separate water account 3
- D. Project can be phased (applies only to projects exceeding an estimated total cost of \$2,000,000) 2

**7. Operator Safety - Select One If Applicable (Maximum Points = 10)<sup>2</sup>**

- A. Correction of a problem that poses a critical and chronic safety hazard for operators 10
- B. Correction of a problem that poses an intermittent safety hazard for operators 5
- C. Correction of a potential significant safety hazard for operators 3

**8. Prevention Initiatives - Select All That Apply (Maximum Points = 7)**

- A. Applicant has or agrees to obtain appropriately certified water operator(s) 1
- B. Applicant has or agrees to develop a written operation and maintenance manual 1
- C. Applicant is current on all SDWA monitoring and reporting requirements 1
- D. Applicant is participating or commits to participate in a Department-recognized source water protection program 1

- E. Applicant has or agrees to develop a documentable backflow prevention protection program 1
- F. Applicant has or agrees to develop a documentable water facility repair and replacement program 1
- G. Applicant has or agrees to develop a written emergency response plan 1

**9. Water Conservation - Select All That Apply (Maximum Points = 3)**

- A. Applicant currently meters or agrees to meter at least 95% of all service connections 1
- B. Applicant has or agrees to develop non-declining block water rates 1
- C. Applicant has or agrees to develop a leak detection program 1

<sup>1</sup>Applies to community and nonprofit noncommunity public water systems only. Water quality problems must be ongoing and unresolved under the present system configuration. Analysis applies to finished water after all treatment (raw water if no treatment is provided).

<sup>2</sup>Applies to community and nonprofit noncommunity public water systems only. Projects intended mainly to increase water availability for or to improve fire protection are not eligible for DWSRF assistance. Fire protection features, in order to be eligible, must represent an ancillary project benefit or secondary project purpose.

<sup>3</sup>Benefitted connections will be used when evaluating community water systems excluding regional/rural water systems. Benefitted users will be used when evaluating regional/rural water systems and nonprofit noncommunity water systems.

<sup>4</sup>Water quality and quantity problems for individual residences or businesses must be documented by the applicant through water quality testing (by a certified laboratory) and a survey of water shortage patterns, respectively. An evaluation must be conducted of at least 15% of the individual residences or businesses to be served by the project. The project will be deemed to be justified if at least 80% of those individual residences or businesses evaluated exhibit rankable water quality or quantity problems.

<sup>5</sup>Projects intended to address multiple community and/or nonprofit noncommunity public water system water quality and/or quantity problems will be ranked based on the highest level problem to be solved.

# ATTACHMENT 1

## GENERAL WATER QUALITY (1)

### DEFINITIONS

Significant General Water Quality Problem (8 points) = Score of 6 or greater

Moderate General Water Quality Problem ( 5 points) = Score of 4 or 5

Minor General Water Quality Problem ( 3 points) = Score of 3 or less

#### Total Dissolved Solids (TDS)

500 - 999	Score of 1
1,000 - 1,499	Score of 2
≥1,500	Score of 3

#### Total Hardness as Calcium Carbonate (TH)

200 - 424	Score of 1
425 - 649	Score of 2
≥650	Score of 3

#### Iron (FE)

0.3 - 0.89	Score of 1
0.9 - 2.0	Score of 2
>2.0	Score of 3

#### Manganese (MN)

0.05 - 0.25	Score of 1
0.26 - 1.00	Score of 2
>1.00	Score of 3

#### Sodium (NA)

200 - 424	Score of 1
425 - 649	Score of 2
≥650	Score of 3

#### Sulfate (SO<sub>4</sub>)

250 - 499	Score of 1
500 - 750	Score of 2
>750	Score of 3

(1) All values are expressed in milligrams per liter (mg/l).

## SOUTH DAKOTA

### **Priority Ranking Criteria**

*Projects will be prioritized based on points accrued in the eleven categories listed below:*

- **Primary Drinking Water Contaminants** - Projects for systems with nitrate, fecal coliform, or E. coli bacteria exceedances will be given 150 points. Projects for systems with chronic primary drinking water contaminants will be given 100 points.
- **Affordability** - Seventy-five points will be given to projects based on affordability (e.g., CWSs whose MHI is less than \$12,000 if the cost is greater than 2.0 percent; for CWSs whose MHI is \$12,000 to \$20,000 if the cost is greater than 2.5 percent).
- **Consolidation/Regionalization** - Points will be given for consolidation/regionalization projects (40-50 points to cost effectively consolidate a treatment, supply, and distribution system with a larger CWS; 35-40 points to expand the service area of a rural water system).
- **Secondary Drinking Water Contaminants** - Projects for systems with exceedances of secondary drinking water contaminants (e.g., chlorine, color, fluoride) may be given points for all items that apply in this category (2 points per contaminant - maximum 10).
- **Total Coliform** - Projects for systems that have exceeded levels of total coliform within the past 3 years will be given 25 points.
- **Rehabilitation** - Twenty-five points will be given to projects that seek to rehabilitate contaminated drinking water sources or to develop sources to replace contaminated sources.
- **Inadequate Supply** - Fifteen points will be given to projects that seek to correct inadequacy of supply through source development.
- **Wellhead/Source Water Protection** - Ten points will be given to projects that seek to establish primary water sources within the boundaries of an established wellhead/source water protection area.
- **Replacement of Transmission Lines** - Points will be given to systems that seek to replace transmission lines (e.g., 25 points for removal of lead piping, 15 points for replacement of undersized lines, 5 points for replacement of lines at least 50 old).
- **Storage** - Fifteen points will be given to a project that seeks to construct storage facilities for a system whose capacity is less than a peak day's demand.
- **Population** - Points will be given based on the population served by the project (e.g., 10 points if up to 30,000 people are served, 2 points if 1-200 people are served).

## SOUTH DAKOTA

**74:05:11:06. Project priority rating system.** Each potential drinking water works project shall be assigned points based on the criteria in the following table:

<b>Priority Criteria</b>	<b>Priority Points</b>
(1) Occurrences of nitrates, fecal coliform, or E. Coli bacteria in samples within the past three years have exceeded the allowable limits as defined in chapter 74:04:05	150 points
or	
occurrences of chronic primary drinking water contaminants in samples within the past three years have exceeded the allowable limits as defined in chapter 74:04:05 or the system is in violation of a treatment technique;	100 points (Maximum points =150)
(2) Affordability criteria:	75 points
(a) Greater than 2.0 percent for community water systems whose median household income is under \$12,000;	
(b) Greater than 2.5 percent for community water systems whose median household income is \$12,000 to \$20,000; or	
(c) Greater than 3.0 percent for community water systems whose median household income is over \$20,000;	
(3) Regionalization of facilities where	
(a) A proposal to consolidate a municipality or sanitary district treatment, supply, and distribution system with another community water system and the consolidation is cost effective;	50 points
(b) A proposal to consolidate a municipality or sanitary district treatment system with another community water system and the consolidation is cost effective;	40 points
(c) Expansion of the service area of a rural water system to provide water to 25 or more residences; or	40 points
(d) Expansion of the service area of a rural water system to provide water to less than 25 residences;	35 points

4) Occurrences of secondary drinking water contaminants in samples within the past three years have exceeded the guidelines. The specific contaminants and the maximum contaminant level are: 2 points per contaminant (up to a maximum of 10 points)

chloride	250 mg/L
color	15 color units
fluoride	2.0 mg/L
foaming agents	0.5 mg/L
iron	0.3 mg/L
manganese	0.5 mg/L
odor	3 threshold odor number
pH	range: 6.5 to 8.5
silver	0.1 mg/L
sulfate	250 mg/L
total dissolved solids	500 mg/L
zinc	5 mg/L

(5) Occurrences of total coliform in samples within the past three years have exceeded the allowable limits; 25 points

(6) Rehabilitation of contaminated drinking water sources or development of sources to replace contaminated sources; 25 points

(7) Development of sources due to inadequate supply; 15 points

(8) Location of the applicant's primary source of water within the boundaries of an established wellhead or source water protection area; 10 points

(9) Replacement of transmission lines for the following reasons (points are additive as they apply):

(a) Removal of lead piping 25 points

(b) Decrease in water loss volume by 10% or more 20 points

(c) Replacement of lines to address low pressure problems within the system. Low pressure is less than 20 pounds per square inch at ground level at any point in the distribution system 15 points

(d) Looping of lines that will result in improved water quality 10 points

(e) Lines are 50 years old or older 5 points

(10) Construction of storage for a system with capacity problems within the system; 15 points

(11) Population points according to the following schedule based on the population being served by the project as reported by the 1990 census as prepared by the Bureau of Census, Department of Commerce:

1 to 200 persons	2 points
201 to 500 persons	3 points
501 to 1,000 persons	4 points
1,001 to 2,500 persons	5 points
2,501 to 5,000 persons	6 points
5,001 to 10,000 persons	7 points
10,001 to 30,000 persons	8 points
30,001 and greater	10 points

**Source:**

**General Authority:** SDCL 46A-1-60.3.

**Law Implemented:** SDCL 46A-1-60.1 to 46A-1-60.3

**Reference:** "1990 Census of Population and Housing: Summary Social Economic and Housing Characteristics, South Dakota," 1990 CPH-5-43, Stock No. 003-024-08145-8, issued June 1992, U.S. Department of Commerce, Bureau of the Census. For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Cost: \$21. Prepayment is required. No shipping/handling or tax.

**74:05:11:07. Priority list bypass procedures.** Projects will be funded based on their project priority rating. Projects with the highest priority rating that have submitted a complete application and demonstrated adequate financial, managerial, and technical capacity to receive financial assistance shall be funded before lower rated projects. Projects on the priority list may be bypassed if they have not demonstrated readiness to proceed by submitting an application and the next highest priority project which has submitted an application will be funded. The department shall exert reasonable efforts to assure that the higher rated projects on the priority list are funded.



# UTAH

## Priority Ranking Criteria

*Projects will be prioritized based on points accrued in the five categories listed below. The first four categories allot points based on deficiencies causing health risks and SDWA non-compliance. The points from each project will be applied to the priority rating formula (bottom) to determine the priority list.*

- **Source Quality/Quantity** - Projects for systems with source quality/quantity issues may be given up to 100 points. Projects for systems with a health risk will receive up to 25 points (8 to 25 points for evidence of or potential for a waterborne illness outbreak). Projects for systems in non-compliance will be given up to 75 points (e.g., 25 points if source is under the influence of surface water, 10 points if a source has had 3 or more microbial violations within the last year).
- **Treatment** - Projects for systems with health risks/non-compliance due to treatment system problems may be given up to 75 points (15 to 25 points for inadequate or failing treatment systems and inadequate disinfection systems, 5 points for systems projected to become inadequate without upgrades). Projects may be given points for all items that apply.
- **Storage** - Projects for systems with health risks/non-compliance due to problems with storage facilities may be given up to 75 points (25 points for projects which seek to correct failing or failed systems, 20 points for inadequate storage, 10 to 15 points for other storage inadequacies). Projects may be given points for all items that apply.
- **Distribution** - Projects for systems with health risks/non-compliance due to problems with distribution systems may be given up to 75 points (e.g., 20 points for projects to correct a deteriorated or inadequate distribution system, 15 points for projects to replace pipes containing lead/asbestos). Projects may be given points for all items that apply.
- **Priority Rating** = (Average Points Received) \* (Rate Factor) \* (AGI Factor)  
Rate Factor = (Average System Water Bill / Average State Water Bill)  
AGI Factor = (State Median AGI / System Median AGI)

## Notes

- **Financial Assistance Determination** - Disadvantaged communities may be given financial assistance for implementing rate reduction incentives. For example, projects will be given 25 points for creating or enhancing compliance by regionalization or for having implemented a master plan in the last 5 years, 10 points for having an emergency response plan or contributing 20 percent of the total project cost, etc. Projects may be given points for all items that apply (maximum 100 points). In addition, disadvantaged communities may receive zero-percent loans.

