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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LANSING



STEVEN E. CHESTER
DIRECTOR

September 24, 2009

Mr. Morgan Jencius
State and Tribal Programs Branch (WS-15J)
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77 W. Jackson Blvd.
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Dear Mr. Jencius:

Enclosed please find the final Intended Use Plan (IUP) and final Project Priority List (PPL) for Fiscal Year 2010, for the Drinking Water Revolving Fund. The final PPL is an attachment to the IUP.

If you have any questions regarding these documents, please feel free to call.

Sincerely,

Chip Heckathorn, Chief
Revolving Loan and Operator Certification Section
Water Bureau
517-373-4725

Enclosures

cc/att: Mr. Thomas Letavis, Department of Treasury, MMBA

State of Michigan
Jennifer M. Granholm, Governor

Department of Environmental Quality



Steven Chester, Director

INTERNET: <http://www.michigan.gov/deq>

**Drinking Water Revolving Fund
Final Intended Use Plan
Fiscal Year 2010**

**Prepared by:
Revolving Loan and Operator Certification Section
Water Bureau
September 2009**

The Michigan Department of Environmental Quality (DEQ) will not discriminate against any individual or group on the basis of race, sex, religion, age, national origin, color, marital status, disability or political beliefs. Questions or concerns should be directed to the DEQ Office of Human Resources, P.O. Box 30473, Lansing, MI 48909.

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DWRF Final Project Priority List (PPL) for Fiscal Year (FY) 2010
DWRF Final PPL Scoring for FY 2010
Category Costs for FY 2010 Final PPL
Sources and Uses for FY 2010
Re-Evaluation Form

I. INTRODUCTION

The program details of Michigan's Drinking Water Revolving Fund (DWRF) are set forth in Part 54, Safe Drinking Water Assistance, MCL 324.5401-324.5421, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Act 451).

The Michigan Department of Environmental Quality (DEQ) through the Water Bureau (WB) administers the DWRF. In addition, the Michigan Municipal Bond Authority (Authority) is charged with administering DWRF funds through the Shared Credit Rating Act, 1985 PA 227, as amended (Act 227).

The DWRF provides reduced interest rate loan financing to qualified water suppliers to finance construction of public water systems. Projects may include new wells, new water treatment plants, storage facilities, upgrades or expansions to existing facilities, transmission lines, pumping facilities, and other related waterworks system improvements. Suppliers must meet federal and state program requirements, as well as demonstrate their ability to publicly finance their project and retire project debt. In addition to the loan provided by DEQ, suppliers also have the option to pay for part of their project with cash and other resources.

The DWRF is a state-managed program. This final Intended Use Plan (IUP) describes how the DEQ and the Authority will jointly administer the DWRF during Fiscal Year (FY) 2010. The Revolving Loan and Operator Certification Section (RLOCS) of the WB is charged with carrying out the program administration responsibilities. The Drinking Water and Environmental Health Section (DWEHS) and the Field Operations Sections of the WB will assess project priority, issue the necessary construction permits, and offer technical review and assistance throughout project planning, design, and construction. Financial administration of the program will be handled by the staff of the Authority.

The administrative contacts for the DWRF are:

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The U.S. Environmental Protection Agency (EPA) Region 5 staff will offer guidance and conduct annual program oversight reviews of the DWRF. The EPA serves as a helpful partner in creating and maintaining this program.

The relationship between the DEQ, the Authority, and the EPA is established in an Operating Agreement signed by authorized signatories from each agency. The Operating Agreement is incorporated into this IUP by reference and is available from the DEQ upon request.

This final IUP includes detail on specific project funding and identifies amounts to be set aside from federal capitalization grants for other uses authorized under the federal Safe Drinking Water Act (SDWA) and Part 54 of Act 451. A public hearing for the IUP and the Project Priority List (PPL) was held on August 26, 2009.

The DEQ certifies that it is recognized by the EPA as the primary agency for management of the drinking water program. The priority system was developed by the DEQ and will be used each fiscal year to determine which projects will have access to DWRF assistance. The priority system is designed to provide low interest financing to those projects that will have the greatest impact in facilitating safe drinking water supplies.

II. STRUCTURE OF THE DWRF

A leveraged financing structure of the DWRF would be similar to the State Revolving Fund (SRF). For water suppliers who are municipalities with bonding authority, the DWRF would sell tax-exempt revenue bonds to provide money that would be used to reimburse communities for incurred project costs. As the DWRF reimburses suppliers, federal funds from the capitalization grant and the required state match would be deposited into the loan fund. Principal and interest payments from local borrowers would be dedicated to servicing the leveraged debt. As the DWRF project construction progresses, project funds would be disbursed to the supplier from the bonds sold.

For FY 2010, however, the DEQ will continue with a direct loan structure. In a direct loan structure, federal funds and state match, or fund assets that have 'revolved' back into the fund, are paid directly to municipal borrowers. Although a direct loan structure results in a lower lending capacity in the short-term, the long-term health/capacity of the fund is enhanced.

For borrowers who are non-municipal entities, limitations on private activity from tax-exempt issues would require the DEQ and the Authority to fund private water suppliers from funds other than tax-exempt revenue bonds. These loans will be made as direct loans with a letter of credit supplied by the private borrower or through a partnership with a

private lending institution with the state providing an insurance annuity. There are no private water suppliers on the FY 2010 final PPL.

There is a provision for subordinate investment of funds between the DWRF and the SRF. This concept permits the administrators of the two funds to make temporary investments from one fund or the other in the event that moneys are needed to service debt on the state's tax-exempt bond issues, cover deficiencies in a fund's reserve accounts, or satisfy other reserve account requirements. Only those funds periodically released from debt service reserve accounts, supplemental reserve accounts, revenue accounts, or any other account of the fund, wherein released moneys may be generated, may be used for the purposes of subordinate investment. This provision will not be exercised in FY 2010.

At each point that moneys are released, the DEQ and the Authority will undertake a "snapshot" look at both the SRF and the DWRF. For each fund, we will first examine whether we need to service debt or satisfy reserve account requirements within the fund from which the released moneys originated. Next, we will examine the other fund for the same conditions. Then, if sufficient moneys are available to satisfy requirements for each fund, the released money will pass completely through and become available for future commitments to new projects consistent with its source.

Set-asides in the DWRF are derived from the capitalization grant awarded to the state by the EPA. Set-asides are designated for specified uses within the DWRF to address areas of concern included in the reauthorization of the SDWA. Legal provisions included in Act 227, permit the Authority and DEQ to establish accounts and sub-accounts to track revenues and expenditures for the set-asides. The set-asides for this program and other activities will be directly administered by the DWEHS. DWEHS staff will also be responsible for the technical assistance activities, except for those funds made available to subsidize loans to disadvantaged communities. The disadvantaged community loans will be managed by the RLOCS.

The following is a list of potential set-asides identified in Section 1452 of the federal SDWA.

DWRF Administration - 4 percent

Technical Assistance - 2 percent

Program Set-asides - 10 percent

- Public Water System Supervision
- Source Water Protection
- Capacity Development
- Operator Certification

Other Activities - 15 percent, not to exceed 10 percent for any one activity

- Loans for Source Water Protection
- Assistance for Capacity Development
- Implement Wellhead Protection

It is imperative to note that the program set-asides also require a one-for-one state match, in addition to the regular 20 percent state match calculated on the entire amount of the

federal capitalization grant. Thus, money diverted to these set-asides will demand a heavier investment of state or local funds.

III. ADVANTAGES OF THE DWRF

The primary advantage for Michigan water suppliers will be their ability to borrow funds at interest rates below market. The DWRF interest rate is established prior to each new fiscal year. As identified in Part 54 of Act 451, determination of the interest rates is based on loan demand, market conditions, program costs, and future needs.

