

Drinking Water State Revolving Fund

Draft Annual Intended Use Plan

SFY 2023

**State of Connecticut
Department of Public Health
Drinking Water Section**



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Acronyms Used in This Document:

AIS	American Iron and Steel
AWIA	America's Water Infrastructure Act of 2018
BABA	Build America, Buy America Act
BIL	Bipartisan Infrastructure Law
CAT	Capacity Assessment Tool
CCL	Contaminant Candidate List (EPA)
CDC	Centers for Disease Control and Prevention (Federal)
C&D Plan	Connecticut Conservation and Development Policies Plan
CFR	Code of Federal Regulations
CGS	Connecticut General Statutes
CWF	Clean Water Fund
CWS	Community Water System
CWSRF	Clean Water State Revolving Fund
DCAP	Disadvantaged Community Assistance Program
DEEP	Department of Energy and Environmental Protection (CT)
DPH	Department of Public Health (CT)
DWF	Drinking Water Fund
DWINSA	Drinking Water Infrastructure Needs Survey and Assessment
DWNIMS	Drinking Water National Information Management System
DWS	Drinking Water Section (within DPH)
DWSRF	Drinking Water State Revolving Fund
EJ	Environmental Justice
EPA	Environmental Protection Agency (Federal)
EPGP	Emergency Power Generator Program
ETT	Enforcement Targeting Tool
FFATA	Federal Funding Accountability and Transparency Act
FFY	Federal Fiscal Year (October 1 to September 30)
FR	Federal Register
GAO	Government Accountability Office (federal)
GIS	Geographic Information System
HEDCAP	Health Equity Disadvantaged Community Assistance Program
IIJA	Infrastructure Investment and Jobs Act
IUP	Intended Use Plan
LCRR	Lead and Copper Rule Revisions
LSL	Lead Service Line
MHI	Median Household Income
MIAO	Made in America Office (part of Office of Management and Budget)
MOU	Memorandum of Understanding
NEIWPPC	New England Interstate Water Pollution Control Commission
NEPA	National Environmental Policy Act
NTNC	Non-Transient Non-Community (Public Water System)
OA	Operating Agreement

OMB	Office of Management and Budget (federal)
OPM	Office of Policy and Management (CT)
OTT	Office of the State Treasurer (CT)
PER	Preliminary Engineering Report
PPL	Project Priority List
PRS	Priority Ranking System
PURA	Public Utility Regulatory Authority (within CT DEEP)
PWS	Public Water System(s)
PWSID	Public Water System Identification Number
PWSS	Public Water System Supervision grant
RCSA	Regulations of Connecticut State Agencies
SBC	State Bond Commission
SDWA	Safe Drinking Water Act
SERP	State Environmental Review Process
SFY	State Fiscal Year (July 1 to June 30)
SLP	Small Loan Program
SVI	Social Vulnerability Index (from Centers for Disease Control-CDC)
TNC	Transient Non-Community (Public Water System)
ULO	Unliquidated Obligations
USC	United States Code

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I. EXECUTIVE SUMMARY

President Biden signed the Bipartisan Infrastructure Law (BIL) on November 15, 2021. It includes \$50 billion to the U.S. Environmental Protection Agency (EPA) to strengthen the nation's drinking water and wastewater systems, the single largest federal government investment in clean water. This Intended Use Plan (IUP) describes the criteria, policies, and methods that CT DPH will use to distribute the Drinking Water State Revolving Fund (DWSRF), including an enhanced Project Ranking System (PRS) under which the eligible projects were ranked and placed on a Comprehensive Project List (CPL) and Project Priority Lists (PPL).

The EPA outlined the guidelines for dispersing this unprecedented funding in an implementation memorandum sent to all state State Revolving Fund (SRF) programs. This memo clearly summarized the parameters that SRF program need to follow; including the expectations to prioritize disadvantaged communities. The CT DPH DWSRF program followed these instructions to develop the priority ranking system effective FY23.

Per the EPA memo, CT DPH is prioritizing funding projects that address public health protection and acute and chronic disease prevention with an emphasis on serving vulnerable populations. CT DPH is ranking all applications using a four-step methodology:

Step 1: Assign a Social Vulnerability Index score to each project

Step 2: Place each project into a tiered system (tiers 1 – 3) according to public health risk

Step 3: Categorize projects based upon their funding category, such as general supplemental, supplemental LSL or emerging contaminants

Step 4: Based upon the project buckets, determine which project will be assigned the appropriate subsidy level

Step 1: Assign Social Vulnerability Index score to each project

Social Vulnerability Index is a formular developed by the federal government that has historically used for disaster struck areas. Social vulnerability refers to the potential negative effects on communities caused by external stresses on human health. Such stresses include natural or human-caused disasters, or disease outbreaks (CDC, 2022). Reducing social vulnerability can decrease both human suffering and economic loss. The index includes fifteen element which include:

1. Below Poverty
2. Unemployed
3. Income
4. No High School Diploma
5. Aged 65 or Older
6. Aged 17 or Younger
7. Civilian with a Disability
8. Single-Parent Household
9. Minority Status
10. Aged 5 or Older who Speaks English "Less than Well"

11. Multi-Unit Structures
12. Mobile Homes
13. Crowding
14. No Vehicle
15. Group Quarter

The Social Vulnerability Index has been developed by the federal government using these factors and are then applied to every census tract. Census tracts are subdivisions of counties for which the United States Census Bureau Census collects statistical data. The Connecticut DPH applied the SVI by census tract for every project of this submitted IUP as the first level of calculation to begin the ranking process. Each project received an SVI score, detailed within, then will be ranked. Projects with elevated SVI scores of 0.5000 to 1 have been prioritized.

Step 2: Place each project into a tiered system (tiers 1 – 3) according to public health risk

The PRS developed by the DPH for its DWSRF program specifies the criteria that the DPH uses to determine the distribution of funds and is found in Attachment B of this IUP. The primary objectives of the PRS are to address projects that: pose the most serious risk to human health; ensure compliance with the requirements of the SDWA; and assist systems and populations most in need, on a per household basis, according to State affordability criteria. The DPH has developed a PRS that meets the above objectives by prioritizing public water system projects that address populations most in need, address acute risk to public health, and are expected to be ready to proceed. Each eligible DWSRF project is assigned to a tier group based upon the projects specifics as outlined below. Tier I projects are given the highest priority, Tier II next and then Tier III last. Priority within each Tier group is given to projects that assist populations most in need based on SVI scores, with the highest SVI score given highest priority and lowest SVI score given lowest priority.

- Tier I: Projects which address acute health risk. Examples include:
 - E. Coli, Nitrate, or Lead Service Lines
 - Demonstrated illness attributable to the public water system, significant noncompliance, a DPH-ordered compliance, or acute health concerns related to meeting water quality requirements
 - Being subject to an order to boil water issued under the authority of the DPH
- Tier II: Projects which address chronic health risk. Examples include:
 - PFAS or Volatile Organic Compounds
 - Demonstrated or documented noncompliance with any one of the requirements for water quality for any chronic contaminate such as PFAS and/or VOC
 - Exceeding any one of the secondary drinking water levels
- Tier III: Projects which address aging infrastructure. Examples include:

- The rehabilitation or replacement of drinking water facilities such as water storage tanks, pumping stations and water mains
- Construction of new facilities to improve existing water service
- Improvements for security and resilience of existing drinking water infrastructure

Step 3: Categorize projects based upon their funding category, such as general supplemental, supplemental LSL or emerging contaminants

The BIL appropriated additional drinking water infrastructure funding for the DWSRF for FFYs 2022-2026. This funding includes three new capitalization grants each year during this 5-year period, in addition to the annual “base” capitalization grant. These additional grants are General Supplemental, Lead Service Line Replacement, and Emerging Contaminants. Each DWSRF project will fall into one of the three categories.

- **General Supplemental**
 - These funds are considered supplemental to the annual “base” capitalization grant and all DWSRF-eligible projects, as described in Section II.A., above, may be funded with monies from this grant.
- **Lead Service Line Replacement**
 - Only projects which are for the replacement of a lead service line (LSL), or associated activity directly connected to the identification, planning, design, and replacement of LSLs may be funded with monies from this capitalization grant. This can include the initial inventorying of water service lines within a PWS. However, the eligibility of the physical replacement of a water service line is limited to only those which meet the EPA definition of a “lead service line. EPA has expanded the eligible uses beyond the definition to also include the replacement of lead goosenecks, pigtails, and connectors as eligible expenses, whether standalone or connected to a LSL. The replacement of service lines, or the remaining portion of a service line, which are not considered made of lead are not eligible to be funded with LSL monies, however, are eligible for funding from the base and supplemental capitalization grants.
- **Emerging Contaminants**
 - Only projects for which the primary purpose is to address an emerging contaminant may be funded with monies from this capitalization grant, with a focus on projects which address PFAS.

Projects which address any contaminant which appears on an [EPA Contaminant Candidate List](#) (CCL) are eligible. If EPA has promulgated a National Primary Drinking Water Regulation (NPDWR) for a contaminant, then a project whose primary purpose is to address that contaminant is not eligible for funding under this capitalization grant. These projects are eligible for funding from the base and supplemental capitalization grants.

Step 4: Based upon the project buckets, determine which project will be assigned the appropriate subsidy level

The federal subsidization amount that any project receives shall be calculated as a percentage of the eligible contract costs (professional service and/or construction) that will be receiving DWSRF funding for the project. Federal subsidy will be reserved for contracts on a first-come, first-served basis, as determined by the date an eligible contract is authorized to be executed by the DPH Commissioner, until all the available federal subsidy funding is accounted for. Due to the limited availability of federal subsidy funds, there is no guarantee every contract that is eligible for subsidy will receive subsidy. Projects which are eligible to receive federal subsidization are identified on the Comprehensive Project List. Any single PWS cannot receive more than 50% of the available subsidy under this IUP.

In cases where two or more eligible contracts are ready to be authorized by the DPH Commissioner on or about the same time, and there is insufficient remaining subsidy to provide to all those contracts, the DPH reserves the right to give subsidization preference to contracts based on the following approach:

- Percentage of total system population served by the project with an SVI score between 0.5 and 1; the project serving a higher percentage of population of the overall system population will be given preference.
- The size of the population served by the project; the project with the larger population served that is an elevated SVI at or above 0.5 will be given preference.
- The size of the total population served by the system applicant; the system with the larger population will be given preference.

Sharing the focus of the Biden administration, with the above-modified DWSRF priority point system for project ranking, DPH is redistributing project priorities to ensure disadvantaged communities in rural, suburban, and urban areas are receiving the benefit of DWSRF BIL funding. DPH has restructured the priority ranking criteria to ensure funding and technical assistance is available to disadvantaged communities and that these communities and populations are provided the same opportunity to attain their full health potential.

The BIL established three additional capitalization grants for FFYs 2022- 2026, in addition to the annual base capitalization grant. This IUP contains three Project Priority Lists (PPL) identifying which projects are expected to receive funding from four

capitalization grants: Base & Supplemental PPL, Lead Service Line (LSL) PPL, Emerging Contaminant PPL. All PPLs reflect only those eligible projects which have been determined to be ready to proceed during SFY 2023. The PPLs for LSL and Emerging Contaminant funding show only those projects which qualify either in whole or in part. Funds will also be made available to projects carried forward from a prior IUP, but for which binding commitments (i.e., financial assistance agreements) with the DPH have not yet been executed.

A key priority of the BIL is to ensure that disadvantaged communities benefit equitably from the BIL's historic investment in drinking water infrastructure. CT DPH remains committed to the guidance provided by the Biden administration and EPA to address safe drinking water quality across Connecticut to help communities most in need. DPH DWSRF program will place an emphasis on addressing acute risk drinking water issues quickly and comprehensively, while assisting the communities most in need.

II. OVERVIEW

A. State of Connecticut Drinking Water State Revolving Fund

The Connecticut Department of Public Health (CT DPH) has made an agency-wide commitment to prioritizing health equity and health disparities throughout the state, as seen in our 2020 State Health Improvement Plan. In alignment with this core mission, the CT DPH Drinking Water State Revolving Fund (DWSRF) program is committed to addressing water issues in disadvantaged communities throughout the state, city and rural alike.

For the DWSRF program to achieve the goal of prioritizing health equity, the priority ranking system (PRS) used to evaluate DWSRF applications has gone through some significant changes. These changes directly reflect the call to action found in the White House guidance documents of the Biden Administration, as well as the language outlined in the Bipartisan Infrastructure Law (BIL) and in the EPA Implementation Memorandum, *Implementation of the Clean Water and Drinking Water State Revolving Fund Provisions of the Bipartisan Infrastructure Law*, dated March 8, 2022, from the EPA Office of Water's Assistant Administrator Radhika Fox. As a result of these documents, the CT DPH DWSRF program has taken a closer look at how the program defines "disadvantaged communities" and the degree to which health equity and non-traditional populations are prioritized.

The EPA Implementation Memorandum stresses the key goal of prioritizing disadvantaged communities, so that "disadvantaged communities benefit equitably from this historic investment in water infrastructure." The CT DPH DWSRF program takes this objective on with the utmost seriousness and vigor, with commitment to dispersing the funding to the most vulnerable populations in Connecticut.

A fundamental principle of the SRFs as reaffirmed in EPA's Implementation Memo, is the flexibility provided to states and eligible public water system borrowers to address a wide

variety of local water quality and public health challenges. States have a great deal of flexibility to determine priorities, select projects and administer the program. In that vein, CT DPH acknowledges the EPA expectations throughout the five years of BIL implementation, including continually reevaluating the way our DWSRF program defines disadvantaged community [as it pertains to providing aid to the most vulnerable populations in Connecticut] and CWSRF affordability criteria, and ensuring that the CT DPH SRFs' priority point system for project ranking is reflective of need. The CT DPH DWSRF program understands that these goals cannot be accomplished on our own, and thus, is committed to engaging residents and community stakeholders in disadvantaged communities throughout the five-year funding period to help identify local needs and communicate priorities.

Additionally, the BIL mandates that 49% of funds provided through the DWSRF General Supplemental Funding and DWSRF Lead Service Line Replacement Funding must be provided as grants and forgivable loans to disadvantaged communities. Therefore, working with the DPH Office of the Commissioner, the DPH Office of Health Equity, and the DPH Environmental Health & Drinking Water Branch management, the DPH DWSRF has modified its disadvantaged assistance program and priority ranking system to incorporate health equity principals by directly utilizing the Centers for Disease Control and Prevention (CDC) Social Vulnerability Index (SVI) in the development of project priorities.

The SVI is a tool used to measure or determine vulnerability in a given location (e.g., state, city, neighborhood) by census tract, as defined by fifteen metrics developed by the CDC. The metrics fall into four distinct categories: socio-economic, household composition and disability, minority status, and housing. An SVI score can be measures between 0 and 1, with an "elevated-SVI area" being those composed of vulnerable populations and denotes an SVI score between 0.5 and 1. For example, if one census tract inside of a town has a score of .50 or above an entire town is labeled as being high-SVI. These populations are at risk, not only during the possibility of emergencies and disasters, but during their every-day life as well, as public health and social data consistently show higher disease prevalence, crime, and social vulnerability among the people who live in these locales.

It is important for this work to remain person-centered with the goal of making the largest public health impact as possible. The updated PRS reflects this goal. The directive given by the Biden Administration, along with the guidance in the EPA Implementation Memo are the driving forces behind this programmatic vision, also dovetailing with the overall mission of the CT DPH. Links to influential documents that have guided the updates to the DWSRF program PRS are listed below:

- The White House, *Fact Sheet: The Bipartisan Infrastructure Deal*. November 6, 2021
- The White House, *Advancing Equity and Racial Justice Through the Federal Government*.

- United States Environmental Protection Agency, *Implementation of the Clean Water and Drinking Water State Revolving Fund Provisions of the Bipartisan Infrastructure Law*. March 8, 2022

B. Social Vulnerability Index

As CDC states, “The degree to which a community exhibits certain social conditions, including high poverty, low percentage of vehicle access, or crowded households, may affect that community’s ability to prevent human suffering and financial loss”*. SVI provides specific socially and spatially relevant information to help public health officials and local planners support disadvantaged communities.

An SVI Score is provided to each CT DWSRF project based upon the location and population parameters, using 2018 census data. For each DWSRF funding application, a survey was completed which provided population data, and the geographical location of the proposed project. SVI scores assigned to each project represent the median value of all SVI census tracts that receive benefits from the project. SVI scores range between 0.0 to 1.0. For the purposes of the DWSRF project application review process, the CT DPH DWSRF program considers an SVI score elevated if a score is between 0.5 to 1.0.

CDC uses 15 variables to calculate the SVI score. These variables fall into four distinct categories of Socio-economic Status, Household Composition and Disability, Minority Status and Housing Type & Transportation. These 15 metrics viewed on a census tract level work to give a snapshot of communities that transcends typical overviews that are focused on only one metric. Through this approach, a larger population can be supported programmatically. CDC’s SVI information can be found on CDC’s webpage link here [CDC/ATSDR Social Vulnerability Index \(SVI\)](#). More extensive information on SVI can be found in Attachment N.