# UTAH DRINKING WATER BOARD

## A. Priority Determination.

The Board may, at its option, modify a project's priority rating based on the following considerations:

- 1) The project plans, specifications, contract, financing, etc., of a lesser-rated project are ready for execution.
- 2) Available funding.
- 3) Acute health risk.

The Board will utilize the format shown in Table 1 to prioritize loan applicants.

**Table 1**  
**Priority System**

<b>Deficiency Description</b>	<b>Points Received</b>
<b>Source Quality/Quantity Health Risk (select one)</b>	
A. There is evidence that waterborne illnesses have occurred.	25
B. There are reports of illnesses which may be waterborne.	20
C. High potential for waterborne illness exists.	15
D. Moderate potential for waterborne illness.	8
E. No evidence of potential health risks.	0
<b>Compliance with SDWA (select all that apply)</b>	
A. Source has been determined to be under the influence of surface water.	25
B. System is often out of water due to inadequate source capacity.	20
-or-	
System capacity does not meet the requirements of UPDWR.	10
C. Source has a history of three or more confirmed microbiological violations within the last year.	10
D. Sources are not developed or protected according to UPDWR.	10
E. Source has confirmed MCL chemistry violations within the last year.	10
<b>Total</b>	<b>100</b>

**Treatment** **Points Available**

Deficiency Description

Health Risk / Compliance with SDWA (select all that apply)

- A. Treatment system cannot consistently meet log removal requirements and/or turbidity standards. 25
  
- B. The required disinfection systems are not installed, are inadequate, or fail to provide adequate water quality. 25
  
- C. Treatment system is subject to impending failure, or has failed. 25
- or-
- Treatment system equipment does not meet demands of UPDWR. 15
- or-
- System equipment is projected to become inadequate without upgrades. 5

**Total 75**

**Storage** **Points Available**

Deficiency Description Health Risk / Compliance with SDWA (select all that apply)

- A. Storage system is subject to impending failure, or has failed. 25
- or-
- System is old, cannot be easily cleaned, or subject to contamination. 15
  
- B. Storage system is inadequate for existing demands. 20
- or-
- Storage system demand exceeds 90% of storage capacity. 10
  
- C. Applicable contact time requirements cannot be met without an upgrade. 15
  
- D. System suffers from low static pressures. 15

**Total 75**

**Distribution** **Points Available**

Deficiency Description Health Risk / Compliance with SDWA (select all that apply)

A. Distribution system equipment is deteriorated or inadequate for existing demands.	20
-or-	
Distribution system is inadequate to meet 5 year projected demands.	10
B. Applicable disinfectant residual maintenance requirements are not met or high backflow contamination potential exists.	20
C. Project will replace pipe containing unsafe materials (lead, asbestos, etc).	15
D. Minimum dynamic pressure requirements are not met.	10
E. System experiences a heavy leak rate in the distribution lines.	10
<b>Total</b>	<b>75</b>

Priority Rating = (Average Points Received) x (Rate Factor) x (AGI Factor)

Where:

\* Rate Factor = (Average System Water Bill/ Average State Water Bill)

\*\* AGI Factor = (State Median AGI/System Median AGI)

**B. Financial Assistance Determination.**

The amount and type of financial assistance offered will be based upon the criteria shown in Table 2. As determined by Board resolution, disadvantaged communities may also receive zero-percent loans, or other financial assistance as described herein.

Effective rate calculation methods will be determined by Board resolution from time to time, using the Revenue Bond Buyer Index (RBBI) as a basis point, the points assigned in Table 2, and a method to reduce the interest rate from a recent RBBI rate down to a potential minimum of zero percent.

**TABLE 2**

Special Hardship Grant Assessment Rate Reduction Incentives

1. Project will include creation or enhancement of, or compliance with a regionalization plan.	25
2. Applicant has, within the last 5 years, developed and implemented a water master plan.	25
3. Applicant has a 5-year history of having implemented a replacement or depreciation fund, amounting to 5% of the drinking water budget for O&M, and debt service.	15
4. Applicant has a written emergency response plan.	10
5. Project funding contributed by applicant meets or exceeds 20% of estimated project cost.	10
6. Applicant has established a rate structure to encourage water conservation.	15

**TOTAL POSSIBLE POINTS 100**

# WYOMING

## Priority Ranking Criteria

*Projects will be ranked based on points accrued in the following four categories:*

- **Public Health** - Projects for systems with public health concerns will be given between 20 and 100 points. One hundred points will be given to projects for an outbreak of waterborne disease, 80 points will be given to projects for violations resulting in a boil order, and 20 points will be given to projects for positive coliform detection that does not result in a violation.
- **Compliance** - Projects for systems in noncompliance over the past 4 years will be given as many as 40 points for microbiological violations, and as few as 10 points for a single MCL violation of a regulated contaminant other than lead or copper. Ten additional points will be given to projects for multiple violations within a 12-month period (e.g., microbiological exceedances, nitrate or nitrate MCL exceedances, turbidity exceedances).
- **System Deficiencies** - Projects for systems with deficiencies that may affect public health or the ability to comply with SDWA may earn points in only one of the following three sections:
  - A) **Distribution System** - Projects for systems with distribution system problems may be given between 5 and 20 points. For example, 20 points will be given to projects with deteriorated equipment that could result in serious leaks or cross-contamination, while as few as 5 points will be given for system demand inadequacies.
  - B) **Treatment System** - Projects for systems with treatment system problems may be given between 5 and 25 points. For example, 25 points will be given to systems that cannot consistently meet log removal requirements or turbidity standards, while as few as 5 points will be given for equipment expected to become inadequate within 5 years.
  - C) **Storage System** - Projects for systems with storage system problems may be given between 10 and 20 points. For example, 20 points will be given for storage systems subject to impending failure or contamination, while as few as 10 points will be given if demand exceeds 90 percent of storage capacity.
- **Affordability** - Points will be awarded based on a project's affordability. Up to 15 points will be awarded based on a relative income index comparing local annual MHI to the State's annual MHI. Projects in communities where the local MHI is less than 50 percent of the State MHI will receive the maximum, 15 points, while projects in communities where the local MHI is greater than 91 percent of the State MHI will receive the minimum, 1 point. Projects in communities where the relative water rate index (ratio of expected average user charge for water services) resulting from the project is greater than 2.5 percent will receive the maximum, 15 points, while relative water rate indexes less than 1 percent will receive the minimum, 1 point.

## Notes

- **Tie-Breaking Procedure** - In the event of a tie, the project with the larger population will be given priority.

# WYOMING

SYSTEM/PROJECT NAME \_\_\_\_\_

PWS No. \_\_\_\_\_

## I. PUBLIC HEALTH ISSUES

**Points Recd**

Points will be awarded for public health concerns that appear to be beyond the control of the water supplier and have occurred in the last four years. Items beyond the control of the water supplier do not include lab error or operator error.

A.	Outbreak of waterborne disease	<u>100</u>	_____
B.	Fecal or other pathogen detection which results in a boil order	<u>80</u>	_____
C.	Positive coliform results which do not result in a violation	<u>20</u>	_____
	Public Health Issues Points	_____	_____

## II. COMPLIANCE ISSUES

Points will be awarded for compliance issues that appear to be beyond the control of the water supplier and have occurred in the last four years. Multiple violations within a 12 month period will add 10 points total for categories in A-D below. For example a single microbiological violation receives 40 points. Two or more microbiological violations would result in a maximum point award of 50 points.

A.	Microbiological violation	<u>40</u>	_____
B.	Nitrate or nitrite MCL exceedance	<u>25</u>	_____
C.	Lead and Copper Rule action level exceedance	<u>20</u>	_____
D.	Turbidity exceedance	<u>20</u>	_____
E.	Non-compliance with SWTR, ISWTR, ESWTR, GWDR, GWUDI or currently applicable regulation	<u>25</u>	_____
F.	MCL exceedances of regulated contaminants (not mentioned above)		
	• 1 contaminant	<u>10</u>	_____
	• 2 to 4 contaminants	<u>20</u>	_____
	• >4 contaminants	<u>40</u>	_____
G.	Facility is subject to a compliance issue, enforcement action	<u>30</u>	_____
	Compliance Issues Points	_____	_____

**III. SYSTEM DEFICIENCIES**

Points will be awarded for system deficiencies that may affect public health or the ability to comply with SDWA. Points will be awarded to a project from only one of the three categories below.

A. Distribution system

- 1. Distribution system equipment is deteriorated and results in numerous or serious leaks, and /or creates a cross-contamination potential. 20 \_\_\_\_\_
- 2. Applicable disinfectant residual maintenance requirements are not met. 20 \_\_\_\_\_
- 3. Project will replace unsafe materials. 10 \_\_\_\_\_
- 4. Minimum normal operating pressure is not met (35 psi). 5 \_\_\_\_\_
- 5. Distribution system is inadequate to meet existing demands. 5 \_\_\_\_\_

B. Treatment System

- 1. Treatment system cannot consistently meet log removal requirements and/or turbidity standards. 25 \_\_\_\_\_
- 2. Treatment system is subject to impending failure, or has failed. 25 \_\_\_\_\_
- 3. The required disinfection systems are not installed or are inadequate. 20 \_\_\_\_\_
- 4. Treatment system equipment does not meet the requirements of Wyoming Water Quality Rules and Regulations Chapter 12. 10 \_\_\_\_\_
- 5. System equipment is projected to become inadequate without upgrades within 5 years. 5 \_\_\_\_\_

C. Storage System

- 1. Storage system is subject to impending failure, has failed, cannot be easily cleaned, or subject to contamination. 20 \_\_\_\_\_
- 2. Applicable contact time requirements cannot be met without an upgrade. 20 \_\_\_\_\_
- 3. System suffers from low static pressures. 15 \_\_\_\_\_
- 4. Storage system demand exceeds 90% of storage capacity. 10 \_\_\_\_\_

System Deficiencies Points \_\_\_\_\_



**IV. AFFORDABILITY**

Points will be awarded based on a project's affordability.

A. Relative income index = ratio of local annual median household income (AMHI) to the state AMHI.

1. < 50%	<u>15</u>	_____
2. 50%-70%	<u>10</u>	_____
3. 71%-90%	<u>4</u>	_____
4. > 91%	<u>1</u>	_____

B. Relative water rate index - ratio of expected average annual residential user charge for water services resulting from the project, including costs recovered through special assessments, to the local AMHI.

1. > 2.5%	<u>15</u>	_____
2. 2.0% to 2.5%	<u>10</u>	_____
3. 1.5% to 1.9%	<u>6</u>	_____
4. 1.0% to 1.5%	<u>3</u>	_____
5. < 1.0%	<u>1</u>	_____

Affordability Points \_\_\_\_\_

**POINTS AWARDED**

Public Health Issues Points	_____
Compliance Issues Points	_____
System Deficiencies Points	_____
Affordability Points	_____

**Total Points** \_\_\_\_\_

Project Population = \_\_\_\_\_

Note: Population will be used in cases of ties. Larger systems will be given priority.  
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## ARIZONA

### **Priority Ranking Criteria**

*Projects will first be placed into priority classes A-E according to the descriptions below. (The Board may place major portions of a project in different classes under certain circumstances.)*

- **Class A** - Acute contaminant violations of the NPDWR exist. Continuing construction projects that received funding in a prior fiscal year, were part of a multi-year funding commitment, and received at least 20 points under the Prior Year Funding Category described below, will also be classified as Class A.
- **Class B** - Non-acute contaminant violations of the NPDWR exist.
- **Class C** - Upgrade or rehabilitate existing delivery capability or existing facility design in accordance with the SDWA Amendments.
- **Class D** - Consolidation or regionalization service of previously separate drinking water facilities.
- **Class E** - A project that does not receive a designation pursuant to Class A-D.

