

Drinking Water State Revolving Fund Hearing Report SFY 2017

State Of Connecticut
Department Of Public Health



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I. Introduction

The Safe Drinking Water Act (SDWA) Amendments of 1996 (Pub. L. 104- 182) authorized the creation of the Drinking Water State Revolving Fund (DWSRF) program. The purpose of the DWSRF is to assist public water systems in financing the costs of infrastructure necessary to achieve or maintain compliance with SDWA requirements and to protect public health.

Each year, pursuant to the SDWA, the U.S. Environmental Protection Agency (EPA) awards capitalization grants to the states for their DWSRF programs, which includes loans and other assistance to public water systems for design, planning and construction projects. Under the SDWA, each state is required to provide matching funds of at least 20 percent of the state's federal capitalization grant.

To access the funds, each state is required to submit a capitalization grant application to EPA. As part of the application, each state is required to include an annual Intended Use Plan (IUP), which describes how the state intends to use available funds. In the state of Connecticut, the Department of Public Health (Department) is the agency responsible for submitting the capitalization grant application to EPA and administering the state of Connecticut's DWSRF program.

In federal fiscal year (FFY) 2016, Congress appropriated \$855,381,000 to EPA for the national DWSRF program. EPA then appropriated funds to the states based on their statewide needs assessment. The state of Connecticut has received \$8,423,000 from EPA to fund design, planning and construction projects, as well as to fund set-aside activities. The state of Connecticut has approximately \$74,500,000 available for DWSRF projects during state fiscal year (SFY) 2017 (July 1, 2016, through June 30, 2017), which amount includes the federal funds, state matching funds, loan repayments, interest and leveraged financing. The FFY 2016 federal capitalization grant requires the Department to use 20% of the grant to subsidize drinking water projects, which the Department intends to use to subsidize projects in the form of loan "principal forgiveness" during SFY 2017.

On November 25, 2014, the Department issued a Call for Projects for SFY 2016 and 2017 to eligible public water systems to determine the statewide DWSRF funding needs and required that public water systems submit project eligibility applications to the Department not later than January 31, 2015. *See* Attachment A, Exhibit 1. In response to such Call for Projects, the Department received project eligibility applications requesting financial assistance from the DWSRF for 77 infrastructure projects totaling approximately \$205 million in project costs, including approximately \$202 million in eligible costs.

The Department ranked all eligible drinking water projects in accordance with the priority ranking system in the Call for Projects. The Department placed those eligible drinking water projects that the Department determined were ready to proceed during SFY 2016 on the SFY 2016 project priority list (PPL) and in 2015 held a public comment hearing on the SFY 2016 IUP, which included such SFY 2016 PPL. The Department placed those projects that did not proceed in SFY 2016 that are eligible and ready to proceed in SFY 2017 on the draft SFY 2017 PPL, which was part of its Draft SFY 2017 IUP. *See* Attachment A, Exhibit 2. There are 22 projects, or portions thereof, that are eligible and ready to proceed in SFY 2017, which are ranked on the SFY 2017 PPL. *See* Id.

II. Statutory and Administrative Requirements

In accordance with 40 CFR 35.3555(b) and § 22a-482-1(c)(4) of the Regulations of Connecticut State Agencies, the Department issued a Notice of Public Hearing dated July 22, 2016, giving notice that the Draft SFY 2017 IUP, including the draft SFY 2017 PPL, was available for review and that it would hold a public comment hearing and accept written comments on such Draft SFY 2017 IUP. *See Attachment A, Exhibit 4.* Such Notice appeared in the Hartford Courant, New Haven Register, and Waterbury Republican-American on July 22, 2016, and in the Northeast News and La Voz Hispana on July 28, 2016. In addition, the Department emailed a copy of such Notice to all public water systems that submitted an eligibility application to the Department in response to the Call for Projects for SFY 2016 and 2017. Pursuant to such Notice, the Department held a public comment hearing on August 25, 2016, at the Department of Public Health, 470 Capitol Avenue, Conference Room C, in Hartford, Connecticut and accepted written comments until August 29, 2016, at 4:30 PM. At the August 25, 2016 public comment hearing, 8 people provided oral testimony. *See Attachment A, Exhibit 5.* In addition, the Department received written testimony on or before August 29, 2016, at 4:30 PM, from 7 people. *See Attachment A, Exhibit 6.*

Oral comment was given at the public comment hearing by:

Ms. Kristie Wagner, CDM Smith

Mr. Matthew Kennedy, Town of Clinton, Water Pollution Control Commission

Ms. Carol Walter, Board of Selectman, Town of Clinton'

Mr. Kevin Donahue, Tariffville Fire Commission Water Commission

Mr. Walter Banzhaf, Tariffville Fire Commission Water Commission

Ms. Rose Gavrilovic, South Central Connecticut Regional Water Authority

Mr. Mark Decker, Norwich Public Utilities

Mr. Dennis Johnson, Town of Guilford

Written comments were received from the following persons or entities:

Mr. Mark Decker, Norwich Public Utilities

Mr. Dennis Waz, Director of Public Utilities, Meriden Water Department

Mr. Patrick Kearney, Administrator, Water and Sewer Department, Town of Manchester

Mr. Matthew Knickerbocker, First Selectman, Town of Bethel

Ms. Carol Walter, Selectwoman, Town of Clinton

Mr. Richard Stevens, Groton Utilities

Ms. Rose Gavrilovic, South Central Connecticut Regional Water Authority

Raul Pino, MD, MPH, Commissioner of Public Health, designated Kathryn K. Keenan as the hearing officer. *See Attachment A, Exhibit 3.*

III. Summary of Comments and Responses

Following the conclusion of the public comment hearing and written comment period, pursuant to 40 CFR 35.3555(b) and § 22a-482-1(c)(4) of the Regulations of the Connecticut State Agencies, the Commissioner of Public Health is required to consider all oral and written testimony received by the Department and may elect to modify the draft SFY 2017 IUP, including the draft SFY 2017 PPL, on the basis of such testimony. The Commissioner is also required to indicate his reasons for accepting or rejecting any suggested revisions as part of the hearing record. Following notice of any changes to the draft SFY 2017 IUP, including the draft SFY 2017 PPL which may result from such public comment hearing and written testimony received, the SFY 2017 IUP, including the SFY 2017 PPL, shall be deemed final, except for minor revisions to the SFY 2017 PPL allowable under § 22a-482-1(c)(5) of the Regulations of Connecticut State Agencies.

The following are the responses to the oral testimony provided at the August 29, 2016 public comment hearing and the written testimony received by the Department on or before August 29, 2016, at 4:30 PM. Due to technical difficulties, the recording of the hearing ceased during the testimony of Mr. Mark Decker. As a result, the transcript of the hearing does not include all of the oral testimony given. The summaries provided for Mr. Decker and Mr. Dennis Johnson's oral testimony are from notes taken during the hearing.

A. Town of Clinton

Three individuals spoke on behalf of the Town of Clinton and their project to extend a water main to the Rocky Ledge area of the town.

Kristie Wagner of the engineering firm CDM Smith, consultant for the Town of Clinton, provided oral testimony during the August 25, 2016 public hearing. Ms. Wagner's testimony provided background information about the project and the area to be served by the water main extension.

Matthew Kennedy of the Town of Clinton Water Pollution Control Commission also provided oral testimony during the August 25, 2016 public hearing. Mr. Kennedy's testimony provided background information about the project and the issues with respect to the individual home subsurface sewage disposal systems which are failing and subject to a Department of Energy and Environmental Protection order for repair. Mr. Kennedy also discussed the demographics of the residents of the area and noted the potential subsidization benefit available to the project that could reduce the cost to each individual homeowner.

Finally, Carol Walter of the Town of Clinton Board of Selectman provided oral testimony in support of this project during the August 25, 2016 public hearing. Ms. Walter also mentioned the demographics of the residents in the Rocky Ledge area and the town in general. Ms. Walter noted the benefits this project would provide and that it would solve the water quality issues currently affecting the residents. Ms. Walter stated that the town has also applied for a Small Town Economic Assistance Program grant from the state of Connecticut to help cover some of the costs. Ms. Walter

also submitted written testimony, which summarized all the oral testimony provided by representatives of the Town of Clinton.

The Department's response to all testimony:

Thank you for attending the hearing and for your testimony. Extending potable water to homes with impaired wells is important to the public health of these residents and is reflected in this project being ranked #11 on the PPL and funding being made available. This project, with a cost estimate of \$3 million, is expected to be ready for bidding in the spring of 2017, with construction to follow. The Department is looking forward to working with the Town of Clinton on this project as you work to obtain the local funding authorizations and complete the design and construction.

B. Tariffville First District Water Commission

Two individuals spoke in behalf of the Tariffville Fire District Water Commission (Commission) and its project to construct a replacement water storage tank.

Kevin Donahue provided oral testimony during the August 25, 2016 public hearing. Mr. Donahue's testimony provided the background information regarding the Tariffville Fire District's (District) public water system, and the development of an Asset Management Plan (Plan) for the system. Mr. Donahue noted the assistance provided by the technical assistance provider RCAP Solutions in development of the Plan. He stated that this new Plan has been very helpful, and that as a result the Commission was able to reduce the planned rate increase while still undertaking important infrastructure projects. Mr. Donahue also discussed the overall interaction he has had with the Department and that it has improved in the past few years.

In addition, Mr. Donahue discussed the importance of the DWSRF program to the Commission, and thinks there is a lack of awareness of the program among small water systems, stating that the Commission learned about it from its engineering consultant. He stated that he agrees that small systems may not have the in-house expertise that larger systems do. Mr. Donahue identified the difficulty of the DWSRF process, and thanked several DWSRF program staff for their help with this project.

Mr. Walter Banzhaf also provided oral testimony regarding the Commission's DWSRF project during the August 25, 2016 public hearing. Mr. Banzhaf's testimony provided background regarding the District's public water system, and that the subsidy was an important factor in deciding to pursue DWSRF funding. He also noted some of the difficulties unique to this project that have had to be overcome. Mr. Banzhaf also thanked several DWSRF program staff for their help.

The Department's response to all testimony:

Thank you for attending the hearing and for your testimony. The Department commends the Commission for completing the Plan, as it is an important tool in preserving the integrity of the overall water system. The replacement of this storage tank is an important step in maintaining the water system for the long-term. Representatives of the Department had the privilege to attend the recent ground-breaking ceremony, which highlights the project's significance for this community. The Department agrees that it is essential to provide funding to small water systems, and strives to meet the annual goal to provide 15% of available funds to small systems. The Department is looking

forward to continuing to work with the Commission on this project as construction continues and other projects in the future.

C. South Central Connecticut Regional Water Authority

Rose Gavrilovic, Manager of Capital Planning and Delivery for the South Central Connecticut Regional Water Authority (RWA) provided oral testimony during the August 25, 2016 public hearing. Ms. Gavrilovic's testimony noted that RWA is faced with declining demands and higher fixed costs, and RWA is always looking for new and innovate ways to balance costs with benefits to customers. Ms. Gavrilovic testified that the DWSRF program is a great opportunity to support RWA's goals by offering lower financing costs and subsidy monies. Ms. Gavrilovic added that having the DWSRF program support projects to upgrade aging infrastructure, improve treatment processes, and keep current with technology, public water systems are able to provide customers with the highest quality of drinking water at the lowest possible cost. Ms. Gavrilovic stated that RWA appreciates the opportunity to participate in the current and future funding cycles, and looks forward to working with the Department. Ms. Gavrilovic submitted a letter dated August 25, 2016, for the hearing record, which was essentially verbatim to her oral testimony.

The Department's response to all testimony:

Thank you for attending and for your testimony. The Department believes that the DWSRF program is an important tool for water systems when in need of lower cost options for financing capital improvement infrastructure projects. The Department is looking forward to working with RWA on these projects to improve the reliability of the water system to provide a continuous supply of potable drinking water to its customers.

D. Norwich Public Utilities

Mark Decker, Water Integrity Manager for Norwich Public Utilities (NPU), provided oral testimony during the August 25, 2016 public hearing. Mr. Decker provided background information about NPU's public water system, and stated that NPU regularly utilizes the DWSRF to obtain funding for important projects. He highlighted several upcoming projects for which NPU is seeking DWSRF funds. Mr. Decker also noted that the increasing competition for these funds and the potential for a reduction in the amount of funding available, along with increasing federal requirements, may cause NPU and others to seek funding elsewhere.

Mr. Decker noted the additional funding for a Public Water System Improvement Program (PWSIP) provided in Public Act 14-98, but that the program was not funded by the state and unable to be utilized by the water industry. He commented on the discussion of this program in the draft IUP with respect to the regionalization aspect of the PWSIP and stated that as a member of the Southeastern Connecticut Council of Governments regional water technical committee and tri-chair of the Eastern Water Utility Coordination Committee, he believes this approach is timely and is interested in the types of projects that would be eligible.

In addition, Mr. Decker commented on the priority ranking system. He stated that the points awarded for proactive infrastructure replacement projects, and specifically water main replacement projects, should be increased. He noted that industry studies have estimated that the cost to restore existing water systems as they reach the end of their useful service lives could cost \$1 trillion over the next 25 years.

Mr. Decker concluded by noting the benefits that can be attained through the use of the DWSRF program, that the industry needs to support the program as best it can, and that the Department should review the ranking system to ensure it coincides with the challenges currently facing the industry.

Mr. Decker also submitted an electronic copy of his testimony for the hearing record, which was essentially verbatim to his oral testimony.

The Department's response to all testimony:

Thank you for attending and for your testimony. The Department believes that the DWSRF program is an important tool for water systems when in need of lower cost options for financing capital improvement infrastructure projects. The Department acknowledges the comments related to the PWSIP under Connecticut General Statutes (CGS) Section 22a-483f, and will take them into consideration as this program moves forward. The Department intends to use these PWSIP grant-in-aid funds to subsidize community water system consolidation projects or interconnection projects that meet these regionalization concepts as outlined in the IUP. The Department will consider the comments regarding the priority ranking system and make any modifications in advance of the next call for projects. The DPH is looking forward to working with NPU on these projects to improve the reliability of the water system to provide a continuous supply of potable drinking water to its customers.

E. Town of Guilford

Dennis Johnson, Director of Health for the Town of Guilford, provided oral testimony during the August 25, 2016 public hearing. Mr. Johnson provided background information about the project proposed to extend a water main to connect homes in the Mulberry Point area. These homes currently have individual private wells, many of which have become compromised or contaminated by bacteria, nitrate, sodium, and/or chloride, and with the lack of rainfall, the issues are getting worse and some are going dry. These water quality issues are mainly due to the proximity of the wells to the homes' septic systems. These septic systems are failing and, with the use of the well, there is no space on each property to fix those systems.

Mr. Johnson emphasized the importance of the DWSRF funding to the town and these residents, and noted that Connecticut Water Company may cover a portion of the cost if a certain number of homeowners agree to connect to the new main, which would reduce the amount necessary for the DWSRF loan. He concluded by thanking the Department for the assistance provided with this project.

The Department's response to testimony:

Thank you for attending and for your testimony. Extending potable water to homes with impaired wells is important to the public health of these residents and is reflected in this project being ranked #10 on the PPL and funding being made available. This project, with a cost estimate of just over \$3 million, is expected to be ready for bidding in the spring of 2017, with construction to follow. The Department is looking forward to continuing to work with the Town of Guilford on this project as you work to obtain the local funding authorizations and complete the design and construction.

F. Meriden Water Department

Dennis Waz, Director of Public Utilities for the Meriden Water Department, submitted written testimony for the hearing record. Mr. Waz expressed support for the DWSRF program, and stated that the funding is helpful for municipally-owned utilities in distressed cities such as Meriden. He commented that the funding enable utilities to upgrade older equipment in order to be compliant with current drinking water standards and that without the funding, many of these upgrades may not completed in a timely manner. He concluded by thanking the Department staff for their commitment to this program.

The Department's response to testimony:

Thank you for your testimony. The Department agrees that it is essential to provide funding to municipalities, as it allows them to move forward with projects that otherwise would be delayed or not implemented for lack of sufficient funding. The recent completion of the \$20 million upgrade to the Broad Brook Water Treatment Plant exemplifies the benefits of the DWSRF program. The Department is looking forward to continuing to work with the Town of Meriden and providing funding for their projects.

G. Manchester Water Department

Patrick Kearney, Administrator, Water and Sewer Department, Town of Manchester, submitted written testimony for the hearing record. Mr. Kearney provided a brief background of the Town of Manchester's public water system and its recent projects. He noted that the Town has utilized both DWSRF and Clean Water SRF funding and expressed support for the DWSRF program and the 2017 IUP. Mr. Kearney stated that the DWSRF program provided the Town project funding at rates the Town would not have otherwise been able to obtain and looks forward to submitting future projects seeking DWSRF funds.

The Department's response to testimony:

Thank you for your testimony. The Department agrees that it is essential to provide funding to municipalities, as it allows them to move forward with projects that otherwise would be delayed or not implemented for lack of sufficient funding. The Department is looking forward to continuing to work with the Town of Manchester and providing funding for their projects.

H. Town of Bethel

Matthew Knickerbocker, First Selectman, Town of Bethel, submitted written testimony for the hearing record. Mr. Knickerbocker expressed the Town's support of the DWSRF program and noted that the Town is currently in a multi-year process of upgrading its existing aging water infrastructure, citing current and future projects. Mr. Knickerbocker noted the importance of these projects to the Town and its water users, and the importance of the Town's New East Swamp Well Field project in the SFY 2017 IUP. He noted that the Town is counting on the DWSRF funding for this project and is looking forward to working with Department staff on this and other water infrastructure projects.

The Department's response to testimony:

Thank you for your testimony. The Department agrees that it is essential to provide funding to municipalities, especially small municipalities, and recognizes the important steps the Town has taken in recent years to upgrade the water system. There are currently three projects on the Carryover Project List expected to receive DWSRF funding in the next few months and the Department is looking forward to continuing to work with the Town of Bethel on these and future projects.

I. Groton Utilities

Richard Stevens, Manager of the Water Division of Groton Utilities (GU), submitted written testimony for the hearing record. Mr. Stevens noted their upcoming project to rebuild the water treatment plant. He provided a brief history of the project and what has been completed to date. Mr. Stevens expressed GU's support of the DWSRF program, and noted that its benefit of providing low-interest loans helps lessen user rate increases.

Mr. Stevens stated that he believes GU is well positioned to assist in small system consolidation, as the criteria for funding from the PWSIP specifies.

The Department's response to testimony:

Thank you for your testimony. The Department is looking forward to continuing to work with GU on this important project. The estimated \$42 million to be provided for the water treatment plant upgrade project highlights the capability of the DWSRF program to meet the funding needs as existing treatment plants reach the end of their services lives. Providing funding to municipalities is essential and the foundation of the DWSRF program. The Department acknowledges the comments related to the PWSIP and will take them into consideration as your project and this program moves forward. The Department intends to use these PWSIP grant-in-aid funds to subsidize community water system consolidation projects or interconnection projects that meet these regionalization concepts as outlined in the IUP.

IV. Summary of Changes Made to the Draft SFY 2017 IUP

The Department is not making any changes to the Draft SFY 2017 IUP as a result of the oral testimony provided at the August 25, 2016 public comment hearing and the written testimony received by the Department on or before August 29, 2016, at 4:30 PM.

The Department is, however, making technical changes. The following are the technical changes the Department made to the Draft SFY 2017 IUP. The Department determined these changes are necessary based on comments received from the EPA as part of EPA's review of the Department's FFY 2016 Capitalization Grant application and to update the Carryover Project List, the Comprehensive Project List and the Project Priority List to reflect the current status of the projects based on updated information received from the public water systems. The Department also made other changes to the text of the IUP based upon further review by the Department.

Minor changes to the text of the IUP were determined to be necessary to clarify and make it clearer, along with updating information to reflect the current status of projects. Based on comments received from EPA, text was added to better explain how the funding is coordinated with

enforcement. The proposed level of subsidization was also updated due to adjustments made to the PPL.

The changes to the Carryover List are as follows:

- Norwich Public Utilities – the amount requested for the Royal Oaks project has been updated to reflect the actual amount of the funding agreement entered into by and between NPU and the Department
- Hazardville Water Company – the amount requested for the generator project has been updated to reflect the actual amount of the funding agreement to be entered into by and between Hazardville and the Department
- South Central Connecticut Regional Water Authority - the amount requested for the Lake Gaillard project has been updated to reflect the actual amount of the funding agreement to be entered into by and between the RWA and the Department
- South Central Connecticut Regional Water Authority - the amount requested for the Automated Meter Reading Phase III & IVa project has been updated to reflect the current cost estimate received from the RWA
- Tariffville Fire District Water Department – the amount requested for the storage tank project has been updated to reflect the actual amount of the funding agreement entered into by and between the District and the Department
- Manchester Water Department – the amounts requested for the Globe Hollow and Pipe Rehabilitation and Replacement projects were updated to reflect the current cost estimates received from the Manchester Water Department
- North Willington Village – the amount requested for the generator project has been updated to reflect the actual amount of the funding agreement to be entered into by and between North Willington Village and the Department
- Old Newgate Ridge Water Company – Old Newgate Ridge’s generator project has been withdrawn by the Department due to a lack of response from Old Newgate Ridge
- White Oak Condominiums – White Oak Condominiums’ generator project has been withdrawn by the Department due to a lack of response from White Oak Condominiums
- Winsted Water Works – Winsted Water Works withdrew their generator project and proceeded with their own funds

The changes to the Comprehensive List are as follows:

- The Cromwell Fire District Water Department withdrew its Raymond Place Water Main Replacement project and therefore the Department removed the project from the list
- Woodland Summit Community Water Association withdrew its Infrastructure Improvements planning/design phase project and therefore the Department removed the project from the list
- The amount requested for the following projects have been updated based upon information received from the public water system:
 - East Lyme Water Department’s greensand filtration project
 - Town of Guilford’s Mulberry Point water main extension
 - Metropolitan District Commission’s (MDC) Hartford water main replacement, Bond Street water main replacement, Church Street water main replacement, and West Hartford water main replacement

The changes to the Project Priority List (PPL) are as follows:

- The amount requested for the following projects have been updated based upon information received from the public water system:

- East Lyme Water Department's greensand filtration
- Town of Guilford's Mulberry Point water main extension
- MDC's Bond Street water main replacement
- The following projects were removed from the PPL based upon information from the public water system that the projects are not ready to proceed:
 - MDC's Farmington #11 water main replacement
 - New Britain Water Department (New Britain) – construction phase for New Britain's following projects: Water Main Improvement on Batterson Park Road, Filter Plant SCADA, and White Bridge Raw Water Supply Station
 - South Central Connecticut Regional Water Authority's Adv. Metering Infrastructure Phase IVb

V. Final Decision

Based on the oral testimony provided at the August 25, 2016 public comment hearing and the written testimony received by the Department on or before August 29, 2016 at 4:30 PM, I hereby adopt the final IUP in Attachment B, which incorporates the changes discussed herein.

10/18/16
Date



Raul Pino, MD, MPH
Commissioner

Attachments

A. Documents in the Hearing Record

1. November 25, 2014 DWSRF Call for Projects Announcement and Notice
2. Draft SFY 2017 Intended Use Plan
3. Commissioner Pino's Designation of Kathryn Keenan as Hearing Officer
4. Notice of Public Hearing dated July 22, 2016
5. Written transcript of the August 25, 2016 Public Hearing
6. Written testimony received on or before August 29, 2016, at 4:30 PM
 - a. Mr. Mark Decker, Norwich Public Utilities
 - b. Mr. Dennis Waz, Director of Public Utilities, Meriden Water Department
 - c. Mr. Patrick Kearney, Administrator, Water and Sewer Department, Town of Manchester
 - d. Mr. Matthew Knickerbocker, First Selectman, Town of Bethel
 - e. Ms. Carol Walter, Selectman, Town of Clinton
 - f. Mr. Richard Stevens, Groton Utilities
 - g. Ms. Rose Gavrilovic, South Central Connecticut Regional Water Authority

B. Final SFY 2017 Intended Use Plan

STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC HEALTH

Jewel Mullen, M.D., M.P.H., M.P.A.
Commissioner



Dannel P. Malloy
Governor
Nancy Wyman
Lt. Governor

To: Community Public Water Systems
Non-Community Public School Administrators

From: Lori Mathieu, Public Health Section Chief
Cam Walden, Supervising Sanitary Engineer

Subject: Drinking Water State Revolving Fund (DWSRF) Program

Date: November 25, 2014

****IMPORTANT ANNOUNCEMENT****

CALL FOR PUBLIC DRINKING WATER PROJECTS NOTICE

If you have important drinking water infrastructure projects expected during State Fiscal Years (SFY) 2016 and 2017, they may be eligible for a long-term, low interest loan, with the potential for subsidy, through the Connecticut Department of Public Health's (DPH) Drinking Water State Revolving Fund (DWSRF). Please see the attached Call for Projects announcement for more information on how your public drinking water system can take advantage of this funding opportunity in SFY 2016 and 2017.

The DPH is continuing the Emergency Power Generator Program, which is available to all eligible public water systems. Projects funded under this program must have a total cost less than \$100,000, in addition to meeting other program provisions. Emergency generator projects that fall outside of this specific program may still be eligible for funding through the regular DWSRF.

Eligibility applications for all projects must be received by the DPH Drinking Water Section no later than noon on Friday, January 30, 2015. The hyperlinks provided in the Call for Projects notice will link you directly to forms and information on the [DWSRF webpage](#).

This message is being sent to the administrative contacts of all Community Public Water Systems and Non-Community Public Schools that are eligible to receive DWSRF assistance as indicated in our DPH records. Please pass this message along to all appropriate contacts for the community and/ or non-profit non-community public water systems you represent.

For additional DWSRF information or if you have any questions, go to the DPH Drinking Water Section website: www.ct.gov/dph/publicdrinkingwater, the DWSRF webpage: www.ct.gov/dph/dwsrf or contact a DWSRF representative @ 860-509-7333.

Cc: Ellen Blaschinski, Public Health Branch Chief, Regulatory Services, DPH
Local Health Directors



Phone: (860) 509-7333 • Fax: (860) 509-7359 • VP: (860) 899-1611
410 Capitol Avenue, MS#51WAT, P.O. Box 340308
Hartford, Connecticut 06134-0308
www.ct.gov/dph

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**CALL FOR PUBLIC DRINKING WATER
PROJECTS NOTICE**
CONNECTICUT DEPARTMENT OF PUBLIC HEALTH
DRINKING WATER STATE REVOLVING FUND (DWSRF) PROGRAM
2 YEAR FUNDING PERIOD: July 1, 2015- June 30, 2017
ELIGIBLE PUBLIC WATER SYSTEMS INCLUDE:
COMMUNITY WATER SYSTEMS &
NON-PROFIT NON-COMMUNITY SYSTEMS

Do you have drinking water projects that will need funding within the next 2 years (July 1, 2015 to June 30, 2017)? Your project may be eligible for a low-interest loan with the potential for subsidy through the Connecticut Department of Public Health's (DPH) Drinking Water State Revolving Fund (DWSRF). These low interest loans can be repaid in up to 20 years, making the DWSRF an attractive financing option for Public Water Systems (PWSs).

The DPH may provide subsidization to eligible projects in the form of principal forgiveness to the extent allowed by Federal and/or State law. The amounts of subsidization, if available, and method of distributing such subsidies will be determined annually and detailed in the Intended Use Plan. A project which is eligible for subsidy must execute a loan for the remaining amount of principal in order to receive the subsidy.

To apply for DWSRF financing, your project must be deemed eligible by the DPH. To begin the eligibility review process, please visit our website at: www.ct.gov/dph/dwsrf and complete a [DWSRF Project Eligibility Application](#) for each project and a [General Application Form](#). DPH must receive all applications **no later than 12:00 noon on Friday, January 30, 2015**. If your project is eligible for funding, it will be ranked according to the DPH's [Priority Ranking Criteria](#) and included in the DPH's Project Priority List. Please provide as much detail as possible about your project when completing your eligibility application. You will be notified of the eligibility status of your project following DPH's review of your completed application. If your project is deemed eligible, you will be requested to complete a Financial Assistance Application. The eligibility application is a prerequisite to the Financial Assistance Application (the loan application).

When feasible, applicants are encouraged to include qualifying green elements into their projects including green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities. In order to qualify your project as "green", you must complete a Green Project Information Form (GPIF) and include it with your DWSRF Eligibility Application. The GPIF includes guidance information and examples to assist applicants in completing the form.

Emergency Power Generator Program: As a result of widespread and prolonged power outages caused by severe weather, the DWSRF will continue to offer a program to provide subsidized loans for the purchase and installation of emergency power generators to operate critical drinking water infrastructure during these events. This program is open to projects costing less than \$100,000.

A simplified [DWSRF Emergency Power Generator Program – Eligibility Application](#) is available online to apply for funding from this program. Small systems in need of emergency power to operate their water systems during prolonged power outages are strongly encouraged to apply. Applicants under this program **do not** need to complete a separate DWSRF Eligibility Application or General Application Form. Generator projects valued at over \$100,000 must complete the [DWSRF Project Eligibility Application](#) and [General Application Form](#).

For more information or to request assistance, please contact the Connecticut Department of Public Health's Drinking Water Section at (860) 509-7333 and ask for a DWSRF Program representative.

Please send completed applications via mail or E-mail to:

Connecticut Department of Public Health
Drinking Water Section
DWSRF Unit
410 Capitol Avenue, MS# 51WAT
P.O. Box 340308
Hartford, CT 06134-0308
DPH.CTDWSRF@ct.gov

Drinking Water State Revolving Fund Draft Intended Use Plan SFY 2017

State Of Connecticut
Department Of Public Health
Drinking Water Section



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 - F. SFY 2017 Fundable Project Priority List
 - G. Asset Management Plan Checklist
 - H. Fiscal Management Plan Checklist
 - I. December 22, 2014 EPA Memo
 - J. December 2, 2011 Letter from EPA Headquarters to Governor Malloy
 - K. January 20, 2012 Letter from DPH to EPA Headquarters
 - L. June 18, 2013 Letter from DPH DWS to EPA Region 1
 - M. March 6, 2016 DWS Circular Letter – State Subsidy Funds

Acronyms Used in This Document:

AIS	American Iron and Steel
C&D Plan	Connecticut Plan of Conservation and Development
CFR	Code of Federal Regulations
CGS	Connecticut General Statutes
CWF	Clean Water Fund
CWS	Community Water System
CWSRF	Clean Water State Revolving Fund
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
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
FR	Federal Register
GIS	Geographic Information System
IUP	Intended Use Plan
MOU	Memorandum of Understanding
NEIWPPCC	New England Interstate Water Pollution Control Commission
NEPA	National Environmental Policy Act
NTNC	Non-Transient Non-Community (Public Water System)
OA	Operating Agreement
OPM	Office of Policy and Management (CT)
OTT	Office of the State Treasurer (CT)
PBR	Project Benefits Reporting database
PER	Preliminary Engineering Report
PPL	Project Priority List
PRS	Priority Ranking System
PURA	Public Utility Regulating 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
TNC	Transient Non-Community (Public Water System)
ULO	Unliquidated Obligations
USC	United States Code

I. INTRODUCTION

A. State of Connecticut's Drinking Water State Revolving Fund

In 1996, Congress passed amendments to the Safe Drinking Water Act (SDWA) establishing the Drinking Water State Revolving Fund (DWSRF). Section 1452 of the SDWA authorizes the Administrator of the United States Environmental Protection Agency (EPA) to award capitalization grants to states. Each state annually receives a minimum of 1% of the funds available for the total allotment. From the inception of Connecticut's DWSRF program to Federal Fiscal Year (FFY) 2013, Connecticut's annual allocation has been 1% of the national allotment. Our participation in the 2011 Drinking Water Infrastructure Needs Survey and Assessment (DWINSA) identified increased need from the state's public water systems (PWS) for infrastructure improvement projects, which resulted in an increase in the annual allocation. Starting with the FFY 2014 DWSRF Capitalization Grant and ending with FFY 2017 grant, Connecticut's allocation increased from 1% to 1.01%. The 2015 DWINSA will determine the allocation after FFY 2017. Connecticut is eligible to receive \$8,423,000 from the \$855,381,000 appropriated by Congress for FFY 2016.

The Department of Public Health (DPH) is the primacy agency for Connecticut's drinking water program and 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 Intended Use Plan (IUP) is part of our application for the FFY 2016 Capitalization Grant. 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. This IUP highlights the State of Connecticut's ongoing improvement of the DWSRF program and seeks to further maximize the program's resources. The DWSRF program is an essential component of Connecticut's efforts to protect public health and improve the quality and availability of water to all its citizens. The IUP communicates our plans to stakeholders who include: public water systems, the public, EPA and other state agencies.

The IUP discusses how DPH intends to utilize its allotment of FFY 2016 funds, state legislative funding authorizations, and unobligated project funds carried forward from previous IUPs during the State Fiscal Year (SFY) 2017 time period (July 1, 2016 – June 30, 2017). 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, ensuring affordable drinking water, and maintaining the long-term financial health of the DWSRF. The IUP also provides the financial status of the DWSRF. Finally, the IUP describes the criteria and methods that DPH will use to distribute the funds, including the ranking criteria under which the eligible projects were ranked and placed on the fundable and comprehensive project lists and the procedures that allow DPH to bypass projects on the fundable list.

During State Fiscal Year (SFY) 2017, the DPH will continue to focus on implementing the public health aspects of the SDWA and will work to ensure that funds move expeditiously and responsibly from the time the State of Connecticut is awarded the capitalization grant to the time the funds are awarded to projects. These efforts are instrumental in achieving the requirements of the SDWA. The DPH works closely together with other state and federal agencies to identify opportunities for funding specific projects and to coordinate funding efforts.

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 the activities of two different 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 into a DWSRF Interagency Memorandum of Understanding (DWSRF Interagency MOU), which details the roles and responsibilities of each agency. The DWSRF Interagency MOU is an attachment to the Operating Agreement (OA) between 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.

The DPH is responsible for programmatic and fiscal administration of DWSRF projects, programmatic and fiscal administration of set-aside projects and accounts, and administration of planning, design and construction projects. The DPH provides the bi-annual capital budget request and the State Bond Commission (SBC) authorization requests for DWSRF projects to the DEEP for processing under the Clean Water Fund (CWF). The DEEP is responsible for administration of the CWF, of which the DWSRF is a sub-account. The DEEP processes the DPH's biennial DWSRF capital budget request and processes DWSRF SBC authorization requests for projects as part of the CWF, with the exception of any state subsidy funds, which are processed by the DPH. The PURA is responsible for programmatic and fiscal input for those water companies that it regulates. The OTT is responsible for the fiscal administration of all DWSRF accounts, oversight of loans, oversight of the bonding process, and administration of a DWSRF financial plan, as well as reviewing the financial viability of borrowers.

Figure 1 on page 3 displays the role the IUP plays in the DWSRF funding process.

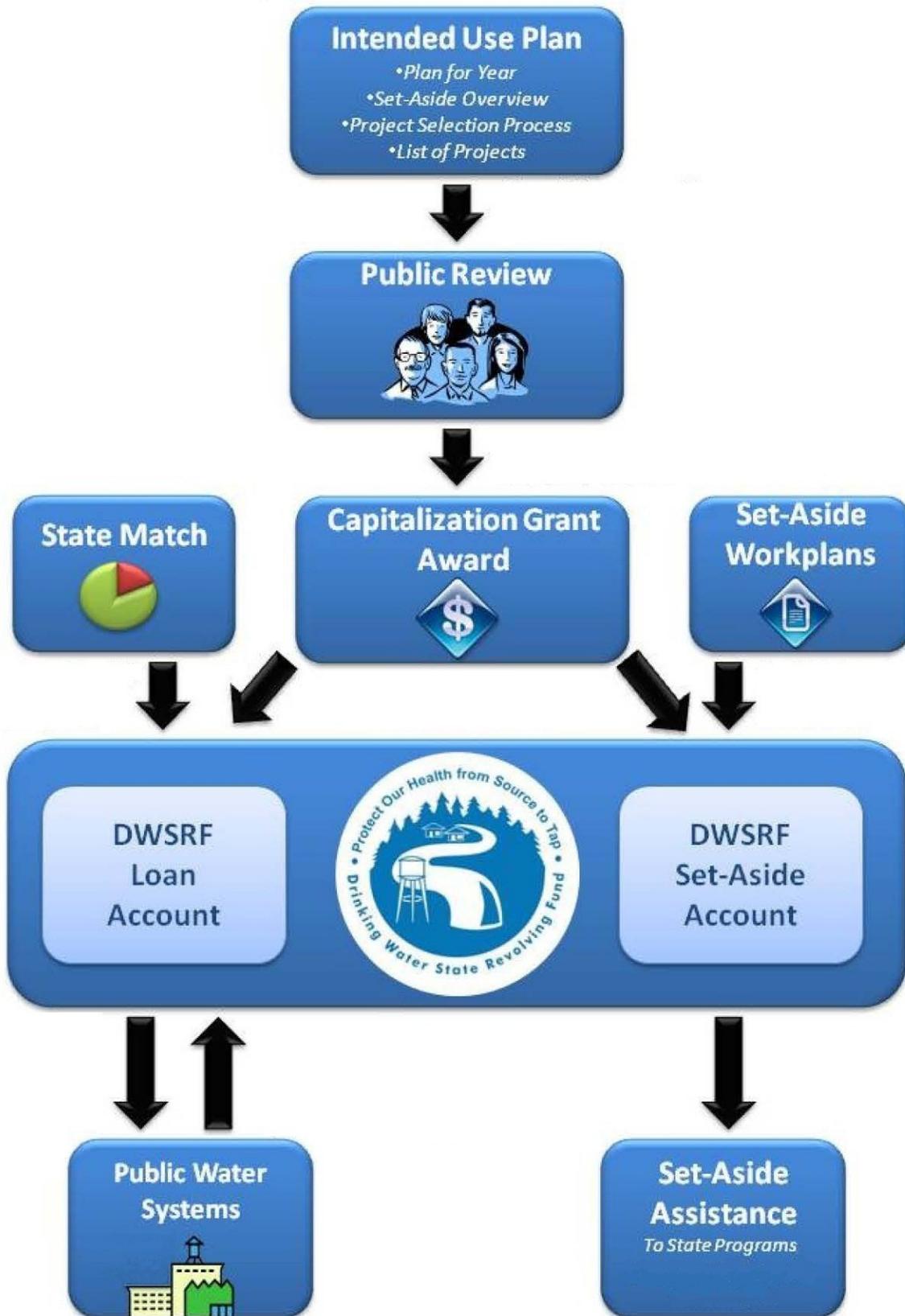
B. What's New for SFY 2017?

The Drinking Water Section (DWS) has completed the data collection for the 2015 DWINSA. Based on this information, the DPH expects the overall need to have increased from the \$3.5 billion reported with the 2011 Survey.

Regulations requiring emergency power provisions at all community water systems became effective in December 2015. It is expected this will lead to an increase in funding applications in future years.

More specific criteria for use of the funding authorized by Public Act 14-98 has been developed and is included in Section IV.F.

Figure 1 - The DWSRF Funding Process



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 primary or secondary standards and point of entry or central treatment;
- Rehabilitation of wells or development of eligible sources to replace contaminated sources;
- Installation or replacement of transmission and distribution pipes to improve water pressure to safe levels or to prevent contamination caused by leaks or breaks in the pipes;
- Installation or upgrade of eligible storage facilities to prevent microbiological contaminants from entering a PWS;
- Those needed to consolidate water supplies where, for example, a supply has become contaminated or a system is unable to maintain compliance for technical, financial, or managerial reasons;
- Creation of a community water system to address existing public health problems with serious risks caused by unsafe drinking water provided by individual wells or surface water sources.

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 PWSs 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 and will maintain an adequate level of technical, managerial and financial capability to maintain compliance.

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

B. Set-Asides

The State of Connecticut will use the amount of its capitalization grant set-asides to provide additional support to promote and implement the State's safe drinking water efforts and for activities to assist water systems in developing enhanced capabilities for the future. The set-asides help systems build capacity to assist in compliance with the SDWA and may aid their readiness to proceed to an infrastructure project. 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 goals for the DWSRF program of ensuring public health protection, complying with the SDWA, ensuring affordable drinking water, and maintaining the long-term financial health of the DWSRF. The 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 public water systems 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.

Following lessons learned from the American Recovery and Reinvestment Act of 2009, in mid-2011 the DPH initiated a section-wide strategy to prioritize increasing the pace of the DWSRF program and creating a pipeline of projects for future funding years. Within this strategy, the DPH moved from a one year PPL to a two year PPL. This change allowed the DPH to fund projects that were ready to proceed in the first year while getting other projects ready for funding in the second year. The two year PPL also reduced the DPH's administrative burdens associated with an annual project solicitation period, PPL preparation and the public hearing process. In addition, for the current funding cycle of SFYs 2016 and 2017, changes were made to the Priority Ranking System (Attachment B) used to establish the PPLs. The Priority Ranking System is discussed in more detail in Section IV. These changes were outlined in a January 20, 2012, letter from DPH Commissioner Dr. Jewel Mullen to EPA Administrator Jackson (Attachment K), in response to EPA's letter of December 2, 2011 (Attachment J). On June 17, 2013, the DPH sent a letter to EPA Region 1 with an update on the progress that has been made to increase the pace of the program (Attachment L). "Pace" is a federal measure of the DWSRF assistance provided as a percentage of available funding.

This strategy continues to be reviewed and improvements made as needed. The changes that have been made to help maximize the use of available funding each year include:

- Provided additional staff resources to the program
- Reduced program administration costs and delays associated with the development of an annual Call for Projects by moving to a two year Call for Projects and planning period
- Revised the DWSRF Priority Ranking System to place greater emphasis on ready-to-proceed projects in the first year of the two-year planning period
- Continue to work closely with DWSRF loan applicants and improving coordination of regulatory review and loan preparation activities to keep projects and funding commitments on schedule
- Created a pipeline of projects through close interaction with public water systems concerning their system needs during the data gathering process for the 2011 EPA Drinking Water Infrastructure Needs Survey and Assessment (DWINSA), and working to better promote and explain the DWSRF process; this continued with the 2015 DWINSA

- Used the results of LEAN activities in 2010 and 2014 to understand program requirements across agencies and institute streamlining techniques
- Created a unit that is responsible for administering the federal grant applications, working directly with the DPH Fiscal Office on federal cash management, and working closely with the DWSRF program.