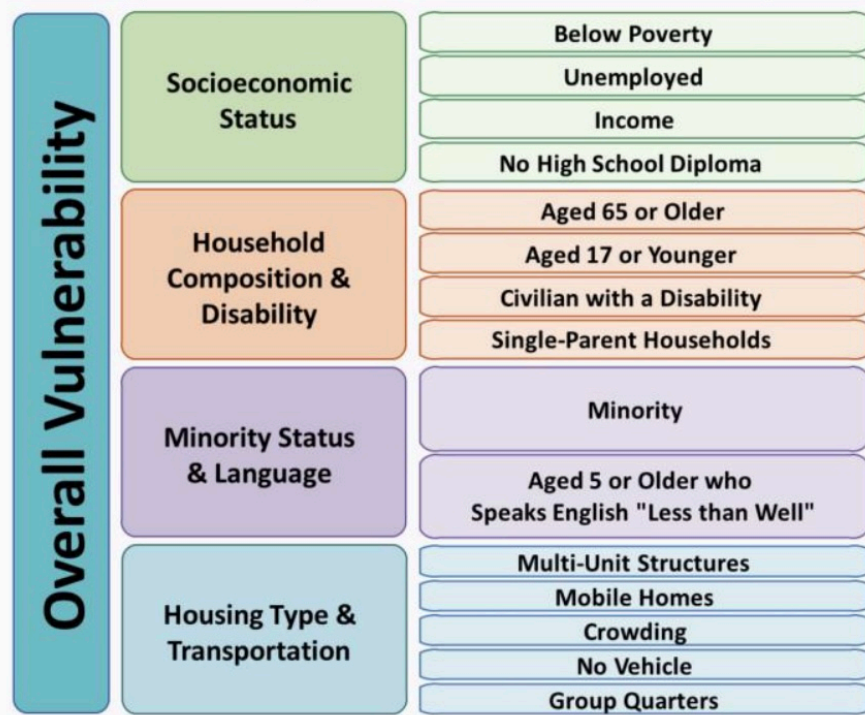
Beginning in SFY 2023 and beyond, the DPH has revised its DWSRF project priority ranking system and disadvantaged community program to emphasize SVI and incorporate the following key principles and program mechanisms:

1. Determine population estimates (number of people and location) for the people who will benefit from each of the proposed DWSRF projects
2. Assign an SVI score to each DWSRF project
3. Rank project priorities using SVI scores with a focused priority on projects with elevated SVI scores of 0.5000 or above

* Centers for Disease Control and Prevention/ Agency for Toxic Substances and Disease Registry/ Geospatial Research, Analysis, and Services Program. CDC/ATSDR Social Vulnerability Index 2018 Database Connecticut

4. Identify projects that are considered disadvantaged community projects using SVI socioeconomic score
5. As a top priority, rank projects that address acute risk to human health including lead service line replacements, nitrates, E. coli, surface water filtration and addressing lead action level exceedances
6. Next, rank projects that address chronic human health risks and the association with aging infrastructure issues
7. Provide additional high priority status to project readiness
8. If necessary, provide direct technical assistance to projects that are highly ranked however are not prepared to move forward
9. Build an additional project pipeline by engaging residents and community stakeholders in disadvantaged communities
10. Develop relationships with new constituencies to reach beyond traditional stakeholders to identify community needs, provide public health education, and priority projects that address safe drinking water
11. Work to address the above items to make progress toward Justice40 which aims to ensure that agencies deliver at least 40% of benefits to disadvantaged communities and benefit people most in need to address safe drinking water issues.

The components of the Social Vulnerability Index



C. CT DPH DWSRF Priority Ranking System

Per the EPA Implementation Memo, a state's Priority Ranking System (PRS) is required to provide, to the extent practicable, priority to projects that: address the most serious risk to human health; are necessary to ensure compliance with the requirements of the SDWA; and assist systems and populations most in need, on a per household basis, according to State affordability criteria. Starting in SFY23, the CT DPH will emphasize health equity in the DWSRF PRS. DPH's PRS will utilize CDC's SVI metrics along with providing a higher rank for acute public health risk to move projects toward successful DWSRF project implementation and completion. Projects have been ranked by one of three tiers and then assigned to the Comprehensive Project List and PPL, ordered by SVI score. Only projects that have been determined to be ready to proceed during SFY 2023 appear on the PPLs. All projects appear on the Comprehensive Project List regardless of whether they are ready to proceed during SFY 2023. Further detailed information on the PRS may be found in the Attachment B.

As mentioned above, starting in FY23, the CT DPH PRS will prioritize providing funding to applications that address acute and chronic health risk. A tiered approach – tiers 1 through 3 – will be used to rank all applications (see below for further detail). As stated in the EPA Implementation Memo, the IUP must include a priority system for ranking individual projects for funding that provides sufficient detail for the public and EPA to readily understand the criteria used for ranking. The priority for the use of funds should address:

- water quality
- the most serious risks to public health
- ensure compliance, and
- assist systems most in need based on the state's affordability criteria and disadvantaged community definition.

CT DPH has, and will continue to, review our SRF PRS to ensure the priorities are adequately addressed.

The BIL places an emphasis on the elimination of lead service lines and addressing emerging contaminants, with a focus on perfluoroalkyl and polyfluoroalkyl substances (hereinafter PFAS), in drinking water, in addition to ensuring that disadvantaged communities benefit from BIL funding. Information on the eligible uses of these funds can be found in Section II. A significant portion of this funding must be provided as subsidization for projects which benefit disadvantaged communities in Connecticut. Additional information on the disadvantaged community definition can be found in the Attachment K - Health Equity Disadvantaged Community Assistance Program (HEDCAP). Information on the federal subsidy funding can be found in Section IV.I.

The PRS developed by the DPH for its DWSRF program specifies the criteria that the DPH uses to determine the distribution of funds and is found in Attachment B of this IUP. The primary objectives of the PRS are to address projects that: pose the most serious risk to human health; ensure compliance with the requirements of the SDWA; and assist systems and populations most in need, on a per household basis, according to State affordability criteria. The DPH has developed a PRS that meets the above objectives by prioritizing public water system projects that address populations most in need, address acute risk to public health, and are expected to be ready to proceed. Each eligible DWSRF project is assigned to a tier group based upon the projects specifics as outlined below. Tier 1 projects are given the highest priority, Tier II next and then Tier III last.

Project Tier Descriptions

Tier I Projects which address acute health risk. Examples include:

- E. Coli, Nitrate, or Lead Service Lines
- Demonstrated illness attributable to the public water system, significant noncompliance, a DPH-ordered compliance, or acute health concerns related to meeting water quality requirements
- Demonstrated or documented noncompliance with the rules governing the maximum contaminant levels of microbiological contaminants
- Being subject to an order to boil water issued under the authority of the DPH
- Demonstrated or documented noncompliance with the rules governing the filtration and disinfection of surface water
- Demonstrated or documented noncompliance with the rule governing the maximum contaminant levels of nitrate or action level for lead

Tier II Projects which address chronic health risk. Examples include:

- PFAS or Volatile Organic Compounds
- Demonstrated or documented noncompliance with any one of the requirements for water quality for any chronic contaminate such as PFAS and/or VOC
- Exceeding any one of the secondary drinking water levels,

Tier III Projects which address aging infrastructure. Examples include:

- The rehabilitation or replacement of drinking water facilities such as water storage tanks, pumping stations and water mains
- Rehabilitation of existing water system facilities
- Construction of new facilities to improve existing water service

- Improvements for security and resilience of existing drinking water infrastructure
- Other eligible capital improvements

Priority within each Tier group is given to projects that assist populations most in need based on SVI scores, with the highest SVI score given highest priority and lowest SVI score given lowest priority.

Only projects that are expected to be ready to proceed during SFY 2023 are considered for inclusion on the Project Priority Lists for SFY 2023 (Attachments F, G and H). Projects that are not ready to proceed during SFY 2023 appear only on the Comprehensive Project List (Attachments C and D) and will be considered for funding in future years. All projects needing technical assistance support will be given priority for direct technical assistance by the DPH and/or EPA as appropriate. Please refer to Section IV.K. for more information on how DPH assesses a project's readiness to proceed.

The PRS was updated for SFY 2023 and places higher emphasis on projects that will achieve compliance with drinking water quality requirements that serve populations most in need, while recognizing the importance of projects that will maintain compliance. A PWS' compliance with both state and federal drinking water quality requirements is closely monitored throughout the project review process. If a PWS has any outstanding significant violations or deficiencies or has received an ETT score of 11 or higher, they must demonstrate a path to return to compliance before any formal commitment of funding is made by the State of Connecticut.

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

Placement on the project priority list does not guarantee that a project will be funded. However, only those projects that are included on the PPLs will be considered for possible funding. Ranking and eligibility determination is not a guarantee of DWSRF funding. Projects must follow all requirements and receive the appropriate reviews and approvals from the DWS and the DPH Commissioner prior to any obligation of funding. Any list, before it is adopted, must undergo the public comment and review period outlined in the regulations and must be approved by the Commissioner's Office of the DPH.

The DPH may revise the ranking of a project on an existing list at any time if information affecting the ranking of the project becomes available that was not available at the time the list was developed. The DPH must announce and hold a public comment period for 30 days for any revisions. This must then be approved by the Commissioner's Office of the DPH.

Eligible projects on the PPLs will be provided a significant amount of technical assistance from DPH DW staff and others on an as-needed basis. Projects that need additional assistance will be provided additional technical assistance through numerous means. In the instance that an applicant withdraws a project, requests that action be deferred, fails to meet DPH established deadlines, or is not ready to proceed, as determined by the DPH, DPH will reach out to understand the current situation to determine with the applicant the best course of action. Projects not progressing may need to be by-passed; refer to Section IV.L. for more information.

Requests for financial assistance for emergency situations may be made to the Commissioner's Office of the DPH at any time. In any emergency, an applicant may submit a financial assistance application without waiting for a revision to the priority list. All other applicants on an approved priority list will be notified of an emergency request and be given an opportunity for any comments or objections. The DPH Office of the Commissioner will add the project to the priority list at the same time the DPH approves the loan commitment. Please refer to Section IV.L. for more information on by-pass and emergency by-pass procedures.

D. What's New for SFY 2023?

- **Bipartisan Infrastructure Law (BIL):** The BIL (Public Law 117-58) was signed by President Biden on November 15, 2021 and appropriated additional drinking water infrastructure funding for the DWSRF for FFYs 2022-2026. This funding includes three new capitalization grants each year during the 5-year period: General Supplemental, Lead Service Line Replacement, and Emerging Contaminant. These grants are further described in Section II. B. The implementation of the DWSRF provisions of the BIL are described within EPA's March 8, 2022 [Implementation Memo](#) from Radhika Fox.
- **Revised Health Equity Disadvantaged Community Assistance Program (HEDCAP):** A key priority of the BIL is to ensure that disadvantaged communities benefit equitably from the historic investment in drinking water infrastructure under the BIL. The BIL has key provisions and flexibility to ensure that states can update and revise their disadvantaged assistance programs emphasizing health equity and addressing communities most in need. The DPH has revised its former Disadvantaged Community Assistance Program (DCAP) by revising our definition of a disadvantaged community, enhancing the priority ranking system to incorporate the CDC's Social Vulnerability Index, and clearly identifying populations that benefit from each proposed project. Along with emphasis on health equity, this priority ranking system and HEDCAP enhancements include addressing acute risk to public health as a priority. Projects

that are highly ranked but not ready to proceed, will be offered significant technical assistance by the DPH as appropriate. LSLR projects will also be offered training and technical assistance through state and federal technical assistance processes.

- **Updated Priority Ranking System:** In order to address the BIL’s focus on addressing communities in need, assisting disadvantaged populations, and minimizing acute public health risks, the IUP’s Priority Ranking System has been revised to be inclusive of SVI and identified populations that are served by the proposed DWSRF project. This new ranking system ties together the enhanced HEDCAP with implementation of health equity focused projects.
- **Build America, Buy America (BABA) Act:** Title IX, Subtitle A, Part I of the BIL put in place the Build America, Buy America Act which expands the preference for domestic materials used in infrastructure projects receiving federal funding. These requirements became effective on May 14, 2022, and apply to all federally funded infrastructure projects, and are further described in Section IV.M.

E. **Historical Background**

In 1996, Congress passed amendments to the Safe Drinking Water Act (SDWA) establishing the Drinking Water State Revolving Fund (DWSRF). Section 1452 of the SDWA authorizes the United States Environmental Protection Agency (EPA) administrator to award capitalization grants to states. For decades, the DWSRFs have been the foundation of water infrastructure investments, providing low-cost financing for local public water system projects across America. In the Bipartisan Infrastructure Law (BIL) (P.L. 117-58) passed by Congress on November 15, 2021, also known as the “Infrastructure Investment and Jobs Act (IIJA) of 2021”, Congress formally reauthorized the DWSRF’s “base” capitalization grant through Federal Fiscal Year (FFY) 2026. The BIL also appropriated additional national funding for the DWSRF for FFYs 2022-2026 which includes three additional capitalization grants to states in each of those years. These three new grants along with the base capitalization grant are shown in Table 1 and include the national appropriations and Connecticut’s allotments for each.

Table 1 – FFY 2022 Available Funding

Capitalization Grant	National Appropriation FY 2022	Connecticut’s Allotment FY 2022
Base DWSRF	\$1,126,088,000	\$7,008,000
General Supplemental	\$1,902,000,000	\$17,992,000
Lead Service Line Replacement	\$3,000,000,000	\$28,350,000
Emerging Contaminant	\$800,000,000	\$7,555,000

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

Further, DPH is the primacy agency for administering the Federal EPA's Safe Drinking Water Act as well as the designated agency that is authorized to enter into capitalization grant agreements with the EPA, accept capitalization grant awards, and otherwise manage the DWSRF. This IUP will be included with each of our applications for the FFY 2022 capitalization grants identified in Table 1. The SDWA requires that each State annually prepare an IUP to describe how the State intends to use DWSRF program funds to support the overall goals of the DWSRF program and meet the SDWA objectives. The DWSRF program is an essential component of Connecticut's efforts to protect public health and improve the quality and availability of public drinking water to all its citizens. The IUP communicates our plans to stakeholders who include public water systems, municipal leadership, local health directors, regional planners, public health agencies, State legislators, the public, EPA, and other state agencies.

The IUP discusses how DPH intends to utilize its allotment of FFY 2022 federal funds as well as other available sources of funds for the DWSRF for SFY 2023. The available funding includes unliquidated obligations (ULO) from previous federal capitalization grants. The IUP details the short-term and long-term goals that the DPH has developed to support the overall objectives of the DWSRF program of ensuring public health protections, complying with the SDWA, emphasizing health equity, assisting to address affordable drinking water, and maintaining the long-term financial health of the DWSRF. The IUP also includes details related to the goals and objectives associated with the BIL funding.

The DPH is responsible for programmatic and fiscal administration of DWSRF projects and capitalization grant set-aside funds. The DEEP is responsible for administration of the Clean Water Fund (CWF), of which the DWSRF is a sub-account. The PURA is responsible for programmatic and fiscal input for those water companies that it regulates

who are requesting DWSRF funding. The OTT is responsible for the fiscal administration of all DWSRF project accounts, oversight of loans, oversight of the leveraging process through bond sales, administration of a DWSRF financial plan, and assessing the financial viability of borrowers.

Connecticut currently receives 1% of the remaining national appropriation funds, after funds for EPA administration and other national programs are deducted. The FFY 2022 funds are used to fund projects through provision of loans to eligible public water systems, and for set-aside activities during SFY 2023, as outlined in this Intended Use Plan (IUP).

II. STRUCTURE OF THE DWSRF

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

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

- Installation or upgrade of facilities to improve the quality of drinking water to comply with the SDWA and State drinking water regulations;
- Rehabilitation of wells or development of eligible sources to replace contaminated sources;
- Installation, rehabilitation or replacement of transmission and distribution pipes to improve water pressure to safe levels or to prevent contamination caused by leaks or breaks in the pipes;
- Inventory and removal of drinking water lead service lines;
- Addressing emerging contaminants;
- Installation or upgrade of eligible water storage facilities to prevent microbiological contaminants from entering a PWS;
- Interconnecting two or more PWSs;
- Creation of a new community PWS to serve homes with contaminated individual drinking water sources or to consolidate existing systems into a new regional system;
- Routine capital improvement projects for drinking water infrastructure that has exceeded or is nearing the end of its useful service life.

Federal DWSRF regulations specify that funding may not be used for projects that are primarily intended to serve growth. The focus of DWSRF assistance is to ensure safe drinking water for the current PWS's population. Eligible projects may be sized to accommodate for reasonable growth during the expected life of the infrastructure.

However, the State of Connecticut will not fund projects intended to serve future growth outside of reasonable expectations and remains vigilant to ensure the limited DWSRF funds available are directed to serve the existing population.

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

In November 2019, the EPA issued a class deviation from the federal regulations for projects which are for the purpose of purchasing “water rights”. In July 2021, EPA issued a class exception for projects which are for the purpose of rehabilitation of dams and reservoirs. Any such project must meet specific criteria to be considered under either the deviation or exception. The EPA may grant deviations or exceptions from federal DWSRF regulations but not from statutory requirements. Other types of projects which may be considered for a deviation on a case-by-case basis are those which are needed primarily for fire protection.

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

B. Eligibility For Bipartisan Infrastructure Law Funding

The BIL was signed by President Biden on November 15, 2021, and appropriated additional drinking water infrastructure funding for the DWSRF for FFYs 2022-2026. This funding includes three new capitalization grants each year during this 5-year period, in addition to the annual “base” capitalization grant. These additional grants are General Supplemental, Lead Service Line Replacement, and Emerging Contaminant and are described below. All borrowers and projects funded with any of these monies must meet the overall eligibility requirements of the DWSRF.

1. General Supplemental

These funds are considered supplemental to the annual “base” capitalization grant and all DWSRF-eligible projects, as described in Section II.A., above, may be funded with monies from this grant.

2. Lead Service Line Replacement

Only projects which are for the replacement of a lead service line (LSL), or associated activity directly connected to the identification, planning, design, and replacement of LSLs may be funded with monies from this capitalization grant. This can include the initial inventorying of water

service lines within a PWS. However, the eligibility of the physical replacement of a water service line is limited to only those which meet the EPA definition of a “lead service line”: “...a service line made of lead, which connects the water main to the building inlet. A lead service line may be owned by the water system, owned by the property owner, or both. For the purposes of this subpart, a galvanized service line is considered a lead service line if it ever was or is currently downstream of any lead service line or service line of unknown material. If the only lead piping serving the home or building is a lead gooseneck, pigtail, or connector, and it is not a galvanized service line that is considered a LSL the service line is not a lead service line.” EPA has expanded the eligible uses beyond the definition above to also include the replacement of lead goosenecks, pigtails, and connectors as eligible expenses, whether standalone or connected to a LSL. In addition, the entire LSL must be replaced, not just a portion, unless a portion has already been replaced or is concurrently being replaced with another funding source.