*The Board will rank the projects within each class according to the total number of priority points accrued in the five priority categories below.*

- **Health Criteria** - Points will be given to projects that seek to correct a violation of the NPDWR. (e.g., the maximum (100) points for projects that address acute contaminant violation, 40 for intermittent non-acute violations). Points will be given for one item only.
- **Condition of Facility and Source** - Projects that seek to construct or improve a facility (e.g., 10-20 points for securing 51 percent of new source capacity; 15 points to protect existing water source; 5 points to reduce a taste, odor, or corrosion problem at an existing facility) may receive points (maximum 125) for all items that apply in this category.
- **Local Fiscal Capacity** - Projects may receive a maximum of 100 points based on MHI, user fees, investment, and cost effectiveness (construction costs/# benefiting connections).
- **Prior Year Funding** - Points will be given to projects requesting additional financial assistance for a multi-year project (30 points if project received funding a previous year; 20 points for requests for additional assistance to offset costs, justified overruns; 10 points for construction assistance for projects that have received planning/design assistance). Projects that have incurred unjustified cost overruns will lose 10 points.
- **Consolidation/Regionalization** - Consolidation/regionalization projects (e.g. 20 for physical consolidation of existing facilities, 5 points for consolidation of operations or ownership of multiple facilities) may receive points (maximum 50) for all items that apply in this category.

## WATER INFRASTRUCTURE FINANCE AUTHORITY

*Rules from Arizona's Administrative Code -- Dated: June 30, 1998*

### Drinking Water Revolving Fund Priority Classes -- R18-15-305

- A.** The Board shall evaluate each project on the Priority List and place it into a priority class. The Board may place major portions of a project into different priority classes. The Board shall consider separation of a project into different priority classes when requested by the applicant or when the Board determines that available funds are inadequate to provide assistance to projects critical to the public health or to water quality. The Board may re-evaluate project priority classes under R18-15-304(G) if supported by information such as facility plans, feasibility studies, enforcement actions, and environmental reviews conducted under R18-15-107. If the Board determines that the problem being addressed by a project can be corrected by proper operation and maintenance of existing facilities, the project is ineligible for financial assistance.
- B.** The Board may designate a project as Priority Class A if continuous or intermittent violations of the national primary drinking water standards exist involving acutely toxic contaminants. The violations shall be documented by official reports, data, or findings of a regulatory authority. Corrective action or mitigation measures shall be initiated and evidenced by 1 or more of the following:
1. An administrative order issued by a regulatory authority.
  2. A court order or decision.
  3. A voluntary compliance agreement with a regulatory authority
  4. The implementation of a corrective action plan by a regulatory authority, which may include restrictions on construction, connections, or development.
  5. A voluntary corrective action plan with a regulatory agency implemented by the applicant and evidenced by restrictions or moratoriums.
- C. Class A:**  
Continuing Construction Projects -- In addition to R18-15-305 (B), the Board may designate a project as Priority Class A if the project received funding in a prior fiscal year, the Board entered into a multi-fiscal year funding commitment with the applicant, the Board designated the project as Priority Class A, Priority Class B, or Priority Class C in a prior fiscal year, and the project received at least 20 points under R18-15-306 (H).

**D. Class B:**

The Board may designate a project as Priority Class B if a violation of the national primary drinking water standards involves non-acutely toxic contaminants documented by official reports, data, or findings of a regulatory authority and corrective action or mitigation measures have been initiated as evidenced by 1 or more of the following:

1. An administrative order issued by a regulatory authority.
2. A court order or decision.
3. A voluntary compliance agreement with a regulatory authority.
4. The implementation of a corrective action plan by a regulatory authority, which may include restrictions on construction, connections, or development.
5. A voluntary corrective action plan with a regulatory authority implemented by the applicant and evidenced by restrictions or moratoriums.

**E. Class C:**

The Board may designate a project as Priority Class C if the goal of the project is to upgrade or rehabilitate existing delivery capability or existing facility design in accordance with the Safe Drinking Water Act Amendments for all drinking water facilities that have violations in the water system physical plant as documented by an ADEQ field engineer.

**F. Class D:**

The Board may designate a project as Priority Class D if the goal of the project is to upgrade or rehabilitate existing delivery capability or existing facility design in accordance with the Safe Drinking Water Act Amendments for all drinking water facilities that require rehabilitation or upgrades that are not a result of violations.

**G. Class E:**

The Board may designate a project as Priority Class E if the goal of the project is to consolidate or regionalize service of previously separate drinking water facilities.

**H. Class F :**

The Board may designate a project which does not receive a designation of Class A through Class E, as Priority Class F.

## Drinking Water Revolving Fund Priority List Ranking Criteria -- R18-15-306

- A.** The Board shall rank projects within priority classes using priority values obtained from the following formula:

$$PV = HC + ARD + TUE + DS + SF + LFC + PYF + CR \text{ where:}$$

PV =	Priority Value
HC =	Health Criteria
ARD =	Acquiring, Rehabilitating or Developing Sources
TUE =	Treatment Upgrade or Treatment Expansion
DS =	Distribution System
SF =	Storage Facility
LFC =	Local Fiscal Capacity
PYF =	Prior Year Funding
CR =	Consolidation and Regionalization

- B.** Health Criteria (HC) -- Whenever the Board determines that a project seeks to correct a violation of the national primary drinking water standards, the Board shall award HC points. The Board shall use information from documents obtained under R18-15-305(B) and R18-15-305(D) to assign HC points. The Board shall award HC points up to a maximum of 100 points with only 1 set of points awarded as follows:

1. 100 points for continuous violations of the national primary drinking water standards involving acutely toxic contaminants.
2. 80 points for intermittent violations of the national primary drinking water standards involving acutely toxic contaminants.
3. 60 points for continuous violations of the national primary drinking water standards involving non-acutely toxic contaminants.
4. 40 points for intermittent violations of the national primary drinking water standards involving non-acutely toxic contaminants.

- C.** Acquiring, Rehabilitating or Developing Sources of a drinking water facility (ARD) -- The Board shall award ARD points up to a maximum of 50 points as follows:

1. 20 points to secure at least 51% of new eligible source capacity with a renewable source or 10 points to secure at least 51% of new eligible source capacity with a non-renewable source.

2. Acquire, rehabilitate or develop a water source to serve the following for a maximum of 30 points as follows:
  - a. 30 points for an existing service area because the current source is contaminated or depleted.
  - b. 15 points for an expanded service area because the new area has contaminated or insufficient water.
  - c. 0 points for growth.

**D.** Treatment Upgrade (either surface water or ground water but not both) or Treatment Expansion (excluding Upgrade and Expand) (TUE) -- The Board shall award TUE points up to a maximum of 30 points as follows:

1. Treatment Upgrade of either surface or ground water by 1 of the following methods for a total of 30 points:
  - a. Upgrade surface water by 1 of the following methods:
    - i 30 points for treatment of micro-organisms.
    - ii 20 points for treatment of chemical constituents that would be harmful if people are exposed to them.
    - iii 10 points for treatment of chemical constituents that are not harmful if people are exposed to them.
  - b. Upgrade ground water by 1 of the following methods:
    - i 30 points for treatment with chlorination.
    - ii 20 points for treatment of chemical constituents that would be harmful if people are exposed to them.
    - iii 10 points for treatment of chemical constituents that are not harmful if people are exposed to them.

**E.** Distribution System (DS) -- The Board shall award DS points up to a maximum of 30 points as follows:

1. 30 points maximum for rehabilitation, replacement or repair of existing lines with inadequate line size or inadequate pressure as follows:
  - a. 30 points for an existing service area.
  - b. 25 points for an expanded service area where the new area has poor quality water.
  - c. 0 points for growth.
2. 30 points maximum for the rehabilitation, replacement or repair of existing lines as follows:
  - a. 30 points for leaks.
  - b. 25 points for wrong materials or inadequate design.
  - c. 20 points for insufficient depth of lines.

3. 25 points maximum for the installation of new lines as follows:
  - a. 25 points to install new lines to loop an existing service area.
  - b. 25 points to install new lines for an existing service area.
  - c. 20 points to install new lines for an expanded service area because the new area has poor quality or no water.
  - d. 0 points to install new lines for growth.
4. 30 points maximum to rehabilitate, replace or repair a hydropneumatic tank, as follows:
  - a. 30 points for a hydropneumatic tank that serves an existing service area.
  - b. 25 points for a hydropneumatic tank that serves an expanded service area.

**F.** Storage Facility (SF) -- The Board shall award SF points up to a maximum of 30 points as follows:

1. 30 points for no storage.
2. 25 points maximum to rehabilitate storage or inadequate storage or inadequate pressure as follows:
  - a. 25 points for inadequate design of the storage facility.
  - b. 20 points for an existing service area.
  - c. 15 points for an expanded service area because the new area has poor quality water.
  - d. 0 points for growth.
3. 25 points maximum for expanded storage as follows:
  - a. 25 points for an existing area.
  - b. 20 points for an expanded area because the new area has poor quality water.
  - c. 0 points for growth.

**G.** Local Fiscal Capacity (LFC) -- The Board shall award LFC points up to a maximum of 100 points as follows:

1. Median Household Income (MHI) -- The Board shall divide the MHI from the area served by the applicant by the state's MHI (Service Area MHI/State MHI) to award points as follows:
  - a. 40 points if the area's MHI is less than 25% of the State's MHI.
  - b. 30 points if the area's MHI is between 25% and 50% of the State's MHI.
  - c. 20 points if the area's MHI is between 51% and 75% of the State's MHI.
  - d. 10 points if the area's MHI is between 76% and 100% of the State's MHI.
  - e. 0 points if the area's MHI is more than 100% of the State's MHI.

2. User Fees -- The Board shall divide the applicant's proposed user fees, rates, and charges by the service area's MHI (Proposed User Fees, Rates and Charges/Area MHI) to award points as follows:
  - a. 20 points if the rates are more than 2% of the area's MHI.
  - b. 10 points if the rates are between 1% and 2% of the area's MHI.
  - c. 0 points if the rates are less than 1% of the area's MHI.
3. Investment -- The Board shall divide existing indebtedness, existing investments, and proposed indebtedness by service area's MHI (Investment/ Area MHI) to award points as follows:
  - a. 20 points if the existing and proposed investment is more than 1% of the area's MHI.
  - b. 10 points if the existing and proposed investment is between .5% and 1% of the area's MHI.
  - c. 0 points if the existing and proposed investment is less than .5% of the area's MHI.
4. Cost Effectiveness (CE) -- The Board shall divide the estimated costs of construction by the number of benefiting connections (Construction Costs/# of Benefiting Connections) to award points as follows:
  - a. 20 points if CE is less than \$2,500 per benefiting connection.
  - b. 10 points if CE is between \$2,500 and \$5,000 per benefiting connection.
  - c. 0 points if CE is more than \$5,000 per benefiting connection.

**H.** Prior Year Funding (PYF) -- The Board shall award PYF points up to a maximum of 30 points with only 1 set of points awarded as follows:

1. 30 points if the applicant requests additional financial assistance for a multi-year construction project which received financial assistance from the Authority in a previous fiscal year.
2. 20 points if the applicant requests additional financial assistance to offset actual costs or justified overruns.
3. 10 points if the applicant requests financial assistance to construct a project which received planning and design financial assistance from the Authority in a previous fiscal year.
4. -10 points if the applicant requests financial assistance to offset cost overruns.