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

A. Short-Term Goals

1. Apply for the FFY 2016 capitalization grant award by June 30, 2016. Upon award, implement the provisions of the FFY 2016 federal appropriation, including the capitalization grant terms and conditions.
2. Approve financial assistance agreements for projects funded in accordance with this IUP with an overall goal of committing all available project funds during the IUP period and increasing the pace of the DWSRF program.
3. Continue to implement existing DWSRF elements, including re-evaluation and improvement 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 PRS;
 - 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.
4. Input project information into the DWSRF Project Benefits Reporting (PBR) and the Drinking Water National Information Management System (DWNIMS) on-line databases and continue to monitor program pace to assure meeting or exceeding national goals and measures for awarding funds in a timely manner.
5. Maintain a financing plan that secures the perpetuity of the DWSRF and meets loan demand.
6. Provide oversight, tracking, and continued implementation of the DPH's January 2013 Cash Management Plan, revision of January 2016.
7. Continue to reduce the DPH's ULOs associated with capitalization grant awards (project funds and set-asides) received from EPA and work towards achieving EPA's ULO Objectives. This effort includes the implementation of improved project readiness criteria.

8. Maintain a pipeline of projects through frequent interaction with public water systems.
9. Continue using a 2-year project planning period to coincide with the biennial State of Connecticut budget cycle.
10. Continue to implement improvements identified during the 2014 DWSRF LEAN process, including:
 - a. 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.
 - b. Revise the OA to reflect revisions that have been made to the DWSRF program.
11. Continue to utilize the EPGP as a model for streamlining DWSRF requirements for small systems that undertake other projects with a total project cost of less than \$100,000.
12. Establish a process for accepting applications from small systems for high priority projects for funding consideration at any time. The timing of this goal is to pilot beginning with SFY 2018. This Small System Loan Program will be available for planning, including preparation of asset management plans, preliminary engineering reports, etc.; and design and construction when the project is to correct a compliance concern, consolidate with a larger CWS, or replace older hydropneumatic tanks. Projects which do not fall into a stated category would need to be submitted during the usual window of time in response to the Call for Projects in order to be considered for funding.
13. Provide education to PWSs to improve the sustainable infrastructure and asset management programs of PWSs.
14. Continue transitioning into the Loans and Grants Tracking System (LGTS) database that will improve communication between State agencies and information sharing with the EPA for projects funded through the DWSRF program.
15. Utilize the information gathered as part of the 2015 DWINSA to work with the selected PWSs to submit projects for future DWSRF funding cycles.

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. Make a commitment to monitor, track, and continue to improve the pace of the DWSRF program.
2. Meet EPA ULO Objectives for ULOs associated with capitalization grant awards received from the EPA.
3. Continue to reach out to State of Connecticut PWSs in an effort to educate and better promote the DWSRF Program, in order to maintain a pipeline of projects that are eligible to receive DWSRF funding.

4. 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 and water quality and quantity goals.
5. 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 PWS and drinking water service to Connecticut's residents. Areas of concern include PWS sustainable infrastructure programs, long-term water supply planning, source water protection and small water systems.
6. Continue to improve on documenting the PWS infrastructure needs for Connecticut through on-going participation and support for the EPAs Drinking Water Infrastructure Needs Survey and Assessment.
7. Offer a long-term low-interest financing program to eligible PWSs to undertake infrastructure improvement projects.
8. Commit to maintaining cash management policies, procedures and records for DWSRF funding.

IV. CRITERIA AND METHOD FOR DISTRIBUTION OF PROJECT FUNDS

A. Priority Ranking System

A state's priority system is required to provide, to the extent practicable, 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 most in need, on a per household basis, according to State affordability criteria. The DPH has statutory and regulatory jurisdiction over all statewide matters related to the purity and adequacy of drinking water. The DPH considers quantity as important as quality in the protection of public health. The 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 objective of the ranking system is to award the highest points to projects that protect public health through improvements designed to address PWS performance in the areas of water quality and water quantity. The DPH is also responsible for the timely distribution of available DWSRF funds and must take into consideration each project's "readiness to proceed" when preparing the PPLs.

Modifications were made to Connecticut's PRS for the SFY 2016 and 2017 funding cycle. The PRS was made available to all applicants for their reference in completing and submitting project eligibility applications. These changes included the following:

- Utilization of the "Distressed Municipalities" list maintained and updated annually by the Connecticut Department of Economic and Community Development (DECED) as the source for cities or towns that qualify for affordability points.
- Increased the point value for generator projects in the EPGP.
- Added a point category for projects strictly for new or replacement generators costing more than \$100,000.

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 and compliance with Federal

and State drinking water mandates as the predominate concerns. Exclusions for growth and other non-eligible elements as described in PRS stand as limitations on project funding.

All remaining projects deemed eligible and which have not executed a loan agreement or are not included on the Carryover List are shown in alphabetical order by the town of the PWS in a Comprehensive Project List (Attachment C). This list of projects is also shown in order of ranking points assigned (Attachment D). From this comprehensive list, the SFY 2017 Fundable PPL (Attachment F) was developed based on the total amount of funding made available for SFY 2017 and the expected readiness of a project to proceed. Projects that are determined by the DPH as not ready to proceed during SFY 2017 will not be considered in preparing the SFY 2017 PPL regardless of the priority points that the project received or the amount of funding expected to be available. These projects will be maintained on the comprehensive list and will be considered for funding during SFY 2017 according to the bypass procedure explained in Section IV or if additional funding becomes available for them. Several projects were withdrawn by the PWS during SFY 2016. These projects no longer appear on the Comprehensive List.

Projects identified on the SFY 2017 Fundable PPL may be bypassed by a project identified on the comprehensive list if the fundable project is not progressing. In the event that one or more projects are tied in the number of points, the tie-breaker provisions outlined in Section V will be used to determine which project will be ranked higher on the PPL. The lowest ranking project on the SFY 2017 Fundable PPL may be only partially funded based on the amount of total funds that remain available.

B. Capacity Assessments

The SDWA requires that a PWS applying for a DWSRF loan must show that it has the technical, financial and managerial capacity to ensure compliance. If a system does not have adequate capacity, assistance may only be provided if it will help the system to achieve capacity. The goal of this requirement is to ensure that DWSRF assistance is not used to create or support non-viable systems. The DPH is in the process of developing a Capacity Assessment Tool for PWSs serving fewer than 1,000 people to better evaluate their overall capacity. A preliminary evaluation of the tool has been completed and is under review. PWSs serving 1,000 or more are required to develop and maintain a Water Supply Plan, which are reviewed and approved by the DPH.

Incentives for PWS to improve their capacity have been built into the distribution of the required subsidy, as described in Section IV. Starting in SFY 2014 additional subsidy was offered to small PWSs which developed an asset management plan. This will continue in SFY 2017. Beginning in SFY 2015, qualified applicants of all sizes that wish to qualify to receive state subsidy must 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 G and H. The criteria were chosen so that these plans would address all three areas of capacity.

While the DPH intends to fund a wide range of drinking water projects, it will do so only after careful consideration of an applicant's technical, managerial and financial capabilities and readiness to proceed with their project. 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 drinking water sources are adequate, that the PWS's source, treatment, distribution, pumping, and storage infrastructure are adequate and that personnel have the technical knowledge to efficiently operate and maintain the system, as well as any additional infrastructure funded by the DWSRF. All community and non-transient non-community (NTNC) PWS are required to have a Certified Operator responsible for the operation of the water system, in accordance with the state'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 the system and demonstrate credit worthiness and adequate fiscal controls. The OTT is responsible for reviewing the financial viability of 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 a sanitary survey. All community and NTNC PWS are required to have a Certified Operator responsible for the operation of the water system, in accordance with the State's operator certification program. As part of reviewing an applicant's managerial capacity, the DPH will review the PWS's records and most recent sanitary survey report to assure that the PWS is being properly operated and maintained.

C. Small System Funding

The SDWA Amendments of 1996 also require that, to the extent that there are sufficient number of eligible project applications, not less than 15% of the available funding shall be dedicated to small 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 SFY 2017 Fundable PPL does not achieve the EPA goal of dedicating at least 15% of the available DWSRF funding, or approximately \$10,803,899, to small PWSs. This was due to a lack of sufficient funding requests for projects expected to proceed during SFY 2017. In response to the Call for Projects, the DPH received applications for 22 small system projects, including 6 EPGP projects, totaling approximately \$25.5 million in eligible project costs for the 2-year funding period. Since the applications were received, several projects have been withdrawn by the PWS leaving 13 projects totaling approximately \$23.1 million in project costs for the 2017 IUP. Of these, only 4 projects totaling approximately \$5.9 million are expected to move forward during SFY 2017 and are shown on the PPL.

The DPH is always evaluating ways to improve the funding process for all systems, but specifically small systems, as they typically do not have the in-house expertise that is available to most large systems.

D. Emergency Power Generator Program

The EPGP was established in SFY 2012 in response to two extreme weather events that occurred in the late summer and fall of 2011. These events left many customers, in particular customers of small PWSs, throughout Connecticut without water service for extended periods of time due to power outages. During 2012 and 2013 two additional severe weather events occurred furthering the need to ensure that all PWSs have back-up power systems capable of providing continued water service to customers during prolonged power outages. The EPGP allows eligible PWSs with projects costing less than \$100,000 to obtain low-interest loans and subsidies to purchase and install generators to be used in the event of power outages.

In December 2015, regulations became effective requiring emergency power provisions for all community water systems. The DPH expects an increase in funding requests for the next funding cycle beginning in SFY 2018.

The EPGP includes streamlined procurement procedures for projects costing less than \$100,000 in an effort to make it easier for small PWSs to proceed through the DWSRF process. PWSs that currently do not have back-up power for a drinking water facility are eligible to receive up to 45% of the total DWSRF eligible project cost as subsidization with a maximum amount of \$45,000 for each facility. PWSs that already have back-up power systems installed in their facilities are eligible to receive up to 25% of the total DWSRF eligible project cost as subsidization with a maximum amount of \$25,000 per project for replacement generators. These generator projects are ranked along with all other projects in accordance with the PRS.

E. Projects Expected to be Funded

Funding for new projects is limited to eligible PWSs that submitted eligible project applications in response to the DPH's SFY 2016 and SFY 2017 Call for Projects. The Call for Projects solicitation period ended on January 30, 2015. The total amount of funding available for new projects during SFY 2017 is approximately \$72 million. Projects on the SFY 2017 Fundable PPL 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 in Attachment E. These carryover projects went through public comment and ranking for during the year in which they appeared on a PPL and are not being re-ranked.

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 in the IUP for various reasons, which include:

- A project on the Fundable PPL receives full or partial funding from another source;
- A project on the Fundable PPL is bypassed, as described in the PRS and Section IV 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 readiness criteria to determine the SFY in which the project can reasonably be expected to proceed. The SFY 2017 Fundable PPL identifies projects, or portions of projects, for which funding is expected to be available and that can reasonably be expected to proceed during SFY 2017 based on updated project readiness information provided by the applicants in response to requests from the DWS for preparation of this IUP and the PPL.

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 any applicable regulatory compliance concerns. All projects were awarded appropriate points based on the current PRS, as discussed previously. As in SFY 2016, the DPH put an significant emphasis on project readiness in development of the SFY 2017 Fundable Project Priority List, in response to the December 22, 2014 memo from EPA (Attachment I), which included guidance on applying project readiness-to-proceed criteria.

The Comprehensive Project List includes all eligible projects submitted in response to the Call For Projects, with the exception of those projects which have executed a loan agreement, are included on the Carryover List, or withdrawn. A total of 50 projects are on this comprehensive project list. 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 be listed more than once, with the phases identified. The SFY 2017 Fundable PPL includes those projects proposed to move forward during the SFY ranked by priority points awarded, and for which sufficient funds are expected to be available. The original total amount requested for all eligible projects was \$201,916,960. The current total amount requested for all eligible projects shown on the Comprehensive List is \$156,904,744.

F. Additional Subsidization

Federal Subsidy Funds

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). The federal DWSRF appropriation for FFY 2016 requires that 20% of the capitalization grant amount be used by the State to provide additional subsidization to eligible recipients in the form of grants, principal forgiveness, or negative interest loans, or any combination thereof. The DPH is therefore required to provide \$1,684,600 in subsidization. All subsidization will be provided in the form of loan principal forgiveness.

The DPH will use 20% of the capitalization grant to subsidize certain qualifying drinking water projects. All federal subsidy is expected to be distributed on a first come, first served basis until all the available funding has been awarded, based on the readiness of a project to proceed and the PWS to execute a funding agreement, with the exception of small systems, as described below. There is no guarantee that every project eligible for subsidy will actually receive subsidy. Projects funded under the EPGP are eligible to receive up to 25% or 45% of their total eligible project cost in subsidization, as described in Section IV. Other drinking water infrastructure projects on the SFY 2017 Fundable PPL are also eligible for subsidization, as outlined below:

- a) Small PWSs will be eligible for up to 15% of the total eligible project cost in subsidization, not to exceed a total of \$375,000. This subsidization will be available to small systems on the SFY 2017 Fundable PPL that have an Asset Management Plan in place, or agree to prepare and implement such a plan as part of their DWSRF financial assistance agreement. Subsidization shall be reserved for small PWSs that need and agree to prepare an Asset Management Plan as long as a funding agreement with DPH is drafted during SFY 2017 and that plan is completed. In order to assist small PWS with producing a plan, the DPH is providing training opportunities at no cost to the system, as well as free onsite technical assistance, as needed, to complete and implement the Asset Management Plan.
- b) Large systems, defined as PWSs serving more than 10,000 people, with projects on the SFY 2017 Fundable PPL which meet the “Sustainability Planning” criteria (i.e. Water Supply Plans and/or Asset Management Plans) and “Affordability” criteria, as outlined in Sections IV and VI, respectively, of the PRS, will be eligible to receive up to 10% of their total eligible project cost, not to exceed \$300,000 per project, in subsidy.

For a project which receives subsidy, the actual amount of subsidization will be determined at the time the financial assistance agreement for that individual project is drafted.

The purpose of this plan for the distribution of subsidy is to meet the DPH’s obligations to quickly commit and disburse federal DWSRF funds. 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. Not all eligible projects will receive federal subsidy. Projects that were listed as eligible for federal subsidization from the FFY 2015 capitalization grant on the SFY 2016 Fundable PPL will not be eligible for federal subsidization from the FFY 2016 capitalization grant for SFY 2017.

State Subsidy 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 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 PWS Improvement Program, pursuant to 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 the remaining amount of principal in order to receive the grants-in-aid.

Eligibility criteria for the supplemental grants-in-aid contained within CGS 22a-483f includes the same eligibility criteria for DWSRF loans with the following exceptions, which are explicitly contained within CGS 22a-483f:

- Public service companies, as defined in Section 16-1 of the CGS, **are not** eligible for grants-in-aid.
- For-profit companies **are 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 an Asset and Fiscal Management Plan with their DWSRF application. The DWS will review these plans and determine if they are satisfactory before a PWS may receive a grant-in-aid. Projects must also adhere to the DWSRF requirements for Value

Engineering, Quality-Based Selection for professional services, and submittal of an engineering assessment report of the project's feasibility, alternatives analysis, and recommended course of action. This "engineering report" may also be titled a "Preliminary Engineering Report".

The DPH believes that these limited state subsidy funds under the public water system improvement program should be used to further the public health goals for the State of Connecticut through the regionalization of public drinking water. DPH intends to use these grant-in-aid funds to subsidize community water system consolidation projects or interconnection projects that meet these regionalization concepts as outlined below:

Consolidation Projects

- Project will result in the consolidation of one or more community water systems, or one or more public schools that are public water systems, by another community water system that has the technical, financial and managerial capacity to serve them
- A legally binding consolidation agreement must be in place between the affected public water systems 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 Plan (pursuant to CGS 25-33h) and Individual Water Supply Plan (pursuant to CGS 25-32d), both approved by the 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 public water system(s) and the community water system which absorbed it are eligible to receive grants-in-aid for each system's respective portion of the project as outlined below:
 - A public water system 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 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 water system that will absorb the other system(s) will be eligible for:
 - any infrastructure upgrades directly related to providing the capacity to consolidate that are identified in a Preliminary Engineering Report 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

Interconnection Projects

- Project will result in the interconnection of two (or more) community water systems all of whom will remain regulated by the DPH upon completion of the project and one or more of the following criteria are met:
 - One or more of the interconnected systems 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 Preliminary Engineering Report that has been approved by the DPH; or
 - One or more of the interconnected systems 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 Preliminary Engineering Report 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 Plan (pursuant to CGS 25-33h) and Individual Water Supply Plan (pursuant to CGS 25-32d), both approved by the 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
- A legally binding interconnection agreement must be in place between the affected community water systems prior to the commitment of grant-in-aid funding in a DWSRF financial assistance agreement. The following forms of agreement are eligible:
 - Sale of excess water agreement, pursuant to CGS 22a-358
 - Emergency interconnection agreement

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. This funding is expected to be distributed on a first come, first served basis until all the available funding has been awarded based on the readiness of a project to proceed and execute a funding agreement.

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.

Certain PWSs may be eligible to receive both Federal and State subsidies for a particular project. In these cases, the project may not receive more than the maximum amount of subsidy noted for the State Subsidy, with the exception of projects for PWSs serving more than 10,000 persons funded through the EPGP. Projects that are eligible to receive federal subsidization based on available funding are identified on the SFY 2017 Fundable PPL.

The DPH continues to work toward receiving the necessary approvals in order to move forward with this program. It is possible that some of these funds may become available during SFY 2017.

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 2016 capitalization grant. Connecticut has met the required disbursement for FFY 2010 and 2011. The status of the commitment and disbursement for the FFY 2011 through FFY 2015 grants are individually identified below, along with a table summarizing the amounts. The actual projects and individual subsidy amounts will be identified in the 2016 Annual Report, along with the status of meeting the disbursement requirement. As a result of the uncertainty of the state subsidy funding, the execution of several funding agreements has been delayed. These delays have had a direct impact on the commitment of federal subsidy funds since many of these agreements included them. The DPH notified these PWS of the need to move forward with these agreements on March 9, 2016 (Attachment M), without the additional state subsidy. Several of these agreements are expected to be executed prior to June 30, 2016 and the projects associated with these agreements are all under construction or completed. These projects will greatly assist towards the commitment and disbursement of prior year's federal subsidization.

FFY 2011

The minimum required subsidization has been committed and met for FFY 2011. As of May 31, 2016, \$2,878,884 is committed under executed funding agreements and \$2,864,943 has been disbursed. One remaining project is continuing to progress towards completion. Additional subsidy will be assigned to this grant year and all disbursements are expected to be completed by 9/30/2016.

FFY 2012

The minimum required subsidization has been committed and minimum disbursement met for FFY 2012. As of May 31, 2016, \$2,017,893 is committed under executed funding agreements and \$1,973,280 has been disbursed. It is expected that additional subsidy will be assigned to this grant year; however, the maximum will not be exceeded.

FFY 2013

The minimum required subsidization has not yet been committed for FFY 2013. As of May 31, 2016, \$520,968 is committed under executed funding agreements and \$318,938 has been disbursed. The funding agreements that will commit the required funds are pending, with the goal for them to be executed by 12/31/2016, and complete the minimum required disbursements by 9/30/2017. Several factors have contributed towards the delay in committing subsidy funds for this year. These include project scheduling delays and uncertainty of the state subsidy.

FFY 2014

The minimum required subsidization has not yet been committed for FFY 2014. As of May 31, 2016, 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 7/31/2017, and complete the minimum required disbursements by 6/30/2018. Several factors have contributed towards the delay in committing subsidy funds for this year. These include project scheduling delays and uncertainty of the state subsidy.

FFY 2015

The minimum required subsidization has not yet been committed for FFY 2015. As of May 31, 2016, \$7,268 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 9/30/2017, and complete the minimum required disbursements by 9/30/2018.

The table below summarizes the federal subsidies from previous years' capitalization grants:

Cap Grant FFY	Minimum Amount of Federal Subsidy to Disburse	Maximum Amount of Federal Subsidy to Disburse	Total Federal Subsidy Amount Committed as of May 31, 2016	Additional Federal Subsidy Expected to be Committed	Federal Subsidy Amount Disbursed as of May 31, 2016	Remaining Federal Subsidy Amount Expected to be Disbursed	Estimated Month for Full Disbursement of Federal Subsidy	Estimated Month for Disbursement of Minimum Federal Subsidy
2010	\$4,071,900	N/A	\$4,723,405	\$0	\$4,723,405	\$0	May 2016	Achieved
2011	\$2,825,400	N/A	\$2,878,884	\$118,227	\$2,864,943	\$132,168	September 2016	Achieved
2012	\$1,795,000	\$2,692,500	\$2,017,893	\$390,941	\$1,973,280	\$435,554	June 2017	Achieved
2013	\$1,684,200	\$2,526,300	\$520,968	\$1,429,691	\$318,398	\$1,632,261	December 2017	September 2017
2014	\$1,792,400	\$2,688,600	\$0	\$2,139,171	\$0	\$2,139,171	September 2018	June 2018
2015	\$1,778,600	\$2,667,900	\$7,268	\$2,660,632	\$0	\$2,667,900	December 2018	September 2018

G. Readiness-To-Proceed

Only those elements (planning, design, construction) of eligible projects that are expected to result in executed contracts and DWSRF funding agreements within the current biennial funding cycle may receive funding during that cycle. Elements of eligible projects that are not expected to result in executed contracts and DWSRF funding agreements may be eligible to receive funding in future funding cycles. The Fundable PPL for SFY 2017 was generated based on the readiness of an element of a project to proceed to a loan agreement during SFY 2017, and its number of priority points.

The DPH has developed objective criteria to determine those elements of projects for which a funding agreement is expected to be executed during SFY 2017. 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 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.

The information that the DPH used to make a determination on project readiness is based on updated project schedules received from applicants in response to requests from the DWS. 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 and eligible project that is ready-to-proceed for funding based on that PWS's ability to initiate the project during the current SFY.

H. Project Bypass Procedures

Bypass for Readiness-to-Proceed, etc.

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

- a. If for some reason a project is not ready to proceed in a timely fashion, the DPH may bypass that project and select the next-highest-ranked eligible project that is ready-to-proceed for funding based on that PWSs ability to initiate the project during the current SFY funding cycle. A project will also be bypassed if the applicant has withdrawn its DWSRF application. This bypass process is necessary to ensure that available DWSRF funds will be disbursed in a timely fashion.
- b. Only those elements (planning, design, construction) of eligible projects that are expected to result in executed contracts and DWSRF loan agreements within the current SFY funding cycle may receive funding during that cycle. Elements of eligible, fundable projects that are not expected to result in executed contracts and DWSRF loan agreements may be eligible to receive funding in future funding cycles, based on the rollover procedure in Section V.

Emergency Bypass

The DPH Commissioner may make a project loan or loans with respect to an eligible drinking water project without regard to the priority list of eligible drinking water projects if a public drinking water supply emergency exists, pursuant to CGS Sec 25-32b, which requires that the eligible drinking water project be undertaken to protect the public's health and safety. In such cases there may be a need to by-pass projects on the project priority list.

I. Other DWSRF Provisions

Davis-Bacon Prevailing Wage Requirements

The FFY 2013 DWSRF appropriation made the application of Section 1450(e) of the Safe Drinking Water Act (42 U.S.C. 300j-9(e)) a permanent provision for all future federal DWSRF appropriations. Congress mandated that the requirements of this section apply to any construction project carried out in whole or in part with assistance made available by the DWSRF. Section 1450(e) of the SDWA requires compliance with federal labor laws regarding prevailing wages, hours of work, and rates of pay. These requirements are collectively known as the Davis-Bacon Act.

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

A number of Federal laws, executive orders, and government-wide policies apply by their own terms to projects and activities receiving federal financial assistance, regardless of whether the statute authorizing the assistance makes them applicable (cross-cutters). All projects for which 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 cross-cutters, including initiating any required consultations with state or federal agencies responsible for individual cross-cutters.

The DPH is required to identify projects that will be used to satisfy federal equivalency requirements, including the project signage requirement that began with the FFY 2015 capitalization grant award. The DPH has elected to also impose federal equivalency requirements to all projects and activities for which the DPH provides DWSRF assistance. The only exception to this 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. 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 requirements is shown below. 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.

SFY 2017 Potential Projects to be used for FFATA Reporting

PWSID	Public Water System	Town of PWS	Project Name	Amount Requested
CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - North Sleeping Giant Well Replacement	\$1,000,000
CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Adv Metering Infrastructure Phase IVb	\$4,200,000
CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator at the Water Treatment Plant	\$2,250,000
CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Water Treatment Plant Sludge Removal Equipment (Construction)	\$2,300,000
CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Ansonia-Derby Atm Storage Tank	\$2,500,000
CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - West Hartford Water Treatment Facility - Rehab of 6 MG Basin	\$3,000,000
CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Whtbrg Raw Water Supply (Pond) Station Electric, Mechanical & SCADA (Construction)	\$1,960,864
CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Filter Plant SCADA (Construction)	\$1,131,000
CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Burwell Hill Tank Replacement	\$3,000,000
CT0450011	EAST LYME WATER & SEWER COMMISSION	EAST LYME	DWSRF - Greensand Filtration - Wells 1A & 2A (Construction)	\$5,500,000
CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Rehabilitations and Replacement of Water Mains (Fiscal year 2017)	\$1,600,000
CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replace Bond Street, Hartford	\$3,904,000

SFY 2017 Potential Projects to be used for FFATA Reporting, cont.

PWSID	Public Water System	Town of PWS	Project Name	Amount Requested
CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Farmington #11 Water Main replacement	\$3,500,000
CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Water Main Improvement on Batterson Park Road (Construction)	\$600,000
CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF - Water Main Replacement - Valley St. area	\$1,000,000
CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Garden Street Area Water Main Replacement, Wethersfield	\$3,000,000
CT1530021	WATERTOWN WATER & SEWER AUTHORITY	WATERTOWN	DWSRF - Davis Street Water Main Replacement: Maple to Russel	\$700,000

Use of American Iron and Steel

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 FFY 2016 appropriation 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 2016 (September 30, 2016). The EPA has issued guidance on the implementation of this provision and created a [State Revolving Fund American Iron and Steel Requirement website](#). The DPH has also created a [Use of American Iron and Steel](#) webpage to assist DWSRF applicants in understanding and complying with AIS requirements.

J. 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 Draft IUP and submitted the Draft IUP to the Secretary of the Office of Policy and Management (OPM) for an advisory report commenting on the extent to which the proposed plan conforms to the C&D Plan.

The 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 SFY 2017 IUP, when those costs are in excess of 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 in order to keep a project eligible. 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)

A project that has been identified as fundable on the PPL, or for which funds are now available through the bypass procedure, and is progressing through the DWSRF process toward a financial assistance agreement, but for which an agreement is not executed during the IUP period/funding cycle for its PPL, may be carried over to the subsequent IUP period/funding cycle with respect to allotment and use of project funds. Projects in this category are considered to have already gone through the public hearing process and will not be re-ranked on the subsequent PPL. These projects are identified on the SFY 2017 Carryover Project List. If a project or portion of a project from the previous IUP has not yet executed a funding assistance agreement and is not listed on the carryover list or comprehensive list, then that project is considered to have been withdrawn and is no longer being considered for funding. A PWS will be notified in writing by the DPH if their project is considered withdrawn. Any federal subsidy that may be provided to a project on the Carryover List is also carried forward under the criteria associated the IUP under which the project was identified as fundable.

The DPH reserves the right to move a project from the carryover list to the comprehensive 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, including any subsidy. A project may still receive DWSRF funding, including subsidy if qualified and available, by virtue of the Bypass Procedure described in Section IV or if additional funding becomes available.

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, can be rolled over for consideration in the subsequent IUP period/funding cycle upon written 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.

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

The construction of some of the projects on a particular PPL may take place over multiple years. For such multi-year projects, the DPH reserves the right to require the applicant to break the project into phases and to limit the amount of funding reserved for the project on a PPL to the amount of funds the PWS reasonably projects it will need for the phase to be designed and/or constructed during the SFY of the PPL. This allows the timely access to DWSRF funds by other DWSRF applicants that are ready to use them. Subsequent phases of these multi-year projects will automatically be rolled over to the PPL for the next IUP and will retain its assigned ranking points, subject to changes in the "Affordability" criteria. These subsequent phases will not automatically

receive DWSRF funding in the next IUP but will be ranked against other new and rolled-over projects on the PPL.

D. Tie-Breaking Procedures

The total numeric score for a project is determined by summing the points awarded based on the PRS and detailed in the DWSRF Eligibility Application. In circumstances where more than one project has an equivalent ranking score, the following tiered approach will be implemented to break the tie:

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

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

E. 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 Fundable PPL. It is acknowledged, however, that the construction season begins in the spring and generally 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 DWS may include these projects on a Fundable PPL provided that all of the following conditions are met:

- The PWS has submitted a DWSRF Eligibility Application to the DPH during the Call for Projects for the SFY
- The funding agreement will be drafted during the SFY under which the project is listed on the Comprehensive Project List
- The project cannot begin and be completed prior to the start of the SFY
- The project is consistent with the C&D Plan
- The project is considered an action that does not require an environmental review under the Connecticut Environmental Policies Act and qualifies for a categorical exclusion from the National Environmental Policies Act
- 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

If the DWS includes such a project, it will be included on the Comprehensive Project List and ranked as outlined in this IUP. 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 their project is on the fundable PPL
- A 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
- A DWSRF funding agreement cannot be executed until after Fundable PPL 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 in order 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

The DWSRF may be used to buy or refinance 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 permits 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 project review requirements, including an environmental review, and must receive written authorization from the DPH prior to commencement of construction. Private systems are not eligible for refinancing. The project must adhere to all state and federal DWSRF requirements during construction. Consideration for refinance applications will be entertained only after projects addressing public health protection and compliance have been funded.

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.

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 appropriate SFY PPL and no longer considered for funding. Withdrawal of a project will not preclude a PWS from continuing to pursue funding for other projects or from submitting the same project for consideration during a subsequent DWSRF funding cycle. If a PWS does not submit a letter as requested, the DPH may withdraw the project based on the initial notification. A PWS will be notified if their application is withdrawn by the DPH.

Projects for which an Eligibility Application was received and the project is placed on the SFY 2017 Fundable PPL, but for which the DPH does not receive a Financial Assistance Application by the established deadline will be considered withdrawn. A PWS will be notified if their application is withdrawn by the DPH.

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-asides funds. The DPH has chosen to take the maximum amount allowable and uses 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 uses these funds to foster greater appreciation of drinking water among the general public and the regulated community. Both of these intended uses address proactive and preventive measures endorsed by Congress in its authorization of the SDWA.

Section VII provides an overview of how the DPH will 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 2017 is approximately \$201,833,743 including the funds under PA 14-98. Attachment A provides a breakdown of the sources of these funds. These sources include carry-over revenue bond authorizations from previous IUPs that were not allocated to projects. Funds from previous bond authorizations will be used for all projects. The total amount that may be used to fund drinking water projects is limited to the total amount authorized by the state legislature as part of the state budget. For the SFY 2016 and 2017 biennial budget period, no revenue bonds were authorized for SFY 2017. As a result, in SFY 2016 the DPH had reserved a portion of the total available funds to be used for projects during SFY 2017.

Attachment A also identifies the amount of set-asides from DWSRF capitalization grants and state match amounts. The Federal capitalization grant, principal repayments, interest repayments, and funds earned through leveraging are used to support our overall bond authorization and as such are not individually identified.

The funds authorized by PA 14-98, as discussed in Section IV.F., have not yet been made available by the SBC to the DPH to commit to projects. The DPH has submitted a request to the SBC for a portion of those funds to be allocated, however it is not certain when or if the funds will be approved.

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 SFY 2016 capitalization grant application.

Uses

Projects that are currently anticipated to be funded during SFY 2017 include all projects that are being carried forward from the previous IUP and projects appearing on the PPL. The Carryover Project List identifies 49 projects for a total of \$108,336,335. The SFY 2017 Fundable PPL identifies 27 projects for a total of \$64,827,744. The Comprehensive Project List identifies all eligible projects which are being rolled over, per the procedure in Section V.

As shown on Attachment A, there is approximately \$6 million more in available funding than project costs shown on the SFY 2017 Fundable PPL. These additional funds will be used for projects from the Comprehensive List that may move forward during SFY 2017, and/or for projects on the Carryover List or PPL that end up with a greater cost than initially estimated.

The sources and uses amounts for set-aside activities are explained in detail in Section VII.

The ULO project balance is \$10,062,827 as of June 1, 2016. Due to program requirements, all monies provided as federal subsidy must come directly from the federal capitalization grant. As a result, a balance of project ULOs must be maintained in an amount sufficient to fund federal subsidy payments for qualifying projects currently under funding agreements and those for which funds are being carried over. The ULO set-aside balance is \$4,335,216.

The DPH closely monitors DWSRF ULOs with the goal being the expeditious disbursement of each capitalization grant. In September 2013, the DPH developed a ULO Reduction Plan outlining strategies to reduce DWSRF project and set-aside ULOs. The DPH expects that once desirable ULO percentages are achieved, they will be maintained. The practice of spending the capitalization grants down on a yearly basis will lead to very low, sustainable ULO percentages. In April 2014, EPA established national goals for states to fully expend their FFY2013 and prior capitalization grants by September 30, 2016. Additionally, EPA expects FFY2014 and subsequent capitalization grants to be expended within two years of their award date.

Over the past 21 months the DPH had significant delays in executing new funding agreements due to uncertainty in obtaining SBC approval for state subsidy funding as described in Section IV.F. These delays have resulted in higher than normal ULOs associated with capitalization grant project funding; however, the DPH is still on pace to comply with EPA's national goals. The construction schedules for the projects associated with these agreements were not delayed and many of these projects have been under construction for many months with some projects already completed. Many of these delayed agreements were executed on June 30, 2016 and DPH expects to fully disburse project funding contained in the FFY2014 capitalization grant and a significant portion of the FFY 2015 grant by September 30, 2016.

The set-aside portion of the capitalization grants are described in Section VII. These set-asides are primarily used to support adequate levels of DWS staffing to implement the DWSRF, Source Water Protection, Capacity Development and Public Water System Supervision Programs with limited outside contractual support. The State of Connecticut provides in-kind matching funds to obtain our federal EPA grants; however, non-matching state contributions for these activities have diminished in recent years and are not expected to increase in the foreseeable future due to current State budget deficit projections. The DPH has been carrying over unspent set-asides from prior years' capitalization grants to sustain these programs. For several years the DPH has proposed legislation to enact fees to provide long term support for these programs and reduce our dependence on the capitalization grant carryovers. DPH continues to work to move this legislation forward and has been tasked with production of a study under [May 2016 Special Session PA 16-2](#) Section 17 in order

to review financial needs and propose methods to address those needs. DPH's ULO Reduction Plan accelerated the rate of spending these carryover funds to reduce ULOs, but it is necessary to manage those funds in a manner that minimizes the risk of diminishing the important services provided by the programs until alternative sources of new funding are obtained. Despite its efforts, the DPH will be requesting a 12-month extension from the EPA to fully draw down the FFY 2013 and FFY 2014 set-aside portions of the capitalization grants.

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

The DWSRF financing plan is similar to the plan for the State's CWF program. This plan includes leveraging, when appropriate, where project funding comes from the proceeds of revenue bonds supported by the capitalization grants. A more detail financial analysis of the DWSRF program can be found in the [DWSRF Annual Reports](#), which are available on the OTT's website.

States may issue bonds through the DWSRF program using the federal capitalization grant as security to provide for higher funding levels in the current year of the program. Leveraging of federal funds is a useful financial option available to states with a high demand of shovel ready projects for immediate DWSRF funding. Consistent with Connecticut's financing strategy for the CWF, the DWSRF includes leveraged financing. Since 2001, with the EPAs approval, bonds have been issued on an as-needed basis to fund DWSRF projects. Leveraged financing allows the DWSRF to maximize the available project funding because the revenue bond proceeds can be two to three times the amount of the available capitalization grants and state match contributions. This strategy also allows the State to provide more loans with a lower interest rate at favorable terms to more of the PWS applicants.

Connecticut's program is a leveraged program and has established itself as a highly rated (AAA) borrower in the bond market. We have used capitalization grants to leverage multiple series of bonds, aggregating over \$75.1 million in outstanding principal for the DWSRF program as of March 31, 2016 to fund loans.

The leveraging process has been successful because it has allowed the State of Connecticut to fund projects that would not be normally funded using capitalization grant funds alone. Examples include: The \$55 million New Britain Water Treatment project, which was built using \$36.6 million in DWSRF funds. This project, which replaced an antiquated system, provides excellent quality water to its over 90,000 customers, and keeps the water rates relatively low. The \$29 million water treatment plant upgrade for the South Norwalk Electric and Water utility was built using \$24.7 million in DWSRF funds to replace an antiquated water treatment plant that was badly in need of upgrades. Meriden Water Division has secured over \$21 million in DWSRF funds for the design and construction of major improvements to Broad Brook Water Treatment Plant and Pumping Station to maintain purity and adequacy of water to its 60,000 customers. Over \$8.0 million in DWSRF funds was used to cover the cost for design and construction of the East Lyme Sewer and Water Regional Interconnection project. This project is critical for East Lyme to meet its summertime peak demands, address other public health and water system operational needs, and provide fire protection for enhanced public safety. Another major project that is expected to be funded using DWSRF funding is the proposed Water Treatment Plant upgrade of Groton Utilities. Groton proposes to make significant improvements to its plant to address water quality issues. The majority of the existing components are antiquated (originally constructed in 1938), and improvements to the facility are crucial for infrastructure sustainability. Approximately \$42.0 million in DWSRF funding is expected to be used to cover the construction and project oversight. Without leveraging, the DPH would not be able to fund larger projects like these.

In SFY 2015 bonds were issued for the CWSRF and the DWSRF in anticipation of several significant projects moving forward over the next two years, including the Groton Utilities Water Treatment Plant upgrade project. The state does not plan to issue bonds again until SFY 2017.

D. State Matching Requirement

The required 20% state match for the FFY 2016 capitalization grant is \$1,684,600. These funds are required to be in place prior to drawing down the award. The State of Connecticut expects to have the required state match amount deposited prior to the expenditure of any federal FFY 2016 capitalization grant dollars. 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 March 31, 2016, the DWSRF has received and deposited \$39.6 million for the required match, including those for the FFY 2016 capitalization grant.

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 of 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. Attachment 10 to the OA contains an explanation of what a disadvantaged community is. Connecticut does not currently offer a disadvantaged community assistance program for the DWSRF.

Within the provisions of 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 be determined based on the dollar amount of the loan (not including any subsidy) as outlined in the table below.

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 of 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.

H. Expected Loan Demand

Connecticut's participation in the EPA-sponsored Drinking Water Infrastructure Needs Survey and Assessments (DWINSAs) for 1999, 2003, 2007, and 2011 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 2011 DWINSA assessed the cost and types of drinking water needs throughout the nation for the period January 1, 2011 to December 31, 2030. The results of the survey were used to determine the DWSRF allocation for FFYs 2014 through 2017. The results of the 2011 survey, which were released in June 2013, showed that the State of Connecticut's estimated need had grown from \$1.394 billion in 2007 to \$3.587 billion in 2011. Starting with the FFY 2014 capitalization grant, the state's allotment has increased from 1% to 1.01%. The breakdown was as follows:

Transmission and Distribution	\$2.584 billion
Treatment	\$545.1 million
Storage	\$267.3 million
Source	\$146.6 million
Other	\$35.0 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. For SFY 2016 and SFY 2017, the DPH received requests for loans for 77 infrastructure projects totaling approximately \$205 million in project costs, including approximately \$202 million in eligible costs. This includes 6 applications under the EPGP and 7 larger generator projects totaling approximately \$6.7 million in eligible project costs. This is the highest amount of requests ever received.

Data collection for the 2015 DWINSA was completed in February 2016. Based on this information, the DPH expects the overall need to have increased since 2011. The official report from EPA is expected to be released during 2017.

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 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 fund itself. Loan terms will be attractive, while lending procedures will include safeguards structured to minimize unforeseen losses to the fund. The use of federally allowed subsidization from the capitalization grants will be managed to ensure that these non-repayment funds enhance the program rather than result in detrimental long term consequences.

The DWSRF also produces numerous opportunities for strengthening water supply mechanisms (i.e., source protection, PWSS program) that will ultimately result in improvements to safe and adequate supplies of drinking water for Connecticut residents. Additionally, the placement of the DWSRF within the financial structure of Connecticut’s CWF guarantees that the DWSRF will benefit in the long term from the same management and financial planning mechanisms that have marked the success of Connecticut’s CWF Program.

VII. SET-ASIDE ACTIVITIES

Taken together, 31 percent of a Connecticut’s DWSRF capitalization grant is used for set aside activities. The DPH DWS receives funds under four set-asides to support various drinking water and DWSRF program activities. They include the Administration, State Program Management, Small Systems Technical Assistance, and Local Assistance set-aside funds. The following pages provide anticipated set-aside activities during the time period covered in this IUP. Prior to requesting disbursement of these funds, the DPH submits work plans to EPA Region 1 as part of the FFY 2016 capitalization grant application, which provides specific details for each set-aside fund request. At any time in which a modification is necessary, the DPH contacts EPA Region 1 to discuss, submit an amendment if deemed necessary, and seek approval. The DPH DWS expects to meet all set-aside reporting requirements as detailed in the capitalization grant award conditions.

A. DWSRF Administrative Funds

Maximum Percentage Allowed: 4% of the Capitalization Grant
Taking from FFY 2016 Grant: 4% (\$336,920)

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, oversight and tracking of the DPH’s January 2013 Cash Management Plan, as well as providing assistance to borrowers in preparing their loan applications and satisfying program requirements. In addition, the DPH intends to utilize funds from this set-aside for the development and use of a state specific project financing, loan and accounting management system for the DWSRF program.