In setting the interest rates for FY 2010, the DEQ examined a widely used market index for general obligation municipal bonds to identify current market conditions. To establish a rate of interest for municipal borrowers, the DEQ considered present and future demand for DWRF assistance and the costs to comply with program requirements.

Once the interest rate is determined for municipal borrowers, the resulting interest subsidy to municipalities would be used for private borrowers. If a private borrower chose to obtain a letter of credit and receives a direct DWRF loan from the Authority, the interest rate would be determined by using the U.S. T-bill rate as the base and applying an identical percentage reduction of interest as municipalities receive. For those private borrowers who chose to obtain financing through a financial institution, the interest rate would be the lending institution's rate, reduced by an identical percentage as a municipality would receive.

The interest rate for municipal borrowers, as set by the DEQ director, in FY 2010 is 2.5 percent. Private borrowers would receive an interest rate subsidy that equates to the same subsidy received by municipal borrowers.

Apart from the low interest rate, suppliers also benefit from the DWRF in that they can finance all eligible waterworks system costs. The major benefit results from the fact that water supply financing in the past has always been left to the local units of government or private entities. Prior to the creation of the DWRF program, there had been no significant state financial assistance available to local officials in meeting water supply needs. The DWRF provides an ongoing source of funding to maintain or improve drinking water quality and public health.

IV. LONG-TERM GOALS

Michigan's DWRF establishes a funding source designed to protect and preserve public health within the state's boundaries. Michigan's geographical identity as a "Great Lakes" state affords its citizens with an abundant and high quality water resource from which to draw its drinking water. Unlike many states, Michigan water supplies are plentiful and periods of restricted use are few in most communities. The great challenge for water suppliers lies in protecting the high quality of the resource, as well as ensuring that adequate volume and pressure exist to deliver potable water to the customer.

Given the limitations on pooled capital, the DEQ will work toward establishing tighter integration of the federal, state, and local partnership. The DEQ continues to examine ways to work together with various federal and state agencies, such as Rural Development, Economic Development Agency, and the Michigan Department of Energy,

Labor and Economic Growth, so that we may collectively fund qualifying projects and maximize use of our capital pool to achieve stated goals.

Such partnerships will ultimately benefit everyone. Industry, tourism, and day-to-day quality of life are strengthened when our most valuable natural asset is preserved and made available for use and enjoyment. To this end, Michigan's DWRF seeks the following:

- A. To maintain statewide compliance with all applicable state and federal drinking water laws, rules, and standards.
- B. To protect the public health and environmental quality of our state.
- C. To maintain source water assessment, wellhead protection, and source water protection programs.
- D. To develop strategies within the DWRF to assist smaller, economically disadvantaged communities in meeting drinking water standards.
- E. To promote the DWRF as a viable tool for use by Michigan water suppliers in financing waterworks system improvements or upgrades.
- F. To secure Michigan's full share of federal funding and to expeditiously obligate these moneys, along with the state contributions, for the construction of eligible facilities that meet state and federal requirements.
- G. To develop effective partnerships with other federal and state financing sources to promote efficiency in environmental review procedures and coordination of funding.
- H. To apply a capacity assessment program for all new and existing community and nontransient noncommunity water supplies.
- I. To continue operator certification program requirements to assure proper operation and maintenance of public water systems.

V. SHORT-TERM GOALS

In order to accomplish the long-term goals, we must also focus on more immediate objectives. Therefore, our short-term goals in FY 2010 are:

- A. To obligate all allocated American Recovery and Reinvestment Act of 2009 (ARRA) funds before February 17, 2010, and be poised to receive reallocated funds, if/when available. The green project reserve goal and principal forgiveness requirements of the statute will be met. Green projects ready to proceed in the first quarter of FY 2010 will be funded out of priority order, if possible/necessary to meet the 20 percent green project reserve requirement.
- B. Allocate funds equitably among those projects currently appearing on the FY 2010 final PPL that are willing and able to progress to loan closing consistent with a project milestone schedule. Ensure that all first quarter projects obligated ARRA funds are under construction prior to February 17, 2010.

- C. Ensure that additional requirements of the ARRA (Buy American and Davis-Bacon Act compliance) are met, including those that are imposed on local borrowers.
- D. To continue our outreach effort to publicize the DWRF through direct mail, electronic media, newsletter publication, and meetings.
- E. To continue implementation plans for source water protection focused on statewide surface water assessments and groundwater assessments in areas tributary to the Great Lakes.
- F. To continue the state's wellhead protection program through the implementation of a matching grant program.
- G. To continue a technical assistance program for small communities.
- H. To fund projects identified on the PPL enabling them to proceed during FY 2010 with construction of facilities included in their adopted project plans.
- I. To ensure that funded projects have reviewed and considered the security needs of water systems.

VI. ALLOCATION OF FUNDS

The establishment of a fundable range for any given fiscal year entails a series of steps that culminate in a determination of how much fund resources could support. Using a series of assumptions (DWRF loan rate, return on investment rates, and level of capitalization) the process for FY 2010 is outlined below:

1. The DEQ reviewed the total amount of loans committed through September 30, 2009 and other draw amounts that affect the DWRF.

Total loan commitments through 9/30/09	\$ 570,475,000
Less reduction in loans for admin. complete projects	(\$ 10,052,486)
Less direct loan draws through 9/16/09	(\$ 97,871,631)
Less total revenue bonds issued to date	(\$400,435,000)
Additional funds needed to service existing loan commitments	\$62,115,883

2. The DEQ assumed that the new federal capitalization grant and the appropriated state match would remain constant for the next five years (for planning purposes only). These estimates were completed over a range of capitalization levels and interest rates. The current presidential budget recommendation for the DWRF in FY 2010 is \$1.5 billion.
3. After subtracting the amount needed to service existing loans, with continuation of a direct loan structure, fund resources could support \$112,780,000 in new binding loan commitments in FY 2010. A direct loan structure will result in higher lending capacities in out years and maximize the fund's ability to compensate for the loss of state match funds that have resulted from general fund budget cuts in recent years.

A fixed amount of principal forgiveness will be made available from remaining ARRA funds at 40 percent of the estimated costs for projects expecting to close on a loan in the first quarter. DEQ reserves the option of allocating some ARRA funds to the regular portion of first quarter FY 2010 loans if necessary to insure all ARRA funds are obligated.

Each state may transfer 33 percent of available funds between the SRF and the DWRP programs. This may occur starting one year after a state receives its first capitalization grant for project funds. At this time, Michigan does not propose to transfer funds between the SRF and DWRP programs.

VII. CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS - SET-ASIDES

The DEQ has established the set-asides based on what it needs to effectively administer the program(s) and what it can utilize within the fiscal year. The split of moneys is structured to meet not only expected needs (e.g., four percent for administration), but also to target programs that can help suppliers prepare themselves to qualify for DWRP loans (e.g., technical assistance funds used to defray planning costs).

Administration

Up to four percent of the federal capitalization grant can be used to administer the fund. Michigan intends to utilize the full four percent, which for FY 2010 is estimated at \$1,794,208. Any funds not utilized in FY 2010 will be retained on account for administration costs in future years.

Technical Assistance

The Technical Assistance Program for FY 2010 will use two percent of the federal grant award or approximately \$897,104 of the expected federal grant. Approximately \$325,000 or 2.5 full time employees (FTEs) from this set-aside will be used to support staffing for FY 2010.

Abandoned Well Management (AWM) -The DEQ will utilize 1.0 FTE from this set-aside to administer and conduct a statewide, comprehensive AWM Program. There are three components to the AWM Program: training of well drilling contractors and local health department (LHD) staff, development of public education materials, and enforcement of abandoned well plugging regulations. Training and consultant services are provided to 43 LHDs who implement the AWM Program in the field. In addition, the DEQ provides direct enforcement assistance and provides public education materials to community public water suppliers for distribution.