- I.** Consolidation & Regionalization (CR) -- The Board shall award CR points up to a maximum of 50 points as follows:
1. 20 points if the applicant is consolidating the physical facilities of existing multiple facilities.
  2. 20 points if the applicant is extending service to existing areas currently served by another facility.
  3. 5 points if the applicant is consolidating the operations of existing multiple facilities.
  4. 5 points if the applicant is consolidating the ownership of existing multiple facilities.
- J.** The Board may use the most recent United States census data to determine the applicant's and the state's median household income. If the Board or the applicant determines that this data is insufficient, the applicant shall use a reliable and impartial entity to conduct an income survey of the applicant's service area. If the applicant's service area is included in more than one income area, the Board may use an average of income areas to define the service area's median household income.
- K.** After scoring within each class, the Board shall rank tied scores by placing the lowest cost effectiveness ratio project above all other tied projects in the class. The cost effectiveness ratio means the project dollars per benefiting connection.

# CALIFORNIA

## **Priority Ranking Criteria**

*Projects will first be categorized based upon the degree of risk to public health that they will address. Projects will then be prioritized within each category based upon a bonus point system. Projects cannot move to a higher priority category based on the number of bonus points earned.*

**Public Health Risk** - Projects will be grouped into categories A to O based on the water quality, quantity, and reliability problems that they address. Category A represents the most acute risks.

- A. Systems that have been issued court orders for compliance and systems that are attributed with causing illness.
- B. Systems with microbial contamination resulting in a repeated bacteria MCL violation.
- C. Systems with unfiltered surface water or wells that have fecal or E. coli contamination.
- D. Systems with filtered surface water that violates the surface water filtration and disinfection regulation.
- E. Systems with insufficient water source capacity and therefore, water outages.
- F. Systems with nitrate or nitrite MCL and TCR violations.
- G. Systems with chemical MCL violations (except nitrate and nitrite).
- H. Systems with uncovered distribution reservoirs and low head lines
- I. Systems meeting existing, but not proposed microbial MCLs.
- J. Systems with significant sanitary defects.
- K. Systems with inadequate disinfection facilities.
- L. Systems meeting existing, but not proposed non-microbial MCLs.
- M. Systems with other standard waterworks defects.
- N. Systems with manganese or iron violations.
- O. Systems with other deficiencies.

## **Bonus Point Categories**

- **Affordability** - Up to 25 points will be given to projects based on a comparison of the project's service area MHI to Statewide MHI. The maximum 25 points will be given to systems with a service area MHI less than 60 percent of Statewide MHI.
- **Consolidation** - Projects to physically consolidate 2 or more systems will be given 20 points and those to consolidate ownership or management of 2 or more systems will be given 10 points.

## Notes

- **Tie-Breaking Procedure** - Systems with the same number of priority points within each category will be ranked in ascending order based on the size of their service population; the applicant with the smaller population will be given priority.
- **Small-Systems** - A small water system funding reserve will be established annually, initially based on the total cost of high-priority small system projects (but never to drop below 15 percent of the total funding available for financing projects). Small systems are defined as those serving fewer than 10,000 persons.
- **Type of System** - CWSs and NTNCWSs will be ranked above TNCWSs within each category A to O.

# CALIFORNIA

## A. Project Priority Ranking Criteria

### 1. Health Risk and Safe Drinking Water Act Compliance Categories

Both the federal DWSRF program guidelines and State legislation (H&S Code Section 116760.70) require that a Project Priority List be developed and that projects be funded in accordance with the priority list rankings. In establishing the priority list, the Department is required to rank projects in order of the degree of health risk associated with the problem that the proposed project is intended to solve. Thus the projects solving the most serious health risk and SDWA compliance problems will receive the highest ranking. When ranking projects, the Department is also required to consider the ability of the affected community to afford the cost of the proposed project (as described in Section II.A) on a per household basis.

The Department has had considerable experience in developing Project Priority Lists using the above criteria (with the exception of affordability) in implementing several previous drinking water financial assistance programs. Based on this experience, the Department has determined that a category system whereby projects fall into designated categories is the most feasible and practical way to rank proposed projects and is less complicated and subjective than a point rating system that is used by some states. The categories proposed to be used for the DWSRF program are consistent with Uses criteria and are similar to those categories used during the previous state funding programs. These categories group water quality, quantity, and reliability problems that have a similar degree of health risk.

The categories that have been established by the Department for the 1997-98 Project Priority List are briefly summarized below (a more detailed description of the categories is included in Appendix C):

#### Category Description

- A. Demonstrated illness attributable to the water system or a system under court ordered compliance.
- B. Microbial contamination of the water supply resulting in a repeated coliform bacteria maximum contaminant level (MCL) violation.
- C. Unfiltered surface water or wells that have fecal or E.coli contamination.
- D. Filtered surface water that violates the surface water filtration and disinfection regulation.
- E. Insufficient water source capacity resulting in water outages.
- F. Nitrate/nitrite contamination exceeding the MCL and Total Coliform Rule violations.
- G. Chemical contamination (other than nitrate/nitrite) exceeding a primary MCL.

- H. Uncovered distribution reservoirs and low-head lines.
- I. Systems meeting existing MCLs but not the proposed microbial MCLs or proposed microbial treatment standards or the California Cryptosporidium Action Plan.
- J. Significant sanitary defects involving sewage.
- K. Disinfection facilities that have defects.
- L. Systems meeting existing MCLs but not proposed non-microbial MCLs.
- M. Other waterworks standards defects.
- N. Iron and/or manganese violations,
- O. Other water system deficiencies.

In general, the Department considers priority categories A through G to be high priority, categories H through K to be medium priority and categories L through O to be low priority. This will help guide the Department in planning and establishing funding goals and objectives.

## **2. Bonus Ranking Points**

Bonus points are used only in ranking projects within a category, and it is important to keep in mind that the addition of bonus points will not move a project from one category to another. This point is stressed more than once in this document to emphasize that the category in which a project is placed is much more important, for funding concerns, than is the assignment of bonus points. To the extent feasible, the Department will try to fund whole categories.

### **a. Affordability**

Affordability is a new factor that was not a criterion during administration of the previous drinking water bond acts. The Department reviewed several methods used by other states and is proposing to use a system similar to that used by the State of New York. This method compares the median household income (MHI) level of the community served by the proposed project to the statewide median household income level. Communities that are below the statewide average median household income level would receive additional ranking consideration. This would give poor communities a higher ranking within a category than communities with higher income levels. Additional affordability ranking points will be granted as follows:

<u>MHI of Service Area</u>	<u>Ranking Points</u>
----------------------------	-----------------------

Greater than the statewide MHI	0
90% - 100% of statewide MHI	5
80% - 89% of statewide MHI	10
70% - 79% of statewide MHI	15
60% - 69% of statewide MHI	20
less than 60% of statewide MHI	25

**b. Consolidation**

Also, for purposes of ranking projects within a category, any project that includes consolidation of separate existing water systems will receive additional ranking points. Twenty points will be awarded for a physical consolidation of two or more systems and 10 points will be awarded for new consolidation of ownership and/or management (no physical consolidation) of two or more systems. The purpose of assigning consolidation points is to promote reliability, efficiency, and economy of scale that can be achieved with larger water systems while discouraging the proliferation of numerous separate small systems with their inherent inefficiencies and limitations. This is consistent with the legislative intent expressed in California Health and Safety Code Section 116760.10(g).

**3. Type of System**

Because there is a relatively higher health risk associated with persons who drink the same water each day over a period of time (accumulated exposure), community and nontransient noncommunity water systems will be ranked above transient noncommunity systems within a category.

**4. Population**

Awarding additional ranking points for affordability and consolidation only affects the ranking of a project within a category and will not result in a project being elevated to a higher category. All projects within a category that have the same number of ranking points will be ranked in ascending order based on the population served by the water system with smaller populations ranked above higher populations. This allows smaller communities that have a more difficult time obtaining financing an opportunity to compete with much larger systems for available state financing.

The California Legislature, in adopting Senate Bill 1307, made it clear that the degree of health risk, compliance with the SDWA, and affordability are to be the primary criteria for ranking projects. The ranking criteria described in this section accomplishes this. Senate Bill 1307, however, also indicates that the amount of growth included in a proposed project should be considered. To the extent this can be determined at this very preliminary stage of the process, the Department will give consideration to this element. The primary growth evaluation, however, will be made during the review of the full project application when this information becomes available and will, at that time, determine actual funding priorities.

# **DRINKING WATER STATE REVOLVING FUND LAW OF 1997 PRIORITY LIST CATEGORIES**

## **CATEGORY A**

### Definition:

Water systems with deficiencies that have resulted in documented waterborne disease outbreaks or water systems under court order to correct SDWA violations and/or water outage problems.

### Includes water systems that:

1. Have defects resulting in confirmed waterborne disease outbreaks; or
2. Are under court order because of a SDWA violation and have a court ordered schedule of compliance. The court ordered compliance shall not be dependent upon SRF moneys; or
3. Are under a court ordered service connection moratorium, have been directed to correct water outage problems and have a schedule of compliance. Court ordered compliance shall not be dependent upon SRF moneys.

### Excludes water systems:

1. With suspected but unconfirmed disease outbreaks.
2. Under court order that does not include a directive or a compliance schedule to correct a SDWA violation.
3. Under court order to correct a water outage problem that does not contain a service connection moratorium or a compliance schedule.
4. Under enforcement action other than court order, i.e. citations, compliance orders, domestic water permits with enforcement provisions or directives by the enforcement agency.

### Documentation:

Mandatory documentation includes all of the following unless otherwise noted:

1. A copy of a sanitary survey conducted by the enforcement agency defining the acute health hazard that resulted in the disease outbreak, SDWA violation or water outage.



2. If a waterborne disease outbreak has occurred in the water system:
  - a. A statement from the local health officer that a waterborne disease outbreak has occurred including the number of people ill, the suspected causative agent(s) and confirmation that the illnesses were due to water system deficiencies; and
  - b. If in effect, a copy of the consumer notification/boil order notifying consumers of the health hazard and written confirmation that the notification has been issued, the dates issued and to whom.
3. If a court order has been issued to the water system, a copy of the court order and statement from the enforcement agency defining when the outages and/or SDWA violations occurred. The statement must also affirm that the deficiency still exists.

### **CATEGORY B**

**Definition:**

Water systems that have sources contaminated with coliform bacteria (fecal, E. coli, or total coliforms) resulting in repeated violation of the total coliforms MCL.

**Includes domestic water systems that:**

1. Distribute water from any source contaminated with coliform bacteria that have not been reliably treated to deactivate the organisms before distribution; and
2. Have had repeated confirmed bacteriological contamination in the water delivered to consumers resulting in issuance of boil water and/or bacteriological failure notifications.

**Excludes water systems that:**

1. Distribute water from any surface water or groundwater that is contaminated with coliform bacteria and has been reliably treated to deactivate the organisms before distribution.
2. Have not had repeated confirmed coliform contamination in the water delivered to consumers.

**Documentation:**

Mandatory documentation includes copies of coliform analyses and total coliforms MCL violations.

## **CATEGORY C**

**Definition:**

Water systems which have a surface water supply that is not filtered or well sources that are subject to fecal or E. coli contamination.

**Includes:**

1. Provision of filtration treatment to water systems with groundwater sources that are under the direct influence of surface water; or
2. Provision of filtration treatment to water systems with unfiltered surface water supply that does not comply with the federal or state filtration avoidance criteria; or
3. Source water replacement for water systems with well sources that are subject to bacteriological contamination (fecal or E. coli) and are disinfecting the well water to meet the TCR.