B. State Program Management

Maximum Percentage Allowed: 10% of the Capitalization Grant
Taking from FFY 2016 Grant: 10% (\$842,300)

Funding under this set-aside will be used primarily to support and administer the Public Water System Supervision (PWSS) program, which includes administering and providing technical assistance to PWSs in Connecticut. Staff supported by this fund also perform the following in support of both the PWSS and DWSRF programs:

- Coordinate DWS grant administration/lead interaction with EPA for grant administration, applications and reporting
- Prepare guidance documents, work plans and long-term strategies for DWSRF program management and EPA required program management reports (i.e. QAPP, PPA),
- Prepare contracts related to technical assistance to PWSs to assist the DWS in capacity development efforts
- 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 information and educational opportunities to PWSs via internet postings.
- Provide legal assistance to the DWS regarding the DWSRF program

- Coordinate activities with the Environmental Health Section’s Laboratory Certification Program in assisting PWSs regarding water quality testing issues
- Identify water systems that would most benefit from collaboration or regionalization and assisting in developing and evaluating processes to aid in the success of DWS capacity development efforts
- Assist in coordinating long-range water supply planning by addressing water quality and quantity issues from area-wide perspectives in regional coordinated plans
- Performance of general office functions, such as reception, typing, filing, and bookkeeping in support of the PWSS and DWSRF Programs.
- Continuously update and maintain DWS’s Geographic Information System(GIS) data layers in the DWS GIS system
- Review and approval of proposed sources of supply, including verification that the water system has ownership or control of the sanitary radius for proposed groundwater sources.
- Provide support for DWSRF Program Management activities by performing a wide variety of general clerical functions including basic processing, reception, filing, record keeping, bookkeeping and typing
- Review DWSRF project funding applications and perform subsequent engineering tasks as required
- Attend workshops and trainings to improve the efficiency of the DWSRF program
- Continue Memorandum of Agreements between DPH and UCONN that allows UCONN students to intern with the DPH DWS
- Coordinate the preparation of DWSRF loan agreements with the DPH Fiscal Office, Office of Grants and Contracts and the Office of the State Treasurer

C. Small Systems Technical Assistance

Maximum Percentage Allowed: 2% of the Capitalization Grant
Taking from FFY 2016 Grant: 2% (\$168,460)

Activities performed under this set-aside including providing technical assistance to small PWSs serving up to 10,000 consumers and contracting with a service provider to offer technical assistance to the state’s small PWSs. Technical assistance efforts include:

- Conducting sanitary surveys of community, NTNC and transient non-community (TNC) 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
- Contracting with Technical Assistance Provider to provide training and direct one-on-one assistance to teach small system trustees, operators, and municipal officials the value and method of asset management to improve technical, financial and managerial capacity of those involved in managing the utility.

D. Local Assistance

Maximum Percentage Allowed: 15% of the Capitalization Grant
Taking from FFY 2016 Grant: 7.5% (\$631,725) – Wellhead Protection
 7.5% (\$631,725) – Capacity Development

The DPH uses this set-aside for wellhead protection and capacity development activities. The Wellhead Protection Program will use 7.5% of the set-aside funds and the Capacity Development Program will use the remaining 7.5%. Each program is described below.

a) 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:

- Implementing continually revised statutes and regulations for source water protection, including the provisions of the federal Groundwater Rule
- Reviewing and approving/denying all proposed sources of public water supply
- Permitting of proposed sales or changes to water company owned land (i.e. land owned by PWSs that are within source water protection areas)
- Permitting of monitored recreational activities on water company land
- Coordinating of the process of conducting annual watershed inspection; and annual submission of Watershed Survey Reports
- Active and committed involvement with the improvement of the GIS application and database which is critical for adequate source assessment and protection
- Linking the protection of public water supplies with subsurface sewage disposal system approval, maintenance, training, and repair
- Linking the Clean Water Act to the SDWA through working with EPA, DEEP, and other stakeholders
- Continually working with local, regional and state partnerships on Environmental Reviews for projects that could potentially impact drinking water quality
- Collaborating with stakeholders at the community and state level to implement source water protection concepts and best management practices to enhance drinking water source protection
- Working with many diverse groups to enhance drinking water source protection and provide useful educational materials
- Working to develop and utilize consistent policies for the use of pesticides and herbicides in public drinking water sources of supply

b) Capacity Development

The DPH will use 7.5% of the Local Assistance set-aside allocation for capacity development initiatives that are consistent with the DWS's EPA-approved Capacity Development Strategy and help to improve the technical, financial and managerial capacity of PWSs. The DPHs strategies account for both immediate and long-term sustainability initiatives, including education, technical assistance, enforcement, consolidation, DWSRF assistance, and water system restructuring. These funds will be used primarily to support staff within the DWS that:

- Conduct sanitary surveys of community, NTNC and TNC PWSs
- Provide technical assistance to PWSs on violations and deficiencies noted during sanitary surveys
- Perform technical, financial and managerial capacity assessments of PWSs during sanitary surveys
- Provide technical assistance and enforcement referral to local health departments for maximum contaminant level violations, source water construction violations and cross-connections identified at NTNC and TNC food service establishments
- Conduct reviews of water quality and quantity of newly-developed drinking water sources and review engineering plans and specifications for new water system designs in accordance with CGS Section 16-262m, and regulations adopted thereunder, and under the authority of RCSA Section 19-13-B102

- Support the DWSRF program by soliciting for DWSRF projects; providing technical assistance to DWSRF applicants and their consultants on program requirements; determining project eligibility and reviewing and ranking project applications; reviewing project plans and specifications; tracking projects through completion including site visits; reviewing and approving DWSRF payment requests from loan recipients; entering and maintaining data in the federal DWSRF Project Benefits Reporting (PBR) system and Drinking Water National Information Management System (DWNIMS) on-line databases; preparing state and federal DWSRF reports; coordinating, conducting and attending the Public Hearing on the IUP and PPLs; meeting with stakeholders and applicants as needed; and attending workshops and trainings to improve the efficiency of the DWSRF Program.
- A consultant will be hired to complete the Water Utility Coordination Committee (WUCC) planning process. The process will include stakeholder involvement, system partnerships, public outreach, regionalization, consolidation, and identification of major facilities in need of replacement or construction.
- Provide technical assistance to PWSs that have received a significant violation as a result of a site visit or as noted in a sanitary survey report
- Participate as necessary in training programs related to the technical, managerial and financial capacity of PWSs for PWS operators and public health officials
- Work with the Connecticut drinking water industry, the Association of State Drinking Water Administrators, and the EPA with a goal of achieving optimization of existing surface water treatment plants

VIII. AUDITS AND REPORTING

Ensuring transparency and accountability, all program materials are posted on our website (www.ct.gov/dph/dwsrf). DWSRF Annual Reports are posted on the OTT website (http://www.ott.ct.gov/debt_drinkingwaterfund.html). Financial audits are conducted annually by the OTT and included with the Annual Report. We commit to entering project and benefits data into the DWNIMS and PBR System to evaluate the benefits of Connecticut's DWSRF program. Among other parameters, the reporting systems 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 PBR as soon as possible following execution of a funding agreement, preferably within two weeks. If a project contains "green" components, we will report on the "green" projects and/or "green" portion of projects in PBR.

IX. PUBLIC OUTREACH AND COMMENT

The DPH has engaged in a determined effort to prepare and provide accurate and understandable information on the DWSRF to potential loan applicants and other interested persons. The DWSRF loan applicant pool in Connecticut consists of approximately 900 PWSs. Outreach to these systems, as well as to other interested persons, has and will continue to occur simultaneously with the implementation of the DWSRF program. Outreach is accomplished through posting information on the DWS website, meeting with applicants, distributing program information, and participating in various water-related forums. In addition, during sanitary surveys PWS are encouraged to consider the DWSRF program for their infrastructure financing needs. The DPH directly solicits for DWSRF projects to all community PWSs and all NTNC public schools.

In conformance with 40 CFR 35.3555(b), the DPH will seek meaningful public review and comment on the Draft SFY 2017 IUP, which includes the Fundable PPL. 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 Fundable PPL. The Draft SFY 2017 IUP will be made available to all applicants and other interested persons for review and comment at least 30 days prior to the public hearing. A Notice of Hearing will be formally advertised in newspapers of statewide and regional distribution and in two minority newspapers. The Draft IUP and Notice of Hearing will also be sent to all DWSRF applicants with projects appearing on the Comprehensive Project List. Interested persons will be invited to provide oral or written testimony at a public hearing and to submit written comments.

The public hearing will be followed by an Open Forum where attendees or other interested parties will have an opportunity to meet directly with DWSRF program staff to answer questions and learn more about the loan program. Following the public comment period, all comments will be reviewed and considered by the DPH Commissioner and a Final IUP containing the Final Fundable PPL will be published.

In addition, in accordance with RCSA Section 22a-482-1(c)(4), a public hearing was held on 8/12/2015 which allowed the opportunity to comment on the SFY 2016 IUP, including the Comprehensive Project List of all eligibility applications received for this funding cycle and the priority ranking criteria in use for this funding cycle.

X. ATTACHMENTS

- A. Sources and Uses of Estimated Amounts of DWSRF Funds
- B. Priority Ranking System
- C. SFY 2017 Comprehensive Project List – Alphabetical Order
- D. SFY 2017 Comprehensive Project List – By Points
- E. SFY 2017 Carryover Project List
- F. SFY 2017 Fundable Project Priority List
- G. Asset Management Plan Checklist
- H. Fiscal Management Plan Checklist
- I. December 22, 2014 EPA Memo
- J. December 2, 2011 Letter from EPA Headquarters to Governor Malloy
- K. January 20, 2012 Letter from DPH to EPA Headquarters
- L. June 18, 2013 Letter from DPH DWS to EPA Region 1
- M. March 6, 2016 DWS Circular Letter – State Subsidy Funds

Attachment A - Sources and Uses of DWSRF Funds

	DRAFT 2017 IUP		
	Cumulative Total through 6/30/16 ¹	7/1/16 - 6/30/17 (This IUP)	Cumulative Total Through 6/30/17
SOURCES			
Funds Transferred From (to) CWSRF	\$ -	\$ -	\$ -
Federal Capitalization Grant Set-Asides	\$ 56,583,729	\$ 2,611,130	\$ 59,194,859
Previous Bond Authorization Committed to Projects ²	\$ 124,992,706	-	\$ 124,992,706
Previous Bond Authorization Available for Projects ³		\$ 179,222,613	\$ 179,222,613
SFY 2017 State Revenue Bond Authorization ⁴		\$ -	\$ -
PWS Improvement Program Authorized by Public Act 14-98 ⁵		\$ 20,000,000	\$ 20,000,000
Sources Total	\$ 181,576,435	\$ 201,833,743	\$ 383,410,178
USES			
Funds Transferred From (to) CWSRF	\$ -	\$ -	\$ -
Set-Asides			
Administrative	\$ 7,609,836	\$ 336,920	\$ 7,946,756
State Program Management	\$ 18,889,590	\$ 842,300	\$ 19,731,890
Small System Technical Assistance	\$ 3,797,418	\$ 168,460	\$ 3,965,878
Local Assistance / Other State Programs	\$ 26,286,885	\$ 1,263,450	\$ 27,550,335
Projects			
Previous Bond Authorization Committed to Projects	\$ 124,992,706		\$ 124,992,706
Previous Bond Authorization Used for Carryover Projects		\$ 108,336,335	\$ 108,336,335
Previous Bond Authorization Used for New Projects ⁶		\$ 64,827,744	\$ 64,827,744
Additional Previous Bond Authorization Available for Projects ⁷		\$ 6,058,534	\$ 6,058,534
PWS Improvement Program Authorized by Public Act 14-98 and Used for Projects ⁸		\$ 20,000,000	\$ 20,000,000
Uses Total	\$ 181,576,435	\$ 201,833,743	\$ 383,410,178

Footnotes:

- 1 - The time period represented for this Draft IUP reflects sources and uses as of 6/30/2016. When finalizing for the IUP for SFY 2017, these figures will be updated if necessary.
- 2 - The capitalization grant project funds and state match amounts are included in the amount of bond authorization. This amount also includes proceeds generated by leveraging, interest earnings, and principal repayments, but these do not increase the total authorization. Refer to the text of the IUP for an explanation. Funds have been committed to projects.
- 3 - Funds from previous bond authorization that have not been committed to projects
- 4 - Funds are subject to legislative approval as part of the Capital Budget process. No funds were authorized for SFY 2017.
- 5 - As of June 30, 2016, these funds have not been approved by the State Bond Commission.
- 6 - The amount shown is the total amount of the Draft SFY 2017 Fundable PPL
- 7 - These funds are available for projects with actual costs higher than original estimates and/or for projects appearing on the Comprehensive List, but not on the Fundable PPL.
- 8 - As of June 30, 2016, these funds have not been approved by the State Bond Commission. No project has been identified to receive any of these funds at this time.

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CONNECTICUT DEPARTMENT OF PUBLIC HEALTH PRIORITY RANKING SYSTEM FOR PROJECTS ELIGIBILITY FOR DRINKING WATER STATE REVOLVING FUND (DWSRF) FUNDING (Revised 10/28/2014)

INTRODUCTION:

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

1. Public health and safety
2. Protection of environmental resources
3. Population affected
4. Risk to human health
5. PWSs most in need according to applicable state affordability criteria;
6. Compliance with the applicable requirements of the Federal Safe Drinking Water Act (SDWA) and other related Federal acts
7. Applicable State and Federal regulations, including the Regulations of Connecticut State Agencies (RCSA)
8. Consistency with the plan of conservation and development
9. Consistency with the water resources policies delineated in CGS Section 22a-380
10. Consistency with the coordinated water system plan in accordance with subsection (f) of CGS Section 25-33d

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

ELIGIBILITY FOR DWSRF LOANS

Project eligibility applications must be submitted by the deadline specified in the biennial Call for Projects announcement issued. Applications must include sufficient technical documentation, data, reports, certifications, etc. for the DWS to make a determination on project eligibility and project readiness. Incomplete or inadequate information may result in a determination that the project is not eligible or affect its ranking. The DPH will utilize the State and Federal regulations and drinking water industry standards in evaluating projects for eligible funding.

The following public water systems are **NOT ELIGIBLE** for assistance:

1. Federally-owned public water systems and for-profit non-community water systems.
2. Systems that lack the technical, financial and managerial capability to ensure compliance with the requirements of the SDWA unless such assistance will ensure compliance and the owner(s) and/or operator(s) of the systems agree to undertake feasible and appropriate changes in operations to ensure compliance over the long term.
3. Systems that are in significant noncompliance with any state regulation, national primary drinking water regulation or variance unless such assistance will ensure compliance.

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

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

SUBSIDIZATION

The DPH may provide subsidization to eligible projects in the form of principal forgiveness to the extent allowed by Federal and/or State law. The amounts of subsidization, if available, and method of distributing such subsidies will be determined annually and detailed in the Intended Use Plan. A project which is eligible for subsidy must execute a loan for the remaining amount of principal in order to receive the subsidy.

INTENDED USE PLAN (IUP)

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

PRIORITY RANKING SYSTEM

Every two years the DPH will solicit planning, design, and construction projects from community water systems, both privately and publicly owned, and non-profit, non-community water systems for funding under the DWSRF program.

DPH may fund planning and design projects which may lead to construction projects. Planning and design projects will be included in the ranked priority list and will be given ranking points in accordance with the appropriate activity that the project intends to address (e.g. treatment would get points for addressing various water quality problems). DPH may also fund planning and/or feasibility studies.

In developing the ranking system, the DPH has made quality and adequate quantity of drinking water the highest priority in an effort to provide maximum public health benefits. Projects for regulatory compliance with water quality standards and adequate quantity of drinking water are given the highest points within the ranking system. Projects which are planned to address/resolve a quality or quantity regulatory violation will not receive additional points in the Proactive Infrastructure category.

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

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- addresses the most serious risk to human health
- are necessary to ensure compliance with the requirements of the SDWA including requirements for filtration
- assist systems most in need according to state affordability criteria

Connecticut's ranking system capitalizes on the SDWA by ensuring that all projects are reviewed from the perspective of risk to health and compliance with regulations. Connecticut's DWSRF priority ranking system assigns criteria points for each project deemed eligible for funding. The eight major point categories are as follows:

- Category I (Quality) deals with various water quality risks
- Category II (Quantity) deals with the need to maintain adequate supply so that lack of pressure does not create health risks by introducing contamination from the distribution system
- Category III (Acquisition/Transfer) allows water systems to be restructured financially, managerially or technically so that they operate in compliance with State and Federal regulations.
- Categories IV (Proactive Infrastructure) and V (Water System Protection) allow for improvements in source, treatment and distribution to achieve long term infrastructure sustainability so that health risks from infrastructure failure are averted.
- Category VI (Affordability) awards an additional 10 points to those systems having projects in towns that have been identified by the Connecticut Department of Economic and Community Development as "distressed municipalities."
- Category VII awards points to projects that will address Significant Deficiencies under the Ground Water Rule.
- Category VIII awards points to projects for emergency power generators, whether a new installation or replacement

The SDWA Amendments of 1996 also requires that, to the extent that there are sufficient number of eligible project applications, not less than 15% of the available funding shall be dedicated to small systems serving less than or equal to a population of 10,000. Unless otherwise justified to DPH, the population number the DPH currently has on inventory for that water system will determine which population category the project falls under with respect to funding small systems. In cases where an applicant owns more than one community PWS, the applicant's population will be determined on the combined population of all of its individually owned community PWSs.

Every two years, the DPH will compile a comprehensive priority list of drinking water projects which applied for DWSRF assistance in the IUP. The IUP will identify which projects are expected to receive funding during the biennial funding cycle. Some projects on the list may include planning, design and construction elements (i.e. multi-phase projects). For these multi-phase projects, the DPH will only fund those phases of the project that can be started during the biennial DWSRF funding cycle. The non-funded phases of these projects will be eligible for DWSRF assistance in future years.

Every project submitted to DPH will be identified by the PWS identification number utilized by the State and Federal Government for the inventory of PWS, and other identifiers to note the FFY and differentiate it from other projects submitted by the same PWS.

There will be 4 factors taken into consideration when compiling the final draft Project Priority List. Those factors are:

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1. The total numerical points assigned to a project which is arrived at by tallying points from each of the 8 priority point categories.
2. A PWS's readiness to proceed with the activities they have requested funding for during the biennial DWSRF funding cycle.
3. To the extent that there are sufficient eligible project applications, not less than 15% of the available funding shall be dedicated to small systems serving less than or equal to a population of 10,000.
4. To the extent required by federal law, a portion of DPH's capitalization grant shall be dedicated to projects that address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities.

GREEN PROJECT RESERVE (GPR)

Applicants for DWSRF financial assistance are also strongly encouraged to submit projects that address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities. To the extent required by Federal law, which may vary from year to year, the DPH will establish a Green Project Reserve to reserve certain DWSRF funds for projects that include qualifying "green" components. The GPR is typically equal to a percentage of the DPH's annual federal capitalization grant award. GPR requirements, as applicable, will be announced by the DPH during the biennial DWSRF application solicitation process if they are known at the time of the announcement. The GPR will also be described in the DPH's IUP.

ELEMENTS FOR ESTABLISHING THE PRIORITY POINTS ASSIGNED TO DWSRF PROJECTS:

The following Categories describe in detail the elements involved in assigning priority points to eligible projects. Actual point values for common qualifying project elements associated with each Category are provided in Appendix A.

- I. **Water Quality**: Violations of Water Quality are divided into five subcategories:
 - A. **Immediate**: Water quality violations requiring immediate action include surface water treatment rule violations and acute microbiological and inorganic chemical Maximum Contaminant Level (MCL) violations. These violations pose health risks which must be brought into compliance expeditiously.
 - B. **Long-term**: Violations of water quality which have health risk ramifications over extended periods of time include the following subcategories: non-acute inorganic chemical, pesticides, herbicides, PCB's, organic chemicals and radioactivity and treatment technique's (e.g. fluoride, chlorine residual, and phosphates). Violations sufficiently severe as to present acute health risks may be elevated to Category I A. Sodium exceedance is a Notification process and is not a MCL.
 - C. **Goals**: Include water quality parameters for which DPH has determined a health risk exists even though the parameter is not yet regulated. For these parameters DPH has set formal action levels prior to development of a federal regulation. This category also includes a preventative measure by allowing ranking points for systems which have not exceeded MCLs but nonetheless have determined that steps are necessary to reduce human exposure and risk associated with a water quality concentration that is elevated and approaching an MCL.
 - D. **Physical**: The physical element of the water quality category allows points for parameters that are primarily deemed aesthetic/physical rather than having significant health ramifications.
 - E. **Private Wells**: Wells that are currently not being served by a PWS yet are experiencing contamination which may cause the private well to violate RCSA Section 19-13-B101, can be

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assigned ranking points, if the solution is to extend water service to the affected wells from the applicant's public water supply.

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

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

Source development recognizes that the PWS needs to develop additional supplies to augment and/or replace existing sources. This effort may be a result of providing alternative supplies for emergencies and/or carrying out sound engineering practices. Implementation of conservation measures is also given ranking credits. This recognizes conservation as an effective means for efficient utilization of drinking water sources for both supply and demand.

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

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

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

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

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

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To encourage public water systems to develop or maintain plans for existing drinking water infrastructure improvements, additional priority points will be given to proactive water system improvements that:

- are consistent with improvements identified in a DPH approved individual Water Supply Plan for the most recent planning period as described in RCSA Section 25-32d-3(e)
- are consistent infrastructure priorities established within an on-going Asset Management Plan

V. **Water System Protection:** Water system protection projects reinforce protective measures necessary to ensure the safe delivery of drinking water. These measures must be directly related to a construction project being funded by the DWSRF. The protection measures include:

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

VI. **Affordability:** A PWS may receive additional points for undertaking a project that serves a city or town determined to be a “distressed municipality” by the Department of Economic and Community Development (DECD) according to C.G.S. Section 32-9p. The following towns and cities currently qualify under this category: Ansonia, Bridgeport, Bristol, Derby, East Hartford, Enfield, Groton, Hartford, Killingly, Meriden, Montville, Naugatuck, New Britain, New Haven, New London, North Canaan, Plainfield, Plymouth, Putnam, Sprague, Torrington, Waterbury, West Haven, Windham, and Winchester.

VII. **Ground Water Rule:** Projects in this category will correct a “Significant Deficiency”, as referenced in the DPH DWS “Significant Deficiencies Guidance Document”. If a “Significant Deficiency” condition exists, but has not yet been documented by DPH, sufficient justification must be submitted to warrant these points. The assignment of these points is subject to DPH review and approval of the justification and based on the percentage of the eligible DWSRF project determined to result in the correct of a Ground Water Rule deficiency.

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VIII. EMERGENCY GENERATORS

Emergency Power Generator Program (EPGP)

As result of the widespread and prolonged power outages caused by two major statewide storms in the fall of 2011, the DPH DWS introduced an Emergency Power Generator Program (EPGP) to provide subsidized loans for the purchase and installation of emergency power generator systems costing less than \$100,000. Projects eligible to be funded through this program will be confirmed by the DPH. This program is open to all public water systems eligible for DWSRF funding. Eligible projects under this program will receive 25 points for replacement generators or 50 points for new generators, and will be eligible to receive additional points under Category VI (Affordability) if the project serves a qualifying town or city, and/or Category IV (Sustainability Planning) is to be used if the PWS has an approved water supply plan or on-going asset management plan.

If a public water system incorporates an emergency power generator system installation project into a larger scale project then the combined project will only receive an additional 5 points for “emergency power provisions” under Category IV (Proactive Infrastructure Upgrades) for the generator system installation. This is intended to prevent a public water system from using the EPGP program as a mechanism to gain a significant priority ranking advantage for a larger scale higher cost project. By keeping EPGP project costs low the DPH hopes to be able to provide funding for a large number of generator projects during each funding cycle.

Generators Projects Costing over \$100,000

Generator projects with costs estimated at \$100,000 or greater will be required to follow the guidelines as part of the full DWSRF program. Such projects will receive 25 points for replacement generators or 50 points for new generators, and will be eligible to receive additional points under Category VI (Affordability) if the project serves a qualifying town or city, and/or Category IV (Sustainability Planning) is to be used if the PWS has an approved water supply plan or on-going asset management plan.

GREEN PROJECT RESERVE (GPR)

Green projects include those that promote green infrastructure and energy or water efficiency, as well as projects that demonstrate new or innovative ways to manage water resources in a sustainable way. To the extent required by Federal law, which may change from year to year, priority may be given to eligible projects where sufficient documentation has demonstrated to the satisfaction of DPH that the project achieves identifiable and substantial benefits that qualify as green project benefits. A “business case” is required of all green project applications unless the project is categorically excluded from this requirement under federal guidelines. Business cases shall include supporting documentation of how the project or portion of the project achieves green project benefits. Specific GPR amounts available each year will be identified in the DPH’s IUP. The DPH will solicit for qualifying GPR projects during the biennial DWSRF application process.

TOTAL POINTS AND TIE-BREAKERS

The total numeric score for a project is determined by summing the points from each of the eight categories above. In circumstances where more than one project has an equivalent ranking score, the following tiered approach will be implemented to break the tie:

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

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

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

PROJECT BY-PASS AND READINESS TO PROCEED

Only those elements (planning, design, construction) of eligible projects that can result in executed contracts and DWSRF loan agreements within the current biennial funding cycle may receive funding during that cycle. Elements of eligible projects that cannot result in executed contracts and DWSRF loan agreements may be eligible to receive funding in future funding cycles. The information that the DPH will use to make a determination on project readiness is included in the DWSRF Eligibility Application.

If for some reason a project is not ready to proceed in a timely fashion, the DPH may bypass that project and select the next highest ranked eligible project for funding based on that PWS's ability to initiate the project during the current SFY funding cycle.

Only those elements (planning, design, construction) of eligible projects that can result in executed contracts and DWSRF loan agreements within the current July 1, 2015 to June 30, 2017 funding cycle may receive funding. The DPH has developed objective criteria to determine those elements of projects that can be completed in the current funding cycle. This By-Pass process is necessary to ensure that available DWSRF funds will be disbursed in a timely fashion. The factors in these criteria are:

1. Local resolutions are in place.
2. Required local permits or approvals have been identified.
3. Required State permits or approvals have been identified.
4. Project is consistent with the State of Connecticut Plan of Conservation and Development
5. (For Construction Projects) Status of final design.
6. (For Construction Projects) Status of bid specifications.
7. (For Construction Projects) All necessary sites, easements and rights-of-way have been identified

EMERGENCY BY-PASS PROCEDURE

The DPH Commissioner may make a project loan or loans with respect to an eligible drinking water project without regard to the priority list of eligible drinking water projects if a public drinking water supply emergency exists, pursuant to CGS Section 25-32(b), which requires that the eligible drinking water project be undertaken to protect the public health and safety. In such cases of unexpected public drinking water supply emergencies which develop into severe public health risk, there may be a need to by-pass projects on the project priority list. Note that any loan made under the Emergency By-Pass Procedure must also follow all program requirements.

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Appendix A

Connecticut Department of Public Health – Drinking Water Section Drinking Water State Revolving Fund Priority Point Values for Common Qualifying Elements of Projects

Category I: Water Quality	Points
A. Immediate: Surface Water Treatment Rule Violation(s)	50
Microbiological Violation	50
Inorganic Violation	
Nitrate/Nitrite/Nitrogen	50
Lead/Copper Exceedance	40
Arsenic	40
B. Long-Term: Radioactivity Violations	40
Inorganic Chemical Violations	30
(other than lead, copper, arsenic, sodium, nitrate)	
Organic Chemical Violations	30
Pesticides, Herbicides & PCBs Violations	30
Treatment Technique Violations	20
(Fluoride, Chlorine Residual, Phosphates)	
Sodium Exceedance	10
C. Goals: Exceeding DPH Action Levels	15
Approaching MCL (50% of current MCL)	25
(does not include physical parameters)	
D. Physical: Color Violation	10
PH Violation	10
Odor Violation	10
Turbidity (Ground Water) Violation	10
E. Private Wells: Water main extension to existing private wells with RCSA Violations (20 points maximum)	20
Category II: Water Quantity:	
A. Source Deficit or Insufficient Margin of Safety	40
B. System Capacity Deficits	20
C. Lack of Source (production) Meters	20
D. Pressure Violation (pressure drops to less than 25 psi)	20
E. Source Development (additional and/or replacement)	20
F. Implementation of Conservation Measures	15
Category III: Acquisition/Transfer	
A. Acquisition / Transfer of System	25
B. Interconnection:	
PWS Absorbed (15 points per each PWS)	15
System remains as consecutive	15

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Category IV: Proactive Infrastructure **Points**

A. Upgrades (maximum of 25 points from this category):	
Treatment Facilities (facility structures, treatment process, etc.)	15
Pumping Facilities	5
Main Replacement/Improvement	5
Treatment Residuals Management	5
Storage Tanks (replace, repair, repaint, new, etc.)	5
Main Extension for Interconnection	5
System Automation	5
Leak Detection	5
Distribution Meters	5
Posting/Fencing/Security Measures	10
B. Emergency Power Provisions (as part of a larger project)	5
C. Sustainability Planning (maximum of 10 points from this category):	
Project identified in approved Water Supply Plan	10
Project prioritized within on-going Asset Management Plan	10

Category V: Water System Protection*

A. Source/Distribution Violations	10
B. Implementation Best Management Practices (BMP) on watersheds as a result of construction	10
C. Source Protection improvements	5
D. Purchase of Land	5
* (must relate to a construction project to qualify for points)	

Category VI: Affordability 10

A. Systems having projects that serve a city or town determined to be a “distressed municipality” by the Department of Economic and Community Development (DECD) according to C.G.S. Section 32-9p. The following towns and cities currently qualify under this category: Ansonia, Bridgeport, Bristol, Derby, East Hartford, Enfield, Groton, Hartford, Killingly, Meriden, Montville, Naugatuck, New Britain, New Haven, New London, North Canaan, Plainfield, Plymouth, Putnam, Sprague, Torrington, Waterbury, West Haven, Windham, and Winchester.

Category VII: Ground Water Rule

A. Project corrects Significant Deficiencies	
Points awarded based on percentage of total eligible project cost that corrects Significant Deficiencies as shown below (rounded to nearest 10%)	
100%	20
90%	18
80%	16
70%	14
60%	12
50%	10
40%	8
30%	6
20%	4
10% (>0 & up to 10%)	2

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Category VIII: Emergency Generator (maximum of 50 points from this category)

Note: If points are awarded under Category IV B (Emergency Power Provisions) above, no points will be awarded under this category.

A. Emergency Power Generator Program

This category is for projects estimated to cost less than \$100,000. Either 25 or 50 points will be awarded for this category.

New generator installation	50
Replacement generator	25

B. Emergency Power Generator

This category is for projects with estimated costs of \$100,000 and over. Either 25 or 50 points will be awarded for this category.

New generator installation	50
Replacement generator	25

Project #	PWSID	Public Water System	Town of PWS	Project Name	Points	Amount Requested	Received Sustainability and Affordability Points ¹	Small System ²
2015-0039	CT0090011	BETHEL WATER DEPT	BETHEL	DWSRF - New East Swamp Well Field	30	\$2,600,000	No	Yes
2015-0034	CT0279044	INDIAN RIVER RECREATIONAL COMPLEX (Town of Clinton)	CLINTON	DWSRF - Rocky Ledge Area Water Main Extension	30	\$3,000,000	No	Yes
2015-0084	CT0320292	COVENTRY HIGH & NATHAN HALE SCHOOLS	COVENTRY	DWSRF - Water main ext for consolidation	40	\$6,100,000	No	Yes
2015-0040	CT0330011	CROMWELL FIRE DISTRICT WATER DEPARTMENT	CROMWELL	DWSRF - Raymond Place Neighborhood Water Main Replacement	15	\$1,500,000	No	No
2015-0114	CT0450011	EAST LYME WATER & SEWER COMMISSION	EAST LYME	DWSRF - Greensand Filtration - Wells 1A & 2A (Construction)	25	\$5,500,000	No	No
2015-0035	CT0609094	BITTNER PARK (Town of Guilford)	GUILFORD	DWSRF - Mulberry Point Water Main Extension	30	\$2,716,880	No	Yes
2015-0043	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Various Storage Tank Rehab	40	\$4,000,000	Yes	No
2015-0064	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Bear Ridge Drive - Pump Station Upgrade & Water Main Extension	35	\$1,800,000	No	No
2015-0060	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - West Hartford Water Treatment Facility - Rehab of 6 MG Basin	35	\$3,000,000	Yes ³	No
2012-0029	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replace Buckingham St. area, Hartford	25	\$5,000,000	Yes ³	No
2015-0045	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Raw Water Pipeline - Phase II - Res 6 to Res 5	25	\$5,000,000	Yes	No
2015-0047	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacements - Various East Hartford (2017)	25	\$3,300,000	Yes	No
2015-0053	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Madison Avenue Area Water Main Replacement, Hartford	25	\$3,600,000	Yes ³	No
2015-0067	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacements - Hartford (2016)	25	\$13,000,000	Yes	No
2012-0030	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replace Bond Street, Hartford	25	\$3,904,000	Yes ³	No
2012-0038	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Raw Water Pipeline-Phase I - Res#6 to Res #5	25	\$5,000,000	Yes	No
2015-0046	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Church Street Water Main Replacement Phases I & II	25	\$8,000,000	Yes ³	No
2015-0063	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Farmington Ave #11 Water Main Replacement	25	\$3,500,000	Yes ³	No
2015-0044	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Simsbury Road Pump Station Rehabilitation	15	\$2,677,000	No	No
2015-0056	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Eastbury Water Storage Basin Improvements, Glastonbury	15	\$2,800,000	No	No
2015-0066	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Transmission Main Extension - Long Hill Road	15	\$3,400,000	No	No
2015-0068	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacements - Various West Hartford	15	\$9,000,000	No	No
2015-0037	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Garden Street Area Water Main Replacement, Wethersfield	15	\$3,000,000	No	No
2015-0052	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Bloomfield Transmission Main Extension	15	\$13,000,000	No	No

Project #	PWSID	Public Water System	Town of PWS	Project Name	Points	Amount Requested	Received Sustainability and Affordability Points ¹	Small System ²
2015-0116	CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF - Water Main Replacement - Valley St. area	15	\$1,000,000	No	No
2015-0032	CT0790021	HILLSIDE CORPORATION	MARLBOROUGH	DWSRF - Storage Tank & Pump House Improvements	25	\$115,000	No	Yes
2015-0112	CT0860302	MONTVILLE HIGH SCHOOL	MONTVILLE	DWSRF - Montville Center Waterline Interconnection	20	\$6,800,000	No	Yes
2015-0048	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Redevelopment of the Lower White Bridge Well (Construction)	60	\$2,800,000	Yes	No
2015-0051	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Whtbrg Raw Water Supply (Pond) Station Electric, Mechanical & SCADA (Construction)	30	\$1,960,864	Yes	No
2015-0030	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Water Main Improvement on Batterson Park Road (Construction)	25	\$600,000	Yes	No
2015-0134	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Filter Plant SCADA (Construction)	25	\$1,131,000	Yes	No
2015-0090	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - North Sleeping Giant Well Replacement	70	\$1,000,000	Yes	No
2015-0088	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Adv Metering Infrastructure Phase IVb	50	\$4,200,000	Yes	No
2015-0085	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - West River WTP DAF	40	\$4,000,000	Yes	No
2015-0089	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Ansonia-Derby Atm Storage Tank	40	\$2,500,000	Yes	No
2015-0087	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Burwell Hill Tank Replacement	25	\$3,000,000	Yes	No
2015-0115	CT1420041	WOODLAND SUMMIT COMMUNITY WATER ASSN	TOLLAND	DWSRF - Infrastructure Improvements	25	\$100,000	No	Yes
2015-0073	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator Hamilton Avenue Pump Station (Construction)	70	\$140,000	Yes	No
2015-0074	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator North Main Street Pump Station (Construction)	70	\$285,000	Yes	No
2015-0075	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator Pierpont Road Pump Station (Construction)	70	\$185,000	Yes	No
2015-0076	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator Rumford Street Pump Station (Construction)	70	\$140,000	Yes	No
2015-0077	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator at the Water Treatment Plant	45	\$2,250,000	Yes	No
2015-0078	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Water Treatment Plant Sludge Removal Equipment (Construction)	45	\$2,300,000	Yes	No
2015-0072	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Rehabilitations and Replacement of Water Mains (Fiscal year 2017)	25	\$1,600,000	Yes	No
2015-0042	CT1530021	WATERTOWN WATER & SEWER AUTHORITY	WATERTOWN	DWSRF - Bunker Hill Sewer & Water Extension	30	\$4,000,000	No	No
2015-0050	CT1530021	WATERTOWN WATER & SEWER AUTHORITY	WATERTOWN	DWSRF - Davis Street Water Main Replacement: Maple to Russel	15	\$700,000	No	No
2015-0070	CT1680031	WOODLAKE TAX DISTRICT	WOODBURY	DWSRF - Treatment System Improvements & Water System Automation Project (Construction)	35	\$940,000	No	Yes

Project #	PWSID	Public Water System	Town of PWS	Project Name	Points	Amount Requested	Received Sustainability and Affordability Points ¹	Small System ²
2015-0069	CT1680031	WOODLAKE TAX DISTRICT	WOODBURY	DWSRF - Replacement of Bedrock Supply Well PW-7 (Construction)	30	\$85,000	No	Yes
2015-0065	CT1680031	WOODLAKE TAX DISTRICT	WOODBURY	DWSRF - Distribution System Improvements & Trans Line Cleaning (Construction)	20	\$75,000	No	Yes
2015-0062	CT1680031	WOODLAKE TAX DISTRICT	WOODBURY	DWSRF - Solar Panel Installation ⁴ (Construction)	0	\$600,000	No	Yes

2017 Draft Comprehensive list	\$156,904,744
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Footnotes:

1	Projects which were awarded Sustainability and Affordability points are eligible to receive federal subsidy.
2	These PWSs serve a population less than or equal to 10,000 and are considered "small" for the purposes of DWSRF and are qualified to receive federal subsidy.
3	These projects were listed on the original SFY 2016 PPL, but did not proceed. Per the SFY 2016 IUP, these projects are not eligible for subsidy in SFY 2017.
4	This project is eligible for DWSRF under federal rules, however, there is no point category in the current Priority Ranking System for which this project qualifies, therefore, no ranking points have been awarded.

Project #	PWSID	Public Water System	Town of PWS	Project Name	Points	population served by project (not shown in IUP)	Amount Requested	Received Sustainability and Affordability Points ¹	Small System ²
2015-0090	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - North Sleeping Giant Well Replacement	70	15,000	\$1,000,000	Yes	No
2015-0074	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator North Main Street Pump Station (Construction)	70	6,500	\$285,000	Yes	No
2015-0075	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator Pierpont Road Pump Station (Construction)	70	6,500	\$185,000	Yes	No
2015-0073	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator Hamilton Avenue Pump Station (Construction)	70	2,500	\$140,000	Yes	No
2015-0076	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator Rumford Street Pump Station (Construction)	70	2,500	\$140,000	Yes	No
2015-0048	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Redevelopment of the Lower White Bridge Well (Construction)	60	73,164	\$2,800,000	Yes	No
2015-0088	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Adv Metering Infrastructure Phase IVb	50	440,000	\$4,200,000	Yes	No
2015-0077	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator at the Water Treatment Plant	45	109,676	\$2,250,000	Yes	No
2015-0078	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Water Treatment Plant Sludge Removal Equipment (Construction)	45	109,676	\$2,300,000	Yes	No
2015-0085	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - West River WTP DAF	40	53,000	\$4,000,000	Yes	No
2015-0043	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Various Storage Tank Rehab	40	18,710	\$4,000,000	Yes	No
2015-0089	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Ansonia-Derby Atm Storage Tank	40	13,000	\$2,500,000	Yes	No
2015-0084	CT0320292	COVENTRY HIGH & NATHAN HALE SCHOOLS	COVENTRY	DWSRF - Water main ext for consolidation	40	1,753	\$6,100,000	No	Yes
2015-0060	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - West Hartford Water Treatment Facility - Rehab of 6 MG Basin	35	300,000	\$3,000,000	Yes ³	No
2015-0070	CT1680031	WOODLAKE TAX DISTRICT	WOODBURY	DWSRF - Treatment System Improvements & Water System Automation Project (Construction)	35	912	\$940,000	No	Yes
2015-0064	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Bear Ridge Drive - Pump Station Upgrade & Water Main Extension	35	180	\$1,800,000	No	No
2015-0051	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Whtbrg Raw Water Supply (Pond) Station Electric, Mechanical & SCADA (Construction)	30	73,164	\$1,960,864	Yes	No
2015-0039	CT0090011	BETHEL WATER DEPT	BETHEL	DWSRF - New East Swamp Well Field	30	9,237	\$2,600,000	No	Yes
2015-0069	CT1680031	WOODLAKE TAX DISTRICT	WOODBURY	DWSRF - Replacement of Bedrock Supply Well PW-7 (Construction)	30	912	\$85,000	No	Yes
2015-0035	CT0609094	BITTNER PARK (Town of Guilford)	GUILFORD	DWSRF - Mulberry Point Water Main Extension	30	480	\$2,716,880	No	Yes
2015-0034	CT0279044	INDIAN RIVER RECREATIONAL COMPLEX (Town of Clinton)	CLINTON	DWSRF - Rocky Ledge Area Water Main Extension	30	304	\$3,000,000	No	Yes
2015-0042	CT1530021	WATERTOWN WATER & SEWER AUTHORITY	WATERTOWN	DWSRF - Bunker Hill Sewer & Water Extension	30	300	\$4,000,000	No	No
2015-0045	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Raw Water Pipeline - Phase II - Res 6 to Res 5	25	362,348	\$5,000,000	Yes	No
2012-0038	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Raw Water Pipeline - Phase I - Res#6 to Res #5	25	362,348	\$5,000,000	Yes	No

Project #	PWSID	Public Water System	Town of PWS	Project Name	Points	population served by project (not shown in IUP)	Amount Requested	Received Sustainability and Affordability Points ¹	Small System ²
2015-0134	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Filter Plant SCADA (Construction)	25	73,164	\$1,131,000	Yes	No
2015-0087	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Burwell Hill Tank Replacement	25	33,000	\$3,000,000	Yes	No
2015-0114	CT0450011	EAST LYME WATER & SEWER COMMISSION	EAST LYME	DWSRF - Greensand Filtration - Wells 1A & 2A (Construction)	25	15,245	\$5,500,000	No	No
2015-0072	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Rehabilitations and Replacement of Water Mains (Fiscal year 2017)	25	15,000	\$1,600,000	Yes	No
2015-0067	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacements - Hartford (2016)	25	2,728	\$13,000,000	Yes	No
2012-0030	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replace Bond Street, Hartford	25	2,200	\$3,904,000	Yes ³	No
2012-0029	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replace Buckingham St. area, Hartford	25	2,040	\$5,000,000	Yes ³	No
2015-0046	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Church Street Water Main Replacement Phases I & II	25	1,250	\$8,000,000	Yes ³	No
2015-0063	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Farmington Ave #11 Water Main Replacement	25	800	\$3,500,000	Yes ³	No
2015-0047	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacements - Various East Hartford (2017)	25	652	\$3,300,000	Yes	No
2015-0053	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Madison Avenue Area Water Main Replacement, Hartford	25	604	\$3,600,000	Yes ³	No
2015-0115	CT1420041	WOODLAND SUMMIT COMMUNITY WATER ASSN	TOLLAND	DWSRF - Infrastructure Improvements	25	216	\$100,000	No	Yes
2015-0030	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Water Main Improvement on Batterson Park Road (Construction)	25	150	\$600,000	Yes	No
2015-0032	CT0790021	HILLSIDE CORPORATION	MARLBOROUGH	DWSRF - Storage Tank & Pump House Improvements	25	136	\$115,000	No	Yes
2015-0112	CT0860302	MONTVILLE HIGH SCHOOL	MONTVILLE	DWSRF - Montville Center Waterline Interconnection	20	1,000	\$6,800,000	No	Yes
2015-0065	CT1680031	WOODLAKE TAX DISTRICT	WOODBURY	DWSRF - Distribution System Improvements & Trans Line Cleaning (Construction)	20	912	\$75,000	No	Yes
2015-0052	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Bloomfield Transmission Main Extension	15	34,888	\$13,000,000	No	No
2015-0066	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Transmission Main Extension - Long Hill Road	15	3,692	\$3,400,000	No	No
2015-0068	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacements - Various West Hartford	15	1,376	\$9,000,000	No	No
2015-0056	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Eastbury Water Storage Basin Improvements, Glastonbury	15	1,356	\$2,800,000	No	No
2015-0044	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Simsbury Road Pump Station Rehabilitation	15	950	\$2,677,000	No	No
2015-0040	CT0330011	CROMWELL FIRE DISTRICT WATER DEPARTMENT	CROMWELL	DWSRF - Raymond Place Neighborhood Water Main Replacement	15	800	\$1,500,000	No	No
2015-0116	CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF - Water Main Replacement - Valley St. area	15	300	\$1,000,000	No	No

Project #	PWSID	Public Water System	Town of PWS	Project Name	Points	population served by project (not shown in IUP)	Amount Requested	Received Sustainability and Affordability Points ¹	Small System ²
2015-0037	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Garden Street Area Water Main Replacement, Wethersfield	15	280	\$3,000,000	No	No
2015-0050	CT1530021	WATERTOWN WATER & SEWER AUTHORITY	WATERTOWN	DWSRF - Davis Street Water Main Replacement: Maple to Russel	15	152	\$700,000	No	No
2015-0062	CT1680031	WOODLAKE TAX DISTRICT	WOODBURY	DWSRF - Solar Panel Installation ⁴ (Construction)	0	912	\$600,000	No	Yes

2017 Draft Comprehensive list	\$156,904,744
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Footnotes:

1	Projects which were awarded Sustainability and Affordability points are eligible to receive federal subsidy.
2	These PWSs serve a population less than or equal to 10,000 and are considered "small" for the purposes of DWSRF and are qualified to receive federal subsidy.
3	These projects were listed on the original SFY 2016 PPL, but did not proceed. Per the SFY 2016 IUP and Draft 2017 IUP, these projects are not eligible for subsidy in SFY 2017.
4	This project is eligible for DWSRF under federal rules, however, there is no point category in the current Priority Ranking System for which this project qualifies, therefore, no ranking points have been awarded.