Wellogic Data System -The DEQ will utilize .5 FTE from this set-aside to administer the Wellogic online water well data system. Activities performed by staff include development of new applications, maintenance of existing data system structures, and training of system users.

Small Water Systems Treatment -The DEQ will utilize 1.0 FTE from this set-aside for technical staff who provide direct assistance to small public water

systems employing treatment for compliance, especially the new treatment applications for removal of arsenic.

Small and Disadvantaged Community Planning Assistance -In addition, the DEQ will use available funds from this set-aside to pay for project planning costs for disadvantaged communities with less than 10,000 people who apply for DWRf assistance. Available funds will be used to provide direct financial planning assistance to certain small community water systems wishing to make improvements.

Program Set-Asides - \$ 2,450,000

The DEQ intends to continue four programs in FY 2010 using program set-asides. The additional required matching funds will be provided through the Public Water System Supervision Program from state general fund and restricted fund (fee) revenue, plus the perpetual match from the FY 1993 Public Water System Supervision match money. The following is a breakdown of the \$2,450,000 projected amount:

Capacity Development - State staff, augmented by contracts for services with LHDs, are being used to implement the program based upon EPA guidance and our policies for new systems. The 1998 amendments to the Michigan Safe Drinking Water Act, 1976 PA 399, as amended (Act 399), provided authorization to conduct the program. The amendments allow the DEQ to apply capacity assessment criteria to new community and nontransient noncommunity public water supplies, to DWRf applicants and existing systems selected under a state strategy. The DEQ developed guidance for these efforts using stakeholders for public participation. Capacity development activities are inherent in the job functions of staff implementing the Public Water System Supervision Program and we will continue to support these activities in FY 2010 to the extent necessary to meet current workload and maintain current level of effort.

To conduct financial capacity assessments of new community systems, DEQ staff review financial information submitted by proposed systems. Approval must be granted before these systems commence operation. The LHDs also conduct capacity assessments of new, nontransient noncommunity systems and are reimbursed for this activity. In recent years, the amount expended on conducting capacity-related assessments for new systems has decreased from previous years due to the downturn in the economy. This is expected to continue in FY 2010 unless the state's economy improves.

The DEQ will also continue to provide education and outreach efforts in FY 2010 by cosponsoring a newsletter delivered four times a year to all community public water systems. The newsletter promotes better operation and maintenance practices and provides regulatory guidance.

The DEQ proposes to utilize \$450,000 (all federal funds) for the above activities.

Source Water Protection – The total projected amount for this activity is \$700,000 (all federal funds). The DEQ proposes to utilize 6.0 FTEs funded through this set-aside that would be split between several activities: the Surface-Source Water

Protection Program, the Well Construction Regulation Program, and the On-Site Wastewater Program.

Surface-Source Water Protection

The DEQ will utilize 1.0 FTE funded through this set-aside to conduct the Surface-Source Water Protection Program serving 70 communities that use surface water as their drinking water source. The funding allows the DEQ to facilitate implementation of surface water-related source water protection activities in these communities and to initiate development of Surface Water Intake Protection Program rules.

Well Construction Regulation

The DEQ proposes to utilize 1.66 FTEs funded through this set-aside to conduct the Well Construction Regulation Program. This program serves to protect public and private drinking water source aquifers by proactively administering proper well construction practices. This program provides the first line of defense for Michigan's groundwater source drinking water supplies, by preventing contaminant entry into well intakes and protecting aquifers through field implementation of protective well drilling and decommissioning practices. The program provides training, enforcement assistance, and field consultation services to 43 LHDs, as well as training and field consultation to well installation and plugging contractors.

On-Site Wastewater

The DEQ proposes to utilize 3.33 FTEs funded through this set-aside to conduct the On-Site Wastewater Program. Previous funding through general funds to support this critical program has been eliminated due to unprecedented state budget shortfalls. This program serves to protect public health and the groundwater of the state that are used for drinking water by assuring proper treatment of effluent from individual residential and collective residential wastewater treatment and disposal systems. Administering this program in 43 LHDs to facilitate proper system design and proper operation in the field assures that effluent will receive maximum natural attenuation of microbial agents, nutrients, and other contaminants before the effluent enters the groundwater. In addition to this core activity, the DEQ would also continue to provide the following oversight activities:

- Accreditation of LHD on-site wastewater programs conducted on a three-year cycle to assure compliance with DEQ minimum program requirements.
- Administration of current DEQ statewide program that regulates on-site systems with flows less than 10,000 gallons conducted by authorized LHDs.
- Administration of the current statewide review and approval process for subdivisions and condominiums that rely on individual on-site wastewater systems.
- Training and consultation of LHDs staff.

Operator Certification - The WB, Operator Training and Certification Unit (OTCU) continues to administer the program through expansion and improvement to the existing Waterworks Operator Certification Program. The EPA approved the Operator Certification Program in July 2001 and has annually certified continued compliance with the requirements of the Federal Operator Certification Guidelines. Based upon the activities required for continued program approval, the DEQ has estimated the costs to expand/revise and continue the program. Operator training is also included with this program.

The majority of the estimated annual cost of the program, \$650,000, is for permanent staff (6 FTEs). Four OTCU staff work exclusively on drinking water training and certification program issues. Reduced state resources necessitates moving partial funding for two current OTCU drinking water program staff, the program unit chief and the program unit secretary, to this funding as well. Additionally, a portion of 1.0 FTE (a Michigan Department of Information Technology computer programmer), is assigned part-time to the OTCU to work exclusively on the OTCU database tracking system. The tracking system includes data management equipment and support services for recordkeeping and compliance tracking. Fifty thousand dollars will be used for certification examination and renewal; training services and outreach; and exam development and validation activities for community and noncommunity operators and systems. The total projected amount for the Operator Certification Program elements is \$700,000 (all federal funds).

Public Water System Supervision – The WB is continuing to experience increasing cost to support existing staff in the drinking water program, resulting from decreasing or stable federal grants and reduced state general fund support. Work responsibilities continue to increase with implementation and promulgation of new drinking water regulations such as arsenic; LT2 Surface Water Treatment Rule, Stage 2 Disinfection By-Products; and the Ground Water Rule.

The DEQ proposes to withhold \$600,000 (all federal funds) in FY 2010 to support existing staff and the existing scope of the Public Water System Supervision Program. No additional staff is proposed. This will allow the DEQ additional management flexibility to address priority work efforts, including the highest priority activities associated with the new drinking water regulations.

Wellhead Protection (Section 1452(k)) - \$1,000,000

The DEQ has authorization under Act 399 to implement a wellhead protection matching grant program to enhance the existing voluntary state program. A stakeholder process adopted the administrative rules.

Approximately 2.5 FTEs support the program. In addition, contract services include: wellhead protection outreach; education and training of water system personnel; and database enhancements and maintenance. The DEQ entered a contract beginning in the fourth quarter of FY 2008 to support enhancement of Michigan Interactive Groundwater for Wellhead Protection (MIGWWP) to delineate wellhead protection areas using existing state databases, plus upgrade mapping capabilities. A Governor's Executive Directive delayed issuance of Wellhead Protection Grants in 2008. The FY 2009 work plan was

modified to use the resulting unspent dollars for a Wellogic code rewrite, one of the component databases necessary to support MIGWWP. The wellhead protection grants will revert to fiscal year contracts in FY 2010 using approximately \$500,000. The grant funds are matched 100 percent by public water system awardees. The program emphasis is scientific delineation of wellhead protection areas, obtaining state approval for complete wellhead protection programs, and implementation activities.