**Documentation:**

Mandatory documentation includes a copy of the annual inspection report, sanitary survey or deficiency report describing the deficiency. If a fecal or E. coli contaminated well, mandatory documentation includes copy of bacteriological results.

## **CATEGORY D**

**Definition:**

Water systems which have surface water sources with treatment deficiencies that violate the Surface Water Treatment Rule (SWTR).

**Water Treatment deficiencies include:**

1. Filtration process without an approved filtration technology.
2. Disinfection facilities that do not comply with the SWTR.
3. Water Systems with surface water treatment facilities not meeting filtration and disinfection performance standards.

**Water Treatment deficiencies exclude:**

1. Properly designed diatomaceous earth or slow sand filtration.
2. Quality failures due to chemical dosage problems.

Documentation:

Mandatory documentation includes all of the following unless otherwise noted:

1. If there are turbidity standard failures; turbidity analysis reports confirming turbidity standard failures.
2. A copy of the annual inspection report, sanitary survey or deficiency report.

**CATEGORY E**

Definition:

Water systems with water outage problems which are caused by insufficient source capacity.

Includes water systems:

1. That have had connection moratoriums/limitations imposed by enforcement documentation, i.e. citation, compliance order, or permit provision; and
2. Where the water outages have been documented, frequent, and prolonged due to lack of sufficient source capacity.

Excludes water systems:

1. That have been directed by letter not to add connections; or
2. Where building moratoriums/limitations have been initiated for reasons other than insufficient source capacity problems; or
3. That have water outages caused by not meeting the Water Works Standards for the distribution system.

Documentation:

Mandatory documentation includes all of the following:

1. Copy of the enforcement document imposing the connection moratorium/limitation.
2. Records indicating the dates, times, areas affected and actions taken when water outages occurred.

## **CATEGORY F**

Definition:

Water systems that distribute water containing nitrates/nitrites in excess of the MCL.

Excludes water systems that:

1. Distribute water from high nitrate/nitrite sources that are reliably blended or treated to meet the nitrate/nitrite standard.

Documentation:

Mandatory documentation includes nitrate/nitrite analyses reports confirming the concentration exceeds the MCL.

## **CATEGORY G**

Definition:

Water systems that distribute water containing chemical or radiological contamination exceeding a primary MCL.

Excludes water systems that:

1. Distribute water from sources exceeding a chemical or radiological MCL that is reliably blended or treated to meet the MCL.
2. Distribute water from sources that only exceed a secondary MCL.

Documentation:

Mandatory documentation includes copy of analyses confirming the concentration exceeds a primary MCL.

## **CATEGORY H**

Definition:

Water systems with uncovered distribution reservoirs or reservoirs with floating covers or water systems with low-head transmission mains.

Includes:

1. Treated water reservoirs that do not have a rigid structural roof.
2. Domestic water transmission mains that have pressures less than 5 psi.

Excludes:

1. Treated water reservoirs that receive subsequent filtration treatment and comply with the Surface Water Treatment Regulations.
2. Raw water transmission mains that convey water that is or needs to be treated.

Documentation:

Mandatory documentation includes a copy of the annual inspection report or sanitary survey with photographs or deficiency report describing the deficiency.

### **CATEGORY I**

Definition:

Water systems that meet existing Surface Water Treatment Regulation but not proposed microbial MCLs or proposed microbial treatment standards or the California Cryptosporidium Action Plan.

Includes:

Water systems using surface water have existing plants that are just barely able to meet the turbidity performance standards of the existing SWTR. In-line or direct filtration plants that need to add a clarifier and/or water systems needing additional filters to slow down their filter loading rates and thereby produce a better effluent (average turbidity  $\leq$  0.20 NTU). These water systems may need improvements to their treatment facilities used to recycle backwash water. These water systems may also rely on pre-filtration chlorine disinfection credit to provide the inactivation and have raw water TOC  $>$  2.0. They will be required to provide enhanced coagulation and therefore would need to add effluent contact time or switch to ozone as a disinfectant.

Excludes:

Water systems that don't meet the existing SWTR. They should be in Category D.

Documentation:

Mandatory documentation includes a copy of the annual inspection report, sanitary survey or deficiency report describing the deficiency.

### **CATEGORY J**

Definition:

Water systems which have sources of supply, distribution mains or storage facilities situated in close proximity to sewage, sewage effluent or animal waste facilities.

Includes water systems with any of the following:

1. Distribution lines which may be subject to back-siphonage.
2. Wells, mains, or storage facilities located in, or in close proximity to sewage, sewage disposal areas, dairies, animal waste storage areas, feed lots, corrals or other such animal enclosures.
3. Separation of water mains and sewer mains that do not comply with the proposed Water Works Standards.
4. Improperly constructed or maintained wells, storage, treatment or distribution facilities which are situated in close proximity to sewage.

Excludes:

1. Water main and sewer main cross-overs which have been satisfactorily designed and which provide an adequate degree of protection for the water main.

Documentation:

Mandatory documentation includes a copy of the annual inspection report, sanitary survey or deficiency report describing the deficiency.

### **CATEGORY K**

Definition:

Water systems that operate disinfection facilities that lack needed reliability features, chlorine residual analyzers and alarms or have other deficiencies that may allow the water to be improperly disinfected.

Includes disinfection equipment that:

1. Does not have automatic switchover devices on manifolded chlorine cylinders.
2. Does not have a chlorine residual analyzer, chart recording device, and appropriate alarms.
3. Does not have reliable backup equipment (spare chemical feed pumps, etc.).
4. Does not have the necessary leak detection, safety and handling equipment.

Excludes:

1. Disinfection equipment that meets the reliability criteria.
2. Changes in disinfectant when no defect exists in the disinfection facilities.

Documentation:

Mandatory documentation includes a copy of the annual inspection report or deficiency report requiring the installation of reliability features, monitoring and control features, or safety alarms.

**CATEGORY L**

Definition:

Water systems that distribute water in excess of a proposed chemical or physical MCL or action level (AL), but meet existing MCLs.

Includes water systems that fail to meet proposed standards:

1. adopted in a U.S. EPA regulation negotiation process; or
2. published in the Federal Register; or
3. adopted as an interim MCL or AL by the Department of Health Services.

Excludes water systems that:

1. Distribute water from sources exceeding a proposed chemical or radiological MCL or AL that is reliably blended or treated to meet the MCL or AL.

Documentation:

Mandatory documentation includes a copy of water quality analyses confirming the concentration exceeds the proposed MCL or AL.

**CATEGORY M**

Definition:

Water systems that do not meet the Water Works Standards other than those components already covered by the above listed categories.

**CATEGORY N**

Definition:

Water systems that have water quality problems from iron (Fe) and/or manganese (Mn) in the water delivered to consumers.

Includes:

1. Replacement of sources for water systems that have source waters exceeding the secondary Maximum Contaminant Levels (MCL) for Fe and/or Mn.
2. Installation of treatment systems for the removal or elimination of Fe and/or Mn.

Excludes:

1. The use of sequestering agents to treat for Fe and/or Mn.

Documentation:

Mandatory documentation includes data confirming source water supply does not comply with the secondary MCLs for Fe and Mn.

### **CATEGORY O**

Definition:

All water system deficiencies that are eligible and are not covered in any of the above categories.

Includes:

1. Improvement or replacement of source, storage, treatment, or distribution system facilities.
2. Provision of backup or reliability features, well rehabilitation, expansion of system to replace private wells, additional source acquisition, etc.



## HAWAII

### **Priority Ranking Criteria**

*Projects will be prioritized based on points accrued in the four categories listed below:*

- **Acute Health Problem** - Points will be given to projects that seek to correct acute health problems (e.g., 80 to 100 points for a waterborne disease outbreak, 80 points for total coliform).
- **Chronic Health Problem** - Points will be given to projects that seek to correct chronic health problems (e.g., 60-80 points for non-compliance with the Lead & Copper Rule, 50 points for infrastructure improvements or replacements which help provide safe drinking water).
- **Other Public Health Criteria** - Ten to 25 points will be given to projects for systems whose only source(s) serving the system is (are) affected. Points will be given at the Director's discretion for projects that correct damage by natural disaster.
- **Consolidation/Prevention/Conservation** - Points will be given to projects that seek to implement other measures (e.g., 50 points for consolidation of systems serving up to 10,000 people, 10 to 15 points if the project addresses DOH compliance orders, 10 points for water conservation programs).

### **Notes**

- **Refinancing Existing Debt** - Projects refinancing existing debt will accrue points using the same scale, but the total will be divided by 1,000 to determine the final point value for ranking.

# HAWAII

## SDWRSF PROJECT RATING CRITERIA

### 1. Projects to Correct Acute Health Problem

(a)	Waterborne disease outbreak.	80 - 100
(b)	Surface Water Treatment Rule compliance (includes groundwater under the direct influence of surface water or GWUDI).	100
(c)	Total Coliform Rule compliance.	
	Fecal coliforms.	100
	Total coliforms.	80
(d)	Nitrate or Nitrite.	100

### 2. Projects to Correct Chronic Health Problem

(a)	Lead & Copper Rule (90th percentile values).	
	Lead Action Level (0.015 mg/L) exceedance.	80
	Copper Action Level (1.3 mg/L) exceedance.	60
(b)	Organic Chemical.	80
(c)	Inorganic Chemical.	80
(d)	Project to address a currently unregulated or any other contaminant not addressed above.	50 - 80
(e)	Infrastructure improvements or replacements to provide safe drinking water. These include installation, replacement, or rehabilitation of eligible water sources, treatment facilities and processes, pumps, storage, transmission and distribution piping, and other eligible infrastructure needs.	50 (Maximum)

3.	<u>Other Public Health Criteria</u>	
(a)	Only source(s) serving the system is (are) affected.	10 - 25
(b)	Damage by natural disaster. Director's discretion.	
4.	<u>Project Readiness</u>	
(a)	State Environmental Review Process completed.	25
(b)	Engineering Report (surface water treatment plants) & Construction Plans Approved by DOH.	25
5.	<u>Incentives</u>	
(a)	Small System (<10,000) consolidation. Project will protect public health by supplying safe drinking water from a qualified local government or a water authority within a certified government to an existing, privately-owned public water system that demonstrates or may demonstrate non-compliance with the current or future state and federal drinking water regulations.	50
(b)	The public water system has taken interim steps to temporarily resolve the water quality problem and has committed to a definitive, long-term solution without incurring violation.	25
(c)	The project is required as part of a DOH compliance order. Violation incurred before July 1, 1997.	25
	Violation incurred on or after July 1, 1997.	15
(d)	Required Phase II and V monitoring is up-to-date.	10
(e)	DOH Approved Cross-Connection Control program w/ testing.	10
(f)	Water Conservation Program.	10
(g)	DOH Approved Wellhead Protection or Source Water Assessment program(s).	10

NOTE: Projects involving the refinancing of existing debt will receive a preliminary score using the same criteria as current construction projects. The preliminary score will then be divided by one thousand (1,000) to determine the refinancing project's final point total for the Priority List.

## NEVADA

### **Priority Ranking Criteria**

*Projects will be grouped into four classes based on the severity of the public health risk they seek to address. Projects will then be prioritized within each class based on various criteria. Points assigned to address different problems within a class are additive. Ranking within each class cannot result in a project moving from one class to another.*

- **Class I** - Points will be given to projects to address acute health problems, demonstrated illness attributable to the PWS, or court-ordered compliance. Projects will receive 4 points for addressing the Total Coliform Rule, 3 points for addressing the Surface Water Treatment Rule, and 2 points for addressing the Nitrate/Nitrite rule.
- **Class II** - Projects for systems with chronic health problems will be given as many as 15 points for systems with primary drinking water standards violations, while only 1 point will be awarded for each secondary standard violation.
- **Class III** - Projects for systems with deteriorated, substandard, or inadequate conditions will be given as many as 25 points for potential consolidation, while the minimum (3 points) will be given for metering.
- **Class IV** - Any project involving the refinancing of existing debt incurred after July 1, 1993 will be placed in this class.