Attachment E - SFY 2017 Carryover Project List

PWSID	PWS Name	Town of PWS	Project Name	Amount requested
CT0090011	BETHEL WATER DEPT	BETHEL	DWSRF - Hoyts Hill Booster Pump	\$1,063,836
CT0090011	BETHEL WATER DEPT	BETHEL	DWSRF - Maple Avenue Wellfield	\$1,200,000
CT0090011	BETHEL WATER DEPARTMENT	BETHEL	DWSRF - Euerka Water Storage Tank	\$1,935,566
CT0170011	BRISTOL WATER DEPARTMENT	BRISTOL	DWSRF - Dewitt Drive Storage Tank Improvements	\$531,000
CT0330011	CROMWELL FIRE DISTRICT	CROMWELL	Emergency Power Generator Program	\$198,000
CT0340111	AQUA VISTA ASSOC., INC - UPPER SYSTEM	DANBURY	Emergency Power Generator Program	\$10,000
CT0347051	AQUA VISTA ASSOC., INC - LOWER SYSTEM	DANBURY	Emergency Power Generator Program	\$12,000
CT0400051	OLD NEWGATE RIDGE WATER COMPANY	EAST GRANBY	Emergency Power Generator Program	\$45,000
CT0450011	EAST LYME WATER & SEWER COMMISSION	EAST LYME	DWSRF - Greensand Filtration - Wells 1A & 2A (Design)	\$500,000
CT0490021	HAZARDVILLE WATER COMPANY	ENFIELD	Emergency Power Generator Program - Town Farm Road Well	\$80,000
CT0590011	GROTON UTILITIES	GROTON	DWSRF - Water Treatment Plant Upgrade	\$42,000,000
CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Reservoir #6 Water Treatment Facility Filtered Water Basin Rehab	\$3,050,000
CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - RF Automated Meter Reading - Phase IV	\$5,000,000
CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacement - Montclair & Linbrook, West Hartford	\$3,000,000
CT0720041	SCWA TOWER - FERRY VIEW DIVISION	LEDYARD	Emergency Power Generator Program	\$33,000
CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF Globe Hollow Water Treatment Plant Improvements - Phase 2	\$450,000
CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF - Pipe Rehabilitation and Replacement	\$669,887
CT0780041	WHITE OAK CONDOMINIUM	MANSFIELD	Emergency Power Generator Program	\$10,000
CT0790021	HILLSIDE WATER CORPORATION	MARLBOROUGH	Emergency Power Generator Program	\$12,000
CT0860011	SCWA - MONTVILLE DIVISION	MONTVILLE	Emergency Power Generator Program	\$33,000
CT0860081	SCWA - CHESTERFIELD DIVISION	MONTVILLE	Emergency Power Generator Program	\$33,000
CT0878011	BREEZY KNOLL ASSOCIATION	MORRIS	Emergency Power Generator Program	\$15,000
CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Water Main Improvement on Batterson Park Road (Design)	\$50,000
CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Redevelopment of the Lower White Bridge Well (Design)	\$700,000
CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Whtbrg Raw Water Supply (Pond) Station Electric, Mechanical & SCADA (Design)	\$291,280
CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Filter Plant SCADA (Design)	\$169,000
CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Lake Gaillard WTP Generator	\$2,310,000
CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Lake Saltonstall Intake and Raw Water PS Improvements	\$2,100,000
CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Tank Painting (various)	\$2,289,746
CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Automated Meter Reading Phases III & IVa	\$8,400,000
CT1040011	NORWICH PUBLIC UTILITIES	NORWICH	DWSRF - AMI Water Meter Replacement Program	\$3,600,000
CT1040011	NORWICH PUBLIC UTILITIES	NORWICH	DWSRF - Stony Brook DAF	\$3,500,000
CT1040011	NORWICH PUBLIC UTILITIES	NORWICH	DWSRF - Royal Oaks Project	\$1,660,886
CT1040011	NORWICH PUBLIC UTILITIES	NORWICH	DWSRF - Mohegan Park Water Tank	\$2,376,923
CT1040011	NORWICH PUBLIC UTILITIES	NORWICH	DWSRF - Northern Stony Brook Transmission Main Renewal & Micro-Turbine	\$2,358,463

PWSID	PWS Name	Town of PWS	Project Name	Amount requested
CT1040011	NORWICH PUBLIC UTILITIES	NORWICH	DWSRF - Southern Stony Brook Transmission Main renewal	\$2,259,188
CT1050141	LYME REGIS, INC.	OLD LYME	DWSRF - Generator	\$20,000
CT1050732	CONNECTICUT WATER COMPANY - SHORELINE REGION - SOUND VIEW	OLD LYME	DWSRF - Old Lyme Beach Shores Association Water Main Replacement	\$812,000
CT1160011	PUTNAM WATER POLLUTION CONTROL AUTHORITY	PUTNAM	DWSRF - Water Main Replace/Reline	\$10,600,000
CT1210011	SALEM MANOR SYSTEM #1	SALEM	Emergency Power Generator Program	\$60,000
CT1211911	SALEM MANOR SYSTEM #2	SALEM	Emergency Power Generator Program	\$60,000
CT1220061	SALISBURY SCHOOL	SALISBURY	DWSRF - Generator Salisbury School	\$37,300
CT1280011	TARIFFVILLE FIRE DISTRICT WATER DEPARTMENT	SIMSBURY	DWSRF - Water Storage Tank Improvements	\$1,580,660
CT1310011	SOUTHINGTON WATER DEPARTMENT	SOUTHINGTON	DWSRF - Well #2A Construction Project (Well #2 Back-up)	\$1,525,000
CT1501111	RUMSEY HALL SCHOOL	WASHINGTON	Emergency Power Generator Program	\$1,800
CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Rehabilitations and Replacement of Water Mains (Fiscal year 2016)	\$1,600,000
CT1600061	NORTH WILLINGTON VILLAGE CONDO ASSOC.	WILLINGTON	DWSRF - Generator	\$11,800
CT1620011	WINSTED WATER WORKS	WINCHESTER	Emergency Power Generator Program	\$49,000
CT1680031	WOODLAKE TAX DISTRICT	WOODBURY	DWSRF - Generator Pre Treatment Bldg	\$32,000
Amount of Carryover Projects:				\$108,336,335

Project #	PWSID	Public Water System	Town of PWS	Project Name	Points	Population Served by Project	Amount Requested	Received Sustainability and Affordability Points ¹	Small System ²
2015-0090	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - North Sleeping Giant Well Replacement	70	15,000	\$1,000,000	Yes	No
2015-0073	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator Hamilton Avenue Pump Station (Construction)	70	2,500	\$140,000	Yes	No
2015-0074	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator North Main Street Pump Station (Construction)	70	6,500	\$285,000	Yes	No
2015-0075	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator Pierpont Road Pump Station (Construction)	70	6,500	\$185,000	Yes	No
2015-0076	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator Rumford Street Pump Station (Construction)	70	2,500	\$140,000	Yes	No
2015-0088	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Adv Metering Infrastructure Phase IVb	50	440,000	\$4,200,000	Yes	No
2015-0077	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator at the Water Treatment Plant	45	109,676	\$2,250,000	Yes	No
2015-0078	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Water Treatment Plant Sludge Removal Equipment (Construction)	45	109,676	\$2,300,000	Yes	No
2015-0089	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Ansonia-Derby Atm Storage Tank	40	13,000	\$2,500,000	Yes	No
2015-0060	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - West Hartford Water Treatment Facility - Rehab of 6 MG Basin	35	300,000	\$3,000,000	Yes ³	No
2015-0051	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Whtbrg Raw Water Supply (Pond) Station Electric, Mechanical & SCADA (Construction)	30	73,164	\$1,960,864	Yes	No
2015-0035	CT0609094	BITTNER PARK (Town of Guilford)	GUILFORD	DWSRF - Mulberry Point Water Main Extension	30	480	\$2,716,880	No	Yes
2015-0034	CT0279044	INDIAN RIVER RECREATIONAL COMPLEX (Town of Clinton)	CLINTON	DWSRF - Rocky Ledge Area Water Main Extension	30	304	\$3,000,000	No	Yes
2015-0042	CT1530021	WATERTOWN WATER & SEWER AUTHORITY	WATERTOWN	DWSRF - Bunker Hill Sewer & Water Extension	30	300	\$4,000,000	No	No
2015-0134	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Filter Plant SCADA (Construction)	25	73,164	\$1,131,000	Yes	No
2015-0087	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Burwell Hill Tank Replacement	25	33,000	\$3,000,000	Yes	No
2015-0114	CT0450011	EAST LYME WATER & SEWER COMMISSION	EAST LYME	DWSRF - Greensand Filtration - Wells 1A & 2A (Construction)	25	15,254	\$5,500,000	No	No
2015-0072	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Rehabilitations and Replacement of Water Mains (Fiscal year 2017)	25	15,000	\$1,600,000	Yes	No
2012-0030	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replace Bond Street, Hartford	25	2,200	\$3,904,000	Yes ³	No
2015-0063	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Farmington Ave #11 Water Main Replacement	25	800	\$3,500,000	Yes ³	No
2015-0115	CT1420041	WOODLAND SUMMIT COMMUNITY WATER ASSN	TOLLAND	DWSRF - Infrastructure Improvements	25	216	\$100,000	No	Yes
2015-0030	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Water Main Improvement on Batterson Park Road (Construction)	25	150	\$600,000	Yes	No

Project #	PWSID	Public Water System	Town of PWS	Project Name	Points	Population Served by Project	Amount Requested	Received Sustainability and Affordability Points ¹	Small System ²
2015-0032	CT0790021	HILLSIDE CORPORATION	MARLBOROUGH	DWSRF - Storage Tank & Pump House Improvements	25	136	\$115,000	No	Yes
2015-0052	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Bloomfield Transmission Main Extension	15	34,888	\$13,000,000	No	No
2015-0116	CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF - Water Main Replacement - Valley St. area	15	300	\$1,000,000	No	No
2015-0037	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Garden Street Area Water Main Replacement, Wethersfield	15	280	\$3,000,000	No	No
2015-0050	CT1530021	WATERTOWN WATER & SEWER AUTHORITY	WATERTOWN	DWSRF - Davis Street Water Main Replacement: Maple to Russel	15	152	\$700,000	No	No
2017 Draft Fundable PPL							\$64,827,744		

Footnotes:

1	Projects which were awarded Sustainability and Affordability points are eligible to receive federal subsidy.
2	These PWSs serve a population less than or equal to 10,000 and are considered "small" for the purposes of DWSRF and are qualified to receive federal subsidy.
3	These projects were listed on the original SFY 2016 PPL, but did not proceed. Per the SFY 2016 IUP and Draft 2017 IUP, these projects are not eligible for subsidy in SFY 2017.

**State of Connecticut – Department of Public Health
Drinking Water State Revolving Fund (DWSRF)
Asset Management Plan Checklist**

Public Water System: _____

Town: _____ PWSID: _____

PWS FM Contact Person: _____ Relationship to PWS: _____

Address: _____ City: _____ State: _____ Zip: _____

Email: _____ Phone: _____

A copy of the **Asset Management (AM) Plan** must be attached to this checklist. Should this form be used in conjunction with any SRF funding requirements, a signed request for review on utility letterhead must accompany this checklist.

It must have been updated within the past 3 years.

The AM Plan should contain, at a minimum, the following information:
(check off each item that is included in the Plan)

EPA Guidance (Click to Download)
[Reference Guide for Asset Management Tools CUPSS](#)

1	Discussion of when plan was first created, how it gets updated, and date of most recent update	Strategic Planning STEP
2	List of all the drinking water supply assets of the public water system including the item, location, manufacturer, model, size (if applicable), and expected useful service life	Taking Stock STEP Asset Management STEP Asset Management Best Practices Guide
3	Description of the state of each asset, including age and condition, and any conditions that may affect the life of the asset	Taking Stock STEP Asset Management STEP
4	A description of the service history of each asset including routine maintenance, repairs and rehabilitations	Taking Stock STEP Asset Management STEP Distribution Systems Best Practices Guide
5	The adjusted useful service life and remaining useful service life of each asset	Taking Stock STEP Asset Management STEP
6	Description of the intended Level of Service to be provided to customers/consumers	Taking Stock STEP Asset Management STEP Asset Management Best Practices Guide Asset Management for Local Officials
7	Evaluation of the operation of the system, including available supply vs. demand	Strategic Planning STEP Distribution Systems Best Practices Guide Water System Operator Best Practices Guide
8	Identification of critical assets, including discussion of how they were determined	Asset Management STEP Taking Stock STEP
9	Ranking of each asset in terms of priority, taking into consideration the remaining useful service life, redundancy, and the importance of the asset to the operation of the water system and protection of public health	Asset Management STEP Taking Stock STEP
10	List of capital improvements needed over the next five years (i.e. Capital Improvement Plan), including expected costs for each improvement.	Asset Management STEP Taking Stock STEP Asset Management Best Practices Guide
11	Explanation of how decisions for water system maintenance and repairs are made	Water System Operator Best Practices Guide Distribution Systems Best Practices Guide
12	Description of the water system maintenance plan	Strategic Planning STEP Distribution Systems Best Practices Guide
13	Discussion of members of the Asset Management Team, including responsibilities with respect to oversight of the AM Plan, reviewing and updating	Strategic Planning STEP Building an Asset Management Team Water System Operator Best Practices Guide

This form and relevant attachments must be submitted to the Drinking Water Section for review and be approved in order for the PWS to be eligible to receive any grant-in-aid pursuant to Public Act 14-98.

**State of Connecticut – Department of Public Health
Drinking Water State Revolving Fund (DWSRF)
Fiscal Management Plan Checklist**

Public Water System: _____

Town: _____ PWSID: _____

PWS FM Contact Person: _____ Relationship to PWS: _____

Address: _____ City: _____ State: _____ Zip: _____

Email: _____ Phone: _____

A copy of the **Fiscal Management (FM) Plan** must also be attached to this checklist. Should this form be used in conjunction with any SRF funding requirements, a signed request for review on utility letterhead must accompany this checklist.

The FM Plan should contain, at a minimum, the following information:

EPA Guidance (Click to Download)

[Reference Guide for Asset Management Tools](#)

1	Discussion of when plan was first created, how it gets updated, and date of most recent update	Strategic Planning STEP
2	Discussion of how the water system budget is determined and funded; including a copy of the current budget	Water System Owner Best Practices Guide Talking to Your Decision Makers Best Practices Guide Asset Management for Local Officials Asset Management Best Practices Guide Setting Small System Rates for a Sustainable Future STEP Asset Management STEP
3	Discussion of how customers are charged for water, including billing practices and how unpaid accounts are resolved	Setting Small System Rates for a Sustainable Future STEP Asset Management STEP Rural and Small System Guide to Sustainable Utility Management
4	Discussion of how the funding for capital improvement funding needs (based on the Asset Management Plan) of the water system are budgeted	Setting Small System Rates for a Sustainable Future STEP Asset Management STEP Taking Stock STEP
5	Discussion of any reserve fund for water system capital improvements and how it is funded and used, and how often funds are added to the account	Setting Small System Rates for a Sustainable Future STEP Asset Management STEP
6	How often are the water system revenues and expenses reviewed?	Setting Small System Rates for a Sustainable Future STEP Asset Management STEP
7	Are the water system revenues sufficient to meet expenses, including reserving funds for needed future capital improvements and other expenses?	Setting Small System Rates for a Sustainable Future STEP Asset Management STEP Water System Owner Best Practices Guide Talking to Your Decision Makers Best Practices Guide
8	Discussion of the fiscal controls in place	

This form and relevant attachments must be submitted to the Drinking Water Section for review and be approved in order for the PWS to be eligible to receive any grant-in-aid pursuant to Public Act 14-98.



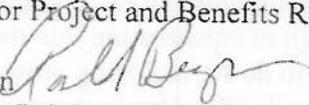
Attachment I

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

DEC 22 2014

OFFICE OF
WATER

SUBJECT: Drinking Water State Revolving Fund Program Guidance on Unliquidated Obligations Reduction Applying Project Readiness to Proceed, and Data Completeness for Project and Benefits Reporting System (PBR)

FROM: Ronald Bergman 
Acting Director, Drinking Water Protection Division

TO: Drinking Water State Revolving Fund Branch Chiefs
Regions I-X

This memorandum addresses the issue of DWSRF unliquidated obligations (ULO) reduction, through ensuring that states are using a common approach to determine that projects are "ready to proceed" to financing project planning and design or construction at the time of assistance award, and are following recognized practices contributing to ULO reduction. In addition, this memo addresses the need for more complete data on the public health benefits of projects and on project status.

These issues arose from EPA Office of Inspector General audits of the Drinking Water State Revolving Fund, focusing on unliquidated obligations and efficiency of funds use in the first case, and the Agency's ability to report on public health benefits of DWSRF projects in the second case. The recommendations of the Inspector General regarding these audits and the associated corrective actions appear as an attachment to this memorandum. EPA's responses for the corrective action recommendations are immediately effective.

Unliquidated Obligations Reduction: Project Readiness to Proceed

The DWSRF ULO Reduction Strategy specifies six practices that states can utilize to reduce unliquidated obligations. One of these practices is to focus on "ready to proceed" projects. The Strategy defines the status of "ready to proceed" as "prepared to begin construction and is immediately ready, or poised to be ready, to enter into assistance agreements." If projects are not ready to proceed to construction and still need planning, the state may include projects on the fundable list that are ready to proceed to planning and design to enable them to be ready to proceed to construction in a future or updated fundable list.

Attachment I

Regions should ask their states to use this definition to guide their processes for awarding assistance to eligible water systems. This action should happen early in the fiscal year of the next grant award, prior to significant efforts of states to conduct solicitations for projects. Early communication to states is needed so that they can convey the expectation of the nature of the projects to potential applicants before they prepare their financial assistance applications.

At the time of a state's annual review, Regions should ask states about their adoption of the above definition of "ready to proceed" in the state's Intended Use Plan development process. The expectation is that the state will apply the definition in the preparation of its fundable list.

Regions must add the following question to the DWSRF State Review Checklist for 2015 and future years on this topic: "Has the state incorporated EPA's definition of "ready to proceed" as it applies to projects for planning and design or construction into the development of its fundable list; and, if not, what steps are being taken to do so, including providing funding for planning and design to get projects ready for construction?" EPA Headquarters will inquire of each Region whether each state is using the definition in the development of its next fundable list.

States' Use of Best Practices to Reduce Unliquidated Obligations

The EPA ULO Reduction Strategy cites six best practices that states should employ to reduce ULO. During the Regions' annual reviews of states, the Regions should document factors affecting any state not meeting program requirements and objectives specified in the Strategy for the timely, expeditious, and efficient use of federal funds that capitalize the state revolving funds and provide technical assistance to water systems. A significant focus of these annual reviews, through 2016 and beyond, should be to determine the status of the states' abilities to meet the objectives of the Strategy to fully utilize legacy ULO (FY 2013 and prior years), and to draw down funds of future years' grants (beginning with FY 2014 grants) within two years of the date of grant award.

Data Completeness for Project and Benefits Reporting System (PBR): Public Health Benefits of Projects

The DWSRF provides financial assistance to projects that enable water systems to achieve and/or maintain compliance with the National Primary and Secondary Drinking Water Standards (40 CFR 35.3520(b)(2)(i)). In future DWSRF Intended Use Plans, project descriptions must be sufficiently complete to determine which standards are being addressed by the projects to ascertain project eligibility and potential public health benefits from "address[ing] present or prevent[ing] future violations of health-based drinking water standards," including "maintain[ing] compliance with . . . regulations" and "further[ing] the public health protection objectives of the Act." The descriptions should also clearly specify the type and nature (including size or extent) of a project (40 CFR 35.3520(b)(2)) as: treatment installation or upgrade (such as for improvement of drinking water quality to comply with standards that are specified), transmission and/or distribution (such as for water pressure improvement or contamination prevention caused by leaks or breaks), source (such as rehabilitation of wells or replacing contaminated source), storage installation or upgrade (such as for prevention of microbiological contaminants from entering a PWS), consolidation (which systems and whether

Attachment I

consolidation is due to contamination, Technical/Financial/Managerial reasons or other rationale to be specified in the description), creation of a new system (which system and whether the new system was created due to contamination, managerial reasons or other rationale to be specified in the description).

Data Completeness for PBR: Project Status

States should have a formal quality assurance process for entering data to required fields in the PBR system. While the DWSRF list of required fields is unchanged, the recent internal audit found missing data in critical fields that contribute to determining public health outcomes.

EPA Headquarters will provide quarterly reports to Regions on the completeness of key fields in PBR. The following three fields have been identified as essential in determining environmental and public health benefits when combined with other water system compliance results, such as violations history. As experience is gained by states, Regions and Headquarters, these essential fields may be revised. For this initial effort, attention is focused on the following fields:

- PWS ID number
- Project Start date
- Project Completion date

The list of required fields has not been reduced to those listed above. The list above is a starting point for this quality assurance effort. As a reference, we have included the full list of PBR required fields as an attachment.

The quarterly reports will be sent out two weeks following the end of each quarterly PBR reporting period to each Region, with a list of State projects with missing data for these fields. The expectation is that Regions will work with States to ensure these fields are complete within 30 days of receiving this report. These fields were listed as required fields in the 2012 program procedures and are still applicable.

Thank you for significant efforts and dedication to the oversight of the DWSRF program. Please contact Charles Job, Chief, Infrastructure Branch, at 202-564-3941, Peter Shanaghan, DWSRF Team Lead, at 202-564-3848, or Howard Rubin, DWSRF Financial Analyst, at (202) 564-2051, if you have any questions.

Attachment I

ATTACHMENT 1: EPA Response to Office of Inspector General

1) OIG Audit: Unliquidated Obligations Resulted in Missed Opportunities to Improve Drinking Water Infrastructure, July 16, 2014

No.	Recommendation	High-Level Intended Corrective Action(s)	Estimated Completion by FY
2	Develop guidance for states on what projects are to be included on the fundable list, including a definition for “ready to proceed.”	The EPA agrees with the recommendation. The ULO Reduction Strategy defines “ready to proceed” as prepared “to begin construction” and “are immediately ready, or poised to be ready, to enter into assistance agreements.” If projects are not ready to proceed to construction and still need planning, the state may include projects on the fundable list that are ready to proceed to planning and design to enable them to be ready to proceed to construction in a future fundable list.	Done 4/14/14
3	Require that the EPA regions, when reviewing the capitalization grant application for states with high unliquidated obligation balances, ensure states have adopted the EPA’s guidance on the definition of “ready to proceed” and use that definition in developing the fundable list.	The EPA agrees with the recommendation and will provide Regions with a question to enable determination of whether states have adopted the definition of ready to proceed from the ULO Reduction Strategy and are using it to develop their fundable lists and will include the question in the DWSRF State Review Checklist. The EPA will also inquire of each Region whether each state is using the definition in the development of its next fundable list.	Ready to proceed definition included in Review Checklist 9/30/14 Check on inclusion of the definition in state fundable list development 9/30/15
4	Communicate to states having high unliquidated obligation balances that they should adopt the best management practice of having a well-organized process to ensure that projects on the fundable list are ready to proceed to loan execution within the current IUP year.	The EPA agrees with the recommendation. The EPA ULO Reduction Strategy cites six practices that states should employ to reduce ULO. Regions conduct annual reviews of states and document concerns of states not meeting program requirements and objectives. Special attention to ULO considerations will be a focus of these annual reviews through 2016, including onsite visits to select states.	Done 4/14/14

Attachment I

2) OIG Audit: EPA Needs to Demonstrate Public Health Benefits of Drinking Water State Revolving Fund Projects, August 1, 2014

No.	Recommendation	High-Level Intended Corrective Action(s)	Estimated Completion by FY
1	Enforce the grant requirement for states to input all necessary data in PBR (e.g., project completion, project results, project start/end dates, compliance period begin/end dates, and public water system identification numbers).	OGWDW agrees with intent of this recommendation as a path to mutual data quality objectives, which we share with the IG. We take lack of reporting seriously and will work with Regions and states to ensure receipt in PBR of complete data for projects receiving DWSRF financial assistance as provided for in grant terms and conditions. To support complete data reporting, we will also be doing further analysis of data completeness in PBR.	OGWDW will provide Regions a report of completeness of required DWSRF project data beginning in April 2015 and quarterly thereafter. The Regions will be able to identify with states, the actions needed for states to provide complete data for projects receiving DWSRF financial assistance and oversee steps to accomplish complete reporting of required data. Where incomplete reporting of required data continues to be a problem, OGWDW will consult with the Region on taking appropriate corrective action.
2	Review state-level data entry to ensure data completeness in PBR as part of the EPA's annual review of state performance.	OGWDW agrees with this recommendation and will provide guidance for the annual review process and a checklist that includes checking on completeness of the states' data reported in PBR for reviews in FY 2015.	September 2014.
3	Implement the most cost-effective method to capture public health benefit information by using information required in state annual/biennial reports and enhancing coordination with compliance monitoring programs at the federal and state levels.	OGWDW agrees with this recommendation and has initiated data integration of the PBR and SDWIS data sets to identify completed projects receiving DWSRF financial assistance which were in violation after project completion. OGWDW will develop a regular report for use by Regions and states to document the public health results of the DWSRF financial assistance.	March 2014.

Attachment I

4	<p>Periodically evaluate program results to ensure that program goals are being achieved at water systems receiving DWSRF financial assistance and record successes, best practices and challenges to be shared among EPA regions and the states to focus and enhance program performance.</p>	<p>OGWDW agrees with this recommendation. OGWDW conducts an annual review of the program through the Regional offices' focused reviews of state program outputs for the prior year. OGWDW will continue to evaluate program results and achievement of program goals as well as determine what actions are necessary to achieve results where needed. The reviews will also record successes, best practices and challenges to share among Regions and states.</p>	<p>December 2014 and annually thereafter.</p>
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Attachment I

ATTACHMENT 2: DWSRF Project Reporting Requirements

Attachment 8: DWSRF Project and Benefits Reporting Data Elements	
Project Benefits Data Fields	Required/Option
Borrower	required
Loan Execution Date	required
PWSID Number	required
Tracking number	required
Other tracking number	optional
Assistance Type	required
Loan Interest Rate	required
State Market Interest Rate	optional
Loan Term	optional
Incremental Funding	optional
Phase #	optional
Original Tracking Number	optional
Same Health Benefits	optional
Total Assistance (Initial Amount)	required
Total Assistance (Final Amount)	required
Additional Subsidy Provided	required
Grant Amount \$	required
Negative Interest Amount \$	required
Principal Forgiveness Amount \$	required
Net Loan Amount	optional
Funding is complete and funded amount has changed from initial amount	required
Based on states criteria, could the borrower have afforded the project without additional subsidy provided	required
% Funded By DWSRF	optional
Disadvantaged Assistance	required
IUP Year	optional
Assistance applies to_ grant year requirements	required
System Name	required
System Type	required
Ownership Type	optional
Age of System	optional
Project Name	required
Project Description	required

Attachment I

Project Benefits Data Fields	Required/Option
Project Purpose	required
Number of Projects Funded	required
Public Health Impact Description	required
Other Project Comments	optional
Project Start Date	required
Project Completion Date	Required
Project Consolidates Systems	Required
Number of System Eliminated	Optional
Project Creates New Systems	Required
Population Served by the project	Optional
Population Served by the system	Required
Borrower Population	Optional
Number of connection by the project	Optional
Number of connections by the system	Optional
Counties Served Primary	Optional
Other County 1	Optional
Other County 2	Optional
Address Line 1	Required
Address Line 2	Optional
City, State, Zip Code	Required
Congressional District	Optional
Project Includes Green Project Reserve	Required
Green Infrastructure Amount	required if green
Energy Efficiency Amount	required if green
Water Efficiency Amount	required if green
Green Innovative Amount	required if green
Amount of additional subsidy provided used to fund GPR.	required if green 2010 - 2012
NIMS project categories (Transmission, Treatment, etc...)	Required
Compliance Objectives	Optional
State set-aside information recipient	Required
State set-aside Funding Amount	Required
State set-aside Funding type	required
Grant number	required
Grant Award date	required
State Organization receiving grant	required

This list does not include FFATA requirements



Attachment J

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

DEC 2 2011

THE ADMINISTRATOR

The Honorable Dan Malloy
Governor of Connecticut
210 Capitol Avenue
Hartford, Connecticut 06106

Dear Governor Malloy:

This nation's water infrastructure not only protects water quality and human health, but contributes to economic vitality and quality of life. Our longstanding partnership under the Clean Water and Drinking Water State Revolving Fund programs (SRFs) has enabled us to address the largest water quality and public health threats while creating jobs and renewing communities. The US Environmental Protection Agency is interested in working with you to increase the pace of expenditures under the SRFs. To that end, I'd like to offer some ideas for your consideration.

First, however, I want to acknowledge the effort your state has made in working with your water and wastewater systems to implement the American Recovery and Reinvestment Act (ARRA). ARRA funds created jobs through expeditious implementation of SRF projects that make a difference in the health and vitality of communities. Most of the nearly \$6 billion made available to state SRFs through ARRA has been put to work.

Over the last three years, in addition to ARRA, the States and Territories have received over \$7 billion in Clean Water and Drinking Water SRF program resources. Our collective priority has been and remains moving this continuing flow of funds as quickly as possible to carry out projects on the ground, putting Americans back to work and delivering improved environmental and public health protection. We are making noteworthy progress. Within 6 months of enactment of the full Federal Fiscal Year 2011 appropriation, we have obligated 78 percent of those funds; I believe we can do better.

We appreciate the strong partnership we enjoy with Connecticut's program. Your staff members have offered many helpful insights regarding what we at the EPA can do to help facilitate the expeditious movement of the SRF funds. I have directed staff to give priority to the review and award of SRF capitalization grants and to streamline and simplify processes where possible on our end. Steps that you can take to expedite the flow of SRF dollars into your State's economy include:

- Submitting SRF capitalization grant applications as soon as possible.
 - I encourage you to apply now for your FY2011 capitalization grant awards for the Drinking Water and Clean Water SRF.
 - If you have not already, I encourage you to submit draft Intended Use Plans (IUPs) for FY2012 funding for both SRFs based on your State's allocations under the President's Budget, so that my staff can begin reviewing them early. Applications can be submitted with final IUPs following the final FY2012 appropriation, but early review will expedite grant award.

- Awarding assistance agreements as soon as money becomes available to the State.
 - I encourage you to award assistance agreements to projects being funded through repayments, interest earnings, fees, or State match as soon as those funds become available to the State.
 - I also recommend that you draft assistance agreements for projects being funded through federal capitalization so that they are ready to be signed upon award of the capitalization grant.
 - Finally, I request that you work closely with your communities to build a pipeline of projects that are ready to proceed, so that contracts can be awarded and construction can begin upon the award of assistance agreements.

I am requesting your personal involvement in ensuring that your State moves quickly to apply for and receive its capitalization grants each year and moves quickly to award assistance to local projects consistent with legislative authorities, regulations, and program guidelines. Your efforts in this regard will result in job creation benefits as well as providing important water and wastewater infrastructure that will support the long-term prosperity and well-being of communities in your State.

Please contact me if there are any issues I can help you resolve, and I will have my Regional Administrator follow up with your SRF agencies.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lisa P. Jackson', with a long horizontal flourish extending to the right.

Lisa P. Jackson

STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC HEALTH



Jewel Mullen, M.D., M.P.H., M.P.A.
Commissioner

Dannel Malloy
Governor

January 20, 2012

Lisa Jackson, Administrator
US Environmental Protection Agency Headquarters
Ariel Rios building
1200 Pennsylvania Avenue, N.W.
Mail Code: 1101A
Washington, DC 20460

Subject: December 2, 2011 Letter from Lisa Jackson to Governor Malloy

Dear Administrator Jackson:

The Connecticut Department of Public Health (DPH) received your letter dated December 2, 2011 to Governor Malloy requesting that Connecticut expedite the flow of Drinking Water State Revolving Fund (DWSRF) dollars into Connecticut's economy. DPH greatly appreciates the DWSRF program, views it as instrumental to public health protection and agrees that providing for robust drinking water infrastructure will support the long term prosperity and well being of Connecticut's communities.

A unique challenge in Connecticut continues to be the large number of public water systems that exist within the state. With over 2,500 public water systems and 169 municipalities with no regional or county governments, the program that administers public drinking water is faced with a complex array of issues. A proactive DWSRF program can greatly assist to address these issues.

With that, the DWSRF program is a priority for the State of Connecticut and the DPH. We agree with the need to expedite the use of DWSRF funds. We view the DWSRF program as one of the cornerstones of invigorating drinking water infrastructure investment in Connecticut and we look forward to our continued work with your staff in Region I. To that end, we can report that several key strategic initiatives are underway, in the areas of staff support, funding, and project solicitation.

Our strategy for staff support includes restructuring units and staffing levels with the DPH Drinking Water Section in order to streamline and lean the DWSRF process. We are separating duties and responsibilities in order to allow for the DWSRF program to focus on project management and program pace as well as creating a pipeline of projects. Further, we have added two additional durational staff to the DWSRF.



Lisa Jackson
Page 2
January 20, 2012

We are also working on a mechanism to assure that the DWSRF program is more fully supported with permanent staff. Unfortunately, these plans are impacted by the USEPA's recent reduction in CT's annual capitalization grant in FFY2011 from FFY2010 levels. We have also been informed that we should expect further cuts in future years.

Our funding strategies include the mitigation of the uncertainty around federal funding fluctuations with timely submission of grant applications and the development of plans to charge modest fees for services within the Drinking Water Section.

The submission of the FFY2011 and FFY2012 capitalization grants for the DWSRF is a priority. The DWS is currently preparing the FFY2011 capitalization grant application and expects to submit a preliminary application with a draft Intended Use Plan (IUP) and draft Priority Project List (PPL) to EPA Region 1 by the end of January 2012. Following the mandatory public participation process in order to finalize our IUP and PPL for FFY2011 and FFY2012, the documents will be finalized in the spring of 2012. The DPH also intends to prepare and submit the FFY2012 capitalization grant application prior to the finalization of the PPL and IUP.

We have also developed a fee for services legislative proposal. If passed during the next legislative session beginning in February 2012, these fees will assist the DWS in meeting federal and state mandates in future years. Although the decision has been made to exclude the DWSRF program specific services from the fee proposal, any fee income will assist us to provide an appropriate level of staffing across the entire Drinking Water Section including the DWSRF program.

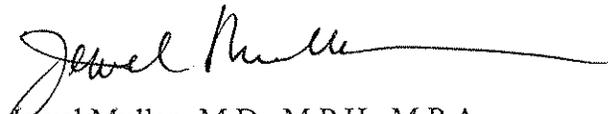
The solicitation and review of potential projects continues to be a time intensive process. This year, we fully implemented a plan to expedite the solicitation and award of assistance agreements with Connecticut's public water systems. The DPH's October 2011 call for projects was a two year solicitation to establish a pipeline of projects for both FFY2011 and FFY2012. The approach reduces the delays associated with performing a solicitation and public hearing on an annual basis as was done in previous years. This process will continue in future years to ensure that the drinking water infrastructure needs to be met by the DWSRF program will be adequately reflected in each Connecticut Clean Water Fund capital budget request.

The State of Connecticut has continually demonstrated its commitment to this important program. Most recently the State Legislature approved funding for the Connecticut Clean Water Fund which included approximately \$110 million dollars in loan funds over the next two years committed to the Drinking Water Fund. This funding along with the provision of staff support and a flexible leveraged financing plan, coordinated within the Connecticut Clean Water Fund, will ensure this program's long term availability to Connecticut's public water systems.

Lisa Jackson
Page 3
January 20, 2012

Thank you for your letter which highlights the importance of the DWSRF program at the state and national level. The Connecticut DPH greatly appreciates the DWSRF program and its funding. This funding has provided opportunities within Connecticut for communities and public water systems to solve long standing public health issues. DPH has prioritized DWSRF and we will focus on quickening the pace of the program overall. We believe that our strategy will move Connecticut's DWSRF program forward and directly address the issues noted in your letter. We are presently moving forward with the items as outlined above and will continue to update your staff concerning the progress of our DWSRF program. Please feel free to contact Lori Mathieu, Section Chief of the Drinking Water Section at 860-509-7333 to discuss any of the above items.

Sincerely,



Jewel Mullen, M.D., M.P.H., M.P.A.
Commissioner

JM/sm

STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC HEALTH

Jewel Mullen, M.D., M.P.H., M.P.A.
Commissioner



Dannel P. Malloy
Governor
Nancy Wyman
Lt. Governor

June 18, 2013

Mark Spinale, Manager
Municipal Assistance Unit
EPA New England
5 Post Office Square, Suite 100
Mail Code OEP06-3
Boston, MA 02109-3912

Subject: Drinking Water State Revolving Fund (DWSRF) Program Pace

Dear Mr. Spinale:

Due to concerns recently raised by EPA Region 1, The Department of Public Health (DPH) would like to update you on the progress that has been made to improve the pace of the DWSRF Program since Commissioner Mullen's response letter to former USEPA Administrator Jackson on January 20, 2012.

As mentioned in Commissioner Mullen's letter, in October of 2012 the DPH moved to a 2 year DWSRF funding cycle in an effort to create a pipeline of projects and reduce delays associated with the annual preparation and public participation requirements of the DWSRF Intended Use Plan and Project Priority List (PPL). This strategy has also allowed us to commit funding to projects that are ready for construction in the first year while getting projects that are not fully designed, ready for construction in the second year. The DPH strongly believes that this strategy will be recognized by EPA Region 1 as a significant implementation improvement when the FY2013 and 2014 Performance Evaluation Reports (PER) are prepared.

The creation of a 2 year PPL was supplemented with changes to our Priority Ranking System which added emphasis on a project's "readiness to proceed" in preparing the PPL's for each of the 2 years. This revised criteria provided the DPH flexibility to take a project that ranked high in points and low in "readiness" and move it to the second year's PPL. Conversely, it provided DPH the ability to make DWSRF funding available to lower ranking projects that were considered "construction ready" in the first year's PPL. In previous years, many of these lower ranking "construction ready" projects were not reachable because they were below the available funding line on the annual PPL.



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www.ct.gov/dph

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With the two changes identified above, the DPH believes we have successfully achieved a balanced approach of funding high priority projects while significantly improving our ability to commit the available DWSRF funding to eligible infrastructure projects each fiscal year. It is important for EPA Region 1 to understand that although these changes were implemented during FY2012, the 2 year PPL was not finalized until June 12, 2012. Thus the improvements in program pace that these changes will demonstrate will not be recognized until FY2013. The DPH fully expects to show significant progress in the pace of our DWSRF Program as a result of these changes in FY2013. The CT DPH worked closely with EPA Region 1 to implement these changes. The attached two lists of DWSRF projects shows the anticipated loan agreements that the DPH expects to execute in FY2013 and the projects that are currently in the pipeline for FY2014. In addition, the DPH is in the early stages of finalizing our next 2 year PPL for FY2014 and FY2015 which will add approximately 120 new projects (including 60 generator projects) totaling over \$160 million to our priority list.