The replacement of service lines, or the remaining portion of a service line, which are not considered made of lead as noted above are not eligible to be funded with LSL monies, however, are eligible for funding from the base and supplemental capitalization grants. The requirement to replace the entire LSL as noted above applies to all funding from the DWSRF.

3. Emerging Contaminants

Only projects for which the primary purpose is to address an emerging contaminant may be funded with monies from this capitalization grant, with a focus on projects which address PFAS. Projects which address any contaminant which appears on an [EPA Contaminant Candidate List](#) (CCL) are eligible.

If EPA has promulgated a National Primary Drinking Water Regulation (NPDWR) for a contaminant, then a project whose primary purpose is to address that contaminant is not eligible for funding under this capitalization grant. These projects are eligible for funding from the base and supplemental capitalization grants. However, projects which address PFAS are eligible for Emerging Contaminant funding whether a regulation is developed or not.

In addition to the specific project eligibilities associated with these BIL capitalization grants, there are specific requirements for providing subsidization to certain eligible borrowers and projects. These requirements and the plan for the use of all funds is detailed in Section IV.

C. Set-Asides

The State of Connecticut will use the DWSRF and BIL set-aside funds from each of the four capitalization grants to provide additional support to the promotion and implementation of the State's safe drinking water efforts and for activities to assist water systems in developing enhanced technical assistance capabilities for the future. Each of the set-asides is briefly explained below and additional information may be found in Section VII.

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

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

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

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

III. DWSRF GOALS

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

Maintaining an adequate staffing level has been identified as a critical factor in the success of the DWSRF program. Moreover, the technical assistance and SDWA compliance oversight provided to PWSs by the DPH Drinking Water Section is invaluable to identifying projects that can benefit from the DWSRF. Emphasizing health equity to ensure the equitable provision of BIL funding will be an emphasis over the next five years. Reaching people and communities in need is an important aspect and tapping into the expertise of the DPH Office of Health Equity will assist to move equity efforts forward.

The DWSRF short-term goals are focused on continued development and implementation of all facets of the DWSRF program, including moving eligible fundable projects through the loan process to ensure that all monies are committed in a timely manner, public water systems are provided technical assistance to ensure successful projects, introduce new communities and non-traditional eligible public water systems to the BIL opportunities, and ensure health equity is addressed within the DWSRF work. The short-term goals as indicated below are benchmarks for measuring overall success and effectiveness of the program.

A. Short-Term Goals

1. Apply for the annual and BIL capitalization grants as soon as possible following notification from EPA Region 1 that applications are being accepted. Upon award, comply with the capitalization grant's terms and conditions.
2. Incorporate SVI into the DWSRF program through the priority ranking system and HEDCAP to address health equity.
3. Provide funding and federal subsidization to disadvantaged communities in accordance with the BIL requirements,
4. Provide technical assistance to new, non-traditional eligible public water systems and communities with an SVI score of 0.50 or higher.
5. Enter into financial assistance agreements with PWSs for projects identified in this IUP with an overall goal of committing all available project funds, including federal subsidy funds, during the IUP period and increasing the pace of the DWSRF program.
6. Continuously work to provide public health technical assistance and educational information to assist public water systems to ensure successful project completion.
7. Work to reach out and directly assist schools and childcare providers that are also public water systems to address drinking water quality system issues and needed upgrades with a focus to address possible childhood lead exposure.
8. Continue to implement existing DWSRF elements, including re-evaluation and improvement of the following when necessary:
 - a. Effective and efficient fiscal management of DWSRF funds;
 - b. Routine procedures for entering into project funding agreements with recipients;
 - c. Effective and efficient communications between State agencies for all

- components of the DWSRF program;
 - d. Improve the efficiency of review of project submittals and execution of funding agreements, where possible;
 - e. Review of the Priority Ranking System (PRS), maintaining an emphasis on ready-to- proceed projects and addressing acute risk public health issues;
 - f. Responsibilities delineated in the DWSRF Interagency MOU;
 - g. Routine procedures for monitoring oversight and contract compliance of DWSRF set- aside projects;
 - h. Procedures for evaluating technical and managerial capacity of DWSRF applicants and sustainability aspects of proposed projects.
9. Input project information into the EPA Office of Water State Revolving Funds DWSRF project and SRF Annual Summary database, including the Drinking Water National Information Management System (DWNIMS) information and continue to monitor program pace to meet or exceed national goals and measures for awarding funds in a timely manner.
 10. Maintain a financing plan that secures the perpetuity of the DWSRF and meets loan demand.
 11. Provide oversight, tracking, and continued implementation of the DPH's January 2013 Cash Management Plan (CMP), revision of January 2018. The annual CMP Review Report is being prepared for calendar year 2021 and will submitted to EPA.
 12. Draw down federal capitalization grant funds as quickly as possible (project funds, including federal subsidy funds, and set-asides) to achieve and maintain compliance with EPA's ULO Objectives.
 13. Maintain a robust pipeline of projects through frequent interaction with PWSs.
 14. Continue to work closely with DWSRF loan applicants to ensure well-coordinated regulatory reviews and loan preparation activities.
 15. Continue using a 2-year loan demand planning period to help ensure sufficient DWSRF funds are appropriated in the biennial State of Connecticut capital budget.
 16. Continue to allow new project eligibility applications to be submitted at any time during the year and update the Comprehensive Project List with these new projects in a timely manner.
 17. Revise the DWSRF Interagency MOU to reflect modifications made with respect to each agency's responsibilities to the DWSRF program to reflect the statutory changes approved in 2010.

18. Revise the OA to reflect revisions that have been made to the DWSRF program.
19. Ensure single audits are completed and filed as appropriate to meet DWSRF requirements
20. Continue to seek ways to make it easier for small systems to access DWSRF funding, including using set-aside funding to hire an engineering consultant to assist very small systems with evaluating system needs, applying for DWSRF funding, and other engineering services.
21. Continue to encourage small water systems to apply for funding for all phases of a project, such as: planning, including preparation of asset management plans, preliminary engineering reports, etc.; and design and construction, especially when the project is to correct a compliance concern, consolidate with a larger community PWS, or replace older hydropneumatics tanks.
22. Provide education and technical assistance to PWSs to improve the sustainable infrastructure and asset management programs of PWSs.
23. Continue transitioning into the Loans and Grants Tracking System (LGTS) database that will improve communication between State of Connecticut agencies and information sharing with the EPA for projects funded through the DWSRF program. Following conversion to a web-based platform, continue to customize the LGTS database to improve its performance, efficiency and functionality including the storage of electronic records for DWSRF projects, consolidation of federal reporting efforts and generation of various reports.
24. Utilize the information gathered as part of the 2021 Drinking Water Infrastructure Needs Survey and Assessment (DWINSA) to work with the selected PWSs to submit projects for future DWSRF funding cycles.
25. Complete activities for the 2021 DWINSA for the State of Connecticut, including frequent interaction with the selected PWSs. The goal is to accurately reflect the infrastructure needs for the State of Connecticut.

B. Long-Term Goals

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

1. Commit to monitor, track, and continue to maintain and improve the pace of the DWSRF program, work to adopt and implement new measures as appropriate.

2. Continue to enhance the HEDCAP process and reach new communities that need assistance to address safe drinking water.
3. Address Justice40 goals by incorporating additional measures within the HEDCAP.
4. Meet or exceed EPA's ULO objectives for ULOs associated with capitalization grant awards received from the EPA.
5. Continue to reach out to State of Connecticut PWSs to educate and better promote the DWSRF Program, in order to maintain a pipeline of projects that are eligible to receive DWSRF funding.
6. Evaluate the development of a DPH DWSRF strategy to increase communications and technical assistance among PWSs, non-traditional communities and public water systems, legislators, local officials, consultants, and other stakeholders.
7. Coordinate within the DPH and continue to collaborate with other State agencies where possible and advantageous, to maximize the effectiveness of the program and meet the State of Connecticut's public health, water quality and water adequacy goals.
8. Use set-aside funds to effectively improve the State of Connecticut's aging drinking water infrastructure, drinking water regulatory compliance, the technical, managerial, and financial capacity of PWSs and drinking water service to Connecticut's residents. Areas of concern include PWSs' sustainable infrastructure programs, long-term water supply planning, source water protection and small water systems.
9. Continue to improve on documenting the PWS infrastructure needs for the State of Connecticut through on-going participation and support for the EPA's DWINSA.
10. Offer a long-term low-interest financing program to eligible PWSs to undertake infrastructure improvement projects.
11. Commit to maintaining cash management policies, procedures, and records for DWSRF funding.
12. Enhance the LGTS database to provide accessibility to DWSRF borrowers to monitor the status of their loan applications and allow for the submission of required program documents/records.

IV. CRITERIA AND METHOD FOR DISTRIBUTION OF PROJECT FUNDS

A. Capacity Assessments

The SDWA requires that a PWS applying for a DWSRF loan demonstrate that it has the technical, managerial, and financial (TMF) capacity to ensure compliance. If a system does not have adequate TMF capacity, in whole or in part, that system is not eligible for financial assistance unless such assistance will help the system to achieve adequate TMF capacity. Technical assistance will be provided to achieve adequate TMF capacity. The goal of this requirement is to ensure that DWSRF assistance is used to help public water systems successfully utilize BIL DWSRF funds. DPH has developed and utilizes a capacity assessment tool to analyze the system capacity for small PWSs statewide. Known as the CAT, this tool is used to assess the capacity of small community PWSs. 330 small community PWSs were initially evaluated using the CAT. These evaluations were provided to the individual PWSs and have been used in a variety of water planning activities. DPH is working on creating a mechanism to update the CAT to incorporate changes in the PWSs' technical, managerial, and financial capacity as issues are addressed. PWSs serving 1,000 or more are required to develop and maintain a Water Supply Plan, which are reviewed and approved by the DPH. Information contained within those plans might be used to assist in project reviews.

Incentives for PWSs to improve their capacity have been built into the distribution of the required subsidy, as described in Section IV. I. Small PWSs must have or develop asset and fiscal management plans to be eligible for federal subsidization. Applicants of all sizes that wish to qualify to receive state subsidy must also have asset and fiscal management plans. The criteria for these plans were developed by referencing EPA guidance. Checklists of required information for each plan were developed and are included as Attachments I and J. The criteria were chosen so that these plans would address all three areas of capacity. DWS staff will work to provide technical assistance to systems that need help creating asset management and fiscal plans.

In addition, CGS §19a-37e requires all community PWSs serving at least twenty-five, but not more than one thousand, year-round residents prepare a Fiscal and Asset Management Plan no later than January 1, 2021. To help these systems, the DPH renewed its effort to build small system capacity through training and developed a Fiscal and Asset Management Plan template and associated guidance.

While the DPH intends to fund a wide range of drinking water projects, it will work to ensure an appropriate level of technical assistance to address the applicant's technical, managerial, and financial capabilities to take out loans. If a system lacks planning, then this system will be offered technical assistance. This program will be developed in SFY23 under a partnership with EPA.

An assessment of an applicant's overall capacity, including the long- term capacity to operate and maintain the water system and the infrastructure to be funded by the DWSRF, will be conducted before any funding commitment is made.

Technical Capacity

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

Financial Capacity

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

Managerial Capacity

To demonstrate managerial capacity, the PWS must have personnel with expertise to manage the entire water system operation. Managerial capacity of a PWS is evaluated during routinely conducted sanitary surveys and when the PWS applies for a DWSRF loan. As part of reviewing a DWSRF applicant's managerial capacity, the DPH will review the PWS's regulatory compliance records and the most recent sanitary survey report to assure that the PWS is being properly operated and maintained.

B. Projects Expected to be Funded

As noted in Section II.B, the BIL established three additional capitalization grants for FFYs 2022- 2026, to go along with the annual base capitalization grant. This IUP contains three PPLs (included as Attachments F, G and H) identifying which projects are expected to receive funding from four capitalization grants:

- Base & Supplemental PPL

- Lead Service Line PPL
- Emerging Contaminant PPL

All PPLs reflect only those eligible projects which have been determined to be ready-to-proceed during SFY 2023. The PPLs for LSL and Emerging Contaminant funding show only those projects which qualify either in whole or in part for those specific funds. The funding line on each reflects the total amount of project fund available from each respective capitalization grant; the Base & Supplemental PPL funding line reflects the amounts available from the respective grants along with other available project funds, as explained in Section V. The Base and General Supplemental funding has been combined since the eligibilities for these funds are the same. The Base & Supplemental PPL includes all eligible projects, including those on the LSL and Emerging Contaminant PPLs. If there is not sufficient funding on either of those PPLs, or if a portion of a LSL or emerging contaminant project is not eligible for those specific funds, these projects may still be eligible for Base and Supplemental funding.

Projects on the PPLs are expected to receive funding under this IUP. Funds will also be made available to projects carried forward from a prior IUP, but for which binding commitments (i.e., financial assistance agreements) with the DPH have not yet been executed. These projects are being carried over, in accordance with the procedure described in Section V, and are listed on the Carryover List (Attachment E). These carryover projects went through public comment during the year in which they appeared on a PPL. Typically, these projects would not appear on the PPL, however with the new BIL funds this year, all carryover projects also appear on the Comprehensive Lists, Base/Supplemental PPL, and LSL or Emerging Contaminant PPL.

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

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

The DPH utilized the PRS and project readiness criteria to determine if a project can reasonably be expected to proceed during SFY 2023. The PPLs identify projects, or portions of projects, that can reasonably be expected to proceed during this SFY based on

project readiness information provided by the DWSRF applicants and the criteria in Section IV.K. of this IUP.

Funding for new projects is limited to eligible PWSs that submitted DWSRF Eligibility Applications which are included in the annual IUP and any amendments to the IUP made thereafter. This annual IUP includes those Eligibility Applications which were received prior to the initial drafting of the IUP, which was announced in the DPH's SFY 2023 Call for Projects. The DPH received 80 applications totaling approximately \$418.8 million, of which all but one are eligible. All project eligibility applications were reviewed and evaluated to ensure that the proposed projects meet the eligibility criteria, and that the applicant is prioritizing projects based on their identified needs and addressing any applicable regulatory compliance concerns. A special survey was developed to define population size and location(s) that benefit from each received eligible project. These population and location results were then used to define the areas which will receive benefits and assigned an SVI score. All projects received an SVI score and were ranked based on those scores within each Tier public health risk category as described in Section IV.A. Projects were assessed to determine if they would be ready to proceed during SFY 2023.

The Comprehensive Project List includes all projects submitted in response to the Call for Projects, projects which are being rolled over, as described in Section V.B., and projects on the Carryover List. Also included are seven dam projects which will require a deviation from the EPA to be eligible for DWSRF funding. This Comprehensive Project List includes 205 projects, or phases of certain projects, requesting a total of approximately \$934.7 million.

Some applicants have requested funding for planning, design, and construction phases of a project; however, all phases may not necessarily receive funding. Projects which requested funding for multiple phases may appear on the Carryover List or a PPL only for certain phases that have been determined to be ready to proceed. These phases are identified in parenthesis next to the project's name with the corresponding estimated DWSRF funding amounts to complete these phases.

The Comprehensive Project List shows projects in alphabetical order by public water system name (Attachment C). This list of projects is also shown in order by the town of the PWS (Attachment D). From this comprehensive list, three PPLs – Base/Supplemental (Attachment F), Lead Service Line (Attachment G), and Emerging Contaminant (Attachment H) – were developed based on the total amount of funding made available, the new priority ranking process and the expected readiness of a project to proceed. Projects that are determined by the DPH as not ready to proceed during SFY 2023 were not considered in preparing the PPLs regardless of the ranking that the project received, or the amount of funding expected to be available. These projects will be maintained on the Comprehensive Project List.

The PPLs include those projects, or phases of a project, expected to move forward during SFY 2023 ranked by SVI score (high to low) within each Tier-based public health risk category (tiers 1 through 3). The Lead Service Line PPL includes 20 projects/phases of projects totaling approximately \$30.5 million. The Emerging Contaminant PPL includes 13 projects totaling approximately \$51.9 million. The Base/Supplemental PPL includes 130 projects/phases of projects totaling approximately \$360.5 million, including those projects listed on the LSL and Emerging Contaminant PPLs and all projects from the carryover list. A funding line is provided on each PPL. The funding line identifies the limitation on funding available for SFY 2023. Projects appearing above the funding line have been prioritized for funding during SFY 2023. Projects appearing below the funding line may receive funding during SFY 2023 if additional funding becomes available. In such cases, projects below the funding line which are ready to proceed will be offered funding in priority order as they appear on the PPLs.

The DPH reserves the right to make changes to the PPLs, using by-pass procedures explained in Section IV.L., to ensure that the available funds are committed in executed funding agreements to the maximum extent possible. Projects on the Comprehensive Project List may also be added to a PPL if there is a sufficient surplus of funding available for them and they become ready to proceed during this SFY following the finalization of the annual IUP. Priority in adding a project from the Comprehensive Project List to a PPLs shall be given to the highest SVI project in the highest tiered public health risk category that is ready to proceed.

The DPH has and will continue to accept and review Eligibility Applications received after the initial drafting of this IUP. Following publication of the finalized annual IUP, the Comprehensive Project List may be amended periodically to include new projects for which Eligibility Applications were received. Any amendments to the Comprehensive Project List will be subject to review of the DPH Commissioner's Office and once approved will be posted on the DPH DWS website for a 30-day comment period before being finalized and incorporated as an amendment into the annual IUP.