### **Ranking Within Classes**

- **System Type** - Projects will be ranked by type of system in the following order: CWSs; NTNCWSs (nonprofit entity); or TNCWSs (nonprofit entity).
- **Affordability** - Within CWSs, projects will be ranked from lowest to highest MHI. The project with the lowest MHI will be given priority.
- **Population** - Within NTNCWSs and TNCWS, projects will be ranked by population. The system serving the largest population will be given priority.

## NEVADA

### **VI. Priority system description:**

- A. Small public water systems (regularly serving fewer than 10,000 persons) will be identified for the purpose of meeting the loan assistance criteria of Section 1432 (a)(2) of the SDWA
- B. Each project will be placed into one of the following four classes:
  - 1. Class I: addresses problems including, but not limited to, demonstrated illness attributable to the public water system, a court ordered compliance or acute health concerns related to the following, in order of priority: Total Coliform Rule (4 points), Surface Water Treatment Rule (3 points), and Nitrate/Nitrite rule (2 points).
  - 2. Class II: chronic health concerns ranked by documented problems in meeting the following:
    - a) Primary drinking water standards in the following order: lead and copper (15 points), volatile organic compounds (11 points), synthetic organic compounds (9 points), inorganic compounds (7 points), radiological (5 points); then
    - b) All secondary drinking water standards (1 point).
  - 3. Class III: deteriorated, substandard, or inadequate public water system condition, or construction ranked by a point system in descending order with the point system as follows potential consolidation (25 points), treatment facilities (20 points), production facilities (15 points), storage (10 points), transmission (8 points), distribution (6 points), backflow prevention (4 points), metering (3 points).
  - 4. Class IV: refinancing of existing debt incurred after July 1, 1993.

**VII. All requests for projects to be included on the priority list will be reviewed using records maintained by the Division. Projects will be put into the appropriate Class to address the most severe problem.**

**VIII. Within each class, the projects will be ranked by type of public water system in the following order: community; non-transient, non-community, nonprofit entity; or transient, non-community, nonprofit entity.**

**IX. Within a community type of public water system, projects will be ranked from lowest median household income to highest median household income with lowest median income given the highest ranking.**

**X. Within each type of a non-community type of public water system, projects will be ranked from highest population served to lowest population served with highest population given the highest ranking.**

**XI. Ranking within each class cannot result in a project being moved from one class to another class. Points assigned to address different problems within a class are additive.**

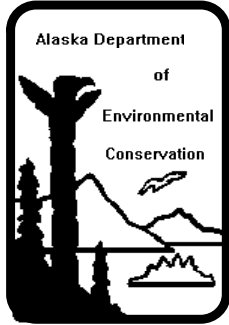
- XII. Requests for financial assistance for emergency situations may be made to the Division at any time. All other applicants on an approved priority list will be notified of such a request to provide an opportunity for comment and any objections. Such projects may receive a high priority rating, and may receive assistance for that year subject to public review.**
  
- XIII. Eligible projects on the priority list may be bypassed if the applicant withdraws a project, requests that action be deferred, fails to meet submittal deadlines, or is not ready to proceed as determined by the Division. Those projects will be provided notice by the Division and have an opportunity for objection.**
  
- XIV. The Division reviewed the priority system proposed in draft regulations and, as outlined above, in workshops held during the weeks of February 9 and February 16, 1998 in Elko, Fallon, Canon City and Las Vegas. The workshops provided the public with an opportunity to review and comment on the Division's proposals for the IUP, the priority system and list, and the draft regulations. The draft regulations included a description of the emergency and bypass procedures. A summary of the public workshops comments and public participation is included in Attachment D.**

## ALASKA

### **Priority Ranking Criteria**

*Projects will be prioritized based on points accrued in the four categories listed below. The first three categories, which are required by the SDWA, give points for only one solution in each category; the last category allows for points to be received for all items that apply.*

- **Public Health** - Points will be given to projects that seek to correct a public health problem (e.g., 100 points for a documented human disease outbreak such as hepatitis or giardiasis, 50 points for potential long-term, chronic health problems or for inadequate infrastructure, 30 points for potential health hazards, secondary contaminants, or inadequate operations). Points will be given for only one item.
- **Compliance with the Safe Drinking Water Act** - Points will be given to projects that seek to correct non-compliance, based on the severity (35 points for an executed consent agreement or order; 25 points for SNC violations, NOVs, and boil water notices; 10 points for minor documented compliance issues). Points will be given for only one item.
- **Affordability** - Points will be given to projects based on affordability if the water system provides recent income data, population figures, and a fee structure or ordinances. Three, 6, or 10 points will be allotted based on affordability (monthly water cost/monthly income).
- **Additional Considerations** - Projects that have implemented or seek to implement additional measures such as employing or using certified/qualified operators, adopting a debt retirement plan, preparing and submitting construction plans or engineering studies, and regionalizing or consolidating will receive points (maximum of 15 - 5 points per item) for all items that apply in this category.



## ALASKA DRINKING WATER STATE REVOLVING LOAN FUND PRIORITY CRITERIA

*The Safe Drinking Water Act requires states to fund projects from their state revolving loan fund based upon public health, compliance and affordability criteria. The following criteria have been established for Alaska's prioritization process accordingly.*

### SAFE DRINKING WATER ACT CONSIDERATIONS

#### **PUBLIC HEALTH** (Only One)

- 1) This project will correct the cause of a documented human disease event. 100 pts  
*Examples include outbreaks of Hepatitis, Giardiasis, and Cryptosporidiosis.*
  
- 2) This project will provide potable water to a community or area currently not served by piped service. 75 pts  
*Examples include existing watering points, existing water bucket/self haul communities or other existing un piped systems. Projects predominately for future growth or areas served by adequate supplies are ineligible.*
  
- 3) This project will eliminate acute risks to public health. 75 pts  
*Examples include projects that will resolve microbial risk from inadequately treated surface water or groundwater, CT tank construction or treatment of dangerously high levels of contaminants such as nitrate exceedances or chemical concentrations greater than 10-day health advisories.*
  
- 4) This project will correct potential long-term, chronic health problems or repair or replace serious distribution system problems or leaks. 50 pts  
*Examples include VOC removal, pH adjustment or replacement of wood-stave pipe and/or correction of potential distribution system freeze-up problems.*
  
- 5) This project will eliminate potential health hazards, provide treatment of secondary contaminants such as iron or manganese, or enhance system operations. 30 pts  
*Examples include periodic exceedances of primary MCLs due to mechanical or structural problems, undersized or inadequate components or low pressure problems. This can include SCADA and other process instrumentation.*



**COMPLIANCE WITH SAFE DRINKING WATER ACT** (*Only one*)

- 1) This project will allow a system to come into compliance with an executed Compliance-Order-By-Consent (COBC) or Administrative Order, Judicial Decision or Consent Decree. 35 pts  
*Points will be awarded only for agreements executed between the appropriate primacy health agency (U.S. Environmental Protection Agency or Alaska Department of Environmental Conservation) and the system owner; or for a judicial decree.*
- 2) This project will resolve a significant compliance issue. 25 pts  
*Examples include SNC violations, NOVs and boil-water notices.*
- 3) This project will address a documented compliance issue. 10 pts  
*Examples include documented compliance issues that are relatively minor in nature. Documentation will include agency notification letters.*

**AFFORDABILITY** (*Only One*)

- 1) These points will only be given if a water system provides recent income data, population figures and a fee structure or ordinances. The average monthly household cost for water service will be divided by the monthly mean household income, after project completion. The monthly mean household income will be documented by a current survey or census data.  

High (monthly water cost/monthly income)	> 1%	10 pts
Moderate (monthly water cost/monthly income)	0.5% - 1%	6 pts
Low (monthly water cost/monthly income)	< 5%	3 pts

**ADDITIONAL CONSIDERATIONS** (*Accumulative - up to 15 points maximum*)

- 1) The system employs, or has access to, the correct level of certified or qualified operators. 5 pts
- 2) The system has adopted debt retirement measures. This could include a rate structure guaranteeing this debt retirement or other debt retirement measures as documented by an independent single audit or certified enterprise fund budget documents. 5 pts
- 3) Construction documents have been prepared and submitted. 5 pts
- 4) A detailed engineering feasibility study, including detailed cost estimates, has been prepared and submitted. 5 pts
- 5) This project will result in the regionalization and/or consolidation of two or more existing public water systems. 5 pts

# IDAHO

## Priority Ranking Criteria

*Projects will be prioritized based on points accrued in the 10 categories listed below:*

- **Public Health Emergency** - Projects for systems with outbreaks of waterborne illnesses, source contamination exceeding URTH levels, or a failed source will be given 100 points.
- **Public Health Hazard** - Projects for systems with a public health hazard may be given between 5 and 19 points (e.g., 19 points if there is evidence that waterborne illnesses have occurred, 5 points if there is a high potential for waterborne illnesses). Points may be given for only one item.
- **Water Quality Violations (Microbiological)** - Projects for systems with primary MCL (coliform) violations within the past year will be given points depending on the number of violations. A maximum of 15 points may be given for more than 6 violations in the previous 12 months.
- **Water Quality Violations (Chemical)** - Projects for systems with chemical violations will be given points for all criteria that apply depending on the severity and frequency of violations (e.g., 15 points if the system has nitrate and nitrite MCL violations, 7 points if it has copper exceedances, 3 points if it does not meet all applicable MCLs).
- **Water Quality Violations (Treatment Technique)** - Projects for systems with treatment technique violations will be given 15 points.
- **General Conditions of Existing Facilities** - Projects will be given points for each facility deficiency that the project will remedy (e.g. 14 points if the necessary water treatment facilities do not exist, are not functioning, or do not meet the requirements of Idaho public drinking water rules, 2 points if more than 4 pipe leaks per 100 connections occur each year). Points may be given for all items that apply.
- **Overall Urgency** - Projects for systems with urgent water issues will be given between 5 and 10 points (e.g. 10 points, the maximum, if the system is out of water, or the water it delivers cannot be rendered safe by boiling; 8 points if it delivers water that can be rendered safe by boiling). Points may be given for only one item.
- **Under Consent or Administrative Order** - Thirty points will be given to projects required under consent or administrative orders.
- **Incentives** - Projects that seek to implement prevention and other measures may receive points for all criteria that apply in this category (2 points per measure for source water assessment, implementing a protective zone, etc).
- **Affordability** - Ten points will be given to projects if the revised user charge after construction exceeds 1 percent of the Statewide MHI, as determined by the most recent census.