The DPH initiated a new Emergency Power Generator Program (EPGP) within the DWSRF during FY2013 to provide small loans to small public water systems to install back-up power systems. This initiative will provide 38 small public water systems a reliable source of power to operate their water systems during power outages. The DPH streamlined many DWSRF requirements to reduce costs and delays associated with traditional DWSRF loans. This effort took considerable time and effort to implement and is a significant benefit to Connecticut's small water systems. The total cost of these projects is expected to be approximately \$1 million when they are completed. This program will continue in the next 2 year funding cycle and the DPH has received 60 new applications for loans under this program for FY2014 and FY2015. The DPH hopes that the USEPA recognizes the benefits achieved by the EPGP, during a time when long term power outages have become a more frequent reality in the northeast, even though these loans have no significant impact on the pace of the DWSRF program because these are "low cost, high benefit" projects. The EPGP also provides a model of streamlined DWSRF requirements that reaches out to small public water systems.

The DPH also committed to EPA Headquarters in Commissioner Mullen's letter to providing additional resources to the DWSRF Program to focus on project management and the Program's pace. Since that time, the DPH has hired 2 permanent full time engineers and reassigned an additional full-time engineer within the DWS for the Program. The Program now has 4 full-time engineers and a Supervisor. The Drinking Water Section (DWS) also removed many of the administrative duties associated with managing and monitoring the DWS's federal grants from the Program and moved them to a newly formed Grants and Administrative Support Unit. The DWS is also in the process of hiring another entry level engineer for the Program. These changes demonstrate DPH's firm commitment to improving the pace of the Program.

It is also important to point out that Connecticut received legislative approval for \$108 million to be used for DWSRF projects in FY2012 and FY2013 in the State's biennial capital budget. The DPH was also approved for an additional \$135 million for DWSRF projects in FY2014 and FY2015. This level of funding approval demonstrates recognition of the importance of investing in Connecticut's drinking water infrastructure by our legislature.

Mark Spinale, USEPA Region 1

June 18, 2013

Page 3

The DPH and the Office of the State Treasurer (OTT) both understand the impact that leveraging has on the pace of the DWSRF Program. Both agencies also understand USEPA's goal of each state achieving a higher level of program pace and that our pace is significantly below that goal. The State has demonstrated its commitment to maximizing available funding while being aware of the pace goals and did not leverage the DWSRF program in 2012 or 2013. Further, the State will continue to factor our progress with the pace of the program when determining whether or not to include the DWSRF Program in future bond sales.

In summary, we believe that the DPH has made significant strides in a short period of time to ensure that the pace of the DWSRF program improves from year to year. We hope that EPA understands the level of commitment we have made to this effort and expect that it will be evident in future PERs.

If you have any questions or desire additional information do not hesitate to contact me.

Sincerely,



Lori Mathieu
Public Health Section Chief
Drinking Water Section

Cc: Sharon Dixon-Peay, OTT
Susan Maheux, DPH
Ellen Blaschinski, DPH
Michael Hage, DPH
Cameron Walden, DPH

Encl: Connecticut's DWSRF Project Pipeline for FY2013
Connecticut's DWSRF Project Pipeline for FY2014

STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC HEALTH



Raul Pino, M.D., M.P.H.
Acting Commissioner

Dannel P. Malloy
Governor
Nancy Wyman
Lt. Governor

Drinking Water Section

DWS Circular Letter #2016-06

To: Applicants for Drinking Water State Revolving Fund Loans (DWSRF)

From: Lori Mathieu, Public Health Section Chief, Drinking Water Section

Date: March 9, 2016

Subject: Public Act 14-98 Section 46: Public Water System Improvement Program

Section 46 of Public Act 14-98 (effective July 1, 2014) appropriated \$50 million in state general obligation bonds to provide supplemental grants-in-aid to not-for-profit public water systems that are eligible to receive loan funding through the DWSRF. The DPH does not anticipate any significant allocations of PA 14-98 Section 46 funding during calendar year 2016. The DPH is pursuing a limited opportunity under this Statute and the DPH Drinking Water Section has been in contact with those public systems that might receive funding. As a result of these circumstances, applicants that have applied for DWSRF funding in State Fiscal Year 2016 or 2017 must be prepared to move forward with their project(s) and execute DWSRF funding agreements with the expectation that these grants-in-aid will not be available during calendar year 2016.

Public Water Systems that have already awarded construction contracts to contractor(s) for projects that are scheduled to receive DWSRF funding will be expected to move forward with your DWSRF funding agreement(s) as expeditiously as possible. DWS staff may be reaching out to you in the near future to get any remaining information that may be necessary to prepare these agreements. You are urged to give these outreach effort prompt attention if you are contacted.

The Department of Public Health (DPH) will continue to communicate on a routine basis concerning any future opportunities that may arise due to PA 14-98 Section 46. The DWS intends to keep you informed if any progress is achieved in this regard.

If you have any questions or if the anticipated unavailability of grants-in-aid is going to create any delays to your project schedule then please contact Cameron Walden, Supervising Sanitary Engineer, at (860) 509-7333.

Cc: Ellen Blaschinski, DPH



Phone: (860) 509-7333 • Fax: (860) 509-7359 • VP: (860) 899-1611
410 Capitol Avenue, MS #51WAT, P.O. Box 340308
Hartford, Connecticut 06134-0308

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STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC HEALTH

Raul Pino, M.D., M.P.H.
Commissioner



Dannel P. Malloy
Governor
Nancy Wyman
Lt. Governor

OFFICE of the COMMISSIONER

TO: Kathryn Keenan, Staff Attorney 2

FROM: Raul Pino, M.D., M.P.H., Commissioner 

DATE: July 28, 2016

RE: Drinking Water State Revolving Fund (DWSRF) Public Hearing on August 25, 2016

I hereby designate you to sit as hearing officer in the above-captioned matter to conduct a Public Hearing concerning the DWSRF process for DPH's Drinking Water Section.



**DEPARTMENT OF PUBLIC HEALTH
NOTICE OF PUBLIC HEARING/OPEN FORUM
ON THE DRAFT INTENDED USE PLAN FOR
STATE FISCAL YEAR 2017**

The Connecticut Department of Public Health (DPH) is holding a Public Hearing at 10:00 a.m. on August 25, 2016 to receive testimony from the public on the draft Drinking Water State Revolving Fund (DWSRF) Intended Use Plan (IUP), which includes the draft Fundable Project Priority List (PPL) and information regarding Connecticut's public water system improvement program under Section 22a-483f of the Connecticut General Statutes, for State Fiscal Year 2017. The hearing will be held at the Department of Public Health, 470 Capitol Avenue, Hartford, Connecticut in Conference Room C.

The hearing will be held in conformance with the provisions of the Safe Drinking Water Act Amendments of 1996 (Public Law 104-182), and pursuant to Sections 22a-478(h) and 22a-482 of the Connecticut General Statutes and Sections 22a-482-1 (c)(4) of the Regulations, Connecticut State Agencies.

Copies of the Draft DWSRF IUP, which includes the Draft Fundable PPL, may be obtained online at the DPH's webpage at www.ct.gov/dph/dwsrf or it may be viewed at the Department of Public Health by calling the Drinking Water Section, at (860) 509-7333 (Monday through Friday between the hours of 8:30 a.m. and 4:30 p.m.) and scheduling an appointment.

Persons wishing to provide comments on the Draft DWSRF IUP are invited to do so in writing no later than 12:00 p.m. on August 25, 2016 to: Cameron Walden, Supervising Sanitary Engineer, Department of Public Health, Drinking Water Section, 410 Capitol Avenue, MS #51 WAT, P.O Box 340308, Hartford, CT 06134-0308, or via email to DPH.CTDWSRF@ct.gov

Following the Public Hearing, DPH will conduct an Open Forum to give participants the opportunity to: participate in an informal question and answer session on the regulatory requirements of the DWSRF program, obtain a copy of the Financial Assistance Application and other related handouts, and meet with representatives from participating agencies for the program.

DPH is an equal opportunity provider and employer. If you require aid or accommodation to participate fully and fairly in this hearing please contact Theodore Dunn at (860) 509-7333.

VERBATIM PROCEEDINGS

DRINKING WATER STATE REVOLVING FUND

KATHRYN KEENAN, HEARING OFFICER

AUGUST 25, 2016

DEPARTMENT OF PUBLIC HEALTH
470 CAPITOL AVENUE
HARTFORD, CONNECTICUT

POST REPORTING SERVICE
HAMDEN, CT (800) 262-4102

HEARING RE: DRINKING WATER STATE REVOLVING FUND
AUGUST 25, 2016

1 . . .Verbatim proceedings of a hearing
2 before the Department of Public Health, re: Drinking
3 Water State Revolving Fund held on August 25, 2016 at
4 10:15 a.m. at the Department of Public Health, 470
5 Capitol Avenue, Hartford, Connecticut . . .

6
7
8
9 HEARING OFFICER KATHRYN KEENAN: We're
10 going to get started. Good morning. Today is Thursday,
11 August 25, 2016 and it's approximately 10:15 in the
12 morning. We are in Conference Room C at the Department
13 of Public Health, 470 Capitol Avenue in Hartford,
14 Connecticut. My name is Kathryn Keenan and I am the
15 hearing officer designated by the Commissioner of Public
16 Health to preside over today's hearing.

17 The purpose of today's hearing is to
18 receive public comment regarding the Department's draft
19 Intended Use Plan, the IUP, including the draft project
20 priority list. Before I begin hearing public comment, I
21 will provide some background information regarding the
22 Department's Drinking Water State Revolving Fund Program,
23 the DWSRF.

24 The Department annually receives a federal

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1 capitalization grant awarded -- grant award from the
2 United States Environmental Protection Agency to
3 implement a capacity development strategy and administer
4 a Drinking Water State Revolving Fund which will be
5 referred to as the DWSRF.

6 The DWSRF offers low interest loans and if
7 eligible partial subsidization to community public water
8 systems and nonprofit non-community public water systems
9 to finance sustainable infrastructure projects. The DWSRF
10 uses a biennial funding cycle coinciding with the State
11 budget.

12 On November 25, 2014, the Department
13 issued a call for projects which included the priority
14 ranking system and required that eligible public water
15 systems submit project eligibility applications to the
16 Department no later than January 31, 2015. The call for
17 projects also announced the continuation of the
18 Department's emergency power generation program --
19 generator program.

20 In response, the Department received a
21 total of 77 eligibility applications for approximately
22 \$205 million dollars in DWSRF public drinking water
23 infrastructure funding needs. The Department ranked all
24 eligible drinking water projects in accordance with the

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1 Department's priority ranking system. These projects
2 were then reviewed to determine which projects were
3 eligible and ready to proceed during state fiscal year
4 2016 using standardized project readiness information
5 submitted by the applicants in their eligibility
6 applications for which a public hearing was held on
7 August 12, 2015.

8 Based on updated readiness information for
9 projects that did not progress during the state fiscal
10 year of 2016, a draft project priority list for state
11 fiscal year 2017 has been developed. Twenty-seven
12 projects or portions of projects were determined to be
13 ready to proceed during state fiscal year 2017. These
14 projects appear on the Department's draft comprehensive
15 project list in alphabetical order by town and PWS
16 identification number as Attachment C to the draft IUP.

17 DWSRF funds will initially be offered to
18 all public water systems appearing on the final state
19 fiscal year 2017 fundable project priority list. In the
20 event that unanticipated delays are encountered in the
21 progression of a project or the execution of a funding
22 agreement, the Department may elect to bypass a project
23 and offer those funds to next highest ranked project that
24 is ready to proceed. These bypass procedures and other

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1 program elements are detailed in the Department's draft
2 IUP.

3 The Department's federal fiscal year 2016
4 federal capitalization grant requires the Department to
5 use 20 percent of the grant to subsidize drinking water
6 projects. The Department intends to utilize 20 percent
7 of the federal fiscal year 2016 capitalization grant for
8 project subsidization during state fiscal year 2017.
9 Subsidization will be provided to qualifying loan
10 recipients in the form of loan -- loan principal
11 forgiveness.

12 The Department intends to provide partial
13 subsidization to certain qualifying projects including
14 all emergency power generation program and small system
15 projects. Certain large system projects that meet the
16 criteria for affordability and sustainability planning as
17 described in Section 6 of the DWSRF priority ranking
18 system are -- are also eligible for partial subsidization
19 if their project is consistent with an ongoing
20 sustainable infrastructure plan. Details on
21 subsidization eligibility and distribution are provided
22 in Section 4f of the draft IUP. This funding is expected
23 to be distributed on a first come first serve basis until
24 all available funding has been awarded based on the

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1 readiness of a project to proceed and the execution of a
2 funding agreement.

3 The Department may also have state subsidy
4 money available during state fiscal year 2017 from Public
5 Act 14-98. However, the total amount of funds available
6 for projects during state fiscal year 2017 does not
7 include these moneys. This act provides the State Bond
8 Commission with the power to authorize bonds to be used
9 by the Department to implement a public water system
10 improvement program. During the 2016 legislative
11 session, the total amount authorized was reduced from \$50
12 million to \$20 million. This program provides grants and
13 aids -- and aid in the form of loan principal forgiveness
14 to certain eligible public water systems for certain
15 types of DWSRF projects. This act includes specific
16 eligibility criteria for public water systems as
17 explained in Section 4f of the draft IUP including the
18 need for the public water systems to have an asset and
19 financial management -- fiscal management plan.

20 The project eligibility criteria developed
21 for this draft IUP limits the subsidization to projects
22 that are for consolidation or interconnection. The
23 specific details of these criteria are explained in
24 Section 4f of the draft IUP. This funding is expected to

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1 be distributed on a first come first serve basis until
2 all available funding has been awarded based on the
3 readiness of a project to proceed in the execution of a
4 funding agreement.

5 The Department is required by state and
6 federal law to seek meaningful public review and comment
7 on the draft IUP including the draft project priority
8 list. The Commissioner of Public Health is required to
9 consider any written and oral testimony regarding the
10 draft IUP and may elect to modify the draft IUP on the
11 basis of such testimony.

12 On July 22, 2016, the Department provided
13 legal notice of today's public hearing in the Hartford
14 Courant, the New Haven Register and the Waterbury
15 Republican American and on July 28, 2016, in the
16 Northeast News and La Voz Hispana. These notices include
17 an announcement of the availability of the draft IUP for
18 public comment and review.

19 Today's public hearing is intended to
20 allow for oral and/or written testimony on this document.

21 Following the conclusion of the public hearing, all oral
22 and written testimony will be reviewed and taken into
23 consideration in preparing the final project priority
24 list in the final IUP. Once completed, a hearing report

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1 will be published and made available on the Department's
2 website.

3 The documents listed on today's agenda for
4 today's public hearing comprise the record to date. These
5 documents are Commissioner Pino's July 28, 2016
6 designation of me as hearing officer, the DWSRF, draft
7 Intended Use Plan for federal fiscal year 2016 and state
8 fiscal year 2017, the DWSRF public hearing notice
9 announcing today's hearing and testimony received prior
10 to today's hearing from Norwich Public Utilities, Meriden
11 Water Department, Manchester Water Department and Bethel
12 Water Department.

13 Any documents received today will also be
14 added to the record. It is important to note that we are
15 keeping the record open to receive additional written
16 testimony until 4:30 on Monday, August 29, 2016. Nothing
17 will be added to the record after that time. If you wish
18 to provide oral testimony today, there's a sign-up sheet
19 at the door for providing testimony. I will call on
20 persons who wish to provide testimony up to the podium in
21 the order that they appear on this list. Questions will
22 not be entertained during the public hearing. After the
23 hearing has been concluded, there will be open forum
24 where you may ask questions directly of the DWSRF program

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1 staff.

2 The first person on the list is Christie
3 Wagner from CDM Smith, a consultant for Clinton.

4 MS. CHRISTIE WAGNER: Thank you.

5 I'm here to speak on behalf of the Town of
6 Clinton in support of the Rocky Ledge area water main
7 extension project that is on the IUP. This project will
8 bring public drinking water to an area of approximately
9 120 existing homes. They're -- it's home to
10 approximately 300 residents, homes that were built
11 generally in the 1950's and 60's, fairly small lots with
12 drinking water wells and septic systems in close
13 proximity to each other.

14 We've done investigation work and
15 confirmed that of the properties that we were able to
16 test well water on, over 60 percent had presence of
17 coliform bacteria, nitrates greater than 5 milligrams per
18 liter or had pH or turbidity outside of an acceptable
19 range.

20 It's important to note this project
21 actually came out of a Connecticut DEEP consent order
22 looking at wastewater issues throughout the town. And in
23 this particular neighborhood, the proximity of wells and
24 septic systems is -- is one of the root causes of the problem.

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1 And we were able to show that bringing public water to
2 this neighborhood will actually solve both the drinking
3 water and the septic issues by opening up more available
4 area for septic system upgrades. And it's approximately
5 half the cost to bring water versus bringing a sewer
6 system up to this area of town.

7 So, I think the Town has demonstrated that
8 they have a documented public health problem in this
9 neighborhood with existing residents who have substandard
10 drinking water and the funding is important to this town
11 in order to be able to proceed with the project.

12 HEARING OFFICER KEENAN: Thank you.

13 The next person on the list is Matthew
14 Kennedy, Clinton WPC.

15 MR. MATTHEW KENNEDY: My name is Matthew
16 Kennedy. I am the chairman of the Water Pollution
17 Control Commission in the town of Clinton. Lucky to be
18 accompanied by a couple of other folks from our -- from
19 our team. But I'm here to specifically discuss, you
20 know, our -- our support of -- of our application. We
21 are under order as Christie Wagner pointed out and the
22 Town has been struggling for years and years and years to
23 alleviate certain problems in this town related to septic
24 and in this area specifically related to -- to drinking

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1 water. The people who fill our room and tell us of all
2 of their -- all of their woes and how they've been
3 struggling for years is -- it's a real sad scene when we
4 get to talk to these folks.

5 In -- in addition to the standard water
6 quality parameters, you know, we -- we hear stories of,
7 you know, stories from people who, you know, this is
8 anecdotally. We have it supported by data but
9 anecdotally we have people water problems where they're
10 replacing pipes every few years that are being, you know,
11 the corrosive conditions of the groundwater in this area
12 and, you know, my -- my job as a chairman of the Water
13 Pollution Control Commission is to do whatever we can as
14 a Commission under this 1997 consent order to resolve
15 these contamination issues.

16 At this point as Ms. Wagner pointed out,
17 we feel that loan money and specifically money in the
18 form of a subsidy would help our town immensely. Though
19 we're located on the shore, our town is a working class
20 town and we -- the majority of the people in our town and
21 especially in this area, we're talking quarter acre lots
22 and thousand square foot homes are -- are really
23 struggling and will already be burdened by, you know,
24 excessive tax burden in town because of all the rest of

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1 these infrastructure projects from what I've discussed
2 and, you know, connected -- even connecting to the water
3 main would be an enormous burden for these folks, but it
4 will be one that they tell us they'd be willing to do
5 because of how miserable their life has been with buying
6 -- buying bottled water and trying to just deal with the
7 water that they have.

8 So, again, we're looking to resolve a
9 contamination issue. It's approximately 120 residential
10 parcels and we're, you know, we just want to speak out on
11 behalf of the town of Clinton. So, I appreciate the
12 opportunity to be heard today.

13 Thank you very much.

14 HEARING OFFICER KEENAN: Thank you. Carol
15 Walter, Clinton, Board of Selectmen.

16 MS. CAROL WALTER: My name is Carol
17 Walter. I'm speaking on behalf of Board of Selectmen of
18 the town of Clinton and I really just can only reiterate
19 what has been said by Christie and Matt. I believe that
20 the perception of Clinton being a shoreline community
21 gives the wrong impression of the town. We really are a
22 blue collar town. Most people work out of town. The
23 medium -- median income is not very great and this
24 particular area of town is small, tightknit and it's not

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1 called Rocky Ledge for nothing.

2 The circumstances are that the houses were
3 built in the 60's. They're on tiny little lots and we
4 didn't have the standards then that we have today. Not
5 only didn't we have the standards but the wells and the
6 septic systems that are there are at that age where
7 everything is just falling apart. People are -- well,
8 like Matt said earlier, it's really a tough thing when
9 people are drinking their sewage because their lots are
10 very tiny and they're very hard to negotiate to put a
11 second septic system in when the original one fails which
12 many are doing at this point because they reached their
13 life expectancy.

14 Putting a water main through this
15 particular area which is actually constituted by three or
16 four streets would go a very long way towards solving
17 public health issues and quality of life issues for the
18 people involved. Because the average -- the median
19 price for homes in this area is about \$200,000 dollars,
20 these are working families that live there. And they
21 don't have a lot of resources to cover the cost of a new
22 well or a new septic system. So, bringing this water
23 main in would enhance their lives and make their homes
24 more valuable. It would lower their insurance outlay.

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1 It would -- there's so many benefits to the thought of
2 this going through here.

3 The problem that we have is that in light
4 of the entire scope of the consent order, Clinton is
5 looking at a vast amount of capital expenditure in the
6 very near future. So, what we were hoping to achieve
7 here is a subsidization of the costs of the running this
8 water main in there. We've never been at a better point.

9 We have a high school that has just gone in very near to
10 this project site. So we have a water main sitting there
11 ready to go. It's a relatively easy process to -- to
12 bring water main to the specific area and we have applied
13 for a STEAP grant to offset some of these costs and --
14 and there's good reason to think that we will get that.
15 So with the help of the water company and hopefully this
16 clean water fund and the STEAP grant, we should be able
17 to offset enough of the costs of the project itself that
18 we can pass some of that assistance onto the homeowners.

19 The homeowners will -- the cost of hooking up to the
20 line, of course, be larger than they want to pay. We're
21 estimating somewhere between five and ten thousand
22 dollars. So, the Town would be able to offer them some
23 assistance in subsidizing those costs. So anything --
24 not subsidizing but assisting with those costs.

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1 So anything that we could -- we could
2 receive from you to offset the scope of this project
3 would be extremely beneficial to -- to the quality of
4 life of these -- these people that are very adversely
5 affected at this point. So, I hope you will consider us
6 very favorably.

7 Thank you.

8 HEARING OFFICER KEENAN: Thank you. Kevin
9 Donahue, Tariffville Fire District.

10 MR. KEVIN DONAHUE: Good morning,
11 everybody, I'm with the Tariffville Fire District which
12 is a little town, a subset of Simsbury. We have a small
13 water system. We serve about 1300 residents. And I'm
14 not here to talk about any particular project but really
15 just to talk about my overall observations of our
16 interaction with DPH over the last several years.

17 I've been on the -- the Board for over 14
18 years and needless to say, up until recently, I would say
19 working with DPH has kind of been looked upon as not
20 adversarial but rather difficult. And I just wanted to
21 say what has happened over the last three years has
22 really changed our opinion.

23 Some of the programs that we participated
24 in recently regarding the revolving fund or the generator

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1 program allowed us to get a new generator. We're
2 currently working with them on a project to basically
3 build a new \$1.5 million dollar tank because ours is over
4 80 years old. Some of the things that have helped us is
5 the development -- we're required to develop an asset
6 management plan and a fiscal management plan. Had we not
7 done that, we felt that we would have had to raise our
8 rates significantly more than we actually had to. So it
9 was really an eye opener for us. I'm glad we were forced
10 to do it. It was work, but moving forward it's going to
11 be a great tool and any small system that hasn't done it,
12 I highly recommend doing it.

13 Fortunately, we got the assistance of RCAP
14 Solutions. I believe there was a subsidy involved there
15 from the State. They helped us develop the system.
16 Without them, I guarantee you we wouldn't have been able
17 to do it.

18 One of the things that I want to recognize
19 is the importance of the state revolving fund for small
20 water systems like ourselves. And I know that I believe
21 there's 50 percent of the funds are supposed to be set
22 aside for those 2017. I think you had about 22
23 applications. Several withdrew and there's only four
24 moving forward for at around \$5.9 million dollars which I

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1 think is about half of the 15 percent roughly.

2 Some of the reasons I've read and I
3 believe that there's not more participation is one is the
4 lack of awareness. I'm -- I'm just not sure that there
5 is enough -- I think there's more opportunity to somehow
6 get the word out there basically. We learned about one
7 of these programs basically our engineering firm came to
8 somebody's house in here, quick sign this document
9 because we need to apply for this program. And that was
10 the only way we knew about it and it was kind of like a
11 very last minute thing. So, I think there's opportunity
12 there.

13 The other thing is which you have noted is
14 a lack of in-house expertise. And I couldn't agree more
15 with that. Like I said, without the help of RCAP
16 Solutions, we wouldn't have been able to develop our
17 asset and fiscal management plans.

18 The people that had worked with us on this
19 project, the tank project we've been working on for over
20 two and a half years specifically Julie Silva, Cam
21 Walden, Ted Dunn and Desiree May have gone above and
22 beyond to help us through this project. We were so green
23 walking into that. I think when we submitted one of our
24 first applications, we weren't sure what a bond counsel

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1 was and we actually listed our accountant. So, we've
2 come a long way.

3 Having said that, the lack of in-house
4 expertise, the difficulty of the administration of the
5 whole process, we are one of the ones that withdrew from
6 one of the projects this year just because we felt that
7 the cost of the administration -- approximately was, I
8 think, only \$200,000 dollars but just the cost of the
9 administration was higher than the subsidy would have
10 been. So we withdrew thinking that, you know, we can get
11 private funding and it wouldn't cost as much. So, just
12 to give you an idea that type of thing. So some type of
13 an outreach program would be great.

14 The other thing that -- that I was
15 thinking just kind of off the cuff I thought of this this
16 morning was, you know, you put a program out there, let
17 the RCAP Solutions to develop the asset fiscal management
18 plans. I think there's opportunity for some type of
19 administrative outside support for systems like ourselves
20 which are very, very small and don't have the in-house
21 expertise. Thank goodness we got the -- the guidance
22 from the people I mentioned at DPH or I wouldn't be
23 speaking here today. But, you know, the engineering
24 firms out there, a lot of those have some extra fees.

HEARING RE: DRINKING WATER STATE REVOLVING FUND
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1 Some don't but they're very expensive. So, something
2 like an RCAP to address some of these administration
3 issues to help systems like ourselves would be very, very
4 welcome. So that's about all I have to say.

5 HEARING OFFICER KEENAN: Thank you.

6 Walter Banzhaf, Tariffville Water
7 Commission.

8 MR. WALTER BANZHAF: Thank you. I'm
9 Walter Banzhaff. I'm with the Tariffville Water
10 Commission. Way back in 1919, a act of a legislature
11 created the Tariffville Fire District and they did a lot
12 of stuff in the village of Tariffville. They did fire.
13 They did sewage. They did streetlights. They did
14 sidewalks. And they did water. Now the only thing that
15 remains is water. So, we're the Tariffville Fire
16 District but we don't -- well, we do do fires in the
17 sense that our giant tank up on the hill provides
18 domestic water for drinking for our customers and it's
19 also fire protection water. So, we have enough water for
20 just about any fire in Tariffville.

21 I don't want to duplicate what Kevin said
22 but just to put a number on it, we were told we should do
23 an asset management plan and we're small. We're nine
24 members of a Commission. We're volunteers. We meet once

HEARING RE: DRINKING WATER STATE REVOLVING FUND
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1 a month and we said, "Nay, we don't want to do an asset
2 management plan. It's a lot of work. Who wants to do
3 that?" And they said, "If you do it, you'll get one-
4 fifth of the cost subsidized to you, forgiveness of the
5 loan." We said, "When do you want it?" So, we went --
6 we did it with the help of -- of RCAP and -- and lots of
7 people at DPH. So, that's \$320,000 dollars for us. So
8 for a tax base of 500 accounts, that's pretty
9 significant.

10 Our tank is 48 feet in diameter, 24 feet
11 high. It was built as a WPA project in the 30's. It has
12 whiskers longer than mine. It is an ancient ancient
13 tank. It has cracks. It has some -- well, it looks like
14 it might go anytime although the way it was built, it
15 might go another 15 years. We had an engineering study
16 done. We don't want to find it -- it's the only source
17 of water. To bring in alternate water for this little
18 village would be way over a million dollars of an
19 emergency Band-Aid that we don't have the money for. So
20 we have to replace the tank. And that's why we're so
21 grateful to -- to DPH for the -- the funding and the
22 loan.

23 There were some hiccups along the way.
24 Our tank is not on our property. It's on Town property.

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1 That doesn't sound so bad. We want to take the existing
2 tank 24 feet high and 48 feet in diameter and move it
3 about 100 feet. It sounds easy except it's a
4 conservation area. So we had to get involved with DEEP
5 and we had to get involved with attorneys for a massive
6 amount of paperwork and easements and -- and stuff that I
7 -- I don't know. I'm not a counsel, but I'm glad that we
8 have good counsel.

9 So, we're actually at the point now where
10 we can see the light at the end of the tunnel. It is not
11 a locomotive. It is in fact hopeful that we can get it
12 done before Christmas of 2016. We will then have a brand
13 new tank and it will be replacing the old tank which will
14 be demolished.

15 The only other thing I'd like to just echo
16 what Kevin said. It's been immensely pleasurable and
17 useful having the assets of DPH and by that, I include
18 the human assets that have already been mentioned
19 particularly Julie and Ted and Cam and Desiree and I'm
20 probably forgetting a few and their website. After about
21 the 12th time I called up Julie and said, "Julie, can I -
22 - where is this," and she'd say, "It's on our website."
23 So I stopped calling her every other day and maybe only
24 once a week that I called her. But she always knew. And

HEARING RE: DRINKING WATER STATE REVOLVING FUND
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1 the forms. They have checklists. We've never done
2 anything like this before. It's -- it's one of those
3 things that the first time you do it, it takes this
4 amount of time and then the second time you do it, it
5 takes a quarter of the time. So we're probably never
6 going to do a second one, we hope, at least not for
7 another 80 years.

8 But having those checklists has just
9 streamlined things. So, I'd just like to second what he
10 said and -- and express admiration and -- and gratitude
11 for the help of all kinds that we've gotten from DPH.

12 Thank you.

13 HEARING OFFICER KEENAN: Thank you.

14 Rose Gavrilovic, South Central Connecticut
15 Regional Water Authority.

16 MS. ROSE GAVRILOVIC: Good morning. I'm
17 Rose Gavrilovic. I'm with the South Central Connecticut
18 Regional Water Authority. I'm here to represent the
19 towns -- the towns within our district. So, I'm
20 representing 15 of our member towns. We have 115,000
21 service connections. And like many utilities large and
22 small, we're facing declining demands and higher fixed
23 costs. We're looking for new and innovative ways to
24 balance the cost with the benefits to our customers.

HEARING RE: DRINKING WATER STATE REVOLVING FUND
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1 Our goal at Regional Water Authority is to
2 provide our customers with the highest quality water at
3 the lowest possible cost. The drinking water state
4 revolving fund is a great way to support this goal. The
5 program provides for an alternative to the traditional
6 funding that we've done in the past through bonding. It
7 helps us to manage these operational costs by offering
8 lower financing costs and the subsidy moneys that benefit
9 us and our customers. More funds are available to
10 upgrade our aging infrastructure and improve our
11 treatment processes and keep current with technology. We
12 appreciate the opportunity to participate in the DWSRF
13 program. We have a great working relationship with all
14 of the staff here and we continue -- we look forward to
15 continuing this relationship and this funding cycle and
16 well into the future.

17 Thank you.

18 HEARING OFFICER KEENAN: Thank you.

19 Mark Decker, Norwich Public Utilities.

20 MR. MARK DECKER: Good morning. My name
21 is Mark Decker. I'm the water integrity manager for
22 Norwich Utilities.

23 Norwich Public Utilities is a four service
24 municipal utility provider with over a century of first

HEARING RE: DRINKING WATER STATE REVOLVING FUND
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1 rate service delivering water at affordable rates to its
2 citizens and businesses of Norwich and the surrounding
3 communities of Lebanon, Bozrah, Franklin, Montville,
4 Lisbon, Preston and the Mohegan tribal nation.

5 NPU has consistently strived to provide
6 the highest level of service economically and efficiently
7 despite the aging infrastructure, ongoing regulatory
8 changes and challenging regional and statewide economics.

9 In our efforts to reach this goal, NPU has regularly
10 turned to funding major capital projects through the
11 State's DWSRF program.

12 With the support of this program, NPU has
13 recently completed a number of critical projects such as
14 the construction of a new one million gallon water
15 storage tank relining approximately three-quarters of a
16 mile of 30 inch cross country transmission main,
17 upgrading our high lift pump and drive system and raw
18 water piping and valves capable of delivering 12 million
19 gallons a day and decommissioning a deficient pump
20 station by incorporating it into a high zone and
21 providing more robust fire and domestic flow to a
22 community of approximately 75 homes.

23 Today NPU is using the DWSRF to fund an
24 AMI meter replacement program and construction of a 2.3

HEARING RE: DRINKING WATER STATE REVOLVING FUND
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1 million gallon water storage tank. We're working with
2 the drinking water section staff to complete the design
3 of the DAF upgrade to one of our treatment plants. And
4 we're hopeful that that critical project can be funded
5 through a carryover of 2016 funds or through a
6 reapplication under the upcoming call for projects for
7 2018 funds.

8 It's important that I speak with you today
9 because NPU has used this program in the past and desires
10 to continue to use it in the future. And I say that with
11 the understanding that the amount of funds being made
12 available through this program could be dwindling and
13 therefore competition may be even tougher. I
14 also understand that this could potentially require DPH
15 to either reduce the number of projects that they're able
16 to support or decrease the percentages of subsidies.
17 Without sufficient support and continued federal
18 requirements that can add costs to projects, it may be
19 necessary for NPU and others to -- to pursue other
20 funding options.

21 We saw this with the passage of Public Act
22 1498 which gave the State Bond Commission authority to
23 allocate \$50 million dollars with grants at rates up to
24 30 to 50 percent depending on the population served. Even

HEARING RE: DRINKING WATER STATE REVOLVING FUND
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1 though this legislation passed, the State did not fund
2 this program and our industry never had the opportunity
3 to show how successful it could have been. That
4 allocation was recently reduced to the \$20 million
5 dollars based on Public Act 16-4. Therefore, it's
6 critical that we as an industry participate in the
7 programs like the DWSRF to allow us to demonstrate the
8 value and importance of these investments in our
9 community and our state.

10 I recently read with great interest the
11 section of the intended use plan that referenced the
12 public hearing or that referenced public water system
13 improvement programs that would further public health
14 goals through regionalization of public drinking water.
15 As a member of the Southeast Connecticut Council of
16 Government's Regional Water Committee Technical Group and
17 as a tri-chair of the Eastern Water Utilities
18 Coordinating Committee, the WUCC, I believe this approach
19 is timely and would be better -- and -- and I would like
20 to better understand the types of projects that might be
21 considered by the Department for these regional
22 activities. I believe Norwich Public Utilities may be a
23 strong or may be a strong fit for this program. NPU is a
24 leading participant in the Southeast Connecticut

HEARING RE: DRINKING WATER STATE REVOLVING FUND
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1 Interregional Water Supply Response Plan. We have local
2 partnerships including our relationship with the Mohegan
3 tribe. We've provided assistance to Sprague this past
4 summer to locate and repair a significant water main
5 break and have been supporting Franklin and Bozrah in
6 their efforts to expand their water and wastewater
7 systems.

8 Another way that I believe the Department
9 could enhance its appeal to water utilities especially
10 municipals that do not have the benefit of the water
11 infrastructure conservation adjustment, the WICA program,
12 is by increasing the points given in the ranking process
13 to proactive infrastructures, specifically pipe
14 replacement projects. According to the American Society
15 of Civil Engineers and the American Water Works
16 Association, I'm quoting, restoring the existing water
17 systems as they reach the end of their useful lives and
18 expanding them to serve a growing population will cost at
19 least \$1 trillion dollars over the next 25 years. And
20 yet --

Testimony for Drinking Water State Revolving Fund

Intended Use Plan Public Hearing – August 25, 2016

Norwich Public Utilities (NPU) is a four-service municipal utility provider with over a century of first-rate service delivering water at affordable rates to the citizens and businesses of Norwich and the surrounding communities of Lebanon, Bozrah, Franklin, Montville, Lisbon, Preston, and the Mohegan Tribal Nation.

NPU has consistently strived to provide the highest level of service economically and efficiently despite an aging infrastructure, ongoing regulatory changes, and challenging regional and state-wide economic climate. In our efforts to reach this goal, NPU has regularly turned to funding major capital projects through the State's Drinking Water State Revolving Fund program.

With the support of this program, NPU has recently completed a number of critical projects such as the construction of a new 1 MG water storage tank, relining approximately 3/4 of a mile of 30 in. cross-country transmission main, upgrading our hi-lift pump and drive system and raw water piping and valves capable of delivering 12 MGD, and the decommissioning a deficient pump station by incorporating it into a high zone and providing more robust fire and domestic flow to a community of approximately 75 homes.

Today, NPU is using the DWSRF to fund our AMI water meter replacement program and the construction of a 2.3 MG water storage tank. We are working with the Drinking Water Section staff to complete design of a DAF upgrade to one of our treatment plants; we are hopeful this critical project can be funded through a carry-over of 2016 funds or through reapplication under the upcoming call for projects for 2018 funds.

It is important that I speak with all of you today because of how NPU has used this program in the past and desire to continue to do so in the future. And I say that with the understanding that the amount of funds being made available through this program could be dwindling and therefore make competition for them even tougher.

I also understand this could require the DPH to either reduce the number of projects they support or decrease the percentage supported. Without sufficient support, and continuing federal requirements that can add cost to projects, it may be necessary for NPU (and others) to pursue other funding options.

We saw this with the passage of PA14-98 which gave the State Bond Commission authority to allocate up to \$50M of grants at rates of up to 30 and 50 percent depending on population served. Even though this legislation passed, the State did not fund the program and our industry has never had the opportunity to show how successful it could have been. That allocation was recently reduced to \$20M based on PA16-4. Therefore, it is critical that we, as an industry, participate in programs like the DWSRF to allow us to demonstrate the value and importance of these investments for our communities and our state.

I recently read with great interest the section of the Intended Use Plan that referenced public water system improvement programs that would further public health goals through regionalization of public drinking water. As a member of the Southeastern Connecticut Council of Governments regional water committee technical group and as a tri-chair of the Eastern Water Utility Coordinating Committee (WUCC), I believe this approach is timely and would like to better understand the types of projects that might be considered eligible by the Department. I believe Norwich Public Utilities may be a strong fit for this program. NPU is a leading participant in the southeast CT Intra-Regional Water Supply Response Plan. Local partnerships include our relationship with Mohegan Tribal Utility Authority system, providing assistance to Sprague this summer to locate and repair a significant water main leak, and supporting Franklin and Bozrah in their efforts to expand their water and waste water systems.

Another way I believe the Department can enhance its appeal to water utilities, especially municipal utilities that do not have the benefit of the Water Infrastructure and Conservation Adjustment (WICA), is by increasing the points given in the ranking process to proactive infrastructure (specifically pipe) replacement projects.

According to the American Society of Civil Engineers and the American Water Works Association, “restoring existing water systems as they reach the end of their useful lives and expanding them to serve a growing population will cost at least \$1 trillion over the next 25 years, ...,” and yet only 5 points is awarded to proactive main replacement/improvement projects in the DWSRF eligibility application.

Finally, I wish to reinforce the benefits that can be attained through the use of the DWSRF program, that it is incumbent upon our industry to support this program to the best of our abilities, and for the DPH to look carefully at the ranking system to make sure it coincides with the challenges that exist within the industry today.

Thank you for the opportunity to speak.

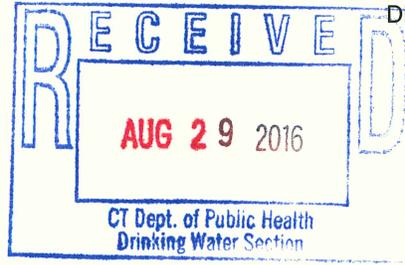
Mark Decker
Water Integrity manager
Norwich Public Utilities



CITY OF MERIDEN
DEPARTMENT OF PUBLIC UTILITIES

117 Parker Ave.
Meriden, CT 06450
(203) 630-4256
FAX (203) 630-4285

Dennis Waz
Director of Public Utilities



August 23, 2016

Mr. Cameron Walden
State of Connecticut
Department of Public Health
Drinking Water Section
410 Capitol Avenue, MS# 51WAT
P.O. Box 340308
Hartford, CT 061134-0308

Dear Mr. Walden:

Please accept this correspondence as my endorsement of Connecticut's DWSRF Program. Programs such as DWSRF are especially helpful for municipally owned utilities in distressed cities such as Meriden. This program and funds associated with this program enable utilities to upgrade older facilities to be compliant with current drinking water standards. Without DWSRF funding, many facilities will not be upgraded in a timely manner, possibly exposing residents to lesser water quality which can become a major issue in any community.

In closing, I would like to thank you and your staff for their commitment in administering this extremely important program for the water utilities in Connecticut.

Sincerely,

Dennis Waz
Director of Public Utilities

Cc: File



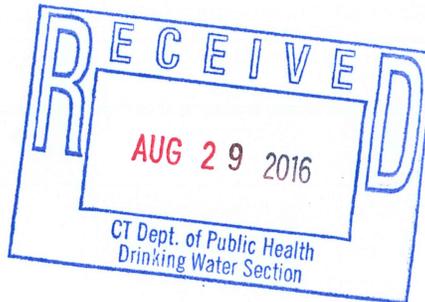
Town of Manchester

JAY MORAN, MAYOR
MARGARET H. HACKETT, DEPUTY MAYOR
RUDY KISSMANN, SECRETARY

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SCOTT SHANLEY, GENERAL MANAGER



August 25, 2016

Mr. Cameron Walden
Supervising Sanitary Engineer
Department of Public Health
Drinking Water Section
410 Capital Avenue
MS #51 WAT
P.O. Box 340308
Hartford, CT 06134-0308

Re: Drinking Water State Revolving Fund Draft Intended Use Plan SFY 2017 - Comments

Dear Mr. Walden:

The Town appreciates this opportunity to provide comments on the Draft Drinking Water State Revolving Fund (DWSRF) Intended Use Plan (IUP) State Fiscal Year (SFY) 2017. The Town of Manchester owns and operates a municipal water and sewer utility, which serves approximately 52,000 citizens. Manchester has been proactive in working to upgrade its' aging infrastructure, we recently upgraded Globe Hollow Water Treatment Plant and Hockanum River Water Pollution Control Facility. We also continue to fund pipe rehabilitation projects in both our water distribution and sewage collections systems. We have used both DWSRF and Clean Water Fund money to support our improvements.