C. Lead Service Line Replacement Projects

PWSs requesting DWSRF funding for lead service line (LSL) inventory and replacement projects must follow the EPA Lead and Copper Rule Revisions (LCRR), along with the LSL criteria listed in Section IV.J. of this IUP under the Public Water System Improvement Program, in developing their LSL inventories and replacement plans. The LCRR became effective on December 16, 2021. Applicants should ensure their LSL projects align as much as possible with the future anticipated LCRR requirements.

D. Small System Funding

The SDWA Amendments of 1996 require that, to the extent there are a sufficient number of eligible project applications, not less than 15% of the available funding be dedicated to

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

The Base/Supplemental PPL does not achieve the EPA goal of dedicating at least 15% of the available DWSRF funding, or approximately \$46.6 million, to small PWSs. The Base & Supplemental PPL includes applications for 19 eligible small PWS projects, totaling approximately \$41.5 million in estimated eligible project costs.

The DPH continues to try to streamline and improve the funding process for small PWSs to make it easier for them to obtain DWSRF funding.

B. Justice40

Federal Executive Order 14008 Section 223 (January 27, 2021) establishes a goal of directing 40% of the benefits from federal investments to disadvantaged communities. Guidance has not yet been published for the implementation of this directive. Once available, this guidance will be evaluated, and a determination made as to its impact on projects. During SFY23, DPH wishes to directly address the goal of directing 40% of the benefits of BIL under the DWSRF to disadvantaged communities. It is a goal of DPH's enhanced HEDCAP and project priority list to focus BIL funds to benefit communities most in need and that address acute risk issues to protect public health.

C. Emergency Power Generator Program

The EPGP was established due to the potential for widespread and prolonged power outages caused by severe weather or other incidents which would impair a public water system's ability to provide safe and adequate drinking water. The DWSRF Program will continue to offer subsidized loans for the purchase and installation of emergency power generators costing less than \$100,000 to operate critical drinking water infrastructure during these events.

The DPH has streamlined procurement procedures for projects costing less than \$100,000 to make it easier for small PWSs to proceed through the DWSRF process. These back-up power system projects are ranked along with all other projects in accordance with the PRS.

D. Small Loan Program for Non-Construction Projects

The SLP was established as an extension of the EPGP to allow the streamlined procurement procedures to be used for other non-construction projects costing less than \$100,000. This program is only available for the purchase and installation of equipment, or the replacement of equipment, installed within an existing facility that does not involve

the construction, alteration, or repair (including painting or decorating) of that facility. These projects are ranked along with all other projects in accordance with the PRS. Typical projects that would be eligible to receive a loan under the SLP would include:

- Replacement of pumps or motors;
- Installation or replacement of diaphragm pressure tanks;
- Installation of water treatment equipment or modifications to existing water treatment systems for regulatory compliance (filters, chemical feed systems, etc.);
- Minor incidental plumbing and electrical work (including SCADA) required only to accommodate the installed or replaced equipment.

Low-cost projects that would include new buildings, building additions, building alterations or heavy equipment operators for site work would be considered construction projects and would not be appropriate for consideration under this Small Loan Program. These projects may be still submitted for funding consideration but must follow the full procurement requirements of the DWSRF.

E. Federal Subsidy Funds and Health Equity Disadvantaged Community Assistance Program

The DPH has the statutory authority to provide subsidization in the form of grants, principal forgiveness, negative interest rates, or any combination thereof under CGS Section 22a-477(s)(2)(F). All federal subsidization that the DPH is authorized to provide to loan recipients from the DPH's federal capitalization grant will be provided in the form of loan principal forgiveness. The following subsections describe the federal subsidization funding that will be available for public drinking water projects during SFY 2023. A chart detailing the various levels of subsidy is provided below in subsection 3.

The SDWA §1452 (d), which was amended by Section 2015(c) of the America's Water Infrastructure Act (AWIA), requires DPH to develop and implement a formal Disadvantaged Community Assistance Program (DCAP) within the DWSRF. The DPH has incorporated Health Equity into its former DCAP program, creating a new Health Equity Disadvantaged Community Assistance Program (HEDCAP), which is provided as Attachment K to this annual IUP and establishes the criteria under which a PWS would qualify for additional subsidization under this program. To increase the amount of financial assistance going to disadvantaged communities, the DWSRF has revised its criteria for dispersing subsidy to projects that impact these communities. When the entire project benefits a disadvantaged community then the entire cost of the project is eligible to receive HEDCAP subsidy. If only a portion of a project benefits a community that meets the HEDCAP criteria, then that portion of the project will receive HEDCAP subsidy for that portion of the project. This portion of the HEDCAP subsidy will directly correspond to the number of service connection impacted by the project that are in areas identified

as disadvantaged communities per the HEDCAP. Adequate information must be provided by the PWS to identify the number of service connections that meet the above conditions.

The CDC has developed the SVI to help officials identify communities that have a high risk of experiencing negative effects when faced with stressors to human health. As previously mentioned, SVI ranks census data on 15 social factors, including poverty, lack of vehicle access, minority status and crowded housing. The DPH Commissioner has determined and approved the DWSRF program's use of SVI in project ranking and determination of disadvantaged communities. In April 2022, the DPH Commissioner's Office determined that SVI is a reasonable measure to use in determining which DWSRF projects should meet the affordability criteria under the HEDCAP. Several other organizations as well as the EPA either use or recommend SVI as a viable tool for identifying disadvantaged communities. As a review, an SVI score is calculated between the range 0.0 – 1, which can be divided into four quartiles. The DPH has determined that using the SVI score quartiles three and four (SVI score of 0.5001-1) would provide a more comprehensive evaluation of areas that meet the HEDCAP criteria and have a potential to provide additional subsidy to people and communities who have been overlooked in the past.

The DPH has historically used the Department of Economic and Community Development's (DECD) Distressed Municipality List as the main criteria for identifying disadvantaged communities in the DCAP. However,, exclusive use of this list would discount some of the state's most disadvantaged residents. Therefore, the use of SVI scores has replaced DECD's Distressed Municipality List criteria for identifying disadvantaged communities in the HEDCAP.

1. Federal Subsidy Funds – General Projects

The federal DWSRF appropriation for FFY 2022 requires that 14% of the capitalization grant amount be used by the State of Connecticut to provide additional subsidization to eligible recipients in the form of grants, principal forgiveness, or negative interest loans, or any combination thereof. The DPH is therefore required to provide \$981,120 in subsidization to satisfy this requirement.

The DPH will use 14% of the capitalization grant to subsidize drinking water projects contained on the PPL as outlined below.

- A. Small PWSs (those serving a population of 10,000 or under) and PWSs with more than one system, but whose largest system serves 10,000 or under, will be eligible to receive a subsidy of up to 25% of each fixed contract cost associated with the project, not to exceed a total of \$1,000,000 per project. Small PWSs which serve less than 1,000 people must have an Asset Management Plan in place, or agree to prepare and implement such a plan, as

part of their DWSRF financial assistance agreement to qualify for subsidization. Such small PWSs that receive subsidy will also be required to prepare and implement Fiscal Management Plans in the future. As of January 1, 2021, small systems are required to have a Fiscal and Asset Management Plan, pursuant to CGS 19a-37e. Refer to Section IV.B. of this IUP for more information. To assist small PWS with preparing an Asset Management Plan or Fiscal Management Plan, or both, checklists of required information for each plan were developed and are included as Attachments G and H. Each checklist includes references to EPA guidance documents.

- B. Large PWSs (those not meeting the criteria of a small PWS detailed in Section IV.E) will be eligible to receive a subsidy of up to 10% of each fixed contract cost associated with their project, not to exceed a total of \$750,000 per project. A large PWS will be eligible to increase the subsidy for specific types of projects as outlined below:

Up to 25% of each fixed contract cost associated with the project, not to exceed a total of \$1,000,000 per project, if their project:

- i. Proposes a LSLR project that addresses full lead service line removal, or the remaining portion if a partial replacement was done in the past, is ready to proceed with removal in SFY23, addresses full LSL removal in SFY23 in areas that have elevated SVI at or above 0.5 and/or addresses full cost LSL removal in areas where a high percentage of children with elevated blood lead levels reside; or
- ii. Includes the consolidation of one or more small community water systems; or
- iii. Includes an extension of water service to existing residential property owners served by private wells that have impaired water quality as a result of manmade or natural groundwater pollution, or an insufficient quantity of water from their private wells to meet their daily domestic household needs. In such cases, adequate proof of impaired water quality or quantity must be provided for these impacted properties, and it must be demonstrated that the extension of water service is the most cost-effective form of remediation.

2. Federal Subsidy Funds – Health Equity Disadvantaged Community Assistance Program

AWIA required states to provide no less than 6% and no more than 35% of the base capitalization grant funding to disadvantaged communities. The BIL increased the minimum to 12% beginning with FFY 2022. This provision is required only to the extent that the DPH receives a sufficient number of DWSRF funding applications from eligible PWSs that qualify as a disadvantaged community to meet the 12%

minimum requirement. The DPH intends to make 35% of the FFY 2022 capitalization grant, or approximately \$2,452,800, available to subsidize projects during SFY 2023 that qualify under the HEDCAP. In addition, the General Supplemental capitalization grant from the BIL requires that the DPH utilize 49% of the grant to subsidize loans to communities that meet the state's HEDCAP. The total amount of subsidy available for SFY 2023 from the General Supplemental capitalization grant is approximately \$8,816,080. In total, the amount of subsidy available to projects that qualify under these sections is \$11,268,880. The DPH intends to distribute these subsidization funds as described below:

- A. Qualifying small PWSs (those serving a population of 10,000 or under) and PWSs with more than one system, but whose largest system serves 10,000 or under, will be eligible to receive a subsidy of up to 50%, not to exceed a total of \$2,000,000 of each fixed contract cost that directly impacts a community that meets the conditions outlined in the HEDCAP. All other portions of the project that do not meet the conditions outlined above are only eligible to receive up to 25% of each fixed contract cost associated with the project, not to exceed a total of \$1,000,000. The total amount of subsidy that the project is eligible to receive under this section cannot exceed \$2,000,000.
- B. Qualifying large PWSs (those not meeting the criteria of a small PWS detailed in Section IV.E.) will be eligible to receive a subsidy of up to 50%, not to exceed a total of \$1,500,000 of each fixed contract cost that directly impacts a community that meets the conditions outlined in the HEDCAP. All other portions of the project that do not meet the conditions outlined above are only eligible to receive up to 10% of each fixed contract cost associated with the project, not to exceed a total of \$750,000. The total amount of subsidy that the project is eligible to receive under this section cannot exceed \$1,500,000.
- C. Qualifying large PWSs in which their project includes one of the following will be eligible to receive a subsidy of up to 50%, not to exceed a total of \$2,000,000 of each fixed contract cost that directly impacts a community that meets the conditions outlined in the HEDCAP. All other portions of the project that do not meet the conditions outlined above are only eligible to receive up to 25% of each fixed contract cost associated with the project, not to exceed a total of \$1,000,000. A large PWS will be eligible to increase the subsidy for specific types of projects as outlined below:
 - i. Proposes a LSLR project that addresses full lead service line removal or the remaining portion if a partial replacement was done in the past, is ready to proceed with removal in SFY23, addresses full LSL removal in SFY23 in areas that have elevated SVI at or above 0.5 and/or addresses full cost LSL removal in areas where a high percentage of children with elevated blood lead levels reside, or

- ii. Includes the consolidation of one or more small community water systems; or
- iii. Includes an extension of water service to existing residential property owners served by private wells that have impaired water quality as a result of manmade or natural groundwater pollution, or an insufficient quantity of water from their private wells to meet their daily domestic household needs. In such cases, adequate proof of impaired water quality or quantity must be provided for these impacted properties, and it must be demonstrated that the extension of water service is the most cost-effective form of remediation.

The total amount of subsidy that the project is eligible to receive under this section cannot exceed \$2,000,000.

2. Federal Subsidy Funds – Lead Service Line Projects

The Lead Service Line Replacement Capitalization grant from the BIL requires that States provide 49% of funding allocated to the DWSRF programs as additional subsidization for eligible DWSRF assistance recipients for project types that meet the state's HEDCAP. The DPH is therefore required to provide \$13,891,500 in subsidization to satisfy this requirement.

The DPH will use 49% of the Lead Service Line Replacement capitalization grant to subsidize drinking water projects as outlined below. If the funding under this grant is exhausted, then the funds from the Base Capitalization Grant and the General Supplemental Capitalization grant from subsection 2 of this section will be used. The subsidy rates and caps from that section will then be applied to the project.

- a) Qualifying public water systems in which their project is for the replacement of lead service lines to the PWS's customers, or replaces lead connections such as lead goosenecks, or is a water main replacement or rehabilitation project and includes the replacement of lead service lines, will be eligible to receive up to 75%, not to exceed a total of \$5,000,000 of each fixed contract cost that directly impacts a community that meets the conditions outlined in the HEDCAP. Focus of subsidy is to serve populations with SVI scores between 0.50 – 1.0 and/or in areas where children have been found to have elevated blood lead levels. All other portions of the project that do not meet the conditions outlined above are only eligible to receive up to 10% of each fixed contract cost associated with the project, not to exceed a total of \$2,000,000. Lead service line inventory projects will be eligible to receive up to 75%, not to exceed a total of \$5,000,000 of each fixed contract cost if the PWS serves any area that meets the conditions outlined in the HEDCAP. The total amount of subsidy that the project is eligible to receive under this section cannot exceed \$5,000,000.

3. Federal Subsidy Funds – Emerging Contaminant Projects

The Emerging Contaminants capitalization grant from the BIL requires that States provide all funds not utilized for set-aside tasks as subsidization to projects. At least 25% of these funds must be provided to eligible DWSRF assistance recipients for project types that meet the state's HEDCAP or public water systems serving fewer than 25,000 persons. The DPH is therefore required to provide \$6,278,450 in subsidization to satisfy this requirement. The DPH will use 100% of the project funds under Emerging Contaminant capitalization grant to subsidize drinking water projects contained as outlined below. If the funding under this grant is exhausted, then the funds from the Base Capitalization Grant and the General Supplemental Capitalization grant from subsection 2 of this section will be used. The subsidy rates and caps from that section will then be applied to the project.

- a) Qualifying small PWSs (those serving a population of less than 25,000) and PWSs with more than one system, but whose largest system serves less than 25,000, will be eligible to receive a subsidy of up to 50%, not to exceed a total of \$3,000,000 of each fixed contract cost that directly impacts a community that meets the conditions outlined in the HEDCAP. All other portions of the project that do not meet the conditions outlined above are only eligible to receive up to 25% of each fixed contract cost associated with the project, not to exceed a total of \$1,500,000. Projects that address PFAS will be eligible to receive a subsidy of up to 100%, not to exceed a total of \$3,000,000 for each fixed contract cost that directly impacts a community that meets the conditions outlined in the HEDCAP, and up to 100% of each fixed contract cost associated with the project, not to exceed a total of \$2,000,000 for all other portions of the project do not meet the conditions outlined in the HEDCAP. The total amount of federal subsidy that the project is eligible to receive under this section cannot exceed \$3,000,000.
- b) Qualifying large PWSs (those not meeting the criteria of a small PWS detailed in Section IV.E.) will be eligible to receive a subsidy of up to 50%, not to exceed a total of \$2,000,000 of each fixed contract cost that directly impacts a community that meets the conditions outlined in the HEDCAP. All other portions of the project that do not meet the conditions outlined above are only eligible to receive up to 25% of each fixed contract cost associated with the project, not to exceed a total of \$1,000,000. Projects that address PFAS will be eligible to receive a subsidy of up to 100%, not to exceed a total of \$2,000,000 for each fixed contract cost that directly impacts a community that meets the conditions outlined in the HEDCAP, and up to 100% of each fixed contract cost associated with the project, not to exceed a total of \$1,500,000 for all other

portions of the project do not meet the conditions outlined in the HEDCAP. The total amount of federal subsidy that the project is eligible to receive under this section cannot exceed \$2,000,000.

5. Calculation and Distribution of Federal Subsidy Funds

The federal subsidization amount that any project receives shall be calculated as a percentage of the eligible contract costs (professional service and/or construction) that will be receiving DWSRF funding for the project. PWSs that qualify for federal subsidy under both Subsection 1 and 2 will be able to combine both subsidies as shown in the examples below; however, the project may not receive more than a combined 50% subsidy on any eligible contract. The Table 2 identifies the various subsidy categories by maximum percentage and amount.

Table 2 – Subsidization Chart

Subsidy Category	Non-HEDCAP %	Non-HEDCAP Max	HEDCAP %	HEDCAP Max
EPGP or SLP DCAP	25%	\$25,000	50%	\$50,000
Small ($\leq 10,000$) – All Other Projects	25%	\$1,000,000	50%	\$2,000,000
Large – All Other Projects	10%	\$750,000	50%	\$1,500,000
Large - Consolidation/Extension	25%	\$1,000,000	50%	\$2,000,000
Lead Service Line	10%	\$2,000,000	75%	\$5,000,000
LSL meeting specific criteria	25%	\$1,000,000	50%	\$2,000,000
Small ($< 25,000$) - Emerging Contaminant	25%	\$1,500,000	50%	\$3,000,000
Small ($< 25,000$) - PFAS	100%	\$1,500,000	100%	\$3,000,000
Large - Emerging Contaminant	25%	\$1,000,000	50%	\$2,000,000
Large - PFAS	100%	\$1,000,000	100%	\$2,000,000

Federal subsidy will be reserved for contracts on a first-come, first-served basis, as determined by the date an eligible contract is authorized to be executed by the DPH Commissioner, until all the available federal subsidy funding is accounted for. Due to the limited availability of federal subsidy funds, there is no guarantee every contract that is eligible for subsidy will receive subsidy. In cases where two or more eligible contracts are ready to be authorized by the DPH Commissioner on or about the same time, and there is insufficient remaining subsidy to provide to all those contracts, the DPH reserves the right to give subsidization preference to contracts based on the following tiered approach:

- Percentage of total system population served by the project with an SVI score between 0.5 and 1; the project serving a higher percentage of population of the overall system population will be given preference.
- The size of the population served by the project; the project with the larger population served that is an elevated SVI at or above 0.5 will be given preference.
- The size of the total population served by the system applicant; the system with the larger population will be given preference.