Priority Year: \_\_\_\_\_

**PRIORITY RATING FORM - STATE of IDAHO**  
**Loans for Drinking Water**

Name of Project: \_\_\_\_\_

Population Served by Project: \_\_\_\_\_

Date of Rating: \_\_\_\_\_ Regional Office: \_\_\_\_\_

Rater (Staff Member): \_\_\_\_\_

**1) PUBLIC HEALTH EMERGENCY (100 pts)**

- A. Water borne outbreak
- B. Source has become contaminated with chemical or radiological contamination at levels exceeding URTH\*, or.
- C. The water system has failed source. Points \_\_\_\_\_  
(0 or 100)

**2) PUBLIC HEALTH HAZARD (Select One)**

- A. There is evidence that waterborne illnesses have occurred. Points \_\_\_\_\_  
(19)
- B. There are reports of illnesses which may be waterborne. Points \_\_\_\_\_  
(Need records from health district or DEQ  
(10)
- C. No reports of waterborne illness, but high potential for such exists. Points \_\_\_\_\_  
(5)
- D. No reports of possible waterborne illness and low potential for such. Points \_\_\_\_\_  
(0)

**Subtotal (Part 2) \_\_\_\_\_**

\* URTH (*Unreasonable Risk to Health*)

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3) WATER QUALITY VIOLATION

A. Microbiological. (Select One - Consider coliform violations)

1. Primary Maximum contaminant level (MCL) violation more than 6 times in proceeding 12 months. Points \_\_\_\_\_
2. In the past 12 months violated a MCL 4 to 6 times. Points \_\_\_\_\_  
(12)
3. In the past 12 months violated a MCL 2 to 3 times. Points \_\_\_\_\_  
(9)
4. In the past 12 months violated MCL 1 time. Points \_\_\_\_\_  
(6)
5. System has experienced a positive coliform sample within the last 12 months. Points \_\_\_\_\_  
(3)

**Subtotal (Part 3)** \_\_\_\_\_

B. Chemical (Select all that apply)

1. MCL for nitrite and nitrate exceeded. Points \_\_\_\_\_  
(15)
2. MCL exceeded for chronic chemical or radiological contamination or Pb/Cu action level. Points \_\_\_\_\_  
(12)
3. Action level exceeded only for copper. Points \_\_\_\_\_  
(7)
4. Violation of secondary drinking water standards. Points \_\_\_\_\_  
(4)
5. Does not meet all applicable MCL goals. Points \_\_\_\_\_  
(3)
6. Meets all MCLs and MCL goals. Points \_\_\_\_\_  
(0)

**Subtotal (Part 3-B)** \_\_\_\_\_

- 
- C. Water treatment technique violations. Points \_\_\_\_\_  
(15)
- 4) GENERAL CONDITIONS OF EXISTING FACILITIES (Select all those which are true and project will remedy)
- A. The necessary water treatment facilities do not exist, not functioning, functioning but do not meet the requirements of the Idaho public drinking water rules. Points \_\_\_\_\_  
(14)
- B. Sources are not developed or protected according to the Idaho rules. Points \_\_\_\_\_  
(10)
- C. Source capacity is not adequate to meet current demands and system occasionally goes dry or suffers from low pressures. Points \_\_\_\_\_  
(10)
- D. Storage, pumping and distribution facilities have inadequate capacity and cannot reliably meet current demands (Distribution). Points \_\_\_\_\_  
(10)
- E. Facilities have inadequate capacity and cannot reliably meet current demands (Treatment). Points \_\_\_\_\_  
(10)
- F. Existing storage tanks leak excessively or are structurally flawed. Points \_\_\_\_\_  
(5)
- G. Pipe leak repair greater than 4 leaks per 100 connection per year. Points \_\_\_\_\_  
(2)
- H. Existing facilities generally sound and meeting existing needs. Points \_\_\_\_\_  
(0)
- Subtotal** (Part 4) \_\_\_\_\_

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5) OVERALL URGENCY (Select One)

- A. System generally out of water. There is no water for flushing toilets. Points \_\_\_\_\_  
(10)
- B. System delivers water which cannot be rendered safe by boiling. Points \_\_\_\_\_  
(10)
- C. System delivers water which can be rendered safe by boiling. Points \_\_\_\_\_  
(8)
- D. System occasionally out of water. Points \_\_\_\_\_  
(5)
- E. Situations should be corrected, but not urgent. Points \_\_\_\_\_  
(0)

**Subtotal** (Part 5) \_\_\_\_\_

6) UNDER CONSENT OR ADMINISTRATIVE ORDER Points \_\_\_\_\_  
(30)

7) INCENTIVES

- A. Source water assessment. Points \_\_\_\_\_  
(2)
- B. Protective zone. Points \_\_\_\_\_  
(2)
- C. Master or facility plan complete. Points \_\_\_\_\_  
(2)
- D. Applicant has established replacement fund. Points \_\_\_\_\_  
(2)
- E. Consolidation (regionalization) plan in place. Points \_\_\_\_\_  
(2)
- F. Active backflow program in place. Points \_\_\_\_\_  
(2)

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G. Applicant has conservation oriented rate structure (meters). Points \_\_\_\_\_  
(2)

H. Applicant is current on all monitoring requirements. Points \_\_\_\_\_  
(2)

**Subtotal (Part 7)** \_\_\_\_\_

8) Affordability

Revised user charge after construction of proposed project exceeds \$21.04 per month (1% of statewide median household income figure from 1990 census).

**Subtotal** \_\_\_\_\_  
(0 or 10)

**Priority Rating Summary**

Part 1 \_\_\_\_\_

Part 2 \_\_\_\_\_

Part 3 \_\_\_\_\_

Part 4 \_\_\_\_\_

Part 5 \_\_\_\_\_

Part 6 \_\_\_\_\_

Part 7 \_\_\_\_\_

Part 8 \_\_\_\_\_

**TOTAL** \_\_\_\_\_

## OREGON

### **Priority Ranking Criteria**

*Projects will be prioritized, after the system has submitted a Letter of Interest and other necessary information, based on points accrued in the five categories listed below. Depending on the project's ranking, the system may submit a final application.*

- **Human Health** - Points will be given to projects that seek to correct health concerns (e.g. 40 points for acute risk(s) such as fecal coliform, nitrate/nitrite, SWTR violations and waterborne illness, 20 points for moderate risk(s) such as TCR violations or copper, chemical, or radiological presence). Points may be given for only one item.
- **Compliance** - Points will be given to projects needed to achieve, maintain, or improve compliance with State and federal drinking water regulations (e.g., 30 points if the project will comply with an administrative order or compliance agreement, 5-15 points if it will prevent future violations). Points may be given for only one item.
- **Community Affordability** - Points will be given to projects based on the drinking water system cost to residents on a per household basis. Cost will include user fees, system debt, etc., and points will be assigned based on a comparison of the household cost of each applicant compared to that of the other applicants. Five, 10 or 15 points will be given.
- **Cost Effectiveness** - This category has two elements. Up to 10 points, (0, 3, 7, 10) will be given based on the amount of requested DWSRF funds divided by the population served by the system (after a comparison with other letter of interest applicants). Five points will be given if the system presents an innovative cost-effective solution to the stated problem.
- **Consolidation** - Ten bonus points will be given to applicants who will consolidate 2 or more water systems by mutual written agreement to solve a drinking water quality problem.



## OREGON

*Excerpt from A1997 Safe Drinking Water Revolving Loan Fund Guidelines and Applicants Handbook, January 16, 1998, adopted as Oregon Administrative Rule.*

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### **IX. Project Priority List and Intended Use Plan (Including By-Pass Procedure)**

- A. Only projects on the Project Priority List will be eligible for financing. This Project Priority List will be made a part of the Intended Use Plan which the Health Division submits to EPA annually indicating how SDWRLF funds will be used in Oregon.
- B. Projects will be solicited from drinking water systems to create the Project Priority list. A drinking water system that responds with project and financial need information in a Letter of Interest will have its project rated using criteria in this rule. All projects will then be ranked by the Health Division and the Department, to form the Project Priority List. The ranking of the project will dictate when an applicant may submit a final application. (See Section E below.)
- C. If the Department, the Health Division and the applicant believe it is in the best interest of the applicant to complete a planning project before a construction project, then the planning project may be awarded.
- D. When an applicant submits a complete final application to the Department, it will be considered for an award followed by a loan contract. A complete final application will include at a minimum, all pages of the SDWRLF application, public hearing process, documented commitment of other funds, documentation of the water quality and water system compliance from the Health Division, and documentation of compliance with state and local comprehensive land use plans and other state laws.
- E. Project Priority List Rating Criteria. Points will be assigned only to an eligible project, one that is needed to correct non-compliance with current or future state and federal drinking water standards, or addresses the most serious human health risks, or is needed to create a new drinking water system that will benefit public health. A project primarily intended to meet growth will not be funded. Points will also be assigned to projects on the cost of water on a per-household basis. The numerical ranking of drinking water projects will be based on points assigned from the following six sets of rating criteria:
  1. Risk to human health. Points are assigned to projects which propose to eliminate risks to human health from contaminants in drinking water. (One assignment of points per project; maximum 40 points)
    - a. Acute risks: Fecal Coliform, E. Coli, or Nitrate/Nitrite contamination above the Maximum Contaminant Level (MCL), inadequate treatment technique or facilities which result in Surface Water Treatment Rule violations, or presence of pathogenic organisms at levels that present a significant risk of waterborne disease. (40 points)
    - b. Chronic risks: Lead, Inorganic, Synthetic or Volatile Organic chemical contamination including trihalomethanes, and combined radium-226, -228 and gross alpha activity above the MCL, or Action Level (AL). (30 points)

- c. Moderate risks: Total Coliform above the MCL, or Copper or a chemical or radiological constituent that exceeds fifty percent (50%) of the MCL or AL. (20 points)
  - d. Risk levels less than those considered Moderate risks. (Maximum 10 points)
    - (1) Chemical, except Nitrate, or radiological contaminant detected in the drinking water supply at less than half, but greater than twenty percent of the MCL, or Nitrate detected in the drinking water supply at greater than 2.0 mg/L but less than 5.0 mg/L. (10 points)
    - (2) Groundwater contamination at or above the MCL which is within 1,000 feet up gradient from a well or spring, or is within the two-year time of travel to a well or spring. (10 points)
    - (3) Presence of high-risk contaminants (used in Oregon drinking water protection guidance) or potential sources of viral contamination within the two-year time of travel zone. (10 points)
    - (4) Distribution or storage conditions which may result in drinking water contamination violations, such as an inability to maintain a minimum pressure of 20 psi (pounds per square inch) at all service connections under normal conditions, or leaking pipe due to age or having out lived its useful life with documented excessive finished water loss of 30% or greater. (10 points)
2. Compliance. Points will be assigned to applicants with a project that achieves, maintains or improves its ability to comply with federal and state drinking water regulations. (One assignment of points per applicant, maximum 30 points)
- a. Project will comply with an administrative order, bilateral compliance agreement or court order issued by the Division or other regulatory agency, or will comply with a deadline in a drinking water law or administrative rule. (30 points)
  - b. Project will address an existing regulatory or compliance issue that, if preventive measures are not taken, will receive an official order or notice of violation in the near future. (20 points)
  - c. Project is intended to prevent future violations of existing drinking water regulations.
    - (1) Applicant has a DEQ-certified Drinking Water Protection Plan. (15 points)  
or
    - (2) Applicant has an OHD-certified delineated drinking water protection area and has formed a local Drinking Water Protection Team. (10 points)  
or
    - (3) Neither of the above. (5 points)

3. Community Affordability. Points will be assigned based on drinking water system cost to residents on a per household basis. Drinking water system cost will include user fees, system debt including property tax assessments for water system obligations and other miscellaneous costs charged to system users on a system-wide basis. Points will be assigned based on comparing the household cost of each Letter of Interest applicant to all others. The numerical household cost of all Letter of Interest applicants will be divided into four logical groupings and points assigned to each grouping. Each Letter of Interest applicant will be assigned the number of points for the grouping in which it lies. (15, 10, 5, 0 points)
  4. Cost Effectiveness. Points will be assigned based on the amount of requested SDWRLF funds divided by the population served by the water system compared to all other Letter of Interest applicants. The numerical per capita cost requested of all Letter of Interest applicants will be divided into four logical groupings and points assigned to each grouping. Each Letter of Interest applicant will be assigned the number of points for the grouping in which it lies. (10, 7, 3, 0 points)
  5. Points shall be assigned for applications which present an innovative cost effective solution to the stated problem. (5 points)
  6. Bonus Points for consolidation of two or more systems. Bonus points will be assigned to applicants that will consolidate or merge water systems by mutual written agreement for the purpose of solving a drinking water quality problem. (10 points)
- F. The score used in ranking applications will consist of the sum of the points received in each of the point categories.
- G. An application may be rejected if it does not meet threshold eligibility criteria noted in Section VII A, Project Eligibility.
- H. Loan Increases: Loan increases will be awarded to previously funded projects to the extent necessary to fulfill the objectives of the project. The loan underwriting guidelines in Exhibit D must be met and SDWRLF funds must be available at the state level.
- I. Project Priority List and By-pass Process:
1. A line will be drawn dividing the Project Priority List at the point where available program funds end. (Generally, we believe that the projects with the most health risk to residents will be at the top of the list.)
  2. Applicants above the line are not guaranteed funding, but may then submit a final application when they are ready to move forward (enter into binding commitment) and the state will fund the project if the application is complete and meets program rules.
  3. The line may be adjusted downward if projects above the line are removed from the list.