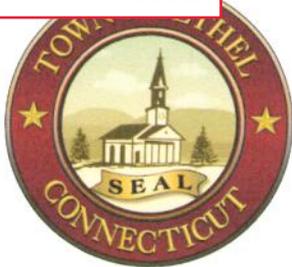
At this time, I would like to express my support for the DWSRF IUP SFY 2017. The Town has used the DWSRF to fund for projects at rates the Town would not have otherwise been able to obtain. We also look forward to submitting projects for utilizing of DWSRF that we plan on undertaking in the near future. Using DWSRF loans are a benefit to our customers.

Thank you for the opportunity to comment on Draft DWSRF IUP SFY 2017. If you have any questions please do not hesitate to contact me at 647-3115.

Sincerely:

Patrick Kearney
Administrator
Water and Sewer Department





FIRST SELECTMAN'S OFFICE

Clifford J. Hurgin Municipal Center, 1 School Street, Bethel, CT 06801

Telephone: 203-794-8501 – Fax: 203-778-7520

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Mr. Cameron Walden
Supervising Sanitary Engineer
CT Department of Public Health
Drinking Water Section
410 Capitol Avenue,
MS #51 WAT
P.O. Box 340308
Hartford, CT 06134-0308

August 25, 2016

RE: Drinking Water State Revolving Fund Draft Intendent Use Plan SFY 2017

Dear Mr. Walden,

The Town of Bethel fully supports the State of Connecticut Drinking Water State Revolving Fund. Bethel is currently in a multi-year process of upgrading its existing aging water infrastructure, including the new Eureka Lake water storage tank, Maple Avenue Wells and Hoyt's Hill Water Pumping Station. Bethel water system has additional needs, including additional groundwater supplies in the East Swamp Aquifer, a new water storage tank in the Chestnut Ridge Zone, Briar Cliff booster pump station and various water main replacements throughout the Town.

All of these projects are very important to the Town of Bethel and its water users. The Intendent Use Plan for SFY 2017 includes the New East Swamp Well Field project which includes an expansion of Town's existing groundwater supplies and necessary upgrades to existing groundwater treatment facilities. This is a very important and key project for the Town which will allow to phase out our aging surface supply facilities. The Town of Bethel is counting on DWSRF funding for this project as it moves forward, and I am looking forward to work with CT DPH staff on this and other critical water infrastructure projects in Bethel.

Thank you,

Sincerely

Matthew Knickerbocker, First Selectman



Town of Clinton

Carol D Walter
Town of Clinton
Selectman
54 East Main Street
Clinton, CT 06413

Drinking Water State Revolving Fund
DWSRF - DPH
Cameron Walden
410 Capital Ave., MS#51WAT
Hartford, CT 06134-0308

Dear Mr. Walden-

Last Thursday, August 25, 2016, the Town of Clinton was privileged to speak directly to the DWSRF in support of our application for funding of our Rocky Ledge Water Main Project. Our speakers were Engineer Kristie Wagner of CDM Smith, Matt Kennedy, Chair of Clinton's Water Pollution Control Commission and myself, Carol Walter, Selectwoman for the Town of Clinton. Our intention was to emphasize how important the support of the DWSRF is to making our plan for this drinking water project a reality.

As you may be aware the Rocky Ledge water main project is step one in the town's compliance with the 1997 consent order that is in place between the town and DEEP. While the Rocky Ledge area is a relatively small section of the town it contains approximately 120 homes filled with younger families. The most recent market analysis for this area shows the homes are, on average, 3 bedrooms, 1.5 baths, 1,200 sq.ft. and sit on lots that are about one quarter of an acre. Most of the homes were built in the mid 50's to early 60's and the most recent data shows an average value of \$186,000. The state has cited this area as an 'area of concern' due to the rate of failure of the septic systems that are in place and the quality of the water being delivered by the wells located at each home. In many cases the septic system and the well are not distanced appropriately, therefore the drinking water in the home is directly impacted by the on-site wastewater system.

The Town, in conjunction with DEEP and CDM Smith, has created a plan that will, in effect, resolve two problems with one solution; a plan that will eliminate the need for a large costly sewer project in a cost-effective manner while delivering an upgraded quality of life for many young families.

The Rocky Ledge Water Main Project plan is to connect this area of 120 homes to the recently installed water main that now serves the new and proximate Morgan School. Clean water delivered to this area will eliminate the need for those 'questionable' wells that currently exist and will allow for the installation of upgraded, code compliant septic systems by eliminating the need for the necessary separation of septic systems and wells. CDM Smith has recently completed the borings and tests necessary to complete the design plan for this project and we should be ready to commence with the actual work of beginning this project very soon. The thought is that with assistance in the form of either a subsidized grant or help from the Revolving Fund, the town will have some financial flexibility to assist the affected homeowners with the subsequent costs of connecting to the new main, as well as costs associated with upgrading existing septic systems to code compliancy.

To summarize, in order for the town to comply with the 1997 consent order, Clinton is looking at multiple, big ticket, capital projects in the not too distant future. And while Clinton's population has been essentially stable for the last 30 years our capital debt has not. Receiving assistance from the DWSRF would be instrumental not only in completing phase one of the Facilities Plan that we have submitted to the DEEP, but would also be a demonstration of support on behalf of the state and the DWSRF to show Clinton residents that we are all working together to improve quality of life and health issues.

Thank you for your consideration-

Carol D Walter

Selectman - Town of Clinton,



At Your Service

August 29, 2016

Lori Mathieu
Chief, Drinking Water Division
Department of Public Health

Cameron Walden
Supervisory Sanitary Engineer
Department of Public Health

Sara Ramsbottom
Sanitary Engineer III
Department of Public Health
410 Capitol Avenue, MS #51WAT
P. O. Box 340308
Hartford, CT 06134

Re: Written Testimonial
Drinking Water State Revolving Fund (DWSRF)
Draft Intended Use Plan
Public Hearing, August 25, 2016

Dear Ms. Mathieu:
Mr. Walden
Ms. Ramsbottom

Groton Utilities (GU) wants to acknowledge the professional and dedicated efforts of Department of Public Health (DPH) as administrator of the DWSRF program for the State of Connecticut.

GU has direct involvement with the DWSRF program having submitted an application for 2015 program. GU's \$42,000,000 project to rebuild our 1939 Water Treatment Plant (WTP) received the #1 priority from the State.



Mathieu, Walden, Ramsbottom
Written Testimony DWSRF
August 29, 2016
Page 2 of 3

GU invested resources in this project starting in 2008 with “pilot” work and performing a concept design report. Following that work, GU committed \$3,000,000 for design work funded via water rates.

GU working very closely with DPH staff to vet the entire process including the Request for Qualification process, Capacity Assessments through Asset Management, Value Engineering, and Financial Management Planning.

GU has experienced DPH staff to be extremely knowledgeable and professional. DPH staff has been thoroughly involved with this project for the last eight years providing guidance through established documents and on-site engineering review.

GU supports the Capitalization Grant Program funded by the Environmental Protection Agency to insure the rebuilding of aging infrastructure and protect the water quality delivered to our State residents.

As a very important regional provider, GU appreciates the funding matrix of the loan program allowing for lower interest loans to ameliorate rate increases.

Recent water concerns nationally, (Washington, Michigan, etc.) only serve to demonstrate the need for rebuilding and/or replacing aging infrastructure. The public should be made aware that the DWSRF program is not an entitlement program. Under this program with DPH, a project actually receives a high degree of scrutiny which again provides protection to the public which accordingly builds trust.

GU realizes consideration for grant awards in the intended use plan 2017 evaluates a public water system being positioned to assist in the consolidation of small systems and allows for assistance for regional interconnections.

By hardening our WTP with the latest technology and hydraulic capabilities, GU is well positioned to assist in small system consolidation. An example of this is the extension of water mains to acquire the Eastern Division of Southeast Connecticut Water Authority successfully.



Mathieu, Walden, Ramsbottom
Written Testimony DWSRF
August 29, 2016
Page 3 of 3

As the hub of the southeastern regional water system, GU has both the capacity and, with this project, the treatment and hydraulic capabilities to insure that the regional system is robust with redundancy and interconnections. This project will provide for water needs well into the future.

GU experiences working with DPH as a Partnership with a shared goal to supply the state with a suitable quantity and excellent quality of water for health and welfare of the customers we serve.

GROTON UTILITIES

Richard M. Stevens
Manager, Water Division & PAF

Copy:
Mariam Galbraith, Mayor – City of Groton
Ronald Gaudet, Director of Utilities

South Central Connecticut Regional Water Authority

90 Sargent Drive, New Haven, Connecticut 06511-5966 203.562.4020

<http://www.rwater.com>

August 25, 2016

Cameron Walden
Supervising Sanitary Engineer
Connecticut Department of Public Health
410 Capital Avenue, MS #51
P.O. Box 340308
Hartford, CT 06134

Re: Draft Intended Use Plan State Fiscal Year 2017 - Public Hearing Comments
Department of Public Health - Drinking Water State Revolving Fund
South Central Connecticut Regional Water Authority
New Haven, Connecticut

Dear Mr. Walden:

The South Central Connecticut Regional Water Authority (RWA) continues to face declining demands and higher fixed costs to operate, as do many other utilities. We are always looking for new and innovative ways to balance these costs with the benefits to our customers. Our goal at RWA is to provide our customers with the highest quality water at the lowest possible cost. The Drinking Water State Revolving Fund (DWSRF) is a great opportunity to support this goal.

The DWSRF program provides for an alternative to the traditional financing of our capital program through bonding. The program helps us to manage our operational costs by offering lower financing costs and subsidy monies, allowing more efficient spending of our capital dollars. More funds are available for projects to upgrade our aging infrastructure, improve treatment processes and keep current with technology.

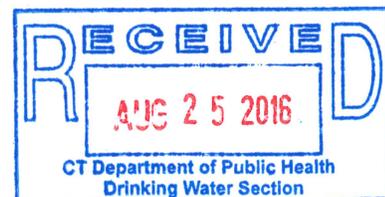
RWA appreciates the opportunity to participating in the current and future funding cycles. We look forward to working with you and your staff towards our goals, as well as demonstrating the savings realized through the DWSRF program to both our Boards and our customers.

Very truly yours,
REGIONAL WATER AUTHORITY



Rose M. Gavrilovic, P.E.
Director - Capital Planning and Delivery

cc: L. Bingaman, L. Discepolo, T. Norris, SCCRWA



Drinking Water State Revolving Fund Intended Use Plan SFY 2017

State Of Connecticut
Department Of Public Health
Drinking Water Section



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 - F. SFY 2017 Fundable Project Priority List
 - G. Asset Management Plan Checklist
 - H. Fiscal Management Plan Checklist
 - I. December 22, 2014 EPA Memo
 - J. March 6, 2016 DWS Circular Letter – State Subsidy Funds

Acronyms Used in This Document:

AIS	American Iron and Steel
C&D Plan	Connecticut Plan of Conservation and Development
CFR	Code of Federal Regulations
CGS	Connecticut General Statutes
CWF	Clean Water Fund
CWS	Community Water System
CWSRF	Clean Water State Revolving Fund
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
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
FR	Federal Register
GIS	Geographic Information System
IUP	Intended Use Plan
MOU	Memorandum of Understanding
NEIWPPCC	New England Interstate Water Pollution Control Commission
NEPA	National Environmental Policy Act
NTNC	Non-Transient Non-Community (Public Water System)
OA	Operating Agreement
OPM	Office of Policy and Management (CT)
OTT	Office of the State Treasurer (CT)
PBR	Project Benefits Reporting database
PER	Preliminary Engineering Report
PPL	Project Priority List
PRS	Priority Ranking System
PURA	Public Utility Regulating 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
TNC	Transient Non-Community (Public Water System)
ULO	Unliquidated Obligations
USC	United States Code

I. INTRODUCTION

A. State of Connecticut's Drinking Water State Revolving Fund

In 1996, Congress passed amendments to the Safe Drinking Water Act (SDWA) establishing the Drinking Water State Revolving Fund (DWSRF). Section 1452 of the SDWA authorizes the Administrator of the United States Environmental Protection Agency (EPA) to award capitalization grants to states. Each state annually receives a minimum of 1% of the funds available for the total allotment. From the inception of Connecticut's DWSRF program to Federal Fiscal Year (FFY) 2013, Connecticut's annual allocation has been 1% of the national allotment. Our participation in the 2011 Drinking Water Infrastructure Needs Survey and Assessment (DWINSA) identified increased need from the state's public water systems (PWS) for infrastructure improvement projects, which resulted in an increase in the annual allocation. Starting with the FFY 2014 DWSRF Capitalization Grant and ending with FFY 2017 grant, Connecticut's allocation increased from 1% to 1.01%. The 2015 DWINSA will determine the allocation after FFY 2017. Connecticut is eligible to receive \$8,423,000 from the \$855,381,000 appropriated by Congress for FFY 2016.

The Department of Public Health (DPH) is the primacy agency for Connecticut's drinking water program and 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 Intended Use Plan (IUP) is part of our application for the FFY 2016 Capitalization Grant. 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. This IUP highlights the State of Connecticut's ongoing improvement of the DWSRF program and seeks to further maximize the program's resources. The DWSRF program is an essential component of Connecticut's efforts to protect public health and improve the quality and availability of water to all its citizens. The IUP communicates our plans to stakeholders who include: public water systems, the public, EPA and other state agencies.

The IUP discusses how DPH intends to utilize its allotment of FFY 2016 funds, state legislative funding authorizations, and unobligated project funds carried forward from previous IUPs during the State Fiscal Year (SFY) 2017 time period (July 1, 2016 – June 30, 2017). 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, ensuring affordable drinking water, and maintaining the long-term financial health of the DWSRF. The IUP also provides the financial status of the DWSRF. Finally, the IUP describes the criteria and methods that DPH will use to distribute the funds, including the ranking criteria under which the eligible projects were ranked and placed on the fundable and comprehensive project lists and the procedures that allow DPH to bypass projects on the fundable list.

During State Fiscal Year (SFY) 2017, the DPH will continue to focus on implementing the public health aspects of the SDWA and will work to ensure that funds move expeditiously and responsibly from the time the State of Connecticut is awarded the capitalization grant to the time the funds are awarded to projects. These efforts are instrumental in achieving the requirements of the SDWA. The DPH works closely together with other state and federal agencies to identify opportunities for funding specific projects and to coordinate funding efforts.

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 the activities of two different 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 into a DWSRF Interagency Memorandum of Understanding (DWSRF Interagency MOU), which details the roles and responsibilities of each agency. The DWSRF Interagency MOU is an attachment to the Operating Agreement (OA) between 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.

The DPH is responsible for programmatic and fiscal administration of DWSRF projects, programmatic and fiscal administration of set-aside projects and accounts, and administration of planning, design and construction projects. The DPH provides the bi-annual capital budget request and the State Bond Commission (SBC) authorization requests for DWSRF projects to the DEEP for processing under the Clean Water Fund (CWF). The DEEP is responsible for administration of the CWF, of which the DWSRF is a sub-account. The DEEP processes the DPH's biennial DWSRF capital budget request and processes DWSRF SBC authorization requests for projects as part of the CWF, with the exception of any state subsidy funds, which are processed by the DPH. The PURA is responsible for programmatic and fiscal input for those water companies that it regulates. The OTT is responsible for the fiscal administration of all DWSRF accounts, oversight of loans, oversight of the bonding process, and administration of a DWSRF financial plan, as well as reviewing the financial viability of borrowers.

Figure 1 on page 3 displays the role the IUP plays in the DWSRF funding process.

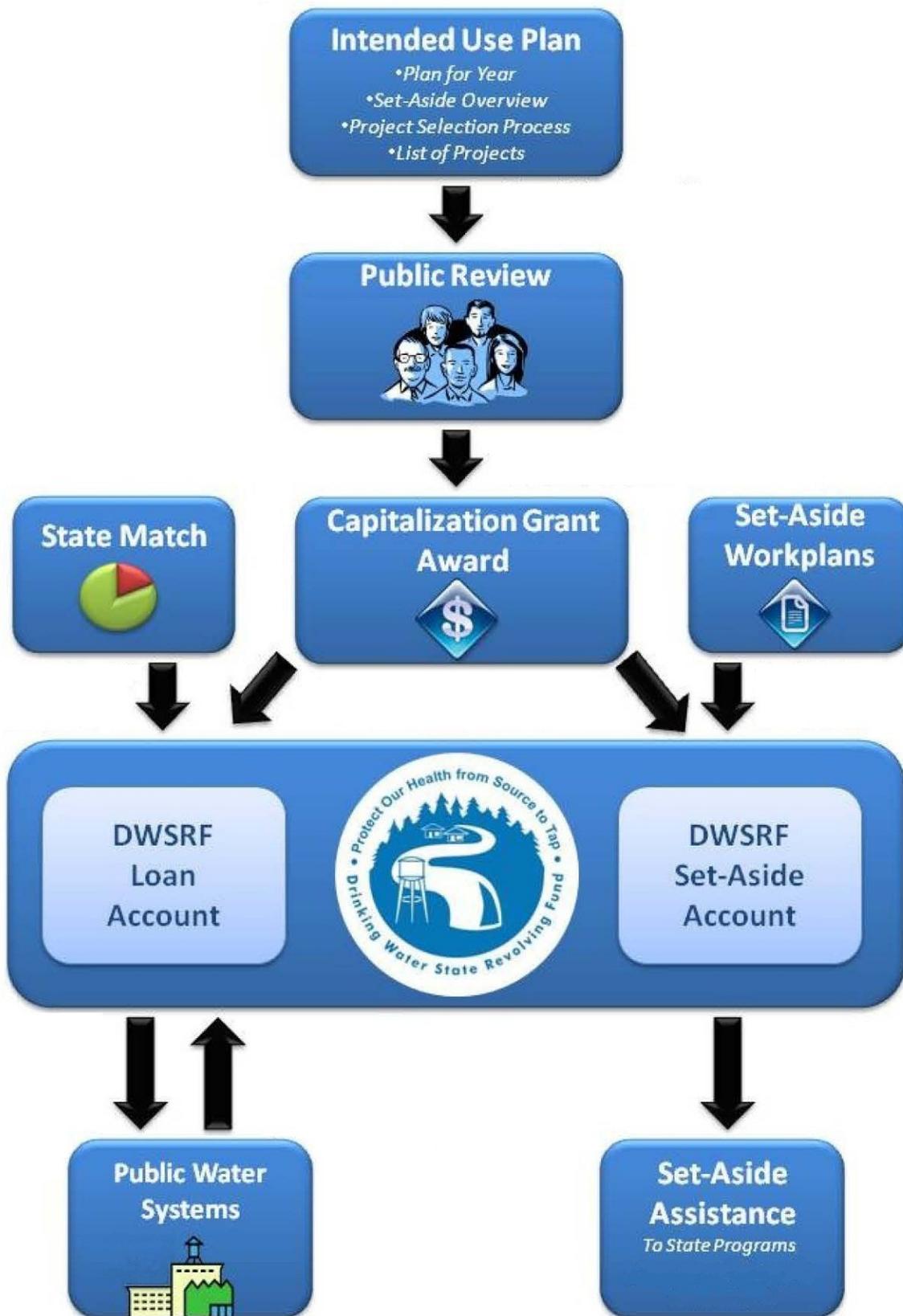
B. What's New for SFY 2017?

The Drinking Water Section (DWS) has completed the data collection for the 2015 DWINSA. Based on this information, the DPH expects the overall need to have increased from the \$3.5 billion reported with the 2011 Survey.

Regulations requiring emergency power provisions at all community water systems became effective in December 2015. It is expected this will lead to an increase in funding applications in future years.

More specific criteria for use of the funding authorized by Public Act 14-98 has been developed and is included in Section IV.F.

Figure 1 - The DWSRF Funding Process



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 primary or secondary standards and point of entry or central treatment;
- Rehabilitation of wells or development of eligible sources to replace contaminated sources;
- Installation or replacement of transmission and distribution pipes to improve water pressure to safe levels or to prevent contamination caused by leaks or breaks in the pipes;
- Installation or upgrade of eligible storage facilities to prevent microbiological contaminants from entering a PWS;
- Those needed to consolidate water supplies where, for example, a supply has become contaminated or a system is unable to maintain compliance for technical, financial, or managerial reasons;
- Creation of a community water system to address existing public health problems with serious risks caused by unsafe drinking water provided by individual wells or surface water sources.

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 PWSs 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 and will maintain an adequate level of technical, managerial and financial capability to maintain compliance.

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

B. Set-Asides

The State of Connecticut will use the amount of its capitalization grant set-asides to provide additional support to promote and implement the State's safe drinking water efforts and for activities to assist water systems in developing enhanced capabilities for the future. The set-asides help systems build capacity to assist in compliance with the SDWA and may aid their readiness to proceed to an infrastructure project. 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 goals for the DWSRF program of ensuring public health protection, complying with the SDWA, ensuring affordable drinking water, and maintaining the long-term financial health of the DWSRF. The 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 public water systems 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 an important factor in the success of the DWSRF program, and overall in the assistance and oversight provided to all public water systems.

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

A. Short-Term Goals

1. Apply for the FFY 2016 capitalization grant award by June 30, 2016. Upon award, implement the provisions of the FFY 2016 federal appropriation, including the capitalization grant terms and conditions.
2. Approve financial assistance agreements for projects funded in accordance with this IUP with an overall goal of committing all available project funds during the IUP period and increasing the pace of the DWSRF program.
3. Continue to implement existing DWSRF elements, including re-evaluation and improvement 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 PRS, maintaining an emphasis on ready-to-proceed projects;
 - 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.
4. Input project information into the DWSRF Project Benefits Reporting (PBR) and the Drinking Water National Information Management System (DWNIMS) on-line databases and continue to monitor program pace to assure meeting or exceeding national goals and measures for awarding funds in a timely manner.
5. Maintain a financing plan that secures the perpetuity of the DWSRF and meets loan demand.
6. Provide oversight, tracking, and continued implementation of the DPH's January 2013 Cash Management Plan, revision of January 2016.
7. Continue to reduce the DPH's ULOs associated with capitalization grant awards (project funds and set-asides) received from EPA and work towards achieving EPA's ULO Objectives. This effort includes the implementation of improved project readiness criteria.
8. Maintain a pipeline of projects through frequent interaction with public water systems.
9. Continue to work closely with DWSRF loan applicants, along with coordination of regulatory review and loan preparation activities
10. Continue using a 2-year project planning period to coincide with the biennial State of Connecticut budget cycle.
11. Continue to implement improvements identified during the 2014 DWSRF LEAN process, including:
 - a. 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.
 - b. Revise the OA to reflect revisions that have been made to the DWSRF program.
12. Continue to utilize the EPGP as a model for streamlining DWSRF requirements for small systems that undertake other projects with a total project cost of less than \$100,000.
13. Establish a process for accepting applications from small systems for high priority projects for funding consideration at any time. The timing of this goal is to pilot beginning with SFY 2018. This Small System Loan Program will be available for planning, including preparation of asset management plans, preliminary engineering reports, etc.; and design and construction when the project is to correct a compliance concern, consolidate with a larger CWS, or replace older hydropneumatic tanks. Projects which do not fall into a stated category would need to be submitted during the usual window of time in response to the Call for Projects in order to be considered for funding.
14. Provide education to PWSs to improve the sustainable infrastructure and asset management programs of PWSs.

15. Continue transitioning into the Loans and Grants Tracking System (LGTS) database that will improve communication between State agencies and information sharing with the EPA for projects funded through the DWSRF program.
16. Utilize the information gathered as part of the 2015 DWINSA to work with the selected PWSs to submit projects for future DWSRF funding cycles.

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. Make a commitment to monitor, track, and continue to improve the pace of the DWSRF program.
2. Meet EPA ULO Objectives for ULOs associated with capitalization grant awards received from the EPA.
3. Continue to reach out to State of Connecticut PWSs in an effort to educate and better promote the DWSRF Program, in order to maintain a pipeline of projects that are eligible to receive DWSRF funding.
4. 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 and water quality and quantity goals.
5. 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 PWS and drinking water service to Connecticut's residents. Areas of concern include PWS sustainable infrastructure programs, long-term water supply planning, source water protection and small water systems.
6. Continue to improve on documenting the PWS infrastructure needs for Connecticut through on-going participation and support for the EPAs Drinking Water Infrastructure Needs Survey and Assessment.
7. Offer a long-term low-interest financing program to eligible PWSs to undertake infrastructure improvement projects.
8. Commit to maintaining cash management policies, procedures and records for DWSRF funding.

IV. CRITERIA AND METHOD FOR DISTRIBUTION OF PROJECT FUNDS

A. Priority Ranking System

A state's priority system is required to provide, to the extent practicable, 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 most in need, on a per household basis, according to State affordability criteria. The DPH has statutory and regulatory jurisdiction over all statewide

matters related to the purity and adequacy of drinking water. The DPH considers quantity as important as quality in the protection of public health. The 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 objective of the ranking system is to award the highest points to projects that protect public health through improvements designed to address PWS performance in the areas of water quality and water quantity. The DPH is also responsible for the timely distribution of available DWSRF funds and must take into consideration each project's "readiness to proceed" when preparing the PPLs.

Modifications were made to Connecticut's PRS for the SFY 2016 and 2017 funding cycle. The PRS was made available to all applicants for their reference in completing and submitting project eligibility applications. These changes included the following:

- Utilization of the "Distressed Municipalities" list maintained and updated annually by the Connecticut Department of Economic and Community Development (DECD) as the source for cities or towns that qualify for affordability points.
- Increased the point value for generator projects in the EPGP.
- Added a point category for projects strictly for new or replacement generators costing more than \$100,000.

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 and compliance with Federal and State drinking water mandates as the predominate concerns. Exclusions for growth and other non-eligible elements as described in PRS stand as limitations on project funding.

All remaining projects deemed eligible and which have not executed a loan agreement or are not included on the Carryover List are shown in alphabetical order by the town of the PWS in a Comprehensive Project List (Attachment C). This list of projects is also shown in order of ranking points assigned (Attachment D). From this comprehensive list, the SFY 2017 Fundable PPL (Attachment F) was developed based on the total amount of funding made available for SFY 2017 and the expected readiness of a project to proceed. Projects that are determined by the DPH as not ready to proceed during SFY 2017 will not be considered in preparing the SFY 2017 PPL regardless of the priority points that the project received or the amount of funding expected to be available. These projects will be maintained on the comprehensive list and will be considered for funding during SFY 2017 according to the bypass procedure explained in Section IV or if additional funding becomes available for them. Several projects were withdrawn by the PWS during SFY 2016. These projects no longer appear on the Comprehensive List.

Projects identified on the SFY 2017 Fundable PPL may be bypassed by a project identified on the comprehensive list if the fundable project is not progressing. In the event that one or more projects are tied in the number of points, the tie-breaker provisions outlined in Section V will be used to determine which project will be ranked higher on the PPL. The lowest ranking project on the SFY 2017 Fundable PPL may be only partially funded based on the amount of total funds that remain available.

B. Capacity Assessments

The SDWA requires that a PWS applying for a DWSRF loan must show that it has the technical, financial and managerial capacity to ensure compliance. If a system does not have adequate capacity, assistance may only be provided if it will help the system to achieve capacity. The goal of

this requirement is to ensure that DWSRF assistance is not used to create or support non-viable systems. The DPH is in the process of developing a Capacity Assessment Tool for PWSs serving fewer than 1,000 people to better evaluate their overall capacity. A preliminary evaluation of the tool has been completed and is under review. PWSs serving 1,000 or more are required to develop and maintain a Water Supply Plan, which are reviewed and approved by the DPH.

Incentives for PWS to improve their capacity have been built into the distribution of the required subsidy, as described in Section IV. Starting in SFY 2014 additional subsidy was offered to small PWSs which developed an asset management plan. This will continue in SFY 2017. Beginning in SFY 2015, qualified applicants of all sizes that wish to qualify to receive state subsidy must 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 G and H. The criteria were chosen so that these plans would address all three areas of capacity.

While the DPH intends to fund a wide range of drinking water projects, it will do so only after careful consideration of an applicant's technical, managerial and financial capabilities and readiness to proceed with their project. 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 drinking water sources are adequate, that the PWS's source, treatment, distribution, pumping, and storage infrastructure are adequate and that personnel have the technical knowledge to efficiently operate and maintain the system, as well as any additional infrastructure funded by the DWSRF. All community and non-transient non-community (NTNC) PWS are required to have a Certified Operator responsible for the operation of the water system, in accordance with the state'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 the system and demonstrate credit worthiness and adequate fiscal controls. The OTT is responsible for reviewing the financial viability of 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 a sanitary survey. All community and NTNC PWS are required to have a Certified Operator responsible for the operation of the water system, in accordance with the State's operator certification program. As

part of reviewing an applicant's managerial capacity, the DPH will review the PWS's records and most recent sanitary survey report to assure that the PWS is being properly operated and maintained.

C. Small System Funding

The SDWA Amendments of 1996 also require that, to the extent that there are sufficient number of eligible project applications, not less than 15% of the available funding shall be dedicated to small 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 SFY 2017 Fundable PPL does not achieve the EPA goal of dedicating at least 15% of the available DWSRF funding, or approximately \$10,803,899, to small PWSs. This was due to a lack of sufficient funding requests for projects expected to proceed during SFY 2017. In response to the Call for Projects, the DPH received applications for 22 small system projects, including 6 EPGP projects, totaling approximately \$25.5 million in eligible project costs for the 2-year funding period. Since the applications were received, several projects have been withdrawn by the PWS leaving 12 projects totaling approximately \$23.5 million in project costs for the 2017 IUP. Of these, only 4 projects totaling approximately \$6.3 million are expected to move forward during SFY 2017 and are shown on the PPL.

The DPH is always evaluating ways to improve the funding process for all systems, but specifically small systems, as they typically do not have the in-house expertise that is available to most large systems.

D. Emergency Power Generator Program

The EPGP was established in SFY 2012 in response to two extreme weather events that occurred in the late summer and fall of 2011. These events left many customers, in particular customers of small PWSs, throughout Connecticut without water service for extended periods of time due to power outages. During 2012 and 2013 two additional severe weather events occurred furthering the need to ensure that all PWSs have back-up power systems capable of providing continued water service to customers during prolonged power outages. The EPGP allows eligible PWSs with projects costing less than \$100,000 to obtain low-interest loans and subsidies to purchase and install generators to be used in the event of power outages.

In December 2015, regulations became effective requiring emergency power provisions for all community water systems. The DPH expects an increase in funding requests for the next funding cycle beginning in SFY 2018.

The EPGP includes streamlined procurement procedures for projects costing less than \$100,000 in an effort to make it easier for small PWSs to proceed through the DWSRF process. PWSs that currently do not have back-up power for a drinking water facility are eligible to receive up to 45% of the total DWSRF eligible project cost as subsidization with a maximum amount of \$45,000 for each facility. PWSs that already have back-up power systems installed in their facilities are eligible to receive up to 25% of the total DWSRF eligible project cost as subsidization with a maximum amount of \$25,000 per project for replacement generators. These generator projects are ranked along with all other projects in accordance with the PRS.

E. Projects Expected to be Funded

Funding for new projects is limited to eligible PWSs that submitted eligible project applications in response to the DPH's SFY 2016 and SFY 2017 Call for Projects. The Call for Projects solicitation period ended on January 30, 2015. The total amount of funding available for new projects during SFY 2017 is approximately \$71 million. Projects on the SFY 2017 Fundable PPL 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 in Attachment E. These carryover projects went through public comment and ranking for during the year in which they appeared on a PPL and are not being re-ranked.

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 in the IUP for various reasons, which include:

- A project on the Fundable PPL receives full or partial funding from another source;
- A project on the Fundable PPL is bypassed, as described in the PRS and Section IV 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 readiness criteria to determine the SFY in which the project can reasonably be expected to proceed. The SFY 2017 Fundable PPL identifies projects, or portions of projects, for which funding is expected to be available and that can reasonably be expected to proceed during SFY 2017 based on updated project readiness information provided by the applicants in response to requests from the DWS for preparation of this IUP and the PPL.

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 any applicable regulatory compliance concerns. All projects were awarded appropriate points based on the current PRS, as discussed previously. As in SFY 2016, the DPH put an significant emphasis on project readiness in development of the SFY 2017 Fundable Project Priority List, in response to the December 22, 2014 memo from EPA (Attachment I), which included guidance on applying project readiness-to-proceed criteria.

The PRS puts higher emphasis on projects that will achieve compliance with applicable drinking water quality requirements, while recognizing the importance of projects that will maintain compliance. As part of maintaining compliance, the PRS emphasizes sustainability and acknowledges the efforts of PWSs that have undertaken asset management planning. A PWS's 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, a PWS must demonstrate a path to return to compliance before any formal commitment of funding is made by the State.

The Comprehensive Project List includes all eligible projects submitted in response to the Call For Projects, with the exception of those projects which have executed a loan agreement, are included

on the Carryover List, or withdrawn. A total of 49 projects are on this comprehensive project list. 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 be listed more than once, with the phases identified. The SFY 2017 Fundable PPL includes those projects proposed to move forward during the SFY ranked by priority points awarded, and for which sufficient funds are expected to be available. The original total amount requested for all eligible projects was \$201,916,960. The current total amount requested for all eligible projects shown on the Comprehensive List is \$160,364,963.

F. Additional Subsidization

Federal Subsidy Funds

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). The federal DWSRF appropriation for FFY 2016 requires that 20% of the capitalization grant amount be used by the State to provide additional subsidization to eligible recipients in the form of grants, principal forgiveness, or negative interest loans, or any combination thereof. The DPH is therefore required to provide \$1,684,600 in subsidization. All subsidization will be provided in the form of loan principal forgiveness.

The DPH will use 20% of the capitalization grant to subsidize certain qualifying drinking water projects. All federal subsidy is expected to be distributed on a first come, first served basis until all the available funding has been awarded, based on the readiness of a project to proceed and the PWS to execute a funding agreement, with the exception of small systems, as described below. There is no guarantee that every project eligible for subsidy will actually receive subsidy. Projects funded under the EPGP are eligible to receive up to 25% or 45% of their total eligible project cost in subsidization, as described in Section IV. The 'total eligible project cost' used to determine the amount of subsidy will be based on known fixed costs, with the amount determined at the time of the funding agreement. Other drinking water infrastructure projects on the SFY 2017 Fundable PPL are also eligible for subsidization, as outlined below:

- a) Small PWSs will be eligible for up to 15% of the total eligible project cost in subsidization, not to exceed a total of \$400,000. This subsidization will be available to small systems on the SFY 2017 Fundable PPL that have an Asset Management Plan in place, or agree to prepare and implement such a plan as part of their DWSRF financial assistance agreement. Subsidization shall be reserved for small PWSs that need and agree to prepare an Asset Management Plan as long as a funding agreement with DPH is drafted during SFY 2017 and that plan is completed. In order to assist small PWS with producing a plan, the DPH is providing training opportunities at no cost to the system, as well as free onsite technical assistance, as needed, to complete and implement the Asset Management Plan.
- b) Large systems, defined as PWSs serving more than 10,000 people, with projects on the SFY 2017 Fundable PPL which meet the "Sustainability Planning" criteria (i.e. Water Supply Plans and/or Asset Management Plans) and "Affordability" criteria, as outlined in Sections IV and VI, respectively, of the PRS, will be eligible to receive up to 10% of their total eligible project cost, not to exceed \$300,000 per project, in subsidy.

For a project which receives subsidy, the actual amount of subsidization will be determined at the time the financial assistance agreement for that individual project is drafted.

The purpose of this plan for the distribution of subsidy is to meet the DPH's obligations to quickly commit and disburse federal DWSRF funds. 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. Not all eligible projects will receive federal subsidy. Projects that were listed as eligible for federal subsidization from the FFY 2015 capitalization grant on the SFY 2016 Fundable PPL will not be eligible for federal subsidization from the FFY 2016 capitalization grant for SFY 2017.

State Subsidy 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 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 PWS Improvement Program, pursuant to 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 the remaining amount of principal in order to receive the grants-in-aid.

Eligibility criteria for the supplemental grants-in-aid contained within CGS 22a-483f includes the same eligibility criteria for DWSRF loans with the following exceptions, which are explicitly contained within CGS 22a-483f:

- Public service companies, as defined in Section 16-1 of the CGS, **are not** eligible for grants-in-aid.
- For-profit companies **are 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 an Asset and Fiscal Management Plan with their DWSRF application. The DWS will review these plans and determine if they are satisfactory before a PWS may receive a grant-in-aid. Projects must also adhere to the DWSRF requirements for Value Engineering, Quality-Based Selection for professional services, and submittal of an engineering assessment report of the project's feasibility, alternatives analysis, and recommended course of action. This "engineering report" may also be titled a "Preliminary Engineering Report".

The DPH believes that these limited state subsidy funds under the public water system improvement program should be used to further the public health goals for the State of Connecticut through the regionalization of public drinking water. DPH intends to use these grant-in-aid funds to subsidize community water system consolidation projects or interconnection projects that meet these regionalization concepts as outlined below:

Consolidation Projects

- Project will result in the consolidation of one or more community water systems, or one or more public schools that are public water systems, by another community water system that has the technical, financial and managerial capacity to serve them
- A legally binding consolidation agreement must be in place between the affected public water systems 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 Plan (pursuant to CGS 25-33h) and Individual Water Supply Plan (pursuant to CGS 25-32d), both approved by the DPH
- The project is consistent with the State or local Plan of Conversation and Development
- The project is not intended primarily for future growth consistent with existing DWSRF EPA requirements
- The absorbed public water system(s) and the community water system which absorbed it are eligible to receive grants-in-aid for each system's respective portion of the project as outlined below:
 - A public water system 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 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 water system that will absorb the other system(s) will be eligible for:
 - any infrastructure upgrades directly related to providing the capacity to consolidate that are identified in a Preliminary Engineering Report 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

Interconnection Projects

- Project will result in the interconnection of two (or more) community water systems all of whom will remain regulated by the DPH upon completion of the project and one or more of the following criteria are met:
 - One or more of the interconnected systems 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 Preliminary Engineering Report that has been approved by the DPH; or
 - One or more of the interconnected systems 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 Preliminary Engineering Report 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 Plan (pursuant to CGS 25-33h) and Individual Water Supply Plan (pursuant to CGS 25-32d), both approved by the DPH
- The project is consistent with the State or local Plan of Conversation and Development
- The project is not intended primarily for future growth consistent with existing DWSRF EPA requirements
- A legally binding interconnection agreement must be in place between the affected community water systems prior to the commitment of grant-in-aid funding in a DWSRF financial assistance agreement. The following forms of agreement are eligible:
 - Sale of excess water agreement, pursuant to CGS 22a-358
 - Emergency interconnection agreement

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. This funding is expected to be distributed on a first come, first served basis until all the available funding has been awarded based on the readiness of a project to proceed and execute a funding agreement.

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.

Certain PWSs may be eligible to receive both Federal and State subsidies for a particular project. In these cases, the project may not receive more than the maximum amount of subsidy noted for the State Subsidy, with the exception of projects for PWSs serving more than 10,000 persons funded through the EPGP. Projects that are eligible to receive federal subsidization based on available funding are identified on the SFY 2017 Fundable PPL.

The DPH continues to work toward receiving the necessary approvals in order to move forward with this program. It is possible that some of these funds may become available during SFY 2017.

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 2016 capitalization grant. Connecticut has met the required disbursement for FFY 2010, 2011, and 2012. The status of the commitment and disbursement for the FFY 2011 through FFY 2015 grants are individually identified below, along with a table summarizing the amounts. The actual projects and individual subsidy amounts as of June 30, 2016, will be identified in the 2016 Annual Report, along with the status of meeting the disbursement requirement. As a result of the uncertainty of the state subsidy funding, the execution of several funding agreements has been delayed. These delays have had a direct impact on the commitment of federal subsidy funds since many of these agreements included them. The DPH notified these PWS of the need to move forward with these agreements on March 9, 2016 (Attachment J), without the additional state subsidy. Several of these agreements were executed on June 30, 2016, and the projects associated with these agreements are all under construction or completed. These projects will greatly assist towards the commitment and disbursement of prior year's federal subsidization.

FFY 2010 and 2011

The minimum required subsidization has been committed and met for both years. As of August 31, 2016, all committed subsidization has been disbursed.

FFY 2012

The minimum required subsidization has been committed and minimum disbursement met for FFY 2012. As of August 31, 2016, \$2,212,322 is committed under executed funding agreements and \$2,009,245 has been disbursed. It is expected that additional subsidy will be assigned to this grant year; however, the maximum will not be exceeded.

FFY 2013

The minimum required subsidization has not yet been committed for FFY 2013. As of August 31, 2016, \$795,939 is committed under executed funding agreements and \$426,052 has been disbursed. The funding agreements that will commit the required funds are pending, with the goal for them to be executed by 6/30/2017, and complete the minimum required disbursements by 12/31/2017. Several factors have contributed towards the delay in committing subsidy funds for this year. These include project scheduling delays and uncertainty of the state subsidy.

FFY 2014

The minimum required subsidization has not yet been committed for FFY 2014. As of August 31, 2016, \$324,350 is committed under executed funding agreements, although none has yet been disbursed. The funding agreements that will commit the required funds are pending, with the goal for them to be executed by 6/30/2017, and complete the minimum required disbursements by 6/30/2018. Several factors have contributed towards the delay in committing subsidy funds for this year. These include project scheduling delays and uncertainty of the state subsidy.

FFY 2015

The minimum required subsidization has not yet been committed for FFY 2015. As of August 31, 2016, \$7,268 of the federal subsidy has been committed and 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 6/30/2017, and complete the minimum required disbursements by 10/31/2017.