The EPA's expectation is that the required federal subsidy funding that is available for SFY 2023 will be committed in an executed financial assistance agreement in a timely manner. Applicants that are eligible for subsidy and have projects that involve multiple contracts should plan accordingly.

The actual amount of subsidization a project receives will be determined at the time the financial assistance agreement for each qualifying individual project is drafted and may differ from the percentages and amounts outlined above. The DWS may reevaluate subsidization levels based on the available project cost and readiness information, if necessary. Projects which are eligible to receive federal subsidization are identified on the Comprehensive Project List. Any single PWS cannot receive more than 50% of the available subsidy under this IUP.

6. Prior Years' Federal Subsidization

EPA Region 1 requested that the status of prior years' federal subsidization be addressed by the DPH in the IUP for the FFY 2022 capitalization grant. The State of Connecticut has met the requirements for FFYs 2010 through 2016. The status of the commitment and disbursement for the FFYs 2017 through 2021 grants are individually identified below, along with a table summarizing the amounts (Table 2). The actual projects and individual subsidy amounts, as of June 30, 2022, will be identified in the 2022 Annual Report, along with the status of meeting the disbursement requirement.

FFY 2017

The required subsidization has been committed for FFY 2017. As of April 30, 2022, \$1,670,000 has been committed and \$1,610,639 has been disbursed under executed funding agreements. It is expected that the required disbursement will be achieved by September 30, 2022.

FFY 2018

The required subsidization has been committed for FFY 2018. As of April 30, 2022, \$2,221,400 has been committed and \$2,140,831 has been disbursed under executed funding agreements. It is expected that the required disbursement will be achieved by May 31, 2023.

FFY 2019

The required subsidization has not yet been committed for FFY 2019. As of April 30, 2022, \$681,406 has been committed and \$233,824 has been disbursed under executed funding agreements. The funding agreements that will commit the required funds are pending, with the goal for them to be executed by June 30, 2023 and complete all disbursements by December 31, 2024.

FFY 2019 DCAP

The minimum required DCAP subsidization has been committed and disbursed for FFY 2019 DCAP. As of April 30, 2022, \$1,447,912 of the federal DCAP subsidy has been committed and \$1,067,739 has been disbursed under executed funding agreements. The maximum amount of available subsidy is intended to be utilized. The funding agreements that will commit the remaining funds are pending with several expected to be executed by June 30, 2022, with the goal to complete the disbursements by October 31, 2024.

FFY 2020

The required subsidization has not yet been committed for FFY 2020. As of April 30, 2022, none of the federal subsidy has been committed under executed funding agreements. The funding agreements that will commit the required funds are pending, with the goal for them to be executed by June 30, 2023 and complete all disbursements by June 30, 2025.

FFY 2020 DCAP

The minimum required DCAP subsidization has been committed and disbursed for FFY 2020. As of April 30, 2022, \$927,344 of the federal DCAP subsidy has been committed and disbursed under executed funding agreements. The maximum amount of available subsidy is intended to be committed. The funding agreements that will commit the remaining funds are pending, with the goal to complete the disbursements by January 31, 2025.

FFY 2021

The required subsidization has not yet been committed for FFY 2021. As of April 30, 2022, none of the federal subsidy has been committed under executed funding agreements. The funding agreements that will commit the required funds are pending, with the goal for them to be executed by June 30, 2023 and complete all disbursements by December 31, 2025.

FFY 2021 DCAP

The minimum required DCAP subsidization has not been committed for FFY 2021. As of April 30, 2022, none of the federal DCAP subsidy has been committed under executed funding agreements. The maximum amount of available subsidy is intended to be committed. The funding agreements that will commit the remaining funds are pending,

with the goal for them to be executed by June 30, 2023, and complete the minimum disbursements by December 31, 2024, and all disbursements by December 31, 2025.

Table 3 summarizes the federal subsidies from previous years' capitalization grants.

Table 3 – Summary of Prior Years' Federal Subsidy

Cap Grant FFY	Minimum Amount of Federal Subsidy to Disburse	Maximum Amount of Federal Subsidy to Disburse	Total Federal Subsidy Amount Committed as of April 30, 2022,	Additional Federal Subsidy Expected to be Committed	Federal Subsidy Amount Disbursed as of April 30, 2022	Remaining Federal Subsidy Amount Expected to be Disbursed	Estimated Month for Committal of Minimum Subsidy	Estimated Month for Minimum Disbursement of Federal Subsidy	Estimated Month for Disbursement of Full Federal Subsidy
2010	\$4,071,900	N/A	\$4,723,405	\$0	\$4,723,405	\$0	Achieved	Achieved	Achieved
2011	\$2,825,400	N/A	\$2,990,646	\$0	\$2,990,646	\$0	Achieved	Achieved	Achieved
2012	\$1,795,000	\$2,692,500	\$2,203,031	\$0	\$2,203,031	\$0	Achieved	Achieved	Achieved
2013	\$1,684,200	\$2,526,300	\$1,720,424	\$0	\$1,720,424	\$0	Achieved	Achieved	Achieved
2014	\$1,792,400	\$2,688,600	\$1,937,451	\$0	\$1,937,451	\$0	Achieved	Achieved	Achieved
2015	\$1,778,600	\$2,667,900	\$1,926,939	\$0	\$1,926,939	\$0	Achieved	Achieved	Achieved
2016	\$1,684,600	\$1,684,600	\$1,684,600	\$0	\$1,684,600	\$0	Achieved	Achieved	Achieved
2017	\$1,670,200	\$1,670,200	\$1,670,200	\$0	\$1,610,639	\$59,561	Achieved	September 2022	September 2022
2018	\$2,221,400	\$2,221,400	\$2,221,400	\$0	\$2,140,831	\$80,569	Achieved	May 2023	May 2023
2019	\$2,200,800	\$2,200,800	\$681,406	\$1,519,394	\$233,824	\$1,966,976	June 2023	December 2024	December 2024
2019 DCAP	\$660,240	\$3,851,400	\$1,447,912	\$2,403,488	\$1,067,739	\$2,783,661	Achieved	Achieved	October 2024
2020	\$1,541,540	\$1,541,540	\$0	\$1,541,540	\$0	\$1,541,540	June 2023	June 2025	June 2025
2020 DCAP	\$660,660	\$3,853,850	\$927,344	\$2,926,506	\$927,344	\$2,926,506	Achieved	Achieved	January 2025
2021	\$1,540,140	\$1,540,140	\$0	\$1,540,140	\$0	\$1,540,140	June 2024	December 2025	December 2025
2021 DCAP	\$660,060	\$3,850,350	\$0	\$3,850,350	\$0	\$3,850,350	June 2023	December 2024	December 2025

J. State Grant-in-Aid Funds—Public Water System Improvement Program

On May 22, 2014, Public Act 14-98 (PA 14-98) was signed into law, which under Section 46 provides the State Bond Commission (SBC) the power to authorize bonds up to an aggregate of \$50 million to be used by the DPH to implement a public water system improvement program. On June 4, 2016, Special Session PA 16-4 was signed into law, which reduced the amount to \$20 million. This \$20 million was obligated to drinking water projects in southeastern Connecticut in prior SFYs.

Public Act 20-1, signed into law on March 12, 2020, authorized an additional \$24 million for this program. DPH is working to program this funding to assist with project affordability. This PWS Improvement Program, which is codified in CGS 22a-483f,

provides grants-in-aid, in the form of loan principal forgiveness, to certain eligible PWSs for DWSRF projects. A project which is eligible for any subsidy from the DWSRF must execute a loan for any remaining amount of principal to receive the grants-in-aid. The initial \$20 million of funding under this program has been allocated by the SBC to projects for Groton Utilities and Norwich Public Utilities.

Eligibility criteria for the supplemental grants-in-aid under CGS 22a-483f includes the same eligibility criteria for DWSRF loans with the following exceptions, which are explicitly contained within CGS 22a-483f. Public Act 19-194 amended this statute to allow public service companies, as defined in Section 16-1 of the CGS, to be eligible for these grants-in-aid, effective October 1, 2019.

- A for-profit company that is not a public service company is not eligible for grants-in-aid.
- Grants-in-aid may only be provided to eligible PWSs for eligible drinking water projects for which a DWSRF project funding agreement is executed after July 1, 2014.

CGS 22a-483f also requires eligible PWSs to submit a Fiscal and Asset Management Plan with their DWSRF application. The DPH has prepared Asset and Fiscal Management Plan Checklists (Attachments I and J respectively) to assist borrowers in preparing these plans if they need to.

These limited state grant-in-aid funds will be used to further the public health goals for the State of Connecticut through the regionalization of public drinking water and reduction of public exposure to harmful contaminants in drinking water. DPH intends to use these grant-in-aid funds to subsidize community PWS consolidation projects, interconnection projects, projects that address emerging contaminants or lead service line replacements that meet the criteria as outlined below:

1. Consolidation Projects

- Project will result in the consolidation of one or more community PWSs, or one or more public schools that are PWSs, by another community PWS that has the technical, financial, and managerial capacity to serve them.
- A legally binding consolidation agreement must be in place between the affected PWSs prior to the commitment of grant-in-aid funding in a DWSRF financial assistance agreement.
 - The project is consistent with a Water Utility Coordinating Committee Coordinated Water System Plan (pursuant to CGS 25-33h) and an Individual Water Supply Plan (pursuant to CGS 25-32d), both approved by the Commissioner of DPH.
- The project is consistent with the State or local Plan of Conservation and Development.

- The project is not intended primarily for future growth consistent with existing DWSRF EPA requirements.
- The absorbed PWS and the community PWS which absorbed it are eligible to receive grants-in-aid for each system's respective portion of the project as outlined below:
 - A PWS that will be absorbed will be eligible for:
 - the water main extension.
 - improvements to their existing drinking water infrastructure that the water main extension will connect to, if those improvements are necessary to achieve long-term drinking water infrastructure sustainability, and that are identified in a Preliminary Engineering Report (PER) that has been approved by the DPH, including but not limited to:
 - improvement or replacement of water distribution system components (water mains, pumping facilities, storage tanks).
 - the decommissioning or demolition of infrastructure that will be obsolete after the project is completed (must be part of the DWSRF-funded project).
 - improvement or replacement of drinking water sources (well).
 - The community PWS that will absorb the other PWS will be eligible for:
 - any infrastructure upgrades directly related to providing the capacity to consolidate that are identified in a PER that has been approved by the DPH, including but not limited to:
 - the water main extension.
 - increased storage capacity.
 - increased distribution system capacity.
 - increased water treatment plant capacity and/or optimized water treatment plant performance.
 - new or upgraded drinking water sources of supply.

2. Interconnection Projects

- Project will result in the interconnection of two (or more) community PWSs, all of whom will remain regulated by the DPH upon completion of the project, and the following criteria are met:
 - One or more of the interconnected PWSs does not have a sufficient margin of safety in water supply to support their existing customer demands over a 20-year planning period, the other system(s) has an adequate margin of safety over the same 20-year planning period to supply the deficit demands and the project is identified as the recommended alternative in a PER that has been approved by the DPH; or
 - One or more of the interconnected PWSs does not have the ability to maintain customer service with the loss of their largest drinking water source out of service for a prolonged period and the project is identified as the recommended alternative in a PER that has been approved by the DPH; or

- The project is consistent with, or specifically identified within, a statewide drinking water resiliency plan recognized and accepted by the DPH; or
- The project is consistent with a Water Utility Coordinating Committee Coordinated Water System Plan (pursuant to CGS 25-33h) and Individual Water Supply Plan (pursuant to CGS 25-32d), both approved by the Commissioner of DPH; and
 - The project is consistent with the State or local Plan(s) of Conversation and Development; and
 - The project is not intended primarily for future growth consistent with existing EPA requirements for the DWSRF.
- A legally binding interconnection agreement must be executed between the affected community PWSs and a Sale of Excess Water permit from the DPH must be obtained prior to the commitment of grant-in-aid funding in a DWSRF financial assistance agreement.

3. Emerging Contaminants

- The primary purpose of the project is to proactively address the elimination, reduction or treatment of unregulated contaminants that have been determined by the DPH Commissioner to present an unacceptable public health risk or are listed in the EPA's Unregulated Contaminant Monitoring Rule.
 - The grants-in-aid funding may be used for the planning, design, or construction phase of the project.
 - The grants-in-aid funding may be used to cover the necessary cost to successfully interconnect/consolidate public water systems that have elevated levels of these emerging contaminants with a distribution main owned by a municipality.

4. Lead Service Line Replacements

- The primary purpose of the project is to replace lead service lines to the PWS's customers to reduce harmful exposure to lead in their drinking water;
- Grants-in-aid funding may be used for the preparation of a comprehensive lead service line replacement plan to eliminate lead service lines in the PWS's distribution system;
- The comprehensive lead service line replacement plan must, at a minimum, include:
 - A comprehensive inventory of all full and partial lead service lines in the distribution system; however, grant-in-aid funding cannot be used to develop this inventory;
 - A community and customer outreach program to provide residents with information on the health risks of lead exposure and steps they can take to reduce these risks, and the PWS LSL replacement program/plan;
 - A description of the methods the PWS will use to obtain customer consent to replace their lead service line and a description of any additional customer outreach efforts that the PWS will undertake if a

- customer refuses to allow the PWS to replace their lead service line;
- If the project will not include the replacement of all lead service lines at the same time; the methods the PWS will use to prioritize each phase of the plan and an associated construction schedule for each phase;
- The estimated cost to implement the plan and, if the plan is to be implemented in phases, the estimated cost of each phase;
- A description of the community engagement activities that were undertaken by the PWS in developing the plan; and
- If the PWS will be requiring customers to provide a monetary contribution to have their lead service line fully replaced; a detailed description of the required contribution, the method of collection and the affordability factors taken into consideration for low-income customers;
- The replacement of each lead service line must result in the complete removal of all lead components from the water main on the street to the customer's water meter or other connection point to the customer's premise plumbing;

Upon project completion, the PWS shall retain and furnish the DPH with a list of all customer addresses where lead service lines were replaced and a list of all consumer addresses that refused to allow their lead service line to be replaced.

The \$24 million authorized by Public Act 20-1 for SFY 2021 has not yet been approved by the SBC for allocation to any drinking water projects. The DPH intends to seek an allocation of \$24 million from the SBC during SFY 2023 for the construction phase of LSL replacement projects in disadvantaged communities with elevated SVI at 0.5 or above and in areas where children have elevated blood lead levels (See CT DPH Connecticut Childhood Lead Poisoning Surveillance Report: <https://data.ct.gov/stories/s/thcy-jjky>). These grant funds will be used to eliminate any cost share for customers in these disadvantaged areas that may not be able to afford their LSL replacement on their own. The DPH also intends to seek authorization for additional allocations of funding in future SFYs for LSL replacement projects, in an attempt to completely eliminate LSLs in Connecticut.

Qualifying public water systems in which their project is for the replacement of lead service lines to the PWS's customers, or replaces lead connections such as lead goosenecks, or is a water main replacement or rehabilitation project and includes the replacement of lead service lines, will be eligible to receive up to 30% of each fixed contract cost as state grant-in-aid.

Eligible PWSs that serve 10,000 or fewer persons may receive up to 50% grant-in-aid for project costs that qualify for funding through the DWSRF. Eligible PWSs that serve more than 10,000 persons may receive up to 30% grant-in aid for project costs that qualify for funding through the DWSRF. If a project includes one PWS serving 10,000 or fewer and one PWS which serves greater than 10,000 persons, the determination of maximum subsidy percentage will be based upon the specific benefits of the project to each PWS and

reviewed on a case-by-case basis. The benefits and necessity of all aspects of the project for each PWS must be clearly explained and included in any PER or similar engineering report.

PWSs may be eligible to receive both Federal and State subsidies for a particular project.

Should any additional funding be made available, or if the above projects do not utilize all the allocated funding, any additional or remaining funds are expected to be distributed on a first come, first served basis to other eligible projects. The DPH intends to seek legislative approval for additional funding for this program.

K. Readiness-To-Proceed

Only those elements (planning, design, construction) of eligible projects that are expected to result in executed contracts and DWSRF loan agreements within SFY 2023 are considered for inclusion on a PPL. Systems which need help that are not ready will be provided direct technical assistance. Elements of eligible projects that are not expected to result in executed contracts and DWSRF loan agreements may be eligible to receive DWSRF funding in a future SFY as explained in the rollover procedure in Section V.B. The PPLs were generated based on the readiness of one or more elements of a project to proceed to a loan agreement during this SFY, and its ranking.

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

- Local funding resolutions and any other necessary approvals have been identified and will be secured;
- Required local permits or approvals have been identified and will be secured;
 - Required State permits or approvals have been identified and will be secured;
 - Project is generally consistent with the State of Connecticut Plan of Conservation and Development
 - (For Planning/Design Projects) Professional services qualification-based selection process is followed and will be completed, with the exception of actual award of the contract, pending DPH authorization to award the contract;
 - (For Planning/Design Projects) Consultant is scheduled to be under contract during the current SFY;
 - (For Construction Projects) Status of final design;
 - (For Construction Projects) Status of bid specifications;

- (For Construction Projects) All necessary sites, easements and rights-of-way have been identified and will be secured;
- (For Construction Projects) Construction is scheduled to begin during the current SFY.

To decide on project readiness, CT DPH uses updated project schedules received from applicants in response to requests from the DPH. If for some reason a project is not ready to proceed in a timely fashion, the DPH may bypass that project and select the next highest-ranked project that is ready-to-proceed for funding based on that PWS's ability to initiate the project during the current SFY. Projects that might be bypassed will be provided technical assistance to assist with readiness. Projects to be bypassed must be approved by the DPH Commissioner's Office.