The following table depicts the history of wellhead protection grants in Michigan:

Fiscal Year	Number of Communities	Grant Dollars Awarded
1999	54	\$1,014,044
2000	62	\$1,080,390
2001	66	\$1,044,266
2002	85	\$1,286,589
2003	84	\$1,260,180
2004	67	\$ 857,772
2005	57	\$ 848,143
2006	50	\$ 682,029
2007	43	\$ 677,629
2008	43	\$ 699,247

VIII. CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS - PROJECT LOANS

Michigan’s DWRP will commit loans for qualified projects based on project plans that were submitted to the RLOCS by May 1, 2009. Projects funded in the first quarter of FY 2010 may be funded with a mix of ARRA capitalization funds (including principal forgiveness) and other fund assets. Green project reserve projects will be entirely funded with ARRA assets. Plans were reviewed by staff of the DEQ to ensure compliance with Section 5405 of Act 451, before being placed on the final PPL for FY 2010. The DWRP, to the maximum extent practicable, must give priority to projects that:

- address the most serious risks to human health,
- are necessary to ensure compliance with the requirements of the federal SDWA,
- in addition, assist systems most in need according to the state’s affordability requirements.

Michigan’s priority system takes these factors into account in the assignment of priority points. Acute violations receive a larger number of points than any other category. In fact, standard compliance offers over 41 percent of a project’s total possible points. All factors point to the need for the project to comply with federal drinking water requirements; affordability is addressed by the award of additional points for disadvantaged community status, and is the ultimate tiebreaker. Michigan’s priority point system is detailed in Section 5406 of Act 451.

The FY 2010 DWRP final PPL is included as part of the IUP and was presented as part of the public hearing. The DWRP final PPL has 82 projects totaling \$402 million. This includes 25 projects and/or segments equaling \$157 million for funding in the future.

Section 1452(a)(2) of the federal SDWA requires the state to first make available 15 percent of all funds annually credited to the DWRP for financial assistance to water

suppliers serving fewer than 10,000 persons. For FY 2010, Michigan must reach or exceed \$6,600,000 to satisfy this requirement.

All projects are reviewed and scored based upon the priority point system outlined in Part 54 of Act 451. Funds are made available for commitment based on the priority ranking and projects will only be funded out of order to satisfy requirements for small community assistance.

Employing the criteria found in Section 5415 of Act 451, the Director of the DEQ set the interest rate prior to the public hearing for FY 2010. The term of the loan will run up to 20 years for most projects. Those suppliers meeting disadvantaged community criteria will, however, be able to extend their terms for up to 30 years, if desired.

Part 54 of Act 451 also permits suppliers serving less than 10,000 persons to receive reimbursement of project planning costs upon delivery of an approvable project plan to the DEQ. Legislation has been passed to provide a funding mechanism for this reimbursement. Interim planning loans first became an option for DWRf applicants in FY 2001.

IX. PROGRAM CHANGE

Beginning October 1, 2009, the DEQ will implement the EPA's new Disadvantaged Business Enterprise (DBE) Rule (40 CFR Part 33). The DBE rule applies specifically to **any** procurement made utilizing EPA financial assistance. EPA financial assistance includes DWRf funding. The new DBE rule has changed substantially from the prior Minority Business Enterprise (MBE) and Women's Business Enterprises (WBE) rule. The DBE rule requires that MBE and WBE firms be certified. Certification applies to enterprises that are at least 51 percent owned and/or controlled by socially and economically disadvantaged individuals who are of good character, are citizens of the United States and have an initial and continued personal net worth of less than \$750,000.

New DBE requirements will apply to the DEQ, DWRf loan recipients, and the loan recipient's prime contractors. Additional information regarding the DBE requirements will be available on the DEQ DWRf website (www.Michigan.gov/deq).

X. DISADVANTAGED COMMUNITY STATUS

Disadvantaged community status is determined by the DEQ based on information submitted with a supplier's project plan. To qualify, an applicant must first meet the definition of "municipality" found in Part 54 of Act 451. Next, the updated median annual household income (MAHI) of the area to be served must be less than 120 percent of the state's updated MAHI. Finally, the costs of the project must be borne by the customers in the service area. If costs are spread over a larger area, then that area must demonstrate that it meets the poverty or affordability criteria.

Once these conditions are met, a community will be awarded the disadvantaged community status if one of the following is true:

- More than 50 percent of the area to be served by the proposed project is identified as a poverty area by the U.S. Census Bureau.

- The updated MAHI of the area to be served is less than the most recently published federal poverty guidelines for a family of four in the contiguous United States.
- The updated MAHI is less than the updated statewide MAHI and the annual user costs for water supply exceed 1.5 percent of the service area's MAHI.
- The updated MAHI is more than the updated statewide MAHI and the annual user costs for water supply exceed 3 percent of the service area's MAHI.

The major benefits for qualified communities include 50 additional priority points, extension of loan terms to 30 years, and assistance to help defray the costs of preparing project plans. There are four projects: the city of New Haven, the city of Benton Harbor, and two for the city of Sault Sainte Marie on the FY 2010 final PPL that qualify for disadvantaged community status.

A complete discussion of the disadvantaged community status may be found in a guidance document prepared by the DEQ to more fully explain how a supplier can achieve the status and benefit from it. RLOCS staff encourages all applicants to supply the pertinent data to allow the DEQ to perform a disadvantaged community status analysis.

XI. EPA AUTOMATED CLEARINGHOUSE ACTIVITIES

The EPA employs an Automated Standard Application for Payments (ASAP) system to make disbursements of federal funds. Michigan will comply with this system's requirements and deposit funds drawn from it into appropriate accounts set up for the DWRP.

Beginning in the third quarter of FY 2010, Michigan anticipates drawing capitalization grant funds from the ASAP system.

One request for disbursement may be submitted by the local project's authorized representative (or state agencies) each month. As project costs (or program administrative/set-aside costs) are incurred, the request for disbursement of funds will be sent directly to the DEQ, who will then process the request as part of a weekly draw request. Upon delivery to its office, the Authority will execute the fund drawdown electronically by transferring money from the federal ASAP and state accounts.

Moneys will be automatically deposited into the debt service reserve account of the DWRP, while funds are electronically wired to a municipal water supplier's bank from a DWRP account. For non-municipal water suppliers, the funds will be transferred from direct federal and state capitalization amounts established specifically for the purpose of reimbursing their eligible project costs.

XII. ASSURANCES

The final guidelines from the EPA set forth provisions that the state must provide certain assurances in order to qualify for capitalization grant funding. Such assurances are incorporated into the Operating Agreement and are included here by reference.

XIII. OUTPUT/OUTCOME MEASURES

To comply with the EPA requirements on Environmental Benefits of the DWRF, Michigan estimates that the following outputs could result from project loans in FY 2010 (excluding any projects noted as future on the PPL):

- A. Output: Michigan could fund approximately 51 drinking water transmission/distribution loans in FY 2010 to construct/rehabilitate/upgrade drinking water transmission and distribution systems across the state. The total dollar amount of these applications total approximately \$178,563,442.

Outcome: The funding of these projects could result in more people getting better drinking water from current and existing treatment systems in Michigan.

- B. Output: Michigan could fund approximately 10 drinking water treatment projects in FY 2010 to construct and/or rehabilitate drinking water treatment facilities across the state. The total dollar amount of these applications total approximately \$26,200,067.

Outcome: The funding of these projects could result in better drinking water for thousands of people in Michigan and, upon completion of the projects, facilities that meet all applicable permits and SDWA requirements.

- C. Output: Michigan could fund approximately seven drinking water storage projects in FY 2010 to construct and/or rehabilitate drinking water storage facilities across the state. The total dollar amount of these applications total approximately \$7,755,402.

Outcome: The funding of these projects could result in improved drinking water and storage facilities that meet all applicable permits and SDWA requirements.

- D. Output: Michigan could fund approximately seven drinking water source projects in FY 2010 to construct and/or rehabilitate drinking water source facilities across the state. The total dollar amount of these applications total approximately \$4,171,251.