4. After one program year has passed, if all funds have not been obligated to projects above the line, then the line will be moved down the list and drawn at the point where the remaining unobligated funds end. New projects now above the line may submit a final application when they are ready to move forward and the state will fund the project if the application is complete and meets program rules. At the time when the state moves the funding line down the list, the state will assess the 15% small community requirement. If at least 15% of the funds have not been awarded to small communities, then only small communities will be considered until the 15% requirement is met. Then all other applications will be considered.
5. The process described in 4. above will be followed each succeeding six months until all funds are obligated.
6. The Department will establish a list of projects for the funding year to create the Intended Use Plan for its application to the U.S. Environmental Protection Agency. The Department will accept Letters of Interest from eligible applicants at any time during the year, however, it will not add them to the Intended Use Plan until the Intended Use Plan is amended. The Department may amend the Intended Use Plan during the program year after public comment is received and in accordance with the requirements of the U.S. Environmental Protection Agency Drinking Water State Revolving Fund Program Guidelines.
7. An emergency project (see definition on page 2) may be added to the Project Priority List at any time during the year. If a final application for an emergency project is approved, it will be funded with unobligated program funds. All other projects above the line will still be funded as final applications are received and approved by the Department, however, if an emergency project is funded, other projects may be forced to wait until the succeeding year for funding.
8. To add projects to the Project Priority List, the Department will follow the process outlined in subsection (E) of this section.

J. Removal from Project Priority List

1. The Department may remove a project from the Project Priority List if the Department and the Health Division determine that the project scope, cost, schedule, or other commitments have substantially changed or if the applicant requests removal.
2. Before the Department removes a project from the Project Priority List, written notice will be given to the applicant whose project is proposed for removal. The applicant will be given thirty (30) days after the notice to demonstrate to the Department project eligibility, feasibility and ability to proceed.
3. The Health Division and the Economic Development Department will assist the water system in its efforts to be ready for funding in the next year, as practicable.

- K. The Department will establish a new Project Priority List each funding year (based on the priority list rating criteria) for the Intended Use Plan, and in accordance with the procedures outlined in Section IX. Applicants with projects remaining on the previous years Project Priority List that have not been funded will have the opportunity to request the project be placed on the new Project Priority List for the next funding year or submit a Letter of Interest for a new project for the new Project Priority List. All existing projects will be re-rated for priority ranking. Any application may be higher or lower than it was on the previous years list.

#### **X. Disadvantaged Communities**

An applicant which meets the definition of a disadvantaged community as defined below and demonstrates financial need may qualify for a reduced interest rate loan.

Definition of a Disadvantaged Community:

A disadvantaged community is defined as one whose average water cost for a residential customer in the service area of the water system is at least the state average\* for like systems (which have recently undergone a construction project) after the proposed project improvements are completed and currently meets at least two of the criteria listed below.

1. The debt for community water systems that operate water systems only is at least \$250 per capita or for those community water systems that operate both water and wastewater systems, the debt is at least \$500 per capita. Private community water systems with no debt, due to the inability to obtain loans for water system improvements because of a lack of financial ability to borrow funds, may meet this criteria if they can provide documentation that they could not obtain private funding for a capital water project within the past three years.
2. The water system includes at least 51% low and moderate income persons as defined by the most recent census data tabulated by the U.S. Department of Housing and Urban Development or as defined by an approved local survey. For those systems which do not fit within exact census tract or enumeration district boundaries, the Department will determine the appropriate census data to be used based on a reasonable comparison of census boundaries to the community system boundaries.
3. The residents of the community water system have documented financial burden due to a recent (within the past two years) national or state declared disaster. Documentation of unreimbursable expenses (minimum of \$25 per capita) will be required.

\* Please contact your project coordinator at the Oregon Economic Development Department to obtain the current state average water cost used for the program. The cost will include any General Obligation Debt for the water system and will be based on a standard residential water usage of 7,000 gallons per month.

## WASHINGTON

### Priority Ranking Criteria

*An application will receive points for only one item in only one of the six categories listed below. Primary points are given depending on the solution within the category that the project seeks to provide. Additional points will be given based on the compliance status of the system (0, 20, 25), the restructuring/regionalization benefit (0-5), the multiple benefit (0-5), and the affordability of the project (0-10).*

- **Microbial Risk** - Points will be given to projects in this category if the project seeks to correct microbial risks (e.g., 85 points for new source(s), 75 points for disinfection improvements, 65 for reservoir covering).
- **Acute Primary Chemical Risks** - Points will be given to projects in this category if the project seeks to correct acute primary chemical risks (e.g., 80 points for new source(s), 70 points for treatment).
- **Chronic Primary Chemical Risk** - Points will be given to projects in this category if the project seeks to correct chronic primary chemical risk (70 points for new source(s) and 65 points for source reconstruction).
- **Low Pressure** - Points will be given to projects in this category if the project seeks to correct problems resulting from low pressure (65 points for replacement source projects and 55 points for proposed distribution projects).
- **Secondary Chemical/Sea Water Intrusion Risk** - Points will be given to projects in this category if the project seek to correct secondary chemical or sea water intrusion risks (50 points for new source(s) and 45 points for treatment projects).
- **Infrastructure Replacement or Conservation** - Points will be given to projects in this category if the project seeks to implement water conservation measures or replace infrastructure (30 points for installation of meters, 25 points for replacement of infrastructure, and 10 points for installation of pressure-reduction devices).

### Notes

- **Bonus Points** - Bonus Points will be given if projects are necessary for SDWA compliance. Projects subject to active enforcement actions will receive the highest value. Projects intended to eliminate an existing or potential problem that would cause non-compliance with SDWA will receive the middle value.
- **Affordability** - Applicants may apply for bonus points based on affordability if they submit data on the MHI of the county and the water rate in ERUs. Each project will then be rated high (factor of 200), medium (factor of 400), or low (factor of 600) income. The affordability score ( $[\text{yearly water rate/MHI}] \times [\text{factor}]$ ) will be added to the priority ranking score.

# WASHINGTON

## Project Priority Ranking Score Sheet for 1997

All Eligible project applications shall receive a score based on the following criteria. An application will receive points in only one of the sections. All scored project applications will be placed on the Project Priority List.

### I. The proposed project will eliminate Microbial Risk

The proposed project represents one of the following solutions:

|                           |    |
|---------------------------|----|
| New Source                | 85 |
| Source Reconstruction     | 80 |
| Disinfection Improvements | 75 |
| Filtration                | 70 |
| Reservoir Covering        | 65 |

Additional Points:

|                                                                                                      |          |
|------------------------------------------------------------------------------------------------------|----------|
| Compliance Status                                                                                    | 0/20/25* |
| Restructuring/Regionalization Benefit                                                                | 0-5      |
| Multiple Benefit                                                                                     | 0-5      |
| Affordability (optional; if information provided on pre-application, score = value calculated there) | 0-10     |

### II. The proposed project will eliminate Acute Primary Chemical Risk

The proposed project represents one of the following solutions:

|                       |    |
|-----------------------|----|
| New Source            | 80 |
| Source Reconstruction | 75 |
| Treatment             | 70 |

Additional Points:

|                                                                                                      |          |
|------------------------------------------------------------------------------------------------------|----------|
| Compliance Status                                                                                    | 0/20/25* |
| Restructuring/Regionalization Benefit                                                                | 0-5      |
| Multiple Benefit                                                                                     | 0-5      |
| Affordability (optional; if information provided on pre-application, score = value calculated there) | 0-10     |

**III. The-proposed project will eliminate Chronic Primary Chemical Risk**

The proposed project represents one of the following solutions:

|            |    |
|------------|----|
| New Source | 70 |
| Treatment  | 65 |

Additional Points:

|                                                                                                    |          |
|----------------------------------------------------------------------------------------------------|----------|
| Compliance Status                                                                                  | 0/20/25* |
| Restructuring/Regionalization Benefit                                                              | 0-5      |
| Multiple Benefit                                                                                   | 0-5      |
| Affordability (optional; if information provided on pre-application, score value calculated there) | 0-10     |

**IV. The proposed project will eliminate Risk associated with Low Pressure**

The proposed project represents one of the following solutions:

|                            |    |
|----------------------------|----|
| Replacement Source         | 65 |
| Other Distribution Project | 55 |

Additional Points:

|                                                                                                      |          |
|------------------------------------------------------------------------------------------------------|----------|
| Compliance Status                                                                                    | 0/10/15* |
| Restructuring/Regionalization Benefit                                                                | 0-5      |
| Multiple Benefit                                                                                     | 0-5      |
| Affordability (optional; if information provided on pre-application, score = value calculated there) | 0-10     |

**V. The proposed project will eliminate Secondary Chemical/Sea Water Intrusion Risk**

The proposed project represents one of the following solutions:

|            |    |
|------------|----|
| New Source | 50 |
| Treatment  | 45 |

Additional Points:

|                                                                                                      |          |
|------------------------------------------------------------------------------------------------------|----------|
| Compliance Status                                                                                    | 0/10/15* |
| Restructuring/Regionalization Benefit                                                                | 0-5      |
| Multiple Benefit                                                                                     | 0-5      |
| Affordability (optional; if information provided on pre-application, score = value calculated there) | 0-10     |



**VI. The proposed project will provide Infrastructure Replacement or Conservation**

The proposed project is:

|                                                                                                      |        |
|------------------------------------------------------------------------------------------------------|--------|
| Installation of Meters                                                                               | 30     |
| Replacement of Infrastructure                                                                        | 25     |
| Installation of Pressure Reduction Device(s)                                                         | 10     |
| Additional Points:                                                                                   |        |
| Compliance Status                                                                                    | 0/0/5* |
| Restructuring/Regionalization Benefit                                                                | 0-5    |
| Multiple Benefit                                                                                     | 0-5    |
| Affordability (optional; if information provided on pre-application, score = value calculated there) | 0-10   |

\* Bonus points will be awarded to projects necessary to ensure compliance with the Safe Drinking Water Act. The highest value in each category will be awarded to projects where the system is subject to an active enforcement action (including DOH issuance of a departmental order, penalty or bilateral compliance agreement or federal issuance of an administrative order or stipulated penalty.) The middle value will be awarded to projects intended to eliminate an existing or potential problem which would place the system out of compliance with the SDWA, but the system is not under an active enforcement action, (listed above). DOH will review its records in order to determine whether a system is under an active enforcement action. The applicant must submit documentation of the existing or potential problem, as part of the pre-application submittal, in order to receive the middle value bonus points. Without documentation, no bonus point will be awarded.