L. Project Bypass Procedures

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

If for some reason a project on a PPL is not progressing in a timely fashion, the DPH may bypass that project and replace it with the next-highest-ranked project on the Comprehensive Project List that is ready-to-proceed. Projects that are proposed to be bypassed must be reviewed and approved for bypass by the Commissioner's Office. All efforts will be made to provide technical assistance to assist with readiness. A project will also be bypassed if the applicant has withdrawn its DWSRF application. This bypass process is necessary to help ensure that available DWSRF funds will be disbursed in a timely fashion.

Emergency Bypass

Pursuant to CGS Section 22a-478(g), the DPH Commissioner may make a project loan or loans with respect to an eligible drinking water project without regard to the priority list of eligible drinking water projects if a water emergency exists including, but not limited to, an unanticipated infrastructure failure, a contamination of water or a shortage of water which requires that the eligible drinking water project be immediately undertaken to protect the public health and safety. In such cases there may be a need to by-pass projects on the Fundable PPL.

M. Other DWSRF Provisions

Davis-Bacon Prevailing Wage Requirements

Safe Drinking Water Act under §1452(a)(5) imparts federal prevailing wage requirements on projects funded by the DWSRF. The requirements of this section apply to any construction project carried out in whole or in part with assistance made available by the DWSRF and requires compliance with federal labor laws regarding prevailing wages, hours of work, and rates of pay. These requirements are collectively known as the Davis-Bacon Act.

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

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

The DPH is required to identify projects that will be used to satisfy federal equivalency requirements. The DPH has elected to impose federal equivalency requirements to all projects and activities for which the DPH provides DWSRF assistance. There are only two exceptions to this. One is for federal Disadvantage Business Enterprise (DBE) requirements, which the DPH will only apply to PWS infrastructure projects costing \$100,000 or more and DPH will only report to EPA on DBE compliance in an amount equivalent to the federal capitalization grant. The second is for BABA requirements, which the DPH will at a minimum apply in an amount equivalent to the respective capitalization grant project funds.

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

For the purposes of satisfying capitalization grant reporting requirements under the Federal Financial Accountability and Transparency Act (FFATA), the DPH will only report on DWSRF projects in an equivalent amount of each capitalization grant as requested by EPA. A list of projects that may be used to satisfy the FFATA reporting, and equivalency requirements is shown in Table 4. The actual projects reported under FFATA will be stated in the DWSRF annual report. Any contracts over \$25,000 utilizing set-aside funds will also be reported under FFATA.

Table 4 - SFY 2023 Potential Projects to be Used for FFATA Reporting

Project #	PWS ID	PWS	Town of PWS	Project Name	Amount Requested
BIL Lead Service Lines funding					
SFY 20-31	CT0950011	New London Water Department	New London	System-wide Lead Service Lines - Replacement (Planning)	\$1,500,000
Project #	PWS ID	PWS	Town of PWS	Project Name	Amount Requested
SFY 22-52	CT0950011	New London Water Department	New London	System-wide Lead Service Lines - Replacement (Design & Construction) Phase 1	\$7,210,000
SFY 23-45	CT0590011	Groton Utilities	Groton	Lead Service Lines Replacement & Poquonnock Bridge Area Upgrades (Planning)	\$396,000
SFY 22-47	CT1510011	Waterbury Water Department	Waterbury	Lead Service Line - Inventorying and Lead Service Lines Replacement Program (Planning)	\$700,000
SFY 22-50	CT1630011	Windham Water Works	Windham	Lead Service Lines - Inventory (Customer Side) (Planning)	\$500,000
SFY 22-25	CT0890011	New Britain Water Department	New Britain	Lead Service Lines - Inventorying Replacement Program (Planning)	\$1,000,000
SFY 22-36	CT1040011	Norwich Public Utilities	Norwich	Lead Service Line - Inventorying Replacement Program (Planning)	\$150,000
SFY 22-01	CT0150011	Aquarion Water Company of CT - Main System	Bridgeport	Lead Service Lines - Inventory (Planning)	\$4,000,000
SFY 22-02	CT0150011	Aquarion Water Company of CT - Main System	Bridgeport	Lead Service Lines - Replacement Phase 1 (Construction)	\$1,853,000
SFY 23-50	CT0340011	Danbury Water Department	Danbury	Lead Service Lines - Inventory (Planning)	\$150,000
SFY 22-18	CT0640011	Metropolitan District Commission	Hartford	Lead Service Lines - Inventory/Mapping/Replacement (Planning)	\$1,750,000
SFY 22-34	CT1030021	South Norwalk Electric & Water	Norwalk	Lead Service Lines - Inventory and Replacement Study (Planning)	\$250,000
SFY 23-04	CT0830011	Middletown Water Department	Middletown	Lead Service Lines - Replacement (Planning)	\$70,000
SFY 23-82	CT0830011	Middletown Water Department	Middletown	Lead Service Lines - Replacement (Construction)	\$4,730,000
SFY 22-38	CT1160011	Putnam WPCA	Putnam	Lead Service Lines - Inventorying Replacement Program (Planning)	\$170,000
SFY 23-12	CT1030011	Norwalk First Taxing District	Norwalk	Lead Service Lines - Inventory	\$500,000
SFY 22-03	CT0170011	Bristol Water Department	Bristol	Lead Service Lines - Replacement (Planning) 2,3	\$300,000
BIL Emerging Contaminant funding					
SFY 20-33	CT1030011	Norwalk First Taxing District	Norwalk	Kellogg-Deering Wellfield Treatment - Manganese and PFAS (Construction)	\$5,000,000
SFY 23-19	CT0280011	Colchester Sewer and Water Commission	Colchester	Cabin Road Filter Plant Upgrades	\$700,000
SFY 23-64	CT0473011	CTWC-Northern Reg-Western System	East Windsor	Egypt Road Water Treatment Plant	\$7,100,000

Project #	PWS ID	PWS	Town of PWS	Project Name	Amount Requested
SFY 18-15	CT0090011	Bethel Water Department	Bethel	Bergstrom Well Field (Planning, Design, & Construction)	\$10,567,000
SFY 23-15	CT0320312	Town of Coventry (George Hersey Robertson School)	Coventry	CTWC - South Coventry to Nathan Hale System Interconnection	\$5,000,000
SFY 20-50.1	CT0450011	East Lyme Water & Sewer	East Lyme	Well 2A Treatment (Design)	\$1,400,000
SFY 23-46	CT0910011 / CT0910031	Aquarion Water Company of CT - Ball Pond & Oakwood Acres	New Fairfield	New Fairfield PFAS Treatment 3,4	\$1,218,000
Annual and BIL Supplemental funding					
SFY 21-46	CT0930012	Regional Water Authority	New Haven	West River WTP Improvements Project	\$16,300,000
SFY 23-55	CT0640011	Metropolitan District Commission	Hartford	Water Main Replacement East Hartford	\$8,262,450
SFY 21-09	CT0640011	Metropolitan District Commission	Hartford	Capitol Avenue Area Water Main Replacement Hartford	\$8,925,000
SFY 22-12	CT0640011	Metropolitan District Commission	Hartford	Sisson Ave WM Hartford	\$10,000,000

Use of American Iron and Steel & Build America, Buy America

On January 17, 2014, federal Public Law 113-76 was enacted, which added a new federal Use of American Iron and Steel (AIS) requirement in Section 436. Subsequent annual appropriations have continued this requirement. The AWIA requires that DWSRF assistance recipients use iron and steel products produced in the United States for the construction, alteration, maintenance or repair of a public water system or treatment works if the project is funded through an assistance agreement executed through the end of FFY 2023 (September 30, 2023), as stated in SDWA §1452(a)(4). The BIL has eliminated the end date and made this requirement permanent. The EPA has issued guidance on the implementation of this provision and has a State Revolving Fund American Iron and Steel Requirement website. The DPH also has a Use of American Iron and Steel webpage to assist DWSRF applicants in understanding and complying with AIS requirements.

The Build America, Buy America Act (BABA) was included in Title IX, Subtitle A, Part I of the BIL. The BIL expanded domestic sourcing requirements with the inclusion of Build America, Buy America (BABA). Starting on May 14, 2022, all steel, iron, manufactured products, non-ferrous metals, plastic, and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables), glass (including optic glass), lumber, and drywall used in infrastructure projects for federal financial assistance programs must be produced in the United States. Initial Implementation Guidance was released from the White House's Office of Management and Budget (OMB) Made in American Office (MIAO) on April 18, 2022, and gives some overarching guidance on the BABA and how it will be implemented. Further guidance on BABA requirements and how those requirements will need to be implemented by state DWSRF programs is expected to be issued by EPA soon.

Prohibition on Certain Telecom Equipment and Services

On December 11, 2020, the EPA issued a memo outlining a prohibition on the SRF programs using equivalency funds for the purchase or provision of services from certain manufactures of telecom equipment. EPA also provided suggested contract language for this prohibition. Circular Letter #2021-01 was issued to all Connecticut DWSRF stakeholder to provide notice of this new requirement. The DWSRF website and pre-bid checklist were updated to include this requirement and the suggested contract language.

Federal Single Audit

Any sub-recipient which receives a total amount of \$750,000 or more from any federal source, including the DWSRF, in a single federal fiscal year is required to conduct a federal single audit according to the Single Audit Act Amendments of 1996.

These audits are required to be kept on file with the public water system as shared with the DPH as filed as part of the DWSRF project file. This requirement is included as a term in all project funding agreements except those for EPGP and SLP.

N. Connecticut Plan of Conservation and Development

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

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

V. DWSRF POLICIES AND REQUIREMENTS

A. Letter of Authorization to Award for Eligible Projects

The DPH may issue a letter authorizing the PWS to award a contract for a project if sufficient information has been submitted. Typically, this letter indicates to the applicant that the materials that they have submitted to the DPH satisfy the rules and regulations for the DWSRF program.

Pursuant to the regulations, the applicant must submit a request for authorization to award a contract to the DPH and receive such authorization prior to any contract execution. The applicant may award the contract(s) subject to conditions set forth in the letter. The authorization letter does not constitute a commitment by the DPH to make a project loan under the DWSRF program.

B. Project Application Carryovers and Rollovers

Project Progressing Towards a Loan Agreement (Carryover)

Funding for a project that has been identified on a PPL in a previous annual IUP may be carried over to the subsequent IUP period if the applicant is actively progressing toward a DWSRF financial assistance agreement. Projects in this category are considered to have already gone through the public hearing process and are not

typically re-ranked in the subsequent IUP period. However, with the new BIL funds this year, all carryover projects also appear on the Comprehensive Lists, Base/Supplemental PPL, and LSL or EC PPL. Projects meeting this criterion are identified on the Carryover List.

The DPH reserves the right to remove a project from the Carryover List if that project is not progressing due to unforeseen circumstances that occurred after the project was originally placed on the Carryover List. A project so moved is no longer reserved any DWSRF funding. Removal from the Carryover list and loss of DWSRF funding will require DPH Commissioner's Office approval. Appropriate notice will be provided to the project's applicant.

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

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

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

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

D. Tie-Breaking Procedures

The total ranking for a project is determined by SVI score, public health risk, and project readiness. Circumstances where more than one project has an equivalent ranking, the following tiered approach will be implemented to break the tie:

1. SVI score of the project
2. The size of the population served by the project; the project with the larger population served will be given preference.
3. The size of the total population served by the PWS; the PWS with the larger population will be given preference.

If two or more projects remained tied after implementation of tiebreaker #1, then #2 will be applied. If two or more projects remain tied after implementation of tiebreakers #1 & #2, then #3 will be applied.

E. Pre-Review Policy (Construction Only)

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

- The PWS has submitted a DWSRF Eligibility Application to the DPH
- The project is eligible for DWSRF funding
- The funding agreement will be drafted during the SFY under which the project is listed on the Comprehensive Project List
- The project will not begin and be completed prior to the start of the SFY
- The project is consistent with the statewide C&D Plan
- The DPH has completed its environmental review of the project under the Connecticut Environmental Policy Act or issued a categorical exclusion under NEPA prior to the start of construction
- The project has satisfied all other state and federal DWSRF requirements prior to placing the construction contract out to bid
- The project has received written authorization from the DPH to award a construction contract prior to the execution of the contract
- The project continues to adhere to all state and federal DWSRF

- requirements during construction
- Sufficient DWSRF funding is available for the project

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

- The DPH provides no guarantee of DWSRF funding for their project
- The PWS shall be responsible for paying all costs associated with their project and will only be eligible for reimbursement from the DWSRF if:
 - The project is listed on a PPL, or;
 - The project is on the Comprehensive Projects List and sufficient excess funding is available, or;
 - The project bypasses a higher-ranked project on a PPL, if that higher-ranked project is not sufficiently ready to proceed, per the procedures outlined in Section IV.L of this IUP.
- A DWSRF funding agreement cannot be executed until after the IUP for the SFY is finalized

F. Reimbursement

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

G. Refinance Existing Loans

1. Permanent Debt Obligations

The DWSRF may be used to buy or refinance permanent debt obligations for DWSRF projects, if the DPH determines the refinance is in the best interest of public health. The SDWA and DWSRF regulations only permit use of the DWSRF for refinancing for municipal projects incurring debt and initiating construction after June 30, 1993. Projects will still have to be eligible for DWSRF funding and meet all applicable DWSRF requirements at the time of the DWSRF loan, including an environmental review, and must have received advance written authorization from the DPH prior to the award of any contracts included in the refinancing loan. Private systems are not eligible for refinancing. The project must adhere to all state and federal applicable DWSRF requirements during construction. Consideration for refinance applications of permanent debt obligations will be entertained only

after projects addressing public health protection and compliance have been funded. Refining projects must receive approval from the DPH Office of the Commissioner.

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

2. Interim Debt Obligations

The DWSRF may be used to buy or refinance interim debt obligations that are incurred prior to a project's completion. Such projects are subject to the same requirements associated with the refinancing of permanent loan obligations with the exception that the project will be reviewed by the DPH and ranked according to the PRS and retain the same considerations for DWSRF funding as other projects that receive DWSRF interim loans so long as:

- The DPH receives a DWSRF Eligibility Application in advance of the PWS entering into any interim debt obligations for the project, and;
- The refinancing DWSRF loan is executed within six months of completion of the project, and;
- No permanent loan obligations for the project have been executed.

H. Withdrawal of Project from Funding Consideration

If a PWS chooses not to pursue funding of a project through the DWSRF or chooses to not go forward with the implementation of a project, the PWS shall be requested to submit a letter to the DPH indicating the withdrawal of the project. The letter should include a statement as to why the project was withdrawn. Upon receipt, the project will be removed from the PPL and Comprehensive List.

The DPH reserves the right to withdraw and remove any project from the Carryover List, a PPL and/or the Comprehensive Project List, if the applicant becomes nonresponsive to the DPH. Any applicant whose project is withdrawn by the DPH for any reason will be notified in writing and required to resubmit a new DWSRF Eligibility Application if they desire to further pursue DWSRF funding for that project.

I. Use of Excess Project Funds

The amount of funding in a DWSRF loan agreement is generally based upon known fixed costs and may also include a reasonable or adequately justified amount of contingency for unexpected costs that may occur during the project. If a recipient does not utilize all available funds upon completion of the original project, they may submit a request to the DPH to utilize those excess funds for additional work related to the scope and use of the original project. The additional work must enhance or provide additional public health value to the original project. This additional work will be reviewed and required to follow all applicable requirements in the same manner as all projects.

J. Replacement of Lead Service Lines when Replacing Water Main

During the replacement or rehabilitation of a distribution system water main as part of a DWSRF eligible project, any lead service lines or partial lead service lines that are known to exist or that are encountered during such replacement or rehabilitation must be replaced for the water main project to remain eligible for DWSRF funds. This requirement is conditioned on the DWSRF applicant obtaining the consent of the individual property owner to replace the full lead service line. If such consent is obtained, the full lead service line replacement may be undertaken by the DWSRF applicant or individual property owner. If undertaken by the individual property owner, the DWSRF applicant shall verify all lead materials have been removed and that no new lead replacement materials have been installed. When lead service lines are encountered, the DWSRF applicant shall, at a minimum, perform the following:

1. Provide the individual property owner with information about the risks of lead exposure and information about the applicant's Lead Service Line Replacement Program.
2. Engage in meaningful discussion with the individual property owner about fully removing their lead service line.
3. Engage with the DPH Office of Health Equity to assist.

If the property owner does not consent to replacing their lead service line the following additional actions shall be undertaken by the DWSRF applicant:

4. Notify the DPH of the property address of the lead service line and the refusal of the property owner to allow or undertake its replacement
5. Evaluate the applicant's Lead and Copper Rule sampling site plan, if the lead service line was not previously known to exist, to determine if appropriate changes need to be made based on this information; and
6. Maintain records of items 1-5 above, as appropriate.

The replacement of the service line must result in the complete removal of all lead components from the water main to the water meter or other connection point to the premise plumbing. The replacement of the lead service line is eligible for DWSRF

funding if such costs are not covered by the individual property owner; however, funding shall be subject to the availability of DWSRF funds to cover these additional costs.

VI. FINANCIAL MANAGEMENT

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

Section 1452 of the SDWA authorizes states to use a portion of the capitalization grant to support various drinking water programs through set-aside funds. The DPH has chosen to take the maximum amount allowable and expects to use these set-aside funds to promote and implement safe drinking water efforts integral to Connecticut's multiple barrier approach to protection of public drinking water supplies and public health. Additionally, the DPH will use these funds to foster health equity, public health, and safe drinking water among the public and the regulated community. Further, use of these funds to provide technical assistance to communities and public water systems serving disadvantaged populations will be emphasized. Both of these intended uses address proactive and preventive measures endorsed by Congress in its authorization of the SDWA.

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

B. Sources and Uses of DWSRF Funds

Sources

The total DWSRF funding available for direct loans and subsidization to PWSs during SFY 2023 is expected to be approximately \$315,943,170. Attachment A provides a breakdown of the sources of these funds. These sources include the FFY 2022 capitalization grants, carry-over capitalization grant balances from prior FFYs, state matching funds, existing revenue bond authorizations that were not allocated to projects, and program equity funds. This attachment also includes the amount of set-aside funding from the DWSRF capitalization grants.