Outcome: The funding of these projects could result in improved drinking water for thousands of people across Michigan.

Please note that the number of applications will not agree with the number of loans on the PPL, as many of the project loans include work in more than one category (i.e. transmission/distribution, treatment, storage, and source).

XIV. PUBLIC REVIEW AND COMMENT

To satisfy public participation requirements, the DEQ held a public hearing to discuss the DWRF draft IUP on August 26, 2009. The hearing was publicly noticed in the *Detroit Legal News*, the *Lansing State Journal*, and the *Marquette Mining Journal*; posted on the DEQ calendar of events; mailed to all persons and engineering firms on our newsletter mailing list, and individually noticed to each water supplier on the FY 2010 draft PPL. These sources promote the hearing to ensure maximum public input from those interested in the DWRF. The hearing affords stakeholders and other interested parties an opportunity to hear and comment on how the DEQ plans to disburse the DWRF loan funds.

Questions about the DWRf final IUP may be directed to:

**Mr. Chip Heckathorn, Chief
Revolving Loan and Operator Certification Section
Water Bureau
Department of Environmental Quality
P.O. Box 30273
Lansing, MI 48909-7773
517-373-4725
Fax: 517-335-0743**

XV. ORIGINATION OF DOCUMENTS

The WB is responsible for issuing the DWRf final IUP and its accompanying information.

Fiscal Year 2010 Project Priority List By Rank

Rank	Project Number	Project Name and Description			Population	Point Total	Bind. Com Date	Bind. Com Amount
PROJECTS WITHOUT PRIOR YEAR SEGMENTS								
1	7287-01	Greenville	Montcalm Co	Well impr; SCADA: repl/loop mains	7,935	855	12/21/2009	\$1,000,000
2	7273-01	Benton Harbor	Berrien Co	Water sys impr (Phase 2)	20,500	840	12/21/2009	\$13,095,000
3	7333-01	Ann Arbor	Washtenaw Co	Water sys impr	120,000	800	Future	\$3,920,000
4	7319-01	Ann Arbor	Washtenaw Co	Repl mains, WTP upgrd, main ext	120,000	800	12/21/2009	\$7,225,000
5	7325-01	Ann Arbor	Washtenaw Co	Repl mains, wtp imp	120,000	800	6/2/2010	\$8,150,000
6	7292-01	Gladwin	Gladwin Co	Strg tank; abandon booster sta/wells/grd strg; mod well	3,001	745	12/21/2009	\$1,645,000
7	7313-01	Monroe Co	Exeter Twp	New water mains District 4-B	1,196	695	Future	\$3,980,000
8	7193-01	Monroe Co	Exeter Twp	New water mains District 4-A	1,196	695	6/2/2010	\$6,300,000
9	7288-01	White Lake Twp	Oakland Co	Trans imp; Interconnect	5,000	665	12/21/2009	\$2,605,000
10	7328-01	Allegan	Allegan Co	Water sys impr (Phase 2)	5,092	630	Future	\$5,300,000
11	7279-01	Allegan	Allegan Co	Water sys impr (Phase 1)	5,092	630	12/21/2009	\$9,400,000
12	7283-01	Lawton	Van Buren Co	New well/strg tank/upgrd meters;repl mains/looping	1,583	620	12/21/2009	\$3,775,000
13	7241-01	Deerfield	Lenawee Co	Upgrd WTP	1,005	595	12/21/2009	\$1,595,000
14	7294-01	Dexter	Washtenaw Co	Repl mains (future phases)	3,557	555	Future	\$1,300,000
15	7293-01	Dexter	Washtenaw Co	New well; connect; rpl mains; wtp upgrade	3,557	555	12/21/2009	\$2,800,000
16	7309-01	Pittsfield Twp	Washtenaw Co	Booster sta	35,413	540	Future	\$3,250,000
17	7286-01	St Joseph	Berrien Co	WTP upgrade (filters/generator)	27,836	540	12/21/2009	\$3,420,000
18	7289-01	Pittsfield Twp	Washtenaw Co	Repl mains; trans imp	35,413	540	12/21/2009	\$8,415,000
19	7238-01	St Joseph	Berrien Co	WTP upgrade (future phase)	27,836	540	Future	\$9,970,000
20	7331-01	Manistee	Manistee Co	Repl/loop mains; well impr; meters (Future phases)	6,517	530	Future	\$1,655,000
21	7269-01	Howell	Livingston Co	Repl mains (Phase 3)	9,821	530	Future	\$3,140,000
22	7280-01	Manistee	Manistee Co	Well impr; repl mains (Phase 1)	6,517	530	6/2/2010	\$2,720,000
23	7268-01	Howell	Livingston Co	Repl mains/2nd raw water line (Phase 2)	9,821	530	3/10/2010	\$4,490,000
24	7255-01	Buchanan	Berrien Co	New well/trans/cont bldg/strg; meter upgrd w/ cent read sys	4,681	505	12/21/2009	\$2,465,000
25	7260-01	New Haven	Macomb Co	Repl mains; strg imp	3,071	495	12/21/2009	\$5,420,000
26	7307-01	Pontiac	Oakland Co	booster sta imp; prv sta imp	67,133	475	12/21/2009	\$4,925,000
27	7335-01	Pontiac	Oakland Co	Trans mains looping; tank scada;repl mains	67,133	475	6/2/2010	\$5,455,000
28	7284-01	Marquette	Marquette Co	Water sys impr (Phase 1)	20,457	465	12/21/2009	\$1,920,000
29	7285-01	Marquette	Marquette Co	Water sys impr (future phases)	20,457	465	Future	\$5,420,000
30	7304-01	Berrien Co	New Buffalo	WTP impr; repl mains	8,100	455	12/21/2009	\$2,090,000
31	7310-01	Flint	Genesee Co	PS upgrd; trans main repl	118,465	450	12/21/2009	\$13,870,000
32	7311-01	Flint	Genesee Co	Trans main repl	118,645	450	Future	\$18,250,000
33	7271-01	St Joseph	Berrien Co	Repl/loop mains (Upton/Ridgeway); River crossing	27,836	440	Future	\$540,000
34	7295-01	Mt Clemens	Macomb Co	Repl mains;wtp upgrd;audit;meter upgrd w/ cent read sys	19,605	440	8/25/2010	\$880,000
35	7272-01	St Joseph	Berrien Co	Repl/loop mains (Morton/Wolcott/Orchard)	27,836	440	Future	\$3,340,000
36	7301-01	Grosse Pointe Woods	Wayne Co	Strg tank; repl mains; meter upgrd w/ cent read sys	16,392	440	8/25/2010	\$2,000,000
37	7332-01	Grosse Pointe Woods	Wayne Co	Strg tank	16,392	440	8/25/2010	\$7,510,000
38	7334-01	Mt Clemens	Macomb Co	Repl mains;wtp upgrd;audit;meter upgrd w/cent read sys	19,605	440	Future	\$10,750,000
39	7314-01	South Lyon	Oakland Co	Repl mains, add. LS pump	11,035	440	8/25/2010	\$6,260,000
40	7299-01	Northville Twp	Wayne Co	Repl mains & booster stn upgrd	26,969	415	8/25/2010	\$1,900,000