The table below summarizes the federal subsidies from previous years' capitalization grants:

Cap Grant FFY	Minimum Amount of Federal Subsidy to Disburse	Maximum Amount of Federal Subsidy to Disburse	Total Federal Subsidy Amount Committed as of August 31, 2016	Additional Federal Subsidy Expected to be Committed	Federal Subsidy Amount Disbursed as of August 31, 2016	Remaining Federal Subsidy Amount Expected to be Disbursed	Estimated Month for Full Disbursement of Federal Subsidy	Estimated Month for Disbursement of Minimum Federal Subsidy
2010	\$4,071,900	N/A	\$4,723,405	\$0	\$4,723,405	\$0	May 2016 - completed	Achieved
2011	\$2,825,400	N/A	\$2,990,646	\$0	\$2,990,646	\$0	August 2016 - completed	Achieved
2012	\$1,795,000	\$2,692,500	\$2,212,322	\$187,864	\$2,009,245	\$390,941	June 2017	Achieved
2013	\$1,684,200	\$2,526,300	\$795,939	\$1,115,128	\$426,052	\$1,485,015	June 2018	December 2017
2014	\$1,792,400	\$2,688,600	\$324,350	\$1,535,087	\$0	\$1,859,437	December 2018	June 2018
2015	\$1,778,600	\$2,667,900	\$7,268	\$2,302,016	\$7,268	\$2,302,016	January 2018	October 2017

G. Readiness-To-Proceed

Only those elements (planning, design, construction) of eligible projects that are expected to result in executed contracts and DWSRF funding agreements within the current biennial funding cycle may receive funding during that cycle. Elements of eligible projects that are not expected to result in executed contracts and DWSRF funding agreements may be eligible to receive funding in future funding cycles. The Fundable PPL for SFY 2017 was generated based on the readiness of an element of a project to proceed to a loan agreement during SFY 2017, and its number of priority points.

The DPH has developed objective criteria to determine those elements of projects for which a funding agreement is expected to be executed during SFY 2017. 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 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.

The information that the DPH used to make a determination on project readiness is based on updated project schedules received from applicants in response to requests from the DWS. 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 and eligible project that is ready-to-proceed for funding based on that PWS's ability to initiate the project during the current SFY.

H. Project Bypass Procedures

Bypass for Readiness-to-Proceed, etc.

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

- a. If for some reason a project is not ready to proceed in a timely fashion, the DPH may bypass that project and select the next-highest-ranked eligible project that is ready-to-proceed for funding based on that PWS's ability to initiate the project during the current SFY funding cycle. A project will also be bypassed if the applicant has withdrawn its DWSRF application.

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

- b. Only those elements (planning, design, construction) of eligible projects that are expected to result in executed contracts and DWSRF loan agreements within the current SFY funding cycle may receive funding during that cycle. Elements of eligible, fundable projects that are not expected to result in executed contracts and DWSRF loan agreements may be eligible to receive funding in future funding cycles, based on the rollover procedure in Section V.

Emergency Bypass

The DPH Commissioner may make a project loan or loans with respect to an eligible drinking water project without regard to the priority list of eligible drinking water projects if a public drinking water supply emergency exists, pursuant to CGS Sec 25-32b, which requires that the eligible drinking water project be undertaken to protect the public's health and safety. In such cases there may be a need to by-pass projects on the project priority list.

I. Other DWSRF Provisions

Davis-Bacon Prevailing Wage Requirements

The FFY 2013 DWSRF appropriation made the application of Section 1450(e) of the Safe Drinking Water Act (42 U.S.C. 300j-9(e)) a permanent provision for all future federal DWSRF appropriations. Congress mandated that the requirements of this section apply to any construction project carried out in whole or in part with assistance made available by the DWSRF. Section 1450(e) of the SDWA requires compliance with federal labor laws regarding prevailing wages, hours of work, and rates of pay. These requirements are collectively known as the Davis-Bacon Act.

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

A number of Federal laws, executive orders, and government-wide policies apply by their own terms to projects and activities receiving federal financial assistance, regardless of whether the statute authorizing the assistance makes them applicable (cross-cutters). All projects for which 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 cross-cutters, including initiating any required consultations with state or federal agencies responsible for individual cross-cutters.

The DPH is required to identify projects that will be used to satisfy federal equivalency requirements, including the project signage requirement that began with the FFY 2015 capitalization grant award. The DPH has elected to also impose federal equivalency requirements to all projects and activities for which the DPH provides DWSRF assistance. The only exception to this 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. 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 requirements is shown below. 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.

SFY 2017 Potential Projects to be used for FFATA Reporting

PWSID	Public Water System	Town of PWS	Project Name	Amount Requested
CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - North Sleeping Giant Well Replacement	\$1,000,000
CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator at the Water Treatment Plant	\$2,250,000
CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Water Treatment Plant Sludge Removal Equipment (Construction)	\$2,300,000
CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Ansonia-Derby Atm Storage Tank	\$2,500,000
CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - West Hartford Water Treatment Facility - Rehab of 6 MG Basin	\$3,000,000
CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Burwell Hill Tank Replacement	\$3,000,000
CT0450011	EAST LYME WATER & SEWER COMMISSION	EAST LYME	DWSRF - Greensand Filtration - Wells 1A & 2A (Construction)	\$6,100,000
CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Rehabilitations and Replacement of Water Mains (Fiscal year 2017)	\$1,600,000
CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replace Bond Street, Hartford	\$5,500,000
CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF - Water Main Replacement - Valley St. area	\$1,000,000
CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Garden Street Area Water Main Replacement, Wethersfield	\$3,000,000
CT1530021	WATERTOWN WATER & SEWER AUTHORITY	WATERTOWN	DWSRF - Davis Street Water Main Replacement: Maple to Russel	\$700,000

Use of American Iron and Steel

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 FFY 2016 appropriation 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 2016 (September 30, 2016). The EPA has issued guidance on the implementation of this provision and created a [State Revolving Fund American Iron and Steel Requirement website](#). The DPH has also created a [Use of American Iron and Steel](#) webpage to assist DWSRF applicants in understanding and complying with AIS requirements.

J. 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 Draft IUP and submitted the Draft IUP to the Secretary of the Office of Policy and Management (OPM) for an advisory report commenting on the extent to which the proposed plan conforms to the C&D Plan.

The 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 SFY 2017 IUP, when those costs are in excess of 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 in order to keep a project eligible. 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)

A project that has been identified as fundable on the PPL, or for which funds are now available through the bypass procedure, and is progressing through the DWSRF process toward a financial assistance agreement, but for which an agreement is not executed during the IUP period/funding cycle for its PPL, may be carried over to the subsequent IUP period/funding cycle with respect to allotment and use of project funds. Projects in this category are considered to have already gone through the public hearing process and will not be re-ranked on the subsequent PPL. These projects are identified on the SFY 2017 Carryover Project List. If a project or portion of a project from the previous IUP has not yet executed a funding assistance agreement and is not listed on the carryover list or comprehensive list, then that project is considered to have been withdrawn and is no longer being considered for funding. A PWS will be notified in writing by the DPH if their project is considered withdrawn. Any federal subsidy that may be provided to a project on the Carryover List is also carried forward under the criteria associated the IUP under which the project was identified as fundable.

The DPH reserves the right to move a project from the carryover list to the comprehensive 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, including any subsidy. A project may still receive DWSRF funding, including subsidy if qualified and available, by virtue of the Bypass Procedure described in Section IV or if additional funding becomes available. A project on the carryover list may also be withdrawn by the DPH if the project is determined to not be progressing and/or if the applicant is not responsive. Any project removed from the carryover list may be resubmitted for consideration by the PWS in a subsequent funding cycle.

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, can be rolled over for consideration in the subsequent IUP period/funding cycle upon written 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.

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

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

D. Tie-Breaking Procedures

The total numeric score for a project is determined by summing the points awarded based on the PRS and detailed in the DWSRF Eligibility Application. In circumstances where more than one project has an equivalent ranking score, the following tiered approach will be implemented to break the tie:

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

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

E. 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 Fundable PPL. It is acknowledged, however, that the construction season begins in the spring and generally 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 DWS may include these projects on a Fundable PPL provided that all of the following conditions are met:

- The PWS has submitted a DWSRF Eligibility Application to the DPH during the Call for Projects for the SFY
- The funding agreement will be drafted during the SFY under which the project is listed on the Comprehensive Project List
- The project cannot begin and be completed prior to the start of the SFY
- The project is consistent with the C&D Plan
- The project is considered an action that does not require an environmental review under the Connecticut Environmental Policies Act and qualifies for a categorical exclusion from the National Environmental Policies Act
- 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

If the DWS includes such a project, it will be included on the Comprehensive Project List and ranked as outlined in this IUP. 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 their project is on the fundable PPL
- A 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
- A DWSRF funding agreement cannot be executed until after Fundable PPL 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 in order 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

The DWSRF may be used to buy or refinance 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 permits 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 project review requirements, including an environmental review, and must receive written authorization from the DPH prior to commencement of construction. Private systems are not eligible for refinancing. The project must adhere to all state and federal DWSRF requirements during construction. Consideration for refinance applications will be entertained only after projects addressing public health protection and compliance have been funded.

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.

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, or the Carryover List, as appropriate, and no longer considered for funding. Withdrawal of a project will not preclude a PWS from continuing to pursue funding for other projects or from submitting the same project for consideration during a subsequent DWSRF funding cycle. If a PWS does not submit a letter as requested, the DPH may withdraw the project based on the initial notification. A PWS will be notified if their application is withdrawn by the DPH.

Projects for which an Eligibility Application was received and the project is placed on the SFY 2017 Fundable PPL, but for which the DPH does not receive a Financial Assistance Application by the established deadline may be bypassed or withdrawn. A PWS will be notified if their application is withdrawn by the DPH.

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-asides funds. The DPH has chosen to take the maximum amount allowable and uses 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 uses these funds to foster greater appreciation of drinking water among the general public and the regulated community. Both of these intended uses address proactive and preventive measures endorsed by Congress in its authorization of the SDWA.

Section VII provides an overview of how the DPH will 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 2017 is approximately \$199,222,613, including the funds under PA 14-98. Attachment A provides a breakdown of the sources of these funds. These sources include carry-over revenue bond authorizations from previous IUPs that were not allocated to projects. Funds from previous bond authorizations will be used for all projects. The total amount that may be used to fund drinking water projects is limited to the total amount authorized by the state legislature as part of the state budget. For the SFY 2016 and 2017 biennial budget period, no revenue bonds were authorized for SFY 2017. As a result, in SFY 2016 the DPH had reserved a portion of the total available funds to be used for projects during SFY 2017.

Attachment A also identifies the amount of set-asides from DWSRF capitalization grants and state match amounts. The Federal capitalization grant, principal repayments, interest repayments, and funds earned through leveraging are used to support our overall bond authorization and as such are not individually identified.

The funds authorized by PA 14-98, as discussed in Section IV.F., have not yet been made available by the SBC to the DPH to commit to projects. The DPH has submitted a request to the SBC for a portion of those funds to be allocated, however it is not certain when or if the funds will be approved.

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 FFY 2016 capitalization grant application.

Uses

Projects that are currently anticipated to be funded during SFY 2017 include all projects that are being carried forward from the previous IUP and projects appearing on the PPL. The Carryover Project List identifies 46 projects for a total of \$108,192,090. The SFY 2017 Fundable PPL identifies 22 projects for a total of \$55,996,099. The Comprehensive Project List identifies all eligible projects which are being rolled over, per the procedure in Section V.

As shown on Attachment A, there is approximately \$15 million more in available funding than project costs shown on the SFY 2017 Fundable PPL. These additional funds will be used for projects from the Comprehensive List that may move forward during SFY 2017, and/or for projects on the Carryover List or PPL that end up with a greater cost than initially estimated.

The sources and uses amounts for set-aside activities are explained in detail in Section VII.

The ULO project balance is \$4,612,309 as of September 12, 2016. Due to program requirements, all monies provided as federal subsidy must come directly from the federal capitalization grant. As a result, a balance of project ULOs must be maintained in an amount sufficient to fund federal subsidy payments for qualifying projects currently under funding agreements and those for which funds are being carried over. The ULO set-aside balance is \$4,207,167.

The DPH closely monitors DWSRF ULOs with the goal being the expeditious disbursement of each capitalization grant. In September 2013, the DPH developed a ULO Reduction Plan outlining strategies to reduce DWSRF project and set-aside ULOs. The DPH expects that once desirable ULO

percentages are achieved, they will be maintained. The practice of spending the capitalization grants down on a yearly basis will lead to very low, sustainable ULO percentages. In April 2014, EPA established national goals for states to fully expend their FFY2013 and prior capitalization grants by September 30, 2016. Additionally, EPA expects FFY2015 and subsequent capitalization grants to be expended within two years of their award date.

Over the past 21 months the DPH had significant delays in executing new funding agreements due to uncertainty in obtaining SBC approval for state subsidy funding as described in Section IV.F. These delays have resulted in higher than normal ULOs associated with capitalization grant project funding; however, the DPH is still on pace to comply with EPA's national goals. The construction schedules for the projects associated with these agreements were not delayed and many of these projects have been under construction for many months with some projects already completed. Many of these delayed agreements were executed on June 30, 2016 and DPH subsequently fully disbursed the remaining project funding contained in the FFY 2014 capitalization grant and a portion of the FFY 2015 grant.

The set-aside portion of the capitalization grants are described in Section VII. These set-asides are primarily used to support adequate levels of DWS staffing to implement the DWSRF, Source Water Protection, Capacity Development and Public Water System Supervision Programs with limited outside contractual support. The State of Connecticut provides in-kind matching funds to obtain our federal EPA grants; however, non-matching state contributions for these activities have diminished in recent years and are not expected to increase in the foreseeable future due to current State budget deficit projections. The DPH has been carrying over unspent set-asides from prior years' capitalization grants to sustain these programs. For several years the DPH has proposed legislation to enact fees to provide long term support for these programs and reduce our dependence on the capitalization grant carryovers. DPH continues to work to move this legislation forward and has been tasked with production of a study under [May 2016 Special Session PA 16-2](#) Section 17 in order to review financial needs and propose methods to address those needs. DPH's ULO Reduction Plan accelerated the rate of spending these carryover funds to reduce ULOs, but it is necessary to manage those funds in a manner that minimizes the risk of diminishing the important services provided by the programs until alternative sources of new funding are obtained. Despite its efforts, the DPH has received a 12-month extension from the EPA to fully draw down the FFY 2014 set-aside portions of the capitalization grant.

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

The DWSRF financing plan is similar to the plan for the State's CWF program. This plan includes leveraging, when appropriate, where project funding comes from the proceeds of revenue bonds supported by the capitalization grants. A more detail financial analysis of the DWSRF program can be found in the [DWSRF Annual Reports](#), which are available on the OTT's website.

States may issue bonds through the DWSRF program using the federal capitalization grant as security to provide for higher funding levels in the current year of the program. Leveraging of federal funds is a useful financial option available to states with a high demand of shovel ready projects for immediate DWSRF funding. Consistent with Connecticut's financing strategy for the CWF, the DWSRF includes leveraged financing. Since 2001, with the EPAs approval, bonds have been issued on an as-needed basis to fund DWSRF projects. Leveraged financing allows the DWSRF to maximize the available project funding because the revenue bond proceeds can be two to three times the amount of the available capitalization grants and state match contributions. This strategy

also allows the State to provide more loans with a lower interest rate at favorable terms to more of the PWS applicants.

Connecticut's program is a leveraged program and has established itself as a highly rated (AAA) borrower in the bond market. We have used capitalization grants to leverage multiple series of bonds, aggregating over \$75.1 million in outstanding principal for the DWSRF program as of March 31, 2016 to fund loans.

The leveraging process has been successful because it has allowed the State of Connecticut to fund projects that would not be normally funded using capitalization grant funds alone. Examples include: The \$55 million New Britain Water Treatment project, which was built using \$36.6 million in DWSRF funds. This project, which replaced an antiquated system, provides excellent quality water to its over 90,000 customers, and keeps the water rates relatively low. The \$29 million water treatment plant upgrade for the South Norwalk Electric and Water utility was built using \$24.7 million in DWSRF funds to replace an antiquated water treatment plant that was badly in need of upgrades. Meriden Water Division has secured over \$21 million in DWSRF funds for the design and construction of major improvements to Broad Brook Water Treatment Plant and Pumping Station to maintain purity and adequacy of water to its 60,000 customers. Over \$8.0 million in DWSRF funds was used to cover the cost for design and construction of the East Lyme Sewer and Water Regional Interconnection project. This project is critical for East Lyme to meet its summertime peak demands, address other public health and water system operational needs, and provide fire protection for enhanced public safety. Another major project that is expected to be funded using DWSRF funding is the proposed Water Treatment Plant upgrade of Groton Utilities. Groton proposes to make significant improvements to its plant to address water quality issues. The majority of the existing components are antiquated (originally constructed in 1938), and improvements to the facility are crucial for infrastructure sustainability. Approximately \$42.0 million in DWSRF funding is expected to be used to cover the construction and project oversight. Without leveraging, the DPH would not be able to fund larger projects like these.

In SFY 2015 bonds were issued for the CWSRF and the DWSRF in anticipation of several significant projects moving forward over the next two years, including the Groton Utilities Water Treatment Plant upgrade project. The state does not plan to issue bonds again until SFY 2017.

D. State Matching Requirement

The required 20% state match for the FFY 2016 capitalization grant is \$1,684,600. These funds are required to be in place prior to drawing down the award. The State of Connecticut expects to have the required state match amount deposited prior to the expenditure of any federal FFY 2016 capitalization grant dollars. 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 June 30, 2016, the DWSRF has received and deposited \$39.8 million for the required match, including those for the FFY 2016 capitalization grant.

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 of 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. Attachment 10 to the OA contains an explanation of what a disadvantaged community is. Connecticut does not currently offer a disadvantaged community assistance program for the DWSRF.

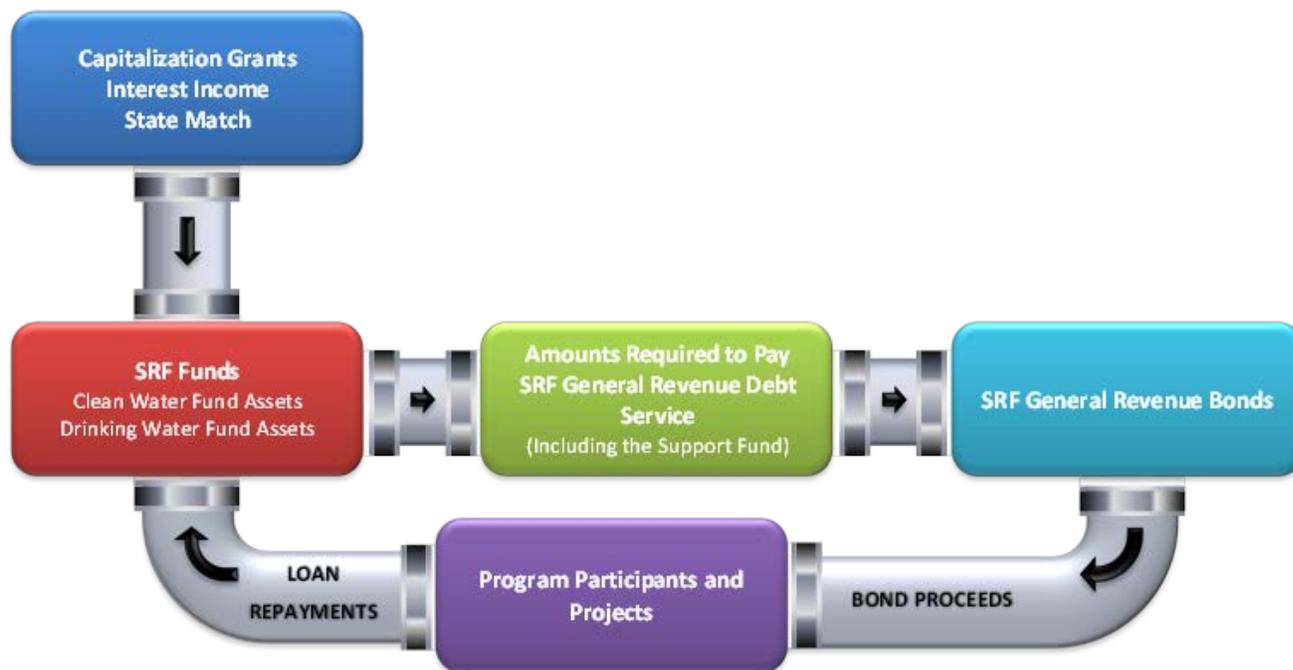
Within the provisions of CGS Sections 22a-475 through 22a-483, inclusive, Connecticut will consider appropriate financial terms for refinancing and the acquisition of land and sanitary easements on a case-by-case basis. The DPH policy for refinancing is discussed in Section V. Additional lending policies 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 be determined based on the dollar amount of the loan (not including any subsidy) as outlined in the table below.

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 of 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.

H. Expected Loan Demand

Connecticut’s participation in the EPA-sponsored Drinking Water Infrastructure Needs Survey and Assessments (DWINSAs) for 1999, 2003, 2007, and 2011 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 2011 DWINSA assessed the cost and types of drinking water needs throughout the nation for the period January 1, 2011 to December 31, 2030. The results of the survey were used to determine the DWSRF allocation for FFYs 2014 through 2017. The results of the 2011 survey, which were released in June 2013, showed that the State of Connecticut’s estimated need had grown from \$1.394 billion in 2007 to \$3.587 billion in 2011. Starting with the FFY 2014 capitalization grant, the state’s allotment has increased from 1% to 1.01%. The breakdown was as follows:

Transmission and Distribution	\$2.584 billion
Treatment	\$545.1 million
Storage	\$267.3 million
Source	\$146.6 million
Other	\$35.0 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. For SFY 2016 and SFY 2017, the DPH received requests for loans for 77 infrastructure projects totaling approximately \$205 million in project costs, including approximately \$202 million in eligible costs. This includes 6 applications under the EPGP and 7 larger generator projects totaling approximately \$6.7 million in eligible project costs. This is the highest amount of requests ever received.

Data collection for the 2015 DWINSA was completed in February 2016. Based on this information, the DPH expects the overall need to have increased since 2011. The official report from EPA is expected to be released during 2017.

In addition, in December 2015, regulations became effective requiring emergency power provisions for all community water systems. The DPH expects an increase in funding requests through the Emergency Generator Power Program for the next funding cycle beginning in SFY 2018.

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 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 fund itself. Loan terms will be attractive, while lending procedures will include safeguards structured to minimize unforeseen losses to the fund. The use of federally allowed subsidization from the capitalization grants will be managed to ensure that these non-repayment funds enhance the program rather than result in detrimental long term consequences.

The DWSRF also produces numerous opportunities for strengthening water supply mechanisms (i.e., source protection, PWSS program) that will ultimately result in improvements to safe and adequate supplies of drinking water for Connecticut residents. Additionally, the placement of the DWSRF within the financial structure of Connecticut's CWF guarantees that the DWSRF will benefit in the long term from the same management and financial planning mechanisms that have marked the success of Connecticut's CWF Program.

VII. SET-ASIDE ACTIVITIES

Taken together, 31 percent of a Connecticut's DWSRF capitalization grant is used for set aside activities. The DPH DWS receives funds under four set-asides to support various drinking water and DWSRF program activities. They include the Administration, State Program Management, Small Systems Technical Assistance, and Local Assistance set-aside funds. The following pages provide anticipated set-aside activities during the time period covered in this IUP. Prior to requesting disbursement of these funds, the DPH submits work plans to EPA Region 1 as part of the FFY 2016 capitalization grant application, which provides specific details for each set-aside fund request. At any time in which a modification is necessary, the DPH contacts EPA Region 1 to discuss, submit an amendment if deemed necessary, and seek approval. The DPH DWS expects to meet all set-aside reporting requirements as detailed in the capitalization grant award conditions.

A. DWSRF Administrative Funds

Maximum Percentage Allowed:	4% of the Capitalization Grant
Taking from FFY 2016 Grant:	4% (\$336,920)

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, oversight and tracking of the DPH's January 2013 Cash Management Plan, as well as providing assistance to borrowers in preparing their loan applications and satisfying program requirements. In addition, the DPH intends to utilize funds from this set-aside for the development and use of a state specific project financing, loan and accounting management system for the DWSRF program.

B. State Program Management

Maximum Percentage Allowed:	10% of the Capitalization Grant
Taking from FFY 2016 Grant:	10% (\$842,300)

Funding under this set-aside will be used primarily to support and administer the Public Water System Supervision (PWSS) program, which includes administering and providing technical assistance to PWSs in Connecticut. Staff supported by this fund also perform the following in support of both the PWSS and DWSRF programs:

- Coordinate DWS grant administration/lead interaction with EPA for grant administration, applications and reporting
- Prepare guidance documents, work plans and long-term strategies for DWSRF program management and EPA required program management reports (i.e. QAPP, PPA),
- Prepare contracts related to technical assistance to PWSs to assist the DWS in capacity development efforts
- 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 information and educational opportunities to PWSs via internet postings.
- Provide legal assistance to the DWS regarding the DWSRF program
- Coordinate activities with the Environmental Health Section's Laboratory Certification Program in assisting PWSs regarding water quality testing issues
- Identify water systems that would most benefit from collaboration or regionalization and assisting in developing and evaluating processes to aid in the success of DWS capacity development efforts
- Assist in coordinating long-range water supply planning by addressing water quality and quantity issues from area-wide perspectives in regional coordinated plans
- Performance of general office functions, such as reception, typing, filing, and bookkeeping in support of the PWSS and DWSRF Programs.
- Continuously update and maintain DWS's Geographic Information System(GIS) data layers in the DWS GIS system
- Review and approval of proposed sources of supply, including verification that the water system has ownership or control of the sanitary radius for proposed groundwater sources.
- Provide support for DWSRF Program Management activities by performing a wide variety of general clerical functions including basic processing, reception, filing, record keeping, bookkeeping and typing
- Review DWSRF project funding applications and perform subsequent engineering tasks as required
- Attend workshops and trainings to improve the efficiency of the DWSRF program

- Continue Memorandum of Agreements between DPH and UCONN that allows UCONN students to intern with the DPH DWS
- Coordinate the preparation of DWSRF loan agreements with the DPH Fiscal Office, Office of Grants and Contracts and the Office of the State Treasurer

C. Small Systems Technical Assistance

Maximum Percentage Allowed: 2% of the Capitalization Grant

Taking from FFY 2016 Grant: 2% (\$168,460)

Activities performed under this set-aside including providing technical assistance to small PWSs serving up to 10,000 consumers and contracting with a service provider to offer technical assistance to the state's small PWSs. Technical assistance efforts include:

- Conducting sanitary surveys of community, NTNC and transient non-community (TNC) 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
- Contracting with Technical Assistance Provider to provide training and direct one-on-one assistance to teach small system trustees, operators, and municipal officials the value and method of asset management to improve technical, financial and managerial capacity of those involved in managing the utility.

D. Local Assistance

Maximum Percentage Allowed: 15% of the Capitalization Grant

Taking from FFY 2016 Grant: 7.5% (\$631,725) – Wellhead Protection

7.5% (\$631,725) – Capacity Development

The DPH uses this set-aside for wellhead protection and capacity development activities. The Wellhead Protection Program will use 7.5% of the set-aside funds and the Capacity Development Program will use the remaining 7.5%. Each program is described below.

a) 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:

- Implementing continually revised statutes and regulations for source water protection, including the provisions of the federal Groundwater Rule
- Reviewing and approving/denying all proposed sources of public water supply
- Permitting of proposed sales or changes to water company owned land (i.e. land owned by PWSs that are within source water protection areas)
- Permitting of monitored recreational activities on water company land
- Coordinating of the process of conducting annual watershed inspection; and annual submission of Watershed Survey Reports
- Active and committed involvement with the improvement of the GIS application and database which is critical for adequate source assessment and protection
- Linking the protection of public water supplies with subsurface sewage disposal system approval, maintenance, training, and repair
- Linking the Clean Water Act to the SDWA through working with EPA, DEEP, and other stakeholders

- Continually working with local, regional and state partnerships on Environmental Reviews for projects that could potentially impact drinking water quality
- Collaborating with stakeholders at the community and state level to implement source water protection concepts and best management practices to enhance drinking water source protection
- Working with many diverse groups to enhance drinking water source protection and provide useful educational materials
- Working to develop and utilize consistent policies for the use of pesticides and herbicides in public drinking water sources of supply

b) Capacity Development

The DPH will use 7.5% of the Local Assistance set-aside allocation for capacity development initiatives that are consistent with the DWS's EPA-approved Capacity Development Strategy and help to improve the technical, financial and managerial capacity of PWSs. The DPHs strategies account for both immediate and long-term sustainability initiatives, including education, technical assistance, enforcement, consolidation, DWSRF assistance, and water system restructuring. These funds will be used primarily to support staff within the DWS that:

- Conduct sanitary surveys of community, NTNC and TNC PWSs
- Provide technical assistance to PWSs on violations and deficiencies noted during sanitary surveys
- Perform technical, financial and managerial capacity assessments of PWSs during sanitary surveys
- Provide technical assistance and enforcement referral to local health departments for maximum contaminant level violations, source water construction violations and cross-connections identified at NTNC and TNC food service establishments
- Conduct reviews of water quality and quantity of newly-developed drinking water sources and review engineering plans and specifications for new water system designs in accordance with CGS Section 16-262m, and regulations adopted thereunder, and under the authority of RCSA Section 19-13-B102
- Support the DWSRF program by soliciting for DWSRF projects; providing technical assistance to DWSRF applicants and their consultants on program requirements; determining project eligibility and reviewing and ranking project applications; reviewing project plans and specifications; tracking projects through completion including site visits; reviewing and approving DWSRF payment requests from loan recipients; entering and maintaining data in the federal DWSRF Project Benefits Reporting (PBR) system and Drinking Water National Information Management System (DWNIMS) on-line databases; preparing state and federal DWSRF reports; coordinating, conducting and attending the Public Hearing on the IUP and PPLs; meeting with stakeholders and applicants as needed; and attending workshops and trainings to improve the efficiency of the DWSRF Program.
- A consultant will be hired to complete the Water Utility Coordination Committee (WUCC) planning process. The process will include stakeholder involvement, system partnerships, public outreach, regionalization, consolidation, and identification of major facilities in need of replacement or construction.
- Provide technical assistance to PWSs that have received a significant violation as a result of a site visit or as noted in a sanitary survey report
- Participate as necessary in training programs related to the technical, managerial and financial capacity of PWSs for PWS operators and public health officials

- Work with the Connecticut drinking water industry, the Association of State Drinking Water Administrators, and the EPA with a goal of achieving optimization of existing surface water treatment plants

VIII. AUDITS and REPORTING

Ensuring transparency and accountability, all program materials are posted on our website (www.ct.gov/dph/dwsrf). DWSRF Annual Reports are posted on the OTT website (http://www.ott.ct.gov/debt_drinkingwaterfund.html). Financial audits are conducted annually by the OTT and included with the Annual Report. We commit to entering project and benefits data into the DWNIMS and PBR System to evaluate the benefits of Connecticut's DWSRF program. Among other parameters, the reporting systems 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 PBR as soon as possible following execution of a funding agreement, preferably within two weeks. If a project contains "green" components, we will report on the "green" projects and/or "green" portion of projects in PBR.

IX. PUBLIC OUTREACH and COMMENT

The DPH has engaged in a determined effort to prepare and provide accurate and understandable information on the DWSRF to potential loan applicants and other interested persons. The DWSRF loan applicant pool in Connecticut consists of approximately 900 PWSs. Outreach to these systems, as well as to other interested persons, has and will continue to occur simultaneously with the implementation of the DWSRF program. Outreach is accomplished through posting information on the DWS website, meeting with applicants, distributing program information, and participating in various water-related forums. In addition, during sanitary surveys PWS are encouraged to consider the DWSRF program for their infrastructure financing needs. The DPH directly solicits for DWSRF projects to all community PWSs and all NTNC public schools.

In conformance with 40 CFR 35.3555(b), the DPH will seek meaningful public review and comment on the Draft SFY 2017 IUP, which includes the Fundable PPL. 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 Fundable PPL.

The public hearing for the Draft SFY 2017 IUP was held on August 25, 2016. The Draft IUP was made available to all applicants and other interested persons for review and comment prior to the public hearing on July 22, 2016. A Notice of Hearing was formally advertised in newspapers of statewide and regional distribution and in two minority newspapers. The Draft IUP and Notice of Hearing was also sent to all DWSRF applicants with projects appearing on the Comprehensive Project List. Interested persons were invited to provide oral or written testimony at a public hearing and to submit written comments.

The public hearing was followed by an Open Forum where attendees or other interested parties had an opportunity to meet directly with DWSRF program staff to answer questions and learn more about the loan program. Following the public comment period, all comments were reviewed and considered by the DPH Commissioner and this Final IUP containing the Final Fundable PPL has been published.

In addition, in accordance with RCSA Section 22a-482-1(c)(4), a public hearing was held on 8/12/2015 which allowed the opportunity to comment on the SFY 2016 IUP, including the Comprehensive Project List of all eligibility applications received for this funding cycle and the priority ranking criteria in use for this funding cycle.

X. ATTACHMENTS

- A. Sources and Uses of Estimated Amounts of DWSRF Funds
- B. Priority Ranking System
- C. SFY 2017 Comprehensive Project List – Alphabetical Order
- D. SFY 2017 Comprehensive Project List – By Points
- E. SFY 2017 Carryover Project List
- F. SFY 2017 Fundable Project Priority List
- G. Asset Management Plan Checklist
- H. Fiscal Management Plan Checklist
- I. December 22, 2014 EPA Memo
- J. March 6, 2016 DWS Circular Letter – State Subsidy Funds

Attachment A - Sources and Uses of DWSRF Funds

	Cumulative Total through 6/30/16	7/1/16 - 6/30/17 (This IUP)	Cumulative Total Through 6/30/17
SOURCES			
Funds Transferred From (to) CWSRF	\$ -	\$ -	\$ -
Federal Capitalization Grant Set-Asides	\$ 56,583,729	\$ 2,611,130	\$ 59,194,859
Previous Bond Authorization Committed to Projects ¹	\$ 124,992,706	-	\$ 124,992,706
Previous Bond Authorization Available for Projects ²		\$ 179,222,613	\$ 179,222,613
SFY 2017 State Revenue Bond Authorization ³		\$ -	\$ -
PWS Improvement Program Authorized by Public Act 14-98 ⁴		\$ 20,000,000	\$ 20,000,000
Sources Total	\$ 181,576,435	\$ 201,833,743	\$ 383,410,178
USES			
Funds Transferred From (to) CWSRF	\$ -	\$ -	\$ -
Set-Asides			
Administrative	\$ 7,609,836	\$ 336,920	\$ 7,946,756
State Program Management	\$ 18,889,590	\$ 842,300	\$ 19,731,890
Small System Technical Assistance	\$ 3,797,418	\$ 168,460	\$ 3,965,878
Local Assistance / Other State Programs	\$ 26,286,885	\$ 1,263,450	\$ 27,550,335
Projects			
Previous Bond Authorization Committed to Projects	\$ 124,992,706		\$ 124,992,706
Previous Bond Authorization Used for Carryover Projects		\$ 108,192,090	\$ 108,192,090
Previous Bond Authorization Used for New Projects ⁵		\$ 55,996,099	\$ 55,996,099
Additional Previous Bond Authorization Available for Projects ⁶		\$ 15,034,425	\$ 15,034,425
PWS Improvement Program Authorized by Public Act 14-98 and Used for Projects ⁷		\$ 20,000,000	\$ 20,000,000
Uses Total	\$ 181,576,435	\$ 201,833,743	\$ 383,410,178

Footnotes:

1 - The capitalization grant project funds and state match amounts are included in the amount of bond authorization. This amount also includes proceeds generated by leveraging, interest earnings, and principal repayments, but these do not increase the total authorization. Refer to the text of the IUP for an explanation. Funds have been committed to projects.

2 - Funds from previous bond authorization that have not been committed to projects

3 - Funds are subject to legislative approval as part of the Capital Budget process. No funds were authorized for SFY 2017.

4 - As of August 31, 2016, these funds have not been approved by the State Bond Commission.

5 - The amount shown is the total amount of the SFY 2017 Fundable PPL

6 - These funds are available for projects with actual costs higher than original estimates and/or for projects appearing on the Comprehensive List, but not on the Fundable PPL.

7 - As of August 31, 2016, these funds have not been approved by the State Bond Commission. No project has been identified to receive any of these funds at this time.

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CONNECTICUT DEPARTMENT OF PUBLIC HEALTH PRIORITY RANKING SYSTEM FOR PROJECTS ELIGIBILITY FOR DRINKING WATER STATE REVOLVING FUND (DWSRF) FUNDING (Revised 10/28/2014)

INTRODUCTION:

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

1. Public health and safety
2. Protection of environmental resources
3. Population affected
4. Risk to human health
5. PWSs most in need according to applicable state affordability criteria;
6. Compliance with the applicable requirements of the Federal Safe Drinking Water Act (SDWA) and other related Federal acts
7. Applicable State and Federal regulations, including the Regulations of Connecticut State Agencies (RCSA)
8. Consistency with the plan of conservation and development
9. Consistency with the water resources policies delineated in CGS Section 22a-380
10. Consistency with the coordinated water system plan in accordance with subsection (f) of CGS Section 25-33d

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

ELIGIBILITY FOR DWSRF LOANS

Project eligibility applications must be submitted by the deadline specified in the biennial Call for Projects announcement issued. Applications must include sufficient technical documentation, data, reports, certifications, etc. for the DWS to make a determination on project eligibility and project readiness. Incomplete or inadequate information may result in a determination that the project is not eligible or affect its ranking. The DPH will utilize the State and Federal regulations and drinking water industry standards in evaluating projects for eligible funding.

The following public water systems are **NOT ELIGIBLE** for assistance:

1. Federally-owned public water systems and for-profit non-community water systems.
2. Systems that lack the technical, financial and managerial capability to ensure compliance with the requirements of the SDWA unless such assistance will ensure compliance and the owner(s) and/or operator(s) of the systems agree to undertake feasible and appropriate changes in operations to ensure compliance over the long term.
3. Systems that are in significant noncompliance with any state regulation, national primary drinking water regulation or variance unless such assistance will ensure compliance.

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

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

SUBSIDIZATION

The DPH may provide subsidization to eligible projects in the form of principal forgiveness to the extent allowed by Federal and/or State law. The amounts of subsidization, if available, and method of distributing such subsidies will be determined annually and detailed in the Intended Use Plan. A project which is eligible for subsidy must execute a loan for the remaining amount of principal in order to receive the subsidy.

INTENDED USE PLAN (IUP)

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

PRIORITY RANKING SYSTEM

Every two years the DPH will solicit planning, design, and construction projects from community water systems, both privately and publicly owned, and non-profit, non-community water systems for funding under the DWSRF program.

DPH may fund planning and design projects which may lead to construction projects. Planning and design projects will be included in the ranked priority list and will be given ranking points in accordance with the appropriate activity that the project intends to address (e.g. treatment would get points for addressing various water quality problems). DPH may also fund planning and/or feasibility studies.

In developing the ranking system, the DPH has made quality and adequate quantity of drinking water the highest priority in an effort to provide maximum public health benefits. Projects for regulatory compliance with water quality standards and adequate quantity of drinking water are given the highest points within the ranking system. Projects which are planned to address/resolve a quality or quantity regulatory violation will not receive additional points in the Proactive Infrastructure category.

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

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- addresses the most serious risk to human health
- are necessary to ensure compliance with the requirements of the SDWA including requirements for filtration
- assist systems most in need according to state affordability criteria

Connecticut's ranking system capitalizes on the SDWA by ensuring that all projects are reviewed from the perspective of risk to health and compliance with regulations. Connecticut's DWSRF priority ranking system assigns criteria points for each project deemed eligible for funding. The eight major point categories are as follows:

- Category I (Quality) deals with various water quality risks
- Category II (Quantity) deals with the need to maintain adequate supply so that lack of pressure does not create health risks by introducing contamination from the distribution system
- Category III (Acquisition/Transfer) allows water systems to be restructured financially, managerially or technically so that they operate in compliance with State and Federal regulations.
- Categories IV (Proactive Infrastructure) and V (Water System Protection) allow for improvements in source, treatment and distribution to achieve long term infrastructure sustainability so that health risks from infrastructure failure are averted.
- Category VI (Affordability) awards an additional 10 points to those systems having projects in towns that have been identified by the Connecticut Department of Economic and Community Development as "distressed municipalities."
- Category VII awards points to projects that will address Significant Deficiencies under the Ground Water Rule.
- Category VIII awards points to projects for emergency power generators, whether a new installation or replacement

The SDWA Amendments of 1996 also requires that, to the extent that there are sufficient number of eligible project applications, not less than 15% of the available funding shall be dedicated to small systems serving less than or equal to a population of 10,000. Unless otherwise justified to DPH, the population number the DPH currently has on inventory for that water system will determine which population category the project falls under with respect to funding small systems. In cases where an applicant owns more than one community PWS, the applicant's population will be determined on the combined population of all of its individually owned community PWSs.

Every two years, the DPH will compile a comprehensive priority list of drinking water projects which applied for DWSRF assistance in the IUP. The IUP will identify which projects are expected to receive funding during the biennial funding cycle. Some projects on the list may include planning, design and construction elements (i.e. multi-phase projects). For these multi-phase projects, the DPH will only fund those phases of the project that can be started during the biennial DWSRF funding cycle. The non-funded phases of these projects will be eligible for DWSRF assistance in future years.

Every project submitted to DPH will be identified by the PWS identification number utilized by the State and Federal Government for the inventory of PWS, and other identifiers to note the FFY and differentiate it from other projects submitted by the same PWS.

There will be 4 factors taken into consideration when compiling the final draft Project Priority List. Those factors are:

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1. The total numerical points assigned to a project which is arrived at by tallying points from each of the 8 priority point categories.
2. A PWS's readiness to proceed with the activities they have requested funding for during the biennial DWSRF funding cycle.
3. To the extent that there are sufficient eligible project applications, not less than 15% of the available funding shall be dedicated to small systems serving less than or equal to a population of 10,000.
4. To the extent required by federal law, a portion of DPH's capitalization grant shall be dedicated to projects that address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities.