The breakdown of sources and uses reflects the total amounts projected for the DWSRF project fund and set-aside accounts that will be made available to the DPH upon EPA approval of the DPH's applications for the FFY 2022 capitalization grants.

Uses

Each set-aside for each grant has distinct uses. Planned set-aside activities have been summarized in Section VII and detailed in individual workplans. In general, they include staffing costs to support the function of each set-aside, necessary equipment, and supplies, travel, and training to support a skilled and

knowledgeable workforce, maintenance costs to sustain information system databases and enhance electronic capabilities, and contractual costs to support technical assistance to public water systems, local health departments and certified operators.

Projects that are currently anticipated to be funded during SFY 2023 include all projects that are being carried forward from the previous IUP on the Carryover List and projects appearing on the PPLs. The Carryover Project List identifies 21 projects for a total of approximately \$38,047,313. The Base/Supplemental PPL identifies 130 projects, including those on the Carryover List, for a total of \$360,553,357, of which 103 projects are above the funding line and one project partially fundable, with a total available funding amount of approximately \$315,943,169. The Comprehensive Project List identifies all eligible projects which are seeking funding, including those on the Carryover List and PPLs, as described in Section IV.C.

As shown on Attachment A, the total amount of funding available for all projects during SFY 2023 is anticipated to be approximately \$315.9 million. This is approximately \$22.1 million less in available funding than project costs shown on the Base/Supplemental PPL.

The ULO balance of capitalization grant funds designated for DWSRF projects is \$14,747,416 as of May 1, 2022. Currently, all monies provided as federal subsidy must come directly from the federal capitalization grant since they are DPH's only source of subsidy funding. As a result, a balance of project ULOs must be maintained in an amount sufficient to make federal subsidy payments for qualifying projects. The ULO set-aside balance is \$3,784,689. EPA has established national objectives for states to fully expend their capitalization grants within two years of their award date and to have only two open capitalization grants at any one time.

In 2019, the DPH began to collect fees from Public Water Systems to provide additional support for these programs when capitalization grants and existing state funds could not sustain staffing levels. Original legislation was enacted in Section 676 of Public Act (PA) 17-2 of the June special session of the Connecticut General Assembly, covering the period from July 1, 2018, to June 30, 2019. Changes to this legislation were enacted in Section 75 of Public Act 19-117. Pursuant to PA 19-117, for fiscal years ending June 30, 2019, June 30, 2020, and June 30, 2021, inclusive, each water company that owned a community or non-transient non-community PWS was required to pay to the DPH a safe drinking water primacy assessment to support the DPH's ability to maintain primacy under the SDWA. The Connecticut General Assembly did not extend the fee program beyond June 30, 2021, allowing it to sunset. Although the assessment has not been collected since SFY 2021, staff previously funded by the fee program will continue to be supported by state funds.

The DPH will continue to assess funding levels and will propose fees in the future, if necessary.

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

States may choose to issue bonds in conjunction with their federal capitalization grants to provide for more funding within their programs. Leveraging is a useful financing option available to states with a high demand of projects which are ready to proceed for immediate DWSRF funding.

Consistent with Connecticut's financing strategy for the CWF, the DWSRF includes leveraging. Since 2001, a total of \$256.1 million in bonds have been issued to fund DWSRF projects. Leveraged financing allows the DWSRF to maximize available project funding by combining revenue bond proceeds, capitalization grants and state match contributions. This in turn provides more loans with favorable terms to more PWS applicants.

Although the 2% loan rate has historically been very attractive to SRF borrowers, in the historically low interest rate environment that existed for most of FY21 and FY22, many borrowers issued refunding bonds and prepaid their SRF loans before maturity for savings. However, in 2022, spurred in part by the federal reserve raising short-term interest rates to address inflationary pressures, interest rates have been increasing which has resulted in a cessation of loan prepayments at this time. After internal discussions and an analysis of the DWSRF program cash flows and projected loan demand, the results show that the SRF may not need to leverage the program over the next several years to fund new loans. This is due to accumulated program equity and borrower loan prepayments received to date on loans paid off before their scheduled maturity. As a result, there has been a decision that the program will utilize loan prepayments and accumulated program equity to originate new project loans. Additionally, a term has been added to new loan agreements that exceed \$100,000 to restrict prepayments from occurring earlier than 10 years from the date of the Project Loan Obligation, which demonstrates active management and a focus on keeping the SRF program cashflows strong. These prepayments and the large equity balance in the DWSRF have had a negative impact to the "pace" of the DWSRF as measured by EPA using annual Connecticut's DWNIMS data. As a result, it is anticipated that there will not be a need to leverage bonds for several years due to a shift to program equity rather than bond proceeds for new project loans. Once the "pace" of the DWSRF improves to the point where leveraging becomes appropriate, the DPH will consult with EPA prior to initiating any new bond sales. A more detailed financial analysis of the DWSRF program can be found in the DWSRF Annual Reports, available on the OTT's website at: portal.ct.gov/OTT/Newsroom/Reports/Drinking-Water-Fund-Reports.

The leveraging process has been successful because it has allowed the State of Connecticut to fund projects that would not normally be funded using capitalization grant funds alone. Without leveraging, the DPH would not be able to fund larger projects like the examples below. The last DWSRF bond issuance occurred in July 2019.

- New Britain Water Department moved forward a \$55 million dollar drinking water treatment plant project by securing a DWSRF loan. This project, which replaced an antiquated system, provides excellent quality water to over 90,000 people and keeps the water rates relatively low.
- South Norwalk Electric and Water Utility enacted a \$29 million water treatment plant upgrade using \$24.7 million in DWSRF funds to replace an antiquated water treatment plant that was badly in need of upgrades.
- Meriden Water Division secured over \$21 million in DWSRF funds for the design and construction of major improvements to its Broad Brook Water Treatment Plant and Pumping Station to maintain purity and adequacy of water to its 60,000 customers.
- Groton Utilities secured \$54 million for its Water Treatment Plant upgrade. Groton recently completed significant improvements to its plant to address water quality issues. The majority of the existing components were antiquated (originally constructed in 1938), and improvements to the facility were crucial for infrastructure sustainability.
- Norwich Public Utilities has secured over \$21 million for several improvements over the past 5 years, including water treatment plant upgrades to address water quality issues, rehabilitation of transmissions mains, and replacement and upgrades of finished water storage tanks.
- Regional Water Authority has secured over \$33 million for several improvements over the past 5 years, including system-wide meter replacement program, and to rehabilitate or replace aging facilities, such as finished water storage tanks and sources of water supply.

D. State Matching Requirement

The required 20% state match for the FFY 2022 capitalization grant is \$1,401,600. In addition, the BIL requires a 10% state match for the FFY 2022 General Supplemental capitalization grant, which is \$1,799,200. These funds are required to be in place prior to drawing down the respective award.

The State of Connecticut will have the required state match amounts deposited into the DWSRF prior to the expenditure of any federal FFY 2022 capitalization grant dollars for the respective awards. The state match is provided through the proceeds of state General Obligation Bonds issued prior to 2001 and cash contributions from the state. Since 2007, additional state match has been provided by the contribution of principal and interest payments collected from the State of Connecticut on General Obligation Bonds issued to provide interest subsidy for the CWF and held outside the

CWF until payments are received by Connecticut. These funds are no longer needed by the CWF for debt service because of the issuance of lower cost refunding bonds and additional contributions by Connecticut. These payments are held and deposited as cash contributions for the DWSRF state match. As of April 30, 2021, the DWSRF has received and deposited approximately \$64.1 million for the required match since the inception of the program, including those for the FFY 2022 capitalization grants.

E. Federal Cash Draw Proportionality

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

F. Financial Terms of Loans

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

CGS Sections 22a-475 through 22a-483, inclusive, also allows Connecticut to offer project loans with reduced interest rates or an extended term, if permitted by Federal law, to eligible PWSs that qualify as disadvantaged communities. AWIA §2015(d) allows states to offer extended loan terms of up to 40 years to PWSs which qualify as such. Attachment K to this IUP provides the details of DPH's HEDCAP. An initial amount of \$50 million has been made available under the HEDCAP for extended terms, subject to the conditions noted under the program.

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

The term of a loan (in years) may not exceed the useful service life of the primary infrastructure component(s) that are being financed through the DWSRF. Maximum loan terms may also be restricted based on the dollar amount of the loan (not including any subsidy) as outlined in Table 5. During SFY 2021, a term was added to new loan

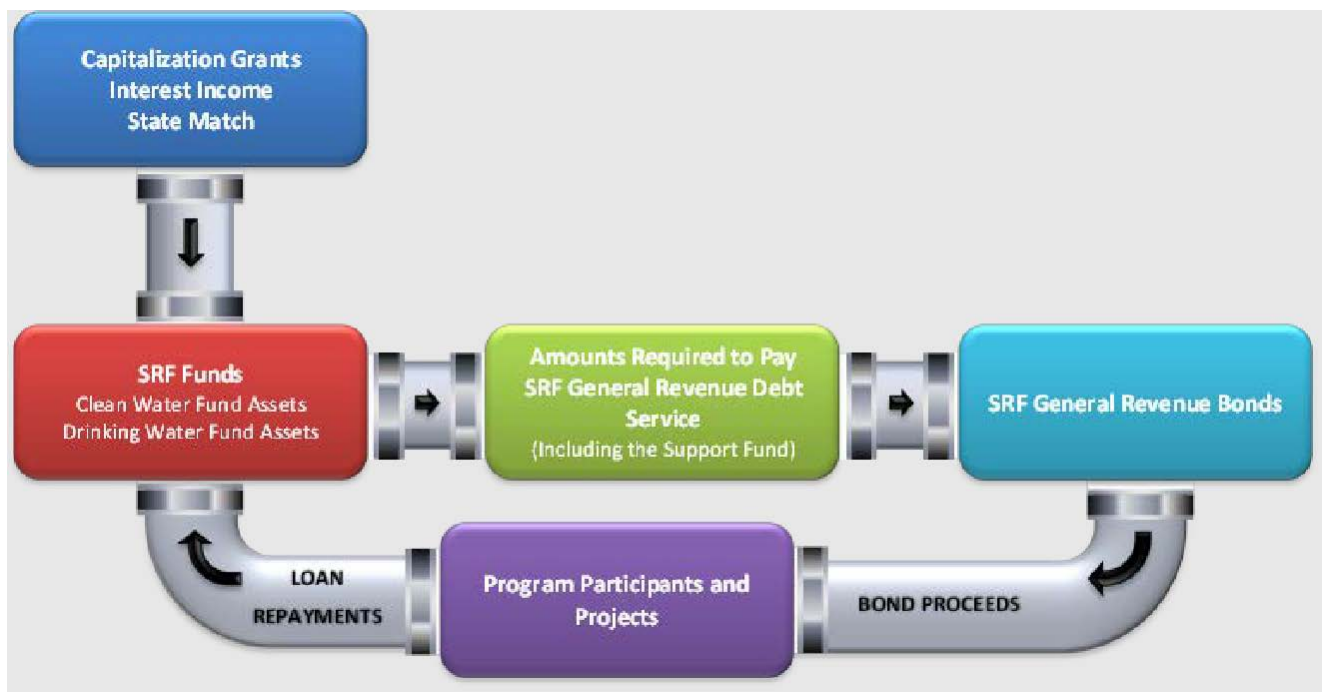
agreements greater than \$100,000 which restrict prepayments from occurring earlier than 10 years from the date of the Project Loan Obligation.

Table 5 – Loan Repayment Terms

Loan amount	Maximum Loan Repayment Term
up to \$10,000	3 years
\$10,000 - \$25,000	5 years
\$25,000 - \$100,000	10 years
More than \$100,000	20 years

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

Figure 2 – The Revolving Flow of Funds



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

The DPH has not transferred funds between the DWSRF and the CWSRF programs. While such a transfer is permitted under the SDWA, the DPH does not anticipate making such a transfer under the current IUP but reserves the right to do so if necessary. Specific to the BIL funding, transfer of funds is not allowable for the LSL capitalization grant.

H. Expected Loan Demand

The amounts of each state's capitalization grants are determined as a percentage of the national congressional appropriation of DWSRF funding each year. Each state's percentage is based on the outcome of the DWINSAs conducted by the EPA every 4 years. The DWINSAs conducted in 2015 identified a \$4,017.7 billion needed investment in Connecticut to maintain its existing drinking water infrastructure over the next 20 years. This was a 12.3% increase from the \$3,578.3 billion estimated need in 2011. Connecticut currently receives 1% of each national appropriation. The next survey was intended to be completed in calendar year 2019 but was delayed to 2021.

The State of Connecticut's participation in the EPA-sponsored DWINSAs for 1999, 2003, 2007, 2011, and 2015 evidenced that a significant need continues to exist throughout the state for funding capital improvements. The results of these surveys are used by the EPA to determine the percentage of the DWSRF appropriation that each state will receive each year for the 4-year period interval following release of each survey's report. The results of

the 2021 DWINSA are expected to be available during calendar year 2023 and impact individual state allotments starting with FFY 2024.

The 2015 DWINSA assessed the cost and types of drinking water needs throughout the nation for the period January 1, 2015 to December 31, 2034. The results of the survey were used to determine the DWSRF allocation for FFYs 2018 through 2021; due to the delay with the subsequent survey, this has been extended to FFY 2023. The results of the 2015 survey, which were released in April 2018, showed that the State of Connecticut's estimated need had grown from \$1.394 billion in 2007 and \$3.587 billion in 2011 to \$4.018 billion in 2015. The breakdown was as follows:

Transmission and Distribution	\$2.542 billion
Treatment	\$770.4 million
Storage	\$400.9 million
Source	\$187.6 million
Other	\$116.7 million

As the cost and need for infrastructure projects continue to increase, the demand for low-cost loans will most likely also increase. The availability of federal subsidization since 2009 for DWSRF projects has also increased the demand for loans.

The DPH is fully participating in the 2021 DWINSA, in the on-going effort to identify the drinking water needs in Connecticut. The AWIA included a new requirement that the DWINSA include an assessment of costs to replace all lead service lines and describe, separately, the costs associated with PWS-owned lines and those to replace any remaining portions, to the extent practicable. The 2021 DWINSA also included an assessment of PWS workforce and use of iron and steel.

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

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

The DWSRF also produces numerous opportunities for strengthening water supply mechanisms (i.e., source protection, Public Water System Supervision grant (PWSS) program) that will ultimately result in improvements to safe and adequate supplies of

drinking water for Connecticut residents. Additionally, the placement of the DWSRF within the financial structure of Connecticut's CWF guarantees that the DWSRF will benefit in the long term from the same management and financial planning mechanisms that have marked the success of Connecticut's CWF Program.

VII. SET-ASIDE ACTIVITIES

Taken together, approximately 31% of each DWSRF capitalization grant may be used for set-aside activities. The DPH receives funds under four set-asides to support various drinking water and DWSRF program activities. These include the Administration, State Program Management, Small Systems Technical Assistance, and Local Assistance set-aside funds. The amount for each set-aside from the 4 FFY 2022 capitalization grants is shown in Table 6. The set-aside activities for SFY 2023 for each capitalization grant are described below. Prior to requesting disbursement of these funds, the DPH submits work plans to EPA Region 1 with each capitalization grant application, which provides specific details for use of each set-aside fund. If a workplan modification becomes necessary during the SFY, the DPH shall amend the grant application and seek EPA's approval. The DPH will satisfy all set-aside reporting requirements as detailed in the capitalization grant award conditions.

Table 6 – Set-Aside Amounts

Capitalization Grant	Administrative	Program Management	Small System Technical Assistance	Local Assistance	
				Wellhead Protection	Capacity Development
Base	\$370,320	\$1,480,800	\$237,660	\$350,400	\$700,800
BIL Supplemental	\$719,680	\$1,799,200	\$359,840	\$720,045	\$1,799,200
BIL LSL	\$1,044,000	\$494,832	\$567,000	\$0	\$1,219,723
BIL EC	\$262,200	\$505,500	\$151,100	\$377,750	\$0

A. Base Capitalization Grant

The DPH will utilize all four set-asides allowable within this grant and will also exercise its reserved authority to un-bank from previous years administrative, program management and small system technical assistance funds to assist in securing additional staffing support.

- The DPH intends to use funds in the administrative set-aside to support existing staff at DPH and OTT dedicated to administrative and fiscal management of the DWSRF accounts and oversight and tracking of the DPH's Cash Management Plan, as well as aiding borrowers in preparing their loan applications and satisfying program requirements. Activities include duties as

outlined in the DWSRF Interagency Memorandum of Understanding.