Rank	Project Number	Project Name and Description			Population	Point Total	Bind. Com Date	Bind. Com Amount
41	7278-01	Plainfield Twp	Kent Co	Trans impr; repl mains/looping	43,506	415	8/25/2010	\$5,825,000
42	7282-01	Holland	Ottawa Co	Interconnect; new transfer pump	57,483	400	8/25/2010	\$6,320,000
43	7315-01	Pinckney	Livingston Co	Looping; abandon wells	2,362	395	8/25/2010	\$510,000
44	7177-01	Stockbridge	Ingham Co	Repl mains/looping Phase III	1,290	395	8/25/2010	\$1,800,000
45	7329-01	Grand Blanc Twp	Genesee Co	Trans mains	35,015	390	8/25/2010	\$5,605,000
46	7010-05	Sault Ste Marie	Chippewa Co	Repl mains (CSO Areas C-1; C-2)	14,903	365	8/25/2010	\$4,255,000
46	7010-99	Sault Ste Marie	Chippewa Co	Repl mains @ CSO areas (future phases)	14,903	365	Future	\$3,315,000
47	7302-01	Warren	Macomb Co	Upgr meters w/ cent read sys; PRVs (Phase 1)	134,457	350	8/25/2010	\$10,600,000
48	7303-01	Warren	Macomb Co	Repl mains (Phase 2)	134,457	350	Future	\$11,500,000
49	7281-01	Kentwood	Kent Co	New trans; repl mains; looping	33,900	340	8/25/2010	\$5,405,000
50	7274-01	Dearborn	Wayne Co	Repl mains (Phase 2)	90,107	325	8/25/2010	\$3,540,000
51	7326-01	Dearborn	Wayne Co	Repl mains (Phase 3)	90,107	325	Future	\$4,000,000
52	7222-01	YCUA	Washtenaw Co	Repl mains; looping (twp-Ecorse/Emerick/I-94)	74,537	325	Future	\$3,335,000
53	7327-01	Dearborn	Wayne Co	Repl mains (Phase 4)	90,107	325	Future	\$4,295,000
54	7316-01	Macomb Twp	Macomb Co	Repl trans main, repl mains, main ext	75,052	325	8/25/2010	\$3,965,000
55	7175-01	YCUA	Washtenaw Co	Repl mains; looping (twp-Rawsonville area)	74,537	325	Future	\$4,740,000
56	7318-01	Southfield	Oakland Co	Repl mains (Phase 3)	76,267	325	Future	\$5,060,000
57	7317-01	Southfield	Oakland Co	Repl mains (Phase 2)	76,267	325	Future	\$8,920,000
58	7196-01	Southfield	Oakland Co	Repl mains (Phase 1)	76,267	325	8/25/2010	\$15,520,000
59	7173-01	YCUA	Washtenaw Co	Future phases (city/twp-thru FY2014)	74,537	325	Future	\$17,055,000
60	7266-01	Brownstown Twp	Wayne Co	Trans upgrades (Phase 2)	28,542	315	8/25/2010	\$450,000
61	7267-01	Brownstown Twp	Wayne Co	Trans upgrades (Phase 3)	28,542	315	Future	\$800,000
62	7308-01	Monroe	Monroe Co	Repl/rehab mains; looping (Phase 4)	45,436	315	8/25/2010	\$3,405,000
63	7306-01	Port Huron	St Clair Co	Repl mains; looping (Erie N)	32,338	315	8/25/2010	\$2,575,000
64	7228-01	Monroe	Monroe Co	Repl/rehab mains; looping (Phase 3)	45,436	315	8/25/2010	\$4,105,000
65	7330-01	Macomb Twp	Macomb Co	Trans main; looping	24,576	315	8/25/2010	\$3,380,000
66	7305-01	Ferndale	Oakland Co	Repl mains; upgrd meters w/ cent read sys	19,741	315	8/25/2010	\$3,100,000
67	7231-01	Ecorse	Wayne Co	Repl mains/redundancy	11,229	315	8/25/2010	\$2,425,000
68	7180-01	Fenton	Genesee Co	Repl mains, looping	11,907	315	8/25/2010	\$3,380,000
69	7300-01	Melvindale	Wayne Co	Repl mains/services; looping	10,734	315	8/25/2010	\$3,600,000
70	7131-01	Port Huron	St Clair Co	Repl mains; looping (future phases)	32,338	315	Future	\$19,925,000
71	7251-01	River Rouge	Wayne Co	Repl mains/valves (Phase 2)	9,395	305	Future	\$2,775,000
72	7298-01	Belleville	Wayne Co	Repl mains/services	3,860	305	8/25/2010	\$1,500,000
73	7244-01	River Rouge	Wayne Co	Repl mains/meters/valves (Phase 1)	9,395	305	8/25/2010	\$4,675,000
74	7321-01	Ypsilanti	Washtenaw Co	Repl mains (Mansfield)	74,537	300	8/25/2010	\$380,000
75	7323-01	YCUA	Washtenaw Co	Repl mains (Ford)	74,537	300	8/25/2010	\$380,000
76	7320-01	YCUA	Washtenaw Co	Repl mains (E. Michigan)	74,537	300	8/25/2010	\$390,000
77	7324-01	YCUA	Washtenaw Co	Repl mains (Holmes-Ph 3)	74,537	300	8/25/2010	\$1,645,000
78	7322-01	YCUA	Washtenaw Co	Repl mains (E. Clark)	74,537	300	8/25/2010	\$2,330,000
79	7291-01	Royal Oak Twp	Oakland Co	Repl mains	2,660	295	8/25/2010	\$805,000
80	7296-01	Clinton Twp	Macomb Co	Repl mains	95,648	225	8/25/2010	\$8,005,000
81	7290-01	Wayne	Wayne Co	Upgrd meters w/ cent read sys; repl mains	18,200	215	8/25/2010	\$4,465,000
82	Projects							\$402,205,000

**Michigan Drinking Water Revolving Fund
Estimated Category Costs for FY 2010 Final Project Priority List (PPL)**

Project #	Trans/Distribution	Treatment	Storage	Source	Other	Sum
7010-05		4,255,000				4,255,000
7177-01	1,800,000					1,800,000
7180-01	3,380,000					3,380,000
7193-01	6,300,000					6,300,000
7196-01	15,357,508				162,492	15,520,000
7228-01	4,105,000					4,105,000
7231-01	2,425,000					2,425,000
7241-01		1,595,000				1,595,000
7244-01	4,675,000					4,675,000
7255-01	350,000	850,000	115,000	550,000	600,000	2,465,000
7260-01	5,196,873		123,419		99,708	5,420,000
7266-01	450,000					450,000
7268-01	4,490,000					4,490,000
7273-01	13,095,000					13,095,000
7274-01	3,540,000					3,540,000
7278-01	5,825,000					5,825,000
7279-01	248,989	8,354,245	655,235	141,531		9,400,000
7280-01	2,372,456			347,544		2,720,000
7281-01	5,405,000					5,405,000
7282-01					6,320,000	6,320,000
7283-01	1,321,866		2,136,548	316,586		3,775,000
7284-01	1,669,000	251,000				1,920,000
7286-01		3,420,000				3,420,000
7287-01	237,870			762,130		1,000,000
7288-01	2,605,000					2,605,000
7289-01	8,415,000					8,415,000
7290-01	2,147,789				2,317,211	4,465,000
7291-01	805,000					805,000
7292-01			1,645,000			1,645,000
7293-01	1,600,000	400,000		800,000		2,800,000
7295-01	880,000					880,000
7296-01	8,005,000					8,005,000
7298-01	1,500,000					1,500,000
7299-01	1,900,000					1,900,000
7300-01	3,600,000					3,600,000
7301-01			2,000,000			2,000,000
7302-01	1,211,429				9,388,571	10,600,000
7304-01	565,000	1,525,000				2,090,000
7305-01	365,000				2,735,000	3,100,000
7306-01	2,575,000					2,575,000
7307-01	4,925,000					4,925,000
7308-01	3,405,000					3,405,000
7310-01	9,790,588				4,079,412	13,870,000
7314-01	5,778,462	481,538				6,260,000
7315-01	510,000					510,000
7316-01	3,965,000					3,965,000
7319-01	2,156,716	5,068,284				7,225,000
7320-01	390,000					390,000
7321-01	380,000					380,000
7322-01	2,330,000					2,330,000
7323-01	380,000					380,000

