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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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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 proceed¹. 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

¹ 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



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.

Contaminant (Points Per Violation)	Severity
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.

Condition	Severity
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.

Condition	Severity
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.

Condition	Severity
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.

Contaminant	Severity
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.

Median Household Income	Severity
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)

Scoring Criterion	Points
<u>A. Water Quality & Human Health Risk-related Criteria (maximum of 60 points)</u>	
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
<u>B. Infrastructure & Engineering related Improvement Criteria (maximum of 35 points)</u>	
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 |
|---|----|

TOTAL MAXIMUM POINTS	130
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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

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)^{1,5}

- | | |
|---|----|
| A. Documented waterborne disease outbreak(s) within last 2 years | 35 |
| B. Unresolved nitrate or nitrite maximum contaminant level (MCL) exceedance(s)
OR
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)^{2,5}

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)⁴

- 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)²

- 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

¹Applies 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).

²Applies 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.

³Benefitted 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.

⁴Water 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.

⁵Projects 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 (SO₄)

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:

Priority Criteria	Priority Points
(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

Deficiency Description	Points Received
Source Quality/Quantity Health Risk (select one)	
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
Compliance with SDWA (select all that apply)	
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
Total	100

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
Total	75

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.
BDM/bb/81252.ltr

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>
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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.

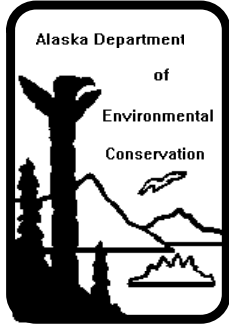
- XII. Requests for financial assistance for emergency situations may be made to the Division at any time. All other applicants on an approved priority list will be notified of such a request to provide an opportunity for comment and any objections. Such projects may receive a high priority rating, and 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*)

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) _____

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)

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.