- Funding under the Program Management set-aside will be used to support the administration of Connecticut's Public Water System Supervision (PWSS) program. Staff supported by this fund support both the PWSS and DWSRF programs. This includes providing direct technical assistance to PWS' regarding the required reporting of water quality and inventory/facility data utilized in Safe Drinking Water Information System and electronic data interchange, legal assistance to the DWS regarding the DWSRF program, and maintenance of DWS's GIS data layers in the Drinking Water Section's GIS system. Additionally, Operator Certification and Cross Connection Program tasks, and technical assistance to public water systems, technical assistance to all eligible public water systems including system and communities that have not applied historically to the DWSRF, certified operators and laboratories on violations and formal enforcement actions are supported through this funding. In addition, these funds will aid small public water systems and disadvantaged communities in compliance with multiple state programs, including capacity development, asset management, and financial planning, lead service line inventorying and sampling, Lead and Copper Rule compliance assistance, plan development, implementation support, and funding application assistance to help small systems apply for DWSRF funds.
- Activities performed under the Small Systems Technical Assistance Set-Aside will include providing technical assistance to a small public water system serving up to 10,000 consumers and the initiation of a contract with a service provider to offer technical assistance to the state's small public water systems. Tasks funded by this set-aside will include conducting sanitary surveys of community, non-transient non-community, and transient non-community PWS serving fewer than 10,000 persons (small systems), assessing existing small PWS's technical, financial, and managerial capacity during sanitary surveys, educating and assisting small systems in applying for DWSRF loans for infrastructure projects, and conducting regulatory compliance reviews of engineering plans and specifications for existing small PWS infrastructure improvements, including projects funded under the DWSRF.
- The DPH utilizes the Local Assistance Set-Aside for wellhead protection and capacity development activities. The Wellhead Protection Program will use 5% of the set-aside funds and the Capacity Development Program will use the remaining 10%. Each program is described below.
- **Wellhead Protection**

Program elements include coordination, management, and regulation of source protection through the proactive enhancement and oversight of existing source

protection laws and regulations, integration with water supply planning, education of local land use officials, and involvement with stakeholders continuously. Efforts funded under this set-aside will include implementation of revised statutes and regulations for source water protection including the provisions of the federal Groundwater Rule, working with local, regional, and state partnerships on Environmental Reviews for projects that could potentially impact drinking water quality, collaborating with stakeholders at the community and state level to implement source water protection concepts and best management practices to enhance drinking water source protection, reviewing and approving/denying all proposed sources of public water supply, and work with the DWSRF Unit, sister state agencies and local health departments to identify water systems and areas of private wells impacted by emerging contaminants, and provide technical assistance to public water systems and municipalities to evaluate options for the provision of safe drinking water.

➤ **Capacity Development**

The DPH will use the Local Assistance set-aside allocation for capacity development initiatives that are consistent with the DWS's EPA-approved Capacity Development Strategy and to help to improve the technical, financial, and managerial capacity of PWSs. The DPH's strategies account for both immediate and long-term sustainability initiatives, including education, technical assistance, enforcement, consolidation, DWSRF assistance, and water system restructuring. These funds will be used primarily to support staff within the DWS that will provide technical assistance and that conduct sanitary surveys of community (CWS), non-transient non-community (NTNC) and transient non-community (TNC) public water systems, provide technical assistance to PWSs on violations and deficiencies noted during sanitary surveys, perform technical, financial, and managerial capacity assessments of PWS during sanitary surveys, conduct reviews of water quality and quantity of newly developed drinking water sources and review engineering plans and specifications for new water system designs in accordance with Regulations of Connecticut State Agencies (RCSA) Section 16-262-m and under the authority of RCSA Section 19-13-B102, and support the DWSRF program by soliciting for DWSRF projects and reviewing project plans and specifications.

B. General Supplemental Capitalization Grant

The DPH will utilize all four set-asides allowable within this grant. Unbudgeted funds from the Local Assistance - Wellhead Protection set-aside will be placed into project funds due to the inability to bank these funds.

- The DPH intends to use funds in the administrative set-aside to support staff within DPH's Contracts and Grants Management Section and Fiscal Office and for staff support from the OTT dedicated to administrative and fiscal management of the DWSRF accounts and oversight and tracking of the DPH's Cash Management Plan, as well as assisting borrowers in preparing their loan applications and satisfying program requirements. Activities include duties as outlined in the DWSRF Interagency Memorandum of Understanding.
- Funding under the Program Management set-aside will be used to support the administration of Connecticut's PWSS program. Staff supported by this fund support both the PWSS and DWSRF programs and will provide direct technical assistance to PWSs regarding the required reporting of water quality and inventory/facility data utilized in Safe Drinking Water Information System and electronic data interchange; provide legal assistance to the DWS regarding the DWSRF program, educate and assist public water systems in applying for DWSRF loans for infrastructure projects, conduct regulatory compliance reviews of engineering plans and specifications for existing PWS infrastructure improvements including projects funded under the DWSRF, develop and build a health equity program to address and incorporate Social Vulnerability Index (SVI), Environmental Justice (EJ), and Justice 40 in the implementation of DWSRF, Safe Drinking Water Act public notice requirements, preservation and protection of high-quality sources of supply and other safe drinking water programs, and develop communication, education, and outreach programs to address disadvantaged populations within the drinking water programs. Funding will also be utilized to build an online interface for the collection of information from PWSs and provide information/interface to the PWSs, laboratories and public, and to continue support for the UConn Memorandum of Agreements for internship programs allowing students to participate in fieldwork and conduct a drinking water project.
- Activities performed under the Small Systems Technical Assistance Set-Aside will include providing technical assistance to small public water systems serving up to 10,000 consumers and the initiation of a contract with a service provider to offer technical assistance to the state's small public water systems. Funded activities include conducting sanitary surveys of community, non-transient non-community and transient non-community PWS serving fewer than 10,000 persons (small systems), assessing existing small PWS's technical, financial and managerial capacity during sanitary surveys, educating and assisting small systems in applying for DWSRF loans for infrastructure projects, conducting regulatory compliance reviews of engineering plans and specifications for existing small PWS infrastructure improvements including projects funded under the DWSRF, and providing engineering services to small public water systems to assist with DWSRF-funded projects.

- The DPH utilizes the Local Assistance Set-Aside for wellhead protection and capacity development activities. The Wellhead Protection Program will use 5% of the set-aside funds and the Capacity Development Program will use the remaining 10%. Funded activities for each program are described below.

- **Wellhead Protection**

Program elements include coordination, management, and regulation of source protection through the proactive enhancement and oversight of existing source protection laws and regulations, integration with water supply planning, education of local land use officials, and involvement with stakeholders on a continuous basis. Efforts under this set-aside include linking the protection of public water supplies with subsurface sewage disposal system approval, maintenance, training, and repair, policy development and implementation to protect public health where federal and state regulation are currently inadequate or lacking, planning and implementing the priority recommendations from the Connecticut's Interagency PFAS Action Plan dated November 2019, and working with the DWSRF Unit, sister state agencies and local health departments to identify water systems and areas of private wells impacted by emerging contaminants, provide technical assistance to public water systems and municipalities to evaluate options for the provision of safe drinking water.

- **Capacity Development**

The DPH will use the Local Assistance set-aside allocation for capacity development initiatives that are consistent with the DWS's EPA-approved Capacity Development Strategy and to help to improve the technical, financial, and managerial capacity of PWSs. The DPH's strategies account for both immediate and long-term sustainability initiatives, including education, technical assistance, enforcement, consolidation, DWSRF assistance, and water system restructuring. These funds will be used primarily to support staff within the DWS that conduct sanitary surveys of community (CWS), non-transient non-community (NTNC) and transient non-community (TNC) public water systems, provide technical assistance and enforcement referral to local health departments for maximum contaminant level violations, source water construction violations and cross-connections identified at NTNC and TNC food service establishments, conduct reviews of water quality and quantity of newly developed drinking water sources and review engineering plans and specifications for new water system designs in accordance with RCSA Section 16-262-m and under the authority of RCSA Section 19-13-B102, and assist with the maintenance of the DWS' Compliance Assistance Database (DWSCAD), which provides support to all DWS Programs to implement drinking water

rules, track engineering project reviews, water supply plan reviews, sanitary surveys, DWSRF projects, cross-connection control program requirements, certificate projects, and watershed surveys among other elements.

C. Lead Service Line Replacement

The DPH will utilize all four set-asides allowable within this Lead Service Line Replacement BIL grant to support the elimination of lead service lines in drinking water. The DPH will exercise its reserved authority to bank funds from the Administrative and Program Management Set-asides to allow the funds to be used in a subsequent year as needed. Unbudgeted funds from the Local Assistance - Wellhead Protection and Capacity Development set-asides will be placed into project funds due to the inability to bank these funds.

- The DPH intends to use funds in the administrative set-aside to support staff within DPH's Contracts and Grants Management Section and Fiscal Office and for staff support from the OTT as it relates to funds received to address the elimination of lead service lines. Staff will be dedicated to administrative and fiscal management of the DWSRF accounts and oversight and tracking of the DPH's Cash Management Plan, as well as assisting borrowers in preparing their loan applications and satisfying program requirements. Activities include duties as outlined in the DWSRF Interagency Memorandum of Understanding.
- Funding under the Program Management set-aside will be used to provide support for the review and approval of lead service line removal projects and maintenance of the data required to be collected to implement the lead service line removal plans. This work will include supporting the review and approval of lead service line removal projects, maintaining data required to be collected to implement the lead service line removal plans, determining public water system compliance with the lead and copper rule for approximately 1,000 water systems according to their required monitoring schedules, review and trend water quality parameters after the approved Optimal Corrosion Control Treatment (OCCT) project is in operation to ensure that treatment is optimized and operating within specified water quality ranges as approved by DPH, develop communication, education, and outreach programs to address disadvantaged populations within drinking water programs, assist to manage the EPA Lead HUB accelerator, outreach/education and communication on the dangers of lead poisoning and the need for LSL removal, manage portions of the Lead Copper Rule program for disadvantaged elevated SVI communities, and develop a robust program to provide technical assistance to disadvantaged communities, local health departments and public water systems.
- The DPH intends to use funds from the Small Systems Technical Assistance Set-Aside to provide technical assistance to small public water system serving

a up to 10,000 consumers for lead service line inventory and removal. Funded activities will include educating and assisting small systems in applying for DWSRF loans for infrastructure projects, working with small public water systems regarding lead service line replacement projects, support the processing of new DWSRF/BIL funding applications and oversight and implementation of small system drinking water infrastructure projects that will receive the available funding, review contract procurement procedures and construction contracts for adherence to State procurement requirements, and provide technical assistance to loan applicants and their consultants on DWSRF and lead service line removal BIL requirements.

- The DPH utilizes the Local Assistance Set-Aside for wellhead protection and capacity development activities. Unbudgeted funds from the Local Assistance - Wellhead Protection Set-aside will be placed into project funds due to the inability to bank these funds. The Capacity Development Program will use the remaining 10% and funding will support initiatives consistent with the DWSs Capacity Development Strategy and will help to improve the technical, financial, and managerial capacity of PWSs as it relates to lead in drinking water, lead inventories, and technical project reviews. Funded activities under the Capacity Development Set-aside will include the review of OCCT Proposals and technical project reviews for lead service line removals and lead and copper action level exceedances, providing technical assistance to public water systems, certified operators, and consultants regarding OCCT proposals and operation of OCCT after installation, conducting final project inspections to ensure that projects were installed in accordance with DPH approvals and standards, and providing technical assistance for small public water systems and disadvantaged communities with compliance with multiple state programs, including capacity development, asset management and financial planning, lead service line inventorying and sampling, Lead and Copper Rule compliance assistance, plan development, implementation support, and funding application assistance to help small systems apply for DWSRF funds.

D. Emerging Contaminants

The DPH will utilize all four set-asides allowable within this Emerging Contaminant BIL grant to address emerging contaminants in drinking water with a focus on PFAS. The DPH will exercise its reserved authority to bank some funds from the Administrative and Program Management Set- asides to allow the funds to be used in a subsequent year as needed. Unbudgeted funds from the Local Assistance - Capacity Development Set-aside will be placed into project funds due to the inability to bank these funds.

- The DPH intends to use funds in the administrative set-aside to support staff within DPH Fiscal Office as it relates to funds received by CTDPH to address emerging contaminants. Staff will be dedicated to administrative and fiscal management of the DWSRF accounts and oversight and tracking of the DPH's Cash Management Plan, as well as aiding borrowers in preparing their loan applications and satisfying program requirements. Activities include duties as outlined in the DWSRF Interagency Memorandum of Understanding.
- Funding under the Program Management set-aside will be used to support the use of funds to address emerging contaminants in drinking water with a focus on PFAS. This work will include providing support for engineers working on new treatment projects related to emerging contaminants, including granular activated carbon/resin treatment for PFAS removal, analyzing PWS data and determine public water system compliance with safe drinking water act rules and compiling water system data for emerging contaminants, review, organize, and track information that the department will be receiving as part of initiatives related to emerging contaminants that will be funded through the BIL, maintain applicable emerging contaminant information in the safe drinking water information system (SDWIS) database or other applicable database, as required, to track as part of our primacy partnership agreement with EPA, develop Standard Operating Procedures, technical guidance, and web resources to help facilitate and streamline compliance determinations and data gathering/sharing for drinking water infrastructure and emerging contaminants and provide funding support for DPH Laboratory PFAS Testing Equipment maintenance and consumable supplies.
- The DPH intends to use funds from the Small Systems Technical Assistance Set-Aside to provide technical assistance to small public water systems serving a up to 10,000 consumers using the funds to address emerging contaminants in drinking water with a focus on PFAS. Funded activities will include direct technical assistance to small public water systems with emerging contaminants and treatment problems which could lead to a loan application, work with small public water systems regarding emerging contaminant projects, support the processing of new DWSRF/BIL funding applications and oversight and implementation of small system drinking water infrastructure projects that will receive the available funding, perform environmental assessments on emerging contaminant drinking water infrastructure projects, and provide technical assistance to loan applicants and their consultants on DWSRF and emerging contaminant BIL requirements.
- The DPH utilizes the Local Assistance Set-Aside for wellhead protection and capacity development activities. Unbudgeted funds from the Local Assistance-Capacity Development Set-aside will be placed into project funds due to the inability to bank these funds. The DPH will utilize the Wellhead Protection Set-

aside 5% to fund activities necessary to address emerging contaminants in drinking water with a focus on PFAS. This will involve working with the DWSRF Unit, sister state agencies and local health departments to identify water systems and areas of private wells impacted by emerging contaminants including PFAS and provide technical assistance to public water systems and municipalities to evaluate options for the provision of safe drinking water. Funded activities from the Wellhead Protection Set- aside will include the review and analysis of results received from DPH-initiated phased testing of public drinking water sources for PFAS, review and assess public water system data from the Environmental Protection Agency's Unregulated Contaminant Monitoring Rule, review water quality data submitted for proposed public drinking water supplies to identify areas that may be impacted by emerging contaminants, develop tracking database and GIS system for emerging contaminant analytical results including results for proposed public drinking water supplies received by the DWS during the approval process, and analyze public water system data to identify referrals to DWSRF program.

VIII. AUDITS AND REPORTING

To ensure transparency and accountability, all program materials are posted on our website at www.ct.gov/dph/dwsrf. DWSRF Annual Reports are posted on the OTT website at <https://portal.ct.gov/OTT/Newsroom/Reports/Drinking-Water-Fund-Reports>. Financial audits are conducted annually by the OTT and included with the Annual Report.

DPH enters project and benefits data into the EPA SRF Project and Annual Summary database to evaluate the benefits of the State of Connecticut's DWSRF program. Among other parameters, this database will evaluate the number of DWSRF projects that provide public health benefits, including those that achieve compliance with the SDWA, those that maintain compliance with the SDWA and those that are intended to meet future requirements of the SDWA.

Project benefits information is entered into the EPA SRF Project and Annual Summary database as soon as possible following execution of a funding agreement, preferably within two weeks. Updates to the database following completion of the project and closing of the permanent loan are also made as soon as possible. If a project contains "green" components, DPH reports on the "green" projects and/or "green" portion of projects in this database.

IX. PUBLIC OUTREACH AND COMMENT

The DPH engages in a determined effort to prepare and provide accurate and understandable information on the DWSRF to potential loan applicants and other interested persons. The DWSRF loan applicant pool in Connecticut consists of

approximately 723 PWSs. This pool includes all community PWSs and all public schools that are non-transient non-community PWSs. Outreach to these PWSs, as well as to the communities that they serve and other interested persons, has and will continue to occur simultaneously with the implementation of the DWSRF program. Outreach is accomplished through posting information on the DWS website, meeting with applicants, sending targeted electronic mailings, distributing program marketing information, and participating in various water-related forums. In addition, engineering staff from the DPH reach out to PWSs during on-site sanitary surveys and encourage them to consider the DWSRF program for their infrastructure financing needs.

In conformance with 40 CFR 35.3555(b), the DPH will seek meaningful public review and comment on the Draft SFY 2023 IUP, which includes the PPLs. In addition, RCSA Section 22a-482-1(c)(4) requires that a public hearing be held to allow for the opportunity to comment on the draft PPLs. A Notice of Hearing announcing the availability of the Draft IUP for public review and comment and a public hearing will be formally published in several newspapers across the state, including the Hartford Courant, New Haven Register, Waterbury Republican-American, The Inquiring News, Norwich Bulletin, New London Day, Connecticut Post and La Voz Hispana, at least 30 days before the public hearing. Such notice will also be posted on the DPH's website and the Connecticut Secretary of State's Public Meeting Calendar.

Additionally, the Draft IUP and Notice of Hearing will be sent to all eligible PWSs, which includes all DWSRF applicants with projects appearing on the Comprehensive Project List, along with municipal Chief Elected Officials, local directors of health, and state legislators. Interested persons are invited to attend and provide oral or written testimony at the public hearing or to submit written comments. All testimony provided during the public comment period and the hearing will be reviewed and considered by the DPH Commissioner before finalizing this IUP. Following the Public Hearing, a Hearing Report will be produced which will include all testimony and the DPH response to each.

X. ATTACHMENTS

- A. Sources and Uses of Estimated Amounts of DWSRF Funds
- B. Priority Ranking System
- C. SFY 2023 Comprehensive Project List – In Order by PWSID
- D. SFY 2023 Comprehensive Project List – In Order by Tier/SVI Score
- E. SFY 2023 Carryover Project List
- F. SFY 2023 Base/Supplemental Project Priority List
- G. SFY 2023 Lead Service Line Project Priority List
- H. SFY 2023 Emerging Contaminant Project Priority List
- I. Asset Management Plan Checklist

- J. Fiscal Management Plan Checklist
- K. Health Equity Disadvantaged Community Assistance Program
- L. DPH Office of Health Equity Vision & Mission
- M. SVI Summary for DWSRF BIL Funding
- N. DWSRF Rankings Technical Guidance
- O. Tier I Acute List
- P. Tier II Chronic List
- Q. Tier III Infrastructure List