7324-01	1,645,000					1,645,000
7325-01	5,204,368			1,253,460	1,692,172	8,150,000
7329-01	4,524,800		1,080,200			5,605,000
7330-01	3,380,000					3,380,000
7332-01	5,924,728				1,585,272	7,510,000
7335-01	5,455,000					5,455,000
	<u>178,563,442</u>	<u>26,200,067</u>	<u>7,755,402</u>	<u>4,171,251</u>	<u>28,979,838</u>	<u>245,670,000</u>

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Category Description	Points	7010-05	7010-99	7131-01	7173-01	7175-01	7177-01	7180-01	7193-01	7196-01	7222-01	7228-01	7231-01	7238-01	7241-01	7244-01	7251-01	7255-01
DRINKING WATER SYSTEM COMPLIANCE - TOTAL	450 (max)	150	150	150	150	150	150	150	450	150	150	150	150	375	450	150	150	150
Acute Viol. of DW Standards, Health Advisory Levels, SWTT, Disease	250								■						■			
Non-Acute Viol. of DW Standards, Health Advisory Levels, SWTT, Disease	200								■		■			■	■			
Facility Upgrade to Maintain Compliance	150	■	■	■	■	■	■	■		■		■	■	■	■	■	■	■
Aesthetic Upgrades to Maintain Compliance	25													■				
INFRASTRUCTURE IMPROVEMENTS/UPGRADES - TOTAL	350 (max)	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125	225
Source/Treatment w/ Connecting Mains	125 (max)	0	0	0	0	0	0	0	0	0	125	0	125	125	125	125	0	100
Meet Minimum Capacity	100										■		■	■	■	■		
Reliability	75													■				■
Other Upgrades	25										■		■	■	■	■		■
Enforcement Action	25														■			
Source Water Protection	50													■				
Transmission/Distribution Mains	125 (max)	125	125	125	125	125	125	125	125	125	0	125	0	0	0	0	125	100
Meet Minimum Capacity	100	■	■	■	■	■	■	■	■	■		■					■	
Reliability	75	■	■	■	■	■	■	■	■	■		■						■
Other Upgrades	25	■	■	■	■	■	■	■		■		■					■	■
Enforcement Action	25																	
Storage Facilities/Pumping Stations	125 (max)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	25
Meet Minimum Capacity	100																	
Reliability	75																	
Other Upgrades	25																	■
Enforcement Action	25																	
POPULATION - TOTAL	50 (max)	40	40	40	50	50	20	40	20	50	50	40	40	40	20	30	30	30
0-500	10		■															
501-3,300	20			■	■		■		■						■			
3,301-10,000	30	■														■	■	■
10,001-50,000	40	■	■	■		■		■	■	■		■	■	■				
>50,000	50				■	■		■	■	■	■	■						
DISADVANTAGED COMMUNITY - TOTAL	50 (max)	50	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Granted	50	■	■															
CONSOLIDATION - TOTAL	100 (max)	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0	0	0
Achieve Compliance	100								■									
Correct Deficiencies	60																	
Other	40																	
COMP. WELLHEAD/SOURCE WATER PROTECT PLANS - TOTAL	100 (max)	0	0	0	0	0	100	0	0	0	0	0	0	0	0	0	0	100
Granted	100						■											■
TOTAL PRIORITY POINTS ASSIGNED	1000 (max)	365	365	315	325	325	395	315	695	325	325	315	315	540	595	305	305	505

Category Description	Points	7260-01	7266-01	7267-01	7268-01	7269-01	7271-01	7272-01	7273-01	7274-01	7278-01	7279-01	7280-01	7281-01	7282-01	7283-01	7284-01	7285-01
		150	150	150	150	150	150	150	400	150	150	150	175	150	150	150	150	150
DRINKING WATER SYSTEM COMPLIANCE - TOTAL	450 (max)	150	150	150	150	150	150	150	400	150	150	150	175	150	150	150	150	150
Acute Viol. of DW Standards, Health Advisory Levels, SWTT, Disease	250								■									
Non-Acute Viol. of DW Standards, Health Advisory Levels, SWTT, Disease	200																	
Facility Upgrade to Maintain Compliance	150	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Aesthetic Upgrades to Maintain Compliance	25												■					
INFRASTRUCTURE IMPROVEMENTS/UPGRADES - TOTAL	350 (max)	275	125	125	250	250	250	250	350	125	125	350	225	150	200	350	275	275
Source/Treatment w/ Connecting Mains	125 (max)	125	0	0	100	100	0	0	125	0	0	125	100	0	125	125	125	125
Meet Minimum Capacity	100	■			■	■			■			■			■	■	■	■
Reliability	75	■							■			■	■		■			
Other Upgrades	25	■							■			■	■				■	■
Enforcement Action	25								■									
Source Water Protection	50											■				■		
Transmission/Distribution Mains	125 (max)	125	125	125	125	125	125	125	125	125	125	125	125	125	75	125	125	125
Meet Minimum Capacity	100	■	■	■	■	■	■	■	■	■	■	■	■	■		■	■	■
Reliability	75	■	■	■			■	■	■	■	■	■	■	■	■	■	■	■
Other Upgrades	25				■	■				■			■	■		■	■	■
Enforcement Action	25																	
Storage Facilities/Pumping Stations	125 (max)	25	0	0	25	25	125	125	100	0	0	100	0	25	0	125	25	25
Meet Minimum Capacity	100						■	■				■				■		
Reliability	75								■									
Other Upgrades	25	■			■	■	■	■	■					■		■	■	■
Enforcement Action	25																	
POPULATION - TOTAL	50 (max)	20	40	40	30	30	40	40	40	50	40	30	30	40	50	20	40	40
0-500	10																	
501-3,300	20	■														■		
3,301-10,000	30				■	■						■	■					
10,001-50,000	40		■	■			■	■	■		■			■			■	■
>50,000	50									■					■			
DISADVANTAGED COMMUNITY - TOTAL	50 (max)	50	0	0	0	0	0	0	50	0	0	0	0	0	0	0	0	0
Granted	50	■							■									
CONSOLIDATION - TOTAL	100 (max)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Achieve Compliance	100																	
Correct Deficiencies	60																	
Other	40																	
COMP. WELLHEAD/SOURCE WATER PROTECT PLANS - TOTAL	100 (max)	0	0	0	100	100	0	0	0	0	100	100	100	0	0	100	0	0
Granted	100				■	■					■	■	■			■		
TOTAL PRIORITY POINTS ASSIGNED	1000 (max)	495	315	315	530	530	440	440	840	325	415	630	530	340	400	620	465	465

Category Description	Points	7286-01	7287-01	7288-01	7289-01	7290-01	7291-01	7292-01	7293-01	7294-01	7295-01	7296-01	7298-01	7299-01	7300-01	7301-01	7302-01	7303-01
DRINKING WATER SYSTEM COMPLIANCE - TOTAL	450 (max)	375	450	150	150	150	150	375	150	150	150	150	150	150	150	150	150	150
Acute Viol. of DW Standards, Health Advisory Levels, SWTT, Disease	250		■															
Non-Acute Viol. of DW Standards, Health Advisory Levels, SWTT, Disease	200	■	■					■										
Facility Upgrade to Maintain Compliance	150	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Aesthetic Upgrades to Maintain Compliance	25	■						■										
INFRASTRUCTURE IMPROVEMENTS/UPGRADES - TOTAL	350 (max)	125	275	325	350	25	125	250	275	275	250	25	125	225	125	250	150	150
Source/Treatment w/ Connecting Mains	125 (max)	125	125	75	125	0	0	125	125	125	125	0	0	0	0	0	25	25
Meet Minimum Capacity	100	■	■		■				■	■	■							
Reliability	75	■	■	■				■	■	■	■							
Other Upgrades	25	■	■		■			■	■	■	■						■	
Enforcement Action	25																	■
Source Water Protection	50	■						■										
Transmission/Distribution Mains	125 (max)	0	125	125	125	25	125	0	125	125	125	25	125	100	125	125	125	125
Meet Minimum Capacity	100		■	■	■		■		■	■	■		■		■	■	■	■
Reliability	75		■	■			■				■			■	■	■	■	■
Other Upgrades	25				■	■			■	■	■	■	■	■	■	■	■	■
Enforcement Action	25																	■
Storage Facilities/Pumping Stations	125 (max)	0	25	125	125	0	0	125	25	25	0	0	0	125	0	125	0	0
Meet Minimum Capacity	100			■	■			■						■		■		
Reliability	75																	
Other Upgrades	25		■	■	■			■	■	■				■		■		
Enforcement Action	25																	
POPULATION - TOTAL	50 (max)	40	30	30	40	40	20	20	30	30	40	50	30	40	40	40	50	50
0-500	10																	
501-3,300	20						■	■										
3,301-10,000	30		■	■					■	■			■					
10,001-50,000	40	■			■	■					■			■	■	■		
>50,000	50											■					■	■
DISADVANTAGED COMMUNITY - TOTAL	50 (max)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Granted	50																	
CONSOLIDATION - TOTAL	100 (max)	0	0	60	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Achieve Compliance	100																	
Correct Deficiencies	60			■														
Other	40																	
COMP. WELLHEAD/SOURCE WATER PROTECT PLANS - TOTAL	100 (max)	0	100	100	0	0	0	100	100	100	0	0	0	0	0	0	0	0
Granted	100		■	■				■	■	■								
TOTAL PRIORITY POINTS ASSIGNED	1000 (max)	540	855	665	540	215	295	745	555	555	440	225	305	415	315	440	350	350

Category Description	Points	7304-01	7305-01	7306-01	7307-01	7308-01	7309-01	7310-01	7311-01	7313-01	7314-01	7315-01	7316-01	7317-01	7318-01	7319-01	7320-01	7321-01
DRINKING WATER SYSTEM COMPLIANCE - TOTAL	450 (max)	150	150	150	150	150	150	150	150	450	150	150	150	150	150	400	150	150
Acute Viol. of DW Standards, Health Advisory Levels, SWTT, Disease	250									■						■		
Non-Acute Viol. of DW Standards, Health Advisory Levels, SWTT, Disease	200									■								
Facility Upgrade to Maintain Compliance	150	■	■	■	■	■	■	■	■		■	■	■	■	■	■	■	■
Aesthetic Upgrades to Maintain Compliance	25																	
INFRASTRUCTURE IMPROVEMENTS/UPGRADES - TOTAL	350 (max)	275	125	125	275	125	350	250	250	125	250	125	125	125	125	250	100	100
Source/Treatment w/ Connecting Mains	125 (max)	125	0	0	125	0	125	0	0	0	125	50	0	0	0	125	0	0
Meet Minimum Capacity	100	■			■		■				■					■		
Reliability	75	■			■						■					■		
Other Upgrades	25	■					■									■		
Enforcement Action	25																	
Source Water Protection	50											■						
Transmission/Distribution Mains	125 (max)	125	125	125	125	125	125	125	125	125	125	75	125	125	125	125	100	100
Meet Minimum Capacity	100	■	■	■	■	■	■	■	■	■	■		■	■	■	■	■	■
Reliability	75			■	■	■		■	■	■	■	■						
Other Upgrades	25	■	■	■	■	■	■	■	■					■	■	■		
Enforcement Action	25																	
Storage Facilities/Pumping Stations	125 (max)	25	0	0	25	0	125	125	125	0	0	0	0	0	0	0	0	0
Meet Minimum Capacity	100						■	■	■									
Reliability	75							■	■									
Other Upgrades	25	■			■		■	■	■									
Enforcement Action	25																	
POPULATION - TOTAL	50 (max)	30	40	40	50	40	40	50	50	20	40	20	50	50	50	50	50	50
0-500	10																	
501-3,300	20									■		■						
3,301-10,000	30	■																
10,001-50,000	40		■	■		■	■				■							
>50,000	50				■			■	■				■	■	■	■	■	■
DISADVANTAGED COMMUNITY - TOTAL	50 (max)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Granted	50																	
CONSOLIDATION - TOTAL	100 (max)	0	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0	0
Achieve Compliance	100									■								
Correct Deficiencies	60																	
Other	40																	
COMP. WELLHEAD/SOURCE WATER PROTECT PLANS - TOTAL	100 (max)	0	0	0	0	0	0	0	0	0	0	100	0	0	0	100	0	0
Granted	100											■				■		
TOTAL PRIORITY POINTS ASSIGNED	1000 (max)	455	315	315	475	315	540	450	450	695	440	395	325	325	325	800	300	300

Category Description	Points	7322-01	7323-01	7324-01	7325-01	7326-01	7327-01	7328-01	7329-01	7330-01	7331-01	7332-01	7333-01	7334-01	7335-01			
DRINKING WATER SYSTEM COMPLIANCE - TOTAL	450 (max)	150	150	150	400	150	150	150	150	150	175	150	400	150	150			
Acute Viol. of DW Standards, Health Advisory Levels, SWTT, Disease	250				■								■					
Non-Acute Viol. of DW Standards, Health Advisory Levels, SWTT, Disease	200																	
Facility Upgrade to Maintain Compliance	150	■	■	■	■	■	■	■	■	■	■	■	■	■	■			
Aesthetic Upgrades to Maintain Compliance	25										■							
INFRASTRUCTURE IMPROVEMENTS/UPGRADES - TOTAL	350 (max)	100	100	100	250	125	125	350	200	125	225	250	250	250	275			
Source/Treatment w/ Connecting Mains	125 (max)	0	0	0	125	0	0	125	0	0	100	0	125	125	125			
Meet Minimum Capacity	100				■			■					■	■	■			
Reliability	75				■			■			■		■	■	■			
Other Upgrades	25				■			■			■		■	■				
Enforcement Action	25																	
Source Water Protection	50							■										
Transmission/Distribution Mains	125 (max)	100	100	100	125	125	125	125	100	125	125	125	125	125	125			
Meet Minimum Capacity	100	■	■	■	■	■	■	■	■	■	■	■	■	■	■			
Reliability	75					■	■	■		■	■			■	■			
Other Upgrades	25				■	■	■			■	■		■	■	■			
Enforcement Action	25																	
Storage Facilities/Pumping Stations	125 (max)	0	0	0	0	0	0	100	100	0	0	125	0	0	25			
Meet Minimum Capacity	100							■	■			■						
Reliability	75																	
Other Upgrades	25											■			■			
Enforcement Action	25																	
POPULATION - TOTAL	50 (max)	50	50	50	50	50	50	30	40	40	30	40	50	40	50			
0-500	10																	
501-3,300	20																	
3,301-10,000	30							■			■							
10,001-50,000	40								■	■		■		■				
>50,000	50	■	■	■	■	■	■					■	■	■	■			
DISADVANTAGED COMMUNITY - TOTAL	50 (max)	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Granted	50																	
CONSOLIDATION - TOTAL	100 (max)	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Achieve Compliance	100																	
Correct Deficiencies	60																	
Other	40																	
COMP. WELLHEAD/SOURCE WATER PROTECT PLANS - TOTAL	100 (max)	0	0	0	100	0	0	100	0	0	100	0	100	0	0			
Granted	100				■			■			■		■					
TOTAL PRIORITY POINTS ASSIGNED	1000 (max)	300	300	300	800	325	325	630	390	315	530	440	800	440	475			