GREEN PROJECT RESERVE (GPR)

Applicants for DWSRF financial assistance are also strongly encouraged to submit projects that address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities. To the extent required by Federal law, which may vary from year to year, the DPH will establish a Green Project Reserve to reserve certain DWSRF funds for projects that include qualifying "green" components. The GPR is typically equal to a percentage of the DPH's annual federal capitalization grant award. GPR requirements, as applicable, will be announced by the DPH during the biennial DWSRF application solicitation process if they are known at the time of the announcement. The GPR will also be described in the DPH's IUP.

ELEMENTS FOR ESTABLISHING THE PRIORITY POINTS ASSIGNED TO DWSRF PROJECTS:

The following Categories describe in detail the elements involved in assigning priority points to eligible projects. Actual point values for common qualifying project elements associated with each Category are provided in Appendix A.

- I. **Water Quality**: Violations of Water Quality are divided into five subcategories:
 - A. **Immediate**: Water quality violations requiring immediate action include surface water treatment rule violations and acute microbiological and inorganic chemical Maximum Contaminant Level (MCL) violations. These violations pose health risks which must be brought into compliance expeditiously.
 - B. **Long-term**: Violations of water quality which have health risk ramifications over extended periods of time include the following subcategories: non-acute inorganic chemical, pesticides, herbicides, PCB's, organic chemicals and radioactivity and treatment technique's (e.g. fluoride, chlorine residual, and phosphates). Violations sufficiently severe as to present acute health risks may be elevated to Category I A. Sodium exceedance is a Notification process and is not a MCL.
 - C. **Goals**: Include water quality parameters for which DPH has determined a health risk exists even though the parameter is not yet regulated. For these parameters DPH has set formal action levels prior to development of a federal regulation. This category also includes a preventative measure by allowing ranking points for systems which have not exceeded MCLs but nonetheless have determined that steps are necessary to reduce human exposure and risk associated with a water quality concentration that is elevated and approaching an MCL.
 - D. **Physical**: The physical element of the water quality category allows points for parameters that are primarily deemed aesthetic/physical rather than having significant health ramifications.
 - E. **Private Wells**: Wells that are currently not being served by a PWS yet are experiencing contamination which may cause the private well to violate RCSA Section 19-13-B101, can be

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assigned ranking points, if the solution is to extend water service to the affected wells from the applicant's public water supply.

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

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

Source development recognizes that the PWS needs to develop additional supplies to augment and/or replace existing sources. This effort may be a result of providing alternative supplies for emergencies and/or carrying out sound engineering practices. Implementation of conservation measures is also given ranking credits. This recognizes conservation as an effective means for efficient utilization of drinking water sources for both supply and demand.

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

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

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

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

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

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To encourage public water systems to develop or maintain plans for existing drinking water infrastructure improvements, additional priority points will be given to proactive water system improvements that:

- are consistent with improvements identified in a DPH approved individual Water Supply Plan for the most recent planning period as described in RCSA Section 25-32d-3(e)
- are consistent infrastructure priorities established within an on-going Asset Management Plan

V. **Water System Protection:** Water system protection projects reinforce protective measures necessary to ensure the safe delivery of drinking water. These measures must be directly related to a construction project being funded by the DWSRF. The protection measures include:

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

VI. **Affordability:** A PWS may receive additional points for undertaking a project that serves a city or town determined to be a “distressed municipality” by the Department of Economic and Community Development (DECD) according to C.G.S. Section 32-9p. The following towns and cities currently qualify under this category: Ansonia, Bridgeport, Bristol, Derby, East Hartford, Enfield, Groton, Hartford, Killingly, Meriden, Montville, Naugatuck, New Britain, New Haven, New London, North Canaan, Plainfield, Plymouth, Putnam, Sprague, Torrington, Waterbury, West Haven, Windham, and Winchester.

VII. **Ground Water Rule:** Projects in this category will correct a “Significant Deficiency”, as referenced in the DPH DWS “Significant Deficiencies Guidance Document”. If a “Significant Deficiency” condition exists, but has not yet been documented by DPH, sufficient justification must be submitted to warrant these points. The assignment of these points is subject to DPH review and approval of the justification and based on the percentage of the eligible DWSRF project determined to result in the correct of a Ground Water Rule deficiency.

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VIII. EMERGENCY GENERATORS

Emergency Power Generator Program (EPGP)

As result of the widespread and prolonged power outages caused by two major statewide storms in the fall of 2011, the DPH DWS introduced an Emergency Power Generator Program (EPGP) to provide subsidized loans for the purchase and installation of emergency power generator systems costing less than \$100,000. Projects eligible to be funded through this program will be confirmed by the DPH. This program is open to all public water systems eligible for DWSRF funding. Eligible projects under this program will receive 25 points for replacement generators or 50 points for new generators, and will be eligible to receive additional points under Category VI (Affordability) if the project serves a qualifying town or city, and/or Category IV (Sustainability Planning) is to be used if the PWS has an approved water supply plan or on-going asset management plan.

If a public water system incorporates an emergency power generator system installation project into a larger scale project then the combined project will only receive an additional 5 points for “emergency power provisions” under Category IV (Proactive Infrastructure Upgrades) for the generator system installation. This is intended to prevent a public water system from using the EPGP program as a mechanism to gain a significant priority ranking advantage for a larger scale higher cost project. By keeping EPGP project costs low the DPH hopes to be able to provide funding for a large number of generator projects during each funding cycle.

Generators Projects Costing over \$100,000

Generator projects with costs estimated at \$100,000 or greater will be required to follow the guidelines as part of the full DWSRF program. Such projects will receive 25 points for replacement generators or 50 points for new generators, and will be eligible to receive additional points under Category VI (Affordability) if the project serves a qualifying town or city, and/or Category IV (Sustainability Planning) is to be used if the PWS has an approved water supply plan or on-going asset management plan.

GREEN PROJECT RESERVE (GPR)

Green projects include those that promote green infrastructure and energy or water efficiency, as well as projects that demonstrate new or innovative ways to manage water resources in a sustainable way. To the extent required by Federal law, which may change from year to year, priority may be given to eligible projects where sufficient documentation has demonstrated to the satisfaction of DPH that the project achieves identifiable and substantial benefits that qualify as green project benefits. A “business case” is required of all green project applications unless the project is categorically excluded from this requirement under federal guidelines. Business cases shall include supporting documentation of how the project or portion of the project achieves green project benefits. Specific GPR amounts available each year will be identified in the DPH’s IUP. The DPH will solicit for qualifying GPR projects during the biennial DWSRF application process.

TOTAL POINTS AND TIE-BREAKERS

The total numeric score for a project is determined by summing the points from each of the eight categories above. In circumstances where more than one project has an equivalent ranking score, the following tiered approach will be implemented to break the tie:

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

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

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

PROJECT BY-PASS AND READINESS TO PROCEED

Only those elements (planning, design, construction) of eligible projects that can result in executed contracts and DWSRF loan agreements within the current biennial funding cycle may receive funding during that cycle. Elements of eligible projects that cannot result in executed contracts and DWSRF loan agreements may be eligible to receive funding in future funding cycles. The information that the DPH will use to make a determination on project readiness is included in the DWSRF Eligibility Application.

If for some reason a project is not ready to proceed in a timely fashion, the DPH may bypass that project and select the next highest ranked eligible project for funding based on that PWS's ability to initiate the project during the current SFY funding cycle.

Only those elements (planning, design, construction) of eligible projects that can result in executed contracts and DWSRF loan agreements within the current July 1, 2015 to June 30, 2017 funding cycle may receive funding. The DPH has developed objective criteria to determine those elements of projects that can be completed in the current funding cycle. This By-Pass process is necessary to ensure that available DWSRF funds will be disbursed in a timely fashion. The factors in these criteria are:

1. Local resolutions are in place.
2. Required local permits or approvals have been identified.
3. Required State permits or approvals have been identified.
4. Project is consistent with the State of Connecticut Plan of Conservation and Development
5. (For Construction Projects) Status of final design.
6. (For Construction Projects) Status of bid specifications.
7. (For Construction Projects) All necessary sites, easements and rights-of-way have been identified

EMERGENCY BY-PASS PROCEDURE

The DPH Commissioner may make a project loan or loans with respect to an eligible drinking water project without regard to the priority list of eligible drinking water projects if a public drinking water supply emergency exists, pursuant to CGS Section 25-32(b), which requires that the eligible drinking water project be undertaken to protect the public health and safety. In such cases of unexpected public drinking water supply emergencies which develop into severe public health risk, there may be a need to by-pass projects on the project priority list. Note that any loan made under the Emergency By-Pass Procedure must also follow all program requirements.

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Appendix A

Connecticut Department of Public Health – Drinking Water Section Drinking Water State Revolving Fund Priority Point Values for Common Qualifying Elements of Projects

Category I: Water Quality	Points
A. Immediate: Surface Water Treatment Rule Violation(s)	50
Microbiological Violation	50
Inorganic Violation	
Nitrate/Nitrite/Nitrogen	50
Lead/Copper Exceedance	40
Arsenic	40
B. Long-Term: Radioactivity Violations	40
Inorganic Chemical Violations	30
(other than lead, copper, arsenic, sodium, nitrate)	
Organic Chemical Violations	30
Pesticides, Herbicides & PCBs Violations	30
Treatment Technique Violations	20
(Fluoride, Chlorine Residual, Phosphates)	
Sodium Exceedance	10
C. Goals: Exceeding DPH Action Levels	15
Approaching MCL (50% of current MCL)	25
(does not include physical parameters)	
D. Physical: Color Violation	10
PH Violation	10
Odor Violation	10
Turbidity (Ground Water) Violation	10
E. Private Wells: Water main extension to existing private wells with RCSA Violations (20 points maximum)	20
Category II: Water Quantity:	
A. Source Deficit or Insufficient Margin of Safety	40
B. System Capacity Deficits	20
C. Lack of Source (production) Meters	20
D. Pressure Violation (pressure drops to less than 25 psi)	20
E. Source Development (additional and/or replacement)	20
F. Implementation of Conservation Measures	15
Category III: Acquisition/Transfer	
A. Acquisition / Transfer of System	25
B. Interconnection:	
PWS Absorbed (15 points per each PWS)	15
System remains as consecutive	15

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Category IV: Proactive Infrastructure **Points**

A. Upgrades (maximum of 25 points from this category):	
Treatment Facilities (facility structures, treatment process, etc.)	15
Pumping Facilities	5
Main Replacement/Improvement	5
Treatment Residuals Management	5
Storage Tanks (replace, repair, repaint, new, etc.)	5
Main Extension for Interconnection	5
System Automation	5
Leak Detection	5
Distribution Meters	5
Posting/Fencing/Security Measures	10
B. Emergency Power Provisions (as part of a larger project)	5
C. Sustainability Planning (maximum of 10 points from this category):	
Project identified in approved Water Supply Plan	10
Project prioritized within on-going Asset Management Plan	10

Category V: Water System Protection*

A. Source/Distribution Violations	10
B. Implementation Best Management Practices (BMP) on watersheds as a result of construction	10
C. Source Protection improvements	5
D. Purchase of Land	5
* (must relate to a construction project to qualify for points)	

Category VI: Affordability 10

A. Systems having projects that serve a city or town determined to be a “distressed municipality” by the Department of Economic and Community Development (DECD) according to C.G.S. Section 32-9p. The following towns and cities currently qualify under this category: Ansonia, Bridgeport, Bristol, Derby, East Hartford, Enfield, Groton, Hartford, Killingly, Meriden, Montville, Naugatuck, New Britain, New Haven, New London, North Canaan, Plainfield, Plymouth, Putnam, Sprague, Torrington, Waterbury, West Haven, Windham, and Winchester.

Category VII: Ground Water Rule

A. Project corrects Significant Deficiencies	
Points awarded based on percentage of total eligible project cost that corrects Significant Deficiencies as shown below (rounded to nearest 10%)	
100%	20
90%	18
80%	16
70%	14
60%	12
50%	10
40%	8
30%	6
20%	4
10% (>0 & up to 10%)	2

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Category VIII: Emergency Generator (maximum of 50 points from this category)

Note: If points are awarded under Category IV B (Emergency Power Provisions) above, no points will be awarded under this category.

A. Emergency Power Generator Program

This category is for projects estimated to cost less than \$100,000. Either 25 or 50 points will be awarded for this category.

New generator installation	50
Replacement generator	25

B. Emergency Power Generator

This category is for projects with estimated costs of \$100,000 and over. Either 25 or 50 points will be awarded for this category.

New generator installation	50
Replacement generator	25

Project #	PWSID	Public Water System	Town of PWS	Project Name	Points	Amount Requested	Received Sustainability and Affordability Points ¹	Small System ²
2015-0039	CT0090011	BETHEL WATER DEPT	BETHEL	DWSRF - New East Swamp Well Field	30	\$2,600,000	No	Yes
2015-0034	CT0279044	INDIAN RIVER RECREATIONAL COMPLEX (Town of Clinton)	CLINTON	DWSRF - Rocky Ledge Area Water Main Extension	30	\$3,000,000	No	Yes
2015-0084	CT0320292	COVENTRY HIGH & NATHAN HALE SCHOOLS	COVENTRY	DWSRF - Water main ext for consolidation	40	\$6,100,000	No	Yes
2015-0114	CT0450011	EAST LYME WATER & SEWER COMMISSION	EAST LYME	DWSRF - Greensand Filtration - Wells 1A & 2A (Construction)	25	\$6,100,000	No	No
2015-0035	CT0609094	BITTNER PARK (Town of Guilford)	GUILFORD	DWSRF - Mulberry Point Water Main Extension	30	\$3,081,099	No	Yes
2015-0043	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Various Storage Tank Rehab	40	\$4,000,000	Yes	No
2015-0064	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Bear Ridge Drive - Pump Station Upgrade & Water Main Extension	35	\$1,800,000	No	No
2015-0060	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - West Hartford Water Treatment Facility - Rehab of 6 MG Basin	35	\$3,000,000	Yes ³	No
2012-0029	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replace Buckingham St. area, Hartford	25	\$5,000,000	Yes ³	No
2015-0045	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Raw Water Pipeline - Phase II - Res 6 to Res 5	25	\$5,000,000	Yes	No
2015-0047	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacements - Various East Hartford (2017)	25	\$3,300,000	Yes	No
2015-0053	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Madison Avenue Area Water Main Replacement, Hartford	25	\$3,600,000	Yes ³	No
2015-0067	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacements - Hartford (2016)	25	\$14,400,000	Yes	No
2012-0030	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replace Bond Street, Hartford	25	\$5,500,000	Yes ³	No
2012-0038	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Raw Water Pipeline-Phase I - Res#6 to Res #5	25	\$5,000,000	Yes	No
2015-0046	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Church Street Water Main Replacement Phases I & II	25	\$10,000,000	Yes ³	No
2015-0063	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Farmington Ave #11 Water Main Replacement	25	\$3,500,000	Yes ³	No
2015-0044	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Simsbury Road Pump Station Rehabilitation	15	\$2,677,000	No	No
2015-0056	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Eastbury Water Storage Basin Improvements, Glastonbury	15	\$2,800,000	No	No
2015-0066	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Transmission Main Extension - Long Hill Road	15	\$3,400,000	No	No
2015-0068	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacements - Various West Hartford	15	\$8,000,000	No	No
2015-0037	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Garden Street Area Water Main Replacement, Wethersfield	15	\$3,000,000	No	No
2015-0052	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Bloomfield Transmission Main Extension	15	\$13,000,000	No	No
2015-0116	CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF - Water Main Replacement - Valley St. area	15	\$1,000,000	No	No
2015-0032	CT0790021	HILLSIDE CORPORATION	MARLBOROUGH	DWSRF - Storage Tank & Pump House Improvements	25	\$115,000	No	Yes

Project #	PWSID	Public Water System	Town of PWS	Project Name	Points	Amount Requested	Received Sustainability and Affordability Points ¹	Small System ²
2015-0112	CT0860302	MONTVILLE HIGH SCHOOL	MONTVILLE	DWSRF - Montville Center Waterline Interconnection	20	\$6,800,000	No	Yes
2015-0048	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Redevelopment of the Lower White Bridge Well (Construction)	60	\$2,800,000	Yes	No
2015-0051	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Whtbrg Raw Water Supply (Pond) Station Electric, Mechanical & SCADA (Construction)	30	\$1,960,864	Yes	No
2015-0030	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Water Main Improvement on Batterson Park Road (Construction)	25	\$600,000	Yes	No
2015-0134	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Filter Plant SCADA (Construction)	25	\$1,131,000	Yes	No
2015-0090	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - North Sleeping Giant Well Replacement	70	\$1,000,000	Yes	No
2015-0088	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Adv Metering Infrastructure Phase IVb	50	\$4,200,000	Yes	No
2015-0085	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - West River WTP DAF	40	\$4,000,000	Yes	No
2015-0089	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Ansonia-Derby Atm Storage Tank	40	\$2,500,000	Yes	No
2015-0087	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Burwell Hill Tank Replacement	25	\$3,000,000	Yes	No
2015-0115	CT1420041	WOODLAND SUMMIT COMMUNITY WATER ASSN	TOLLAND	DWSRF - Infrastructure Improvements	25	\$100,000	No	Yes
2015-0073	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator Hamilton Avenue Pump Station (Construction)	70	\$140,000	Yes	No
2015-0074	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator North Main Street Pump Station (Construction)	70	\$285,000	Yes	No
2015-0075	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator Pierpont Road Pump Station (Construction)	70	\$185,000	Yes	No
2015-0076	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator Rumford Street Pump Station (Construction)	70	\$140,000	Yes	No
2015-0077	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator at the Water Treatment Plant	45	\$2,250,000	Yes	No
2015-0078	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Water Treatment Plant Sludge Removal Equipment (Construction)	45	\$2,300,000	Yes	No
2015-0072	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Rehabilitations and Replacement of Water Mains (Fiscal year 2017)	25	\$1,600,000	Yes	No
2015-0042	CT1530021	WATERTOWN WATER & SEWER AUTHORITY	WATERTOWN	DWSRF - Bunker Hill Sewer & Water Extension	30	\$4,000,000	No	No
2015-0050	CT1530021	WATERTOWN WATER & SEWER AUTHORITY	WATERTOWN	DWSRF - Davis Street Water Main Replacement: Maple to Russel	15	\$700,000	No	No
2015-0070	CT1680031	WOODLAKE TAX DISTRICT	WOODBURY	DWSRF - Treatment System Improvements & Water System Automation Project (Construction)	35	\$940,000	No	Yes
2015-0069	CT1680031	WOODLAKE TAX DISTRICT	WOODBURY	DWSRF - Replacement of Bedrock Supply Well PW-7 (Construction)	30	\$85,000	No	Yes

Project #	PWSID	Public Water System	Town of PWS	Project Name	Points	Amount Requested	Received Sustainability and Affordability Points ¹	Small System ²
2015-0065	CT1680031	WOODLAKE TAX DISTRICT	WOODBURY	DWSRF - Distribution System Improvements & Trans Line Cleaning (Construction)	20	\$75,000	No	Yes
2015-0062	CT1680031	WOODLAKE TAX DISTRICT	WOODBURY	DWSRF - Solar Panel Installation ⁴ (Construction)	0	\$600,000	No	Yes

2017 Comprehensive list	\$160,364,963
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Footnotes:

1	Projects which were awarded Sustainability and Affordability points are eligible to receive federal subsidy.
2	These PWSs serve a population less than or equal to 10,000 and are considered "small" for the purposes of DWSRF and are qualified to receive federal subsidy.
3	These projects were listed on the original SFY 2016 PPL, but did not proceed. Per the SFY 2016 IUP, these projects are not eligible for subsidy in SFY 2017.
4	This project is eligible for DWSRF under federal rules, however, there is no point category in the current Priority Ranking System for which this project qualifies, therefore, no ranking points have been awarded.

Project #	PWSID	Public Water System	Town of PWS	Project Name	Points	population served by project (not shown in IUP)	Amount Requested	Received Sustainability and Affordability Points ¹	Small System ²
2015-0090	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - North Sleeping Giant Well Replacement	70	15,000	\$1,000,000	Yes	No
2015-0074	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator North Main Street Pump Station (Construction)	70	6,500	\$285,000	Yes	No
2015-0075	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator Pierpont Road Pump Station (Construction)	70	6,500	\$185,000	Yes	No
2015-0073	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator Hamilton Avenue Pump Station (Construction)	70	2,500	\$140,000	Yes	No
2015-0076	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator Rumford Street Pump Station (Construction)	70	2,500	\$140,000	Yes	No
2015-0048	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Redevelopment of the Lower White Bridge Well (Construction)	60	73,164	\$2,800,000	Yes	No
2015-0088	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Adv Metering Infrastructure Phase IVb	50	440,000	\$4,200,000	Yes	No
2015-0077	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator at the Water Treatment Plant	45	109,676	\$2,250,000	Yes	No
2015-0078	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Water Treatment Plant Sludge Removal Equipment (Construction)	45	109,676	\$2,300,000	Yes	No
2015-0085	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - West River WTP DAF	40	53,000	\$4,000,000	Yes	No
2015-0043	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Various Storage Tank Rehab	40	18,710	\$4,000,000	Yes	No
2015-0089	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Ansonia-Derby Atm Storage Tank	40	13,000	\$2,500,000	Yes	No
2015-0084	CT0320292	COVENTRY HIGH & NATHAN HALE SCHOOLS	COVENTRY	DWSRF - Water main ext for consolidation	40	1,753	\$6,100,000	No	Yes
2015-0060	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - West Hartford Water Treatment Facility - Rehab of 6 MG Basin	35	300,000	\$3,000,000	Yes ³	No
2015-0070	CT1680031	WOODLAKE TAX DISTRICT	WOODBURY	DWSRF - Treatment System Improvements & Water System Automation Project (Construction)	35	912	\$940,000	No	Yes
2015-0064	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Bear Ridge Drive - Pump Station Upgrade & Water Main Extension	35	180	\$1,800,000	No	No
2015-0051	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Whtbrg Raw Water Supply (Pond) Station Electric, Mechanical & SCADA (Construction)	30	73,164	\$1,960,864	Yes	No
2015-0039	CT0090011	BETHEL WATER DEPT	BETHEL	DWSRF - New East Swamp Well Field	30	9,237	\$2,600,000	No	Yes
2015-0069	CT1680031	WOODLAKE TAX DISTRICT	WOODBURY	DWSRF - Replacement of Bedrock Supply Well PW-7 (Construction)	30	912	\$85,000	No	Yes
2015-0035	CT0609094	BITTNER PARK (Town of Guilford)	GUILFORD	DWSRF - Mulberry Point Water Main Extension	30	480	\$3,081,099	No	Yes
2015-0034	CT0279044	INDIAN RIVER RECREATIONAL COMPLEX (Town of Clinton)	CLINTON	DWSRF - Rocky Ledge Area Water Main Extension	30	304	\$3,000,000	No	Yes
2015-0042	CT1530021	WATERTOWN WATER & SEWER AUTHORITY	WATERTOWN	DWSRF - Bunker Hill Sewer & Water Extension	30	300	\$4,000,000	No	No
2015-0045	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Raw Water Pipeline - Phase II - Res 6 to Res 5	25	362,348	\$5,000,000	Yes	No
2012-0038	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Raw Water Pipeline - Phase I - Res#6 to Res #5	25	362,348	\$5,000,000	Yes	No

Project #	PWSID	Public Water System	Town of PWS	Project Name	Points	population served by project (not shown in IUP)	Amount Requested	Received Sustainability and Affordability Points ¹	Small System ²
2015-0134	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Filter Plant SCADA (Construction)	25	73,164	\$1,131,000	Yes	No
2015-0087	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Burwell Hill Tank Replacement	25	33,000	\$3,000,000	Yes	No
2015-0114	CT0450011	EAST LYME WATER & SEWER COMMISSION	EAST LYME	DWSRF - Greensand Filtration - Wells 1A & 2A (Construction)	25	15,245	\$6,100,000	No	No
2015-0072	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Rehabilitations and Replacement of Water Mains (Fiscal year 2017)	25	15,000	\$1,600,000	Yes	No
2015-0067	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacements - Hartford (2016)	25	2,728	\$14,400,000	Yes	No
2012-0030	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replace Bond Street, Hartford	25	2,200	\$5,500,000	Yes ³	No
2012-0029	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replace Buckingham St. area, Hartford	25	2,040	\$5,000,000	Yes ³	No
2015-0046	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Church Street Water Main Replacement Phases I & II	25	1,250	\$10,000,000	Yes ³	No
2015-0063	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Farmington Ave #11 Water Main Replacement	25	800	\$3,500,000	Yes ³	No
2015-0047	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacements - Various East Hartford (2017)	25	652	\$3,300,000	Yes	No
2015-0053	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Madison Avenue Area Water Main Replacement, Hartford	25	604	\$3,600,000	Yes ³	No
2015-0115	CT1420041	WOODLAND SUMMIT COMMUNITY WATER ASSN	TOLLAND	DWSRF - Infrastructure Improvements	25	216	\$100,000	No	Yes
2015-0030	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Water Main Improvement on Batterson Park Road (Construction)	25	150	\$600,000	Yes	No
2015-0032	CT0790021	HILLSIDE CORPORATION	MARLBOROUGH	DWSRF - Storage Tank & Pump House Improvements	25	136	\$115,000	No	Yes
2015-0112	CT0860302	MONTVILLE HIGH SCHOOL	MONTVILLE	DWSRF - Montville Center Waterline Interconnection	20	1,000	\$6,800,000	No	Yes
2015-0065	CT1680031	WOODLAKE TAX DISTRICT	WOODBURY	DWSRF - Distribution System Improvements & Trans Line Cleaning (Construction)	20	912	\$75,000	No	Yes
2015-0052	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Bloomfield Transmission Main Extension	15	34,888	\$13,000,000	No	No
2015-0066	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Transmission Main Extension - Long Hill Road	15	3,692	\$3,400,000	No	No
2015-0068	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacements - Various West Hartford	15	1,376	\$8,000,000	No	No
2015-0056	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Eastbury Water Storage Basin Improvements, Glastonbury	15	1,356	\$2,800,000	No	No
2015-0044	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Simsbury Road Pump Station Rehabilitation	15	950	\$2,677,000	No	No
2015-0116	CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF - Water Main Replacement - Valley St. area	15	300	\$1,000,000	No	No
2015-0037	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Garden Street Area Water Main Replacement, Wethersfield	15	280	\$3,000,000	No	No

Project #	PWSID	Public Water System	Town of PWS	Project Name	Points	population served by project (not shown in IUP)	Amount Requested	Received Sustainability and Affordability Points ¹	Small System ²
2015-0050	CT1530021	WATERTOWN WATER & SEWER AUTHORITY	WATERTOWN	DWSRF - Davis Street Water Main Replacement: Maple to Russel	15	152	\$700,000	No	No
2015-0062	CT1680031	WOODLAKE TAX DISTRICT	WOODBURY	DWSRF - Solar Panel Installation ⁴ (Construction)	0	912	\$600,000	No	Yes

2017 Comprehensive list	\$160,364,963
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Footnotes:

1	Projects which were awarded Sustainability and Affordability points are eligible to receive federal subsidy.
2	These PWSs serve a population less than or equal to 10,000 and are considered "small" for the purposes of DWSRF and are qualified to receive federal subsidy.
3	These projects were listed on the original SFY 2016 PPL, but did not proceed. Per the SFY 2016 IUP and Draft 2017 IUP, these projects are not eligible for subsidy in SFY 2017.
4	This project is eligible for DWSRF under federal rules, however, there is no point category in the current Priority Ranking System for which this project qualifies, therefore, no ranking points have been awarded.

Attachment E - SFY 2017 Carryover Project List

PWSID	PWS Name	Town of PWS	Project Name	Amount requested
CT0090011	BETHEL WATER DEPT	BETHEL	DWSRF - Hoyts Hill Booster Pump	\$1,063,836
CT0090011	BETHEL WATER DEPT	BETHEL	DWSRF - Maple Avenue Wellfield	\$1,200,000
CT0090011	BETHEL WATER DEPARTMENT	BETHEL	DWSRF - Euerka Water Storage Tank	\$1,935,566
CT0170011	BRISTOL WATER DEPARTMENT	BRISTOL	DWSRF - Dewitt Drive Storage Tank Improvements	\$531,000
CT0330011	CROMWELL FIRE DISTRICT	CROMWELL	Emergency Power Generator Program	\$198,000
CT0340111	AQUA VISTA ASSOC., INC - UPPER SYSTEM	DANBURY	Emergency Power Generator Program	\$10,000
CT0347051	AQUA VISTA ASSOC., INC - LOWER SYSTEM	DANBURY	Emergency Power Generator Program	\$12,000
CT0450011	EAST LYME WATER & SEWER COMMISSION	EAST LYME	DWSRF - Greensand Filtration - Wells 1A & 2A (Design)	\$500,000
CT0490021	HAZARDVILLE WATER COMPANY	ENFIELD	Emergency Power Generator Program - Town Farm Road Well	\$68,090
CT0590011	GROTON UTILITIES	GROTON	DWSRF - Water Treatment Plant Upgrade	\$42,000,000
CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Reservoir #6 Water Treatment Facility Filtered Water Basin Rehab	\$3,050,000
CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - RF Automated Meter Reading - Phase IV	\$5,000,000
CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacement - Montclair & Linbrook, West Hartford	\$3,000,000
CT0720041	SCWA TOWER - FERRY VIEW DIVISION	LEDYARD	Emergency Power Generator Program	\$33,000
CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF Globe Hollow Water Treatment Plant Improvements - Phase 2	\$250,000
CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF - Pipe Rehabilitation and Replacement	\$750,000
CT0790021	HILLSIDE WATER CORPORATION	MARLBOROUGH	Emergency Power Generator Program	\$12,000
CT0860011	SCWA - MONTVILLE DIVISION	MONTVILLE	Emergency Power Generator Program	\$33,000
CT0860081	SCWA - CHESTERFIELD DIVISION	MONTVILLE	Emergency Power Generator Program	\$33,000
CT0878011	BREEZY KNOLL ASSOCIATION	MORRIS	Emergency Power Generator Program	\$15,000
CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Water Main Improvement on Batterson Park Road (Design)	\$50,000
CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Redevelopment of the Lower White Bridge Well (Design)	\$700,000
CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Whtbrg Raw Water Supply (Pond) Station Electric, Mechanical & SCADA (Design)	\$291,280
CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Filter Plant SCADA (Design)	\$169,000
CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Lake Gaillard WTP Generator	\$2,279,444
CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Lake Saltonstall Intake and Raw Water PS Improvements	\$2,100,000
CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Tank Painting (various)	\$2,289,746
CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Automated Meter Reading Phases III & IVa	\$8,600,000
CT1040011	NORWICH PUBLIC UTILITIES	NORWICH	DWSRF - AMI Water Meter Replacement Program	\$3,600,000
CT1040011	NORWICH PUBLIC UTILITIES	NORWICH	DWSRF - Royal Oaks Project	\$1,660,886
CT1040011	NORWICH PUBLIC UTILITIES	NORWICH	DWSRF - Mohegan Park Water Tank	\$2,376,923
CT1040011	NORWICH PUBLIC UTILITIES	NORWICH	DWSRF - Stony Brook DAF	\$3,500,000
CT1040011	NORWICH PUBLIC UTILITIES	NORWICH	DWSRF - Northern Stony Brook Transmission Main Renewal & Micro-Turbine	\$2,358,463
CT1040011	NORWICH PUBLIC UTILITIES	NORWICH	DWSRF - Southern Stony Brook Transmission Main renewal	\$2,259,188
CT1050141	LYME REGIS, INC.	OLD LYME	DWSRF - Generator	\$20,000

Attachment E - SFY 2017 Carryover Project List

PWSID	PWS Name	Town of PWS	Project Name	Amount requested
CT1050732	CONNECTICUT WATER COMPANY - SHORELINE REGION - SOUND VIEW	OLD LYME	DWSRF - Old Lyme Beach Shores Association Water Main Replacement	\$812,000
CT1160011	PUTNAM WATER POLLUTION CONTROL AUTHORITY	PUTNAM	DWSRF - Water Main Replace/Reline	\$10,600,000
CT1210011	SALEM MANOR SYSTEM #1	SALEM	Emergency Power Generator Program	\$60,000
CT1211911	SALEM MANOR SYSTEM #2	SALEM	Emergency Power Generator Program	\$60,000
CT1220061	SALISBURY SCHOOL	SAILSBUY	DWSRF - Generator Salisbury School	\$37,300
CT1280011	TARIFFVILLE FIRE DISTRICT WATER DEPARTMENT	SIMSBURY	DWSRF - Water Storage Tank Improvements	\$1,501,588
CT1310011	SOUTHINGTON WATER DEPARTMENT	SOUTHINGTON	DWSRF - Well #2A Construction Project (Well #2 Back-up)	\$1,525,000
CT1501111	RUMSEY HALL SCHOOL	WASHINGTON	Emergency Power Generator Program	\$1,800
CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Rehabilitations and Replacement of Water Mains (Fiscal year 2016)	\$1,600,000
CT1600061	NORTH WILLINGTON VILLAGE CONDO ASSOC.	WILLINGTON	DWSRF - Generator	\$12,980
CT1680031	WOODLAKE TAX DISTRICT	WOODBURY	DWSRF - Generator Pre Treatment Bldg	\$32,000
Amount of Carryover Projects:				\$108,192,090

Rank	Project #	PWSID	Public Water System	Town of PWS	Project Name	Points	Population Served by Project	Amount Requested	Received Sustainability and Affordability Points ¹	Small System ²
1	2015-0090	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - North Sleeping Giant Well Replacement	70	15,000	\$1,000,000	Yes	No
2	2015-0074	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator North Main Street Pump Station (Construction)	70	6,500	\$285,000	Yes	No
3	2015-0075	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator Pierpont Road Pump Station (Construction)	70	6,500	\$185,000	Yes	No
4	2015-0073	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator Hamilton Avenue Pump Station (Construction)	70	2,500	\$140,000	Yes	No
5	2015-0076	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator Rumford Street Pump Station (Construction)	70	2,500	\$140,000	Yes	No
6	2015-0077	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator at the Water Treatment Plant	45	109,676	\$2,250,000	Yes	No
7	2015-0078	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Water Treatment Plant Sludge Removal Equipment (Construction)	45	109,676	\$2,300,000	Yes	No
8	2015-0089	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Ansonia-Derby Atm Storage Tank	40	13,000	\$2,500,000	Yes	No
9	2015-0060	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - West Hartford Water Treatment Facility - Rehab of 6 MG Basin	35	300,000	\$3,000,000	Yes ³	No
10	2015-0035	CT0609094	BITTNER PARK (Town of Guilford)	GUILFORD	DWSRF - Mulberry Point Water Main Extension	30	480	\$3,081,099	No	Yes
11	2015-0034	CT0279044	INDIAN RIVER RECREATIONAL COMPLEX (Town of Clinton)	CLINTON	DWSRF - Rocky Ledge Area Water Main Extension	30	304	\$3,000,000	No	Yes
12	2015-0042	CT1530021	WATERTOWN WATER & SEWER AUTHORITY	WATERTOWN	DWSRF - Bunker Hill Sewer & Water Extension	30	300	\$4,000,000	No	No
13	2015-0087	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Burwell Hill Tank Replacement	25	33,000	\$3,000,000	Yes	No
14	2015-0114	CT0450011	EAST LYME WATER & SEWER COMMISSION	EAST LYME	DWSRF - Greensand Filtration - Wells 1A & 2A (Construction)	25	15,254	\$6,100,000	No	No
15	2015-0072	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Rehabilitations and Replacement of Water Mains (Fiscal year 2017)	25	15,000	\$1,600,000	Yes	No
16	2012-0030	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replace Bond Street, Hartford	25	2,200	\$5,500,000	Yes ³	No
17	2015-0115	CT1420041	WOODLAND SUMMIT COMMUNITY WATER ASSN	TOLLAND	DWSRF - Infrastructure Improvements	25	216	\$100,000	No	Yes
18	2015-0032	CT0790021	HILLSIDE CORPORATION	MARLBOROUGH	DWSRF - Storage Tank & Pump House Improvements	25	136	\$115,000	No	Yes
19	2015-0052	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Bloomfield Transmission Main Extension	15	34,888	\$13,000,000	No	No
20	2015-0116	CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF - Water Main Replacement - Valley St. area	15	300	\$1,000,000	No	No

Rank	Project #	PWSID	Public Water System	Town of PWS	Project Name	Points	Population Served by Project	Amount Requested	Received Sustainability and Affordability Points ¹	Small System ²
21	2015-0037	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Garden Street Area Water Main Replacement, Wethersfield	15	280	\$3,000,000	No	No
22	2015-0050	CT1530021	WATERTOWN WATER & SEWER AUTHORITY	WATERTOWN	DWSRF - Davis Street Water Main Replacement: Maple to Russel	15	152	\$700,000	No	No
2017 Fundable PPL								\$55,996,099		

Footnotes:

1	Projects which were awarded Sustainability and Affordability points are eligible to receive federal subsidy.
2	These PWSs serve a population less than or equal to 10,000 and are considered "small" for the purposes of DWSRF and are qualified to receive federal subsidy.
3	These projects were listed on the original SFY 2016 PPL, but did not proceed. Per the SFY 2016 IUP and Draft 2017 IUP, these projects are not eligible for subsidy in SFY 2017.

**State of Connecticut – Department of Public Health
Drinking Water State Revolving Fund (DWSRF)
Asset Management Plan Checklist**

Public Water System: _____
Town: _____ PWSID: _____

PWS FM Contact Person: _____ Relationship to PWS: _____
Address: _____ City: _____ State: _____ Zip: _____
Email: _____ Phone: _____

A copy of the **Asset Management (AM) Plan** must be attached to this checklist. Should this form be used in conjunction with any SRF funding requirements, a signed request for review on utility letterhead must accompany this checklist.

It must have been updated within the past 3 years.

The AM Plan should contain, at a minimum, the following information:
(check off each item that is included in the Plan)

EPA Guidance (Click to Download)
[Reference Guide for Asset Management Tools CUPSS](#)

1	Discussion of when plan was first created, how it gets updated, and date of most recent update	Strategic Planning STEP
2	List of all the drinking water supply assets of the public water system including the item, location, manufacturer, model, size (if applicable), and expected useful service life	Taking Stock STEP Asset Management STEP Asset Management Best Practices Guide
3	Description of the state of each asset, including age and condition, and any conditions that may affect the life of the asset	Taking Stock STEP Asset Management STEP
4	A description of the service history of each asset including routine maintenance, repairs and rehabilitations	Taking Stock STEP Asset Management STEP Distribution Systems Best Practices Guide
5	The adjusted useful service life and remaining useful service life of each asset	Taking Stock STEP Asset Management STEP
6	Description of the intended Level of Service to be provided to customers/consumers	Taking Stock STEP Asset Management STEP Asset Management Best Practices Guide Asset Management for Local Officials
7	Evaluation of the operation of the system, including available supply vs. demand	Strategic Planning STEP Distribution Systems Best Practices Guide Water System Operator Best Practices Guide
8	Identification of critical assets, including discussion of how they were determined	Asset Management STEP Taking Stock STEP
9	Ranking of each asset in terms of priority, taking into consideration the remaining useful service life, redundancy, and the importance of the asset to the operation of the water system and protection of public health	Asset Management STEP Taking Stock STEP
10	List of capital improvements needed over the next five years (i.e. Capital Improvement Plan), including expected costs for each improvement.	Asset Management STEP Taking Stock STEP Asset Management Best Practices Guide
11	Explanation of how decisions for water system maintenance and repairs are made	Water System Operator Best Practices Guide Distribution Systems Best Practices Guide
12	Description of the water system maintenance plan	Strategic Planning STEP Distribution Systems Best Practices Guide
13	Discussion of members of the Asset Management Team, including responsibilities with respect to oversight of the AM Plan, reviewing and updating	Strategic Planning STEP Building an Asset Management Team Water System Operator Best Practices Guide

This form and relevant attachments must be submitted to the Drinking Water Section for review and be approved in order for the PWS to be eligible to receive any grant-in-aid pursuant to Public Act 14-98.



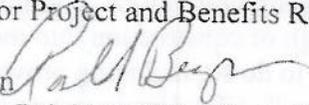
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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

DEC 22 2014

OFFICE OF
WATER

SUBJECT: Drinking Water State Revolving Fund Program Guidance on Unliquidated Obligations Reduction Applying Project Readiness to Proceed, and Data Completeness for Project and Benefits Reporting System (PBR)

FROM: Ronald Bergman 
Acting Director, Drinking Water Protection Division

TO: Drinking Water State Revolving Fund Branch Chiefs
Regions I-X

This memorandum addresses the issue of DWSRF unliquidated obligations (ULO) reduction, through ensuring that states are using a common approach to determine that projects are "ready to proceed" to financing project planning and design or construction at the time of assistance award, and are following recognized practices contributing to ULO reduction. In addition, this memo addresses the need for more complete data on the public health benefits of projects and on project status.

These issues arose from EPA Office of Inspector General audits of the Drinking Water State Revolving Fund, focusing on unliquidated obligations and efficiency of funds use in the first case, and the Agency's ability to report on public health benefits of DWSRF projects in the second case. The recommendations of the Inspector General regarding these audits and the associated corrective actions appear as an attachment to this memorandum. EPA's responses for the corrective action recommendations are immediately effective.

Unliquidated Obligations Reduction: Project Readiness to Proceed

The DWSRF ULO Reduction Strategy specifies six practices that states can utilize to reduce unliquidated obligations. One of these practices is to focus on "ready to proceed" projects. The Strategy defines the status of "ready to proceed" as "prepared to begin construction and is immediately ready, or poised to be ready, to enter into assistance agreements." If projects are not ready to proceed to construction and still need planning, the state may include projects on the fundable list that are ready to proceed to planning and design to enable them to be ready to proceed to construction in a future or updated fundable list.

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Regions should ask their states to use this definition to guide their processes for awarding assistance to eligible water systems. This action should happen early in the fiscal year of the next grant award, prior to significant efforts of states to conduct solicitations for projects. Early communication to states is needed so that they can convey the expectation of the nature of the projects to potential applicants before they prepare their financial assistance applications.

At the time of a state's annual review, Regions should ask states about their adoption of the above definition of "ready to proceed" in the state's Intended Use Plan development process. The expectation is that the state will apply the definition in the preparation of its fundable list.

Regions must add the following question to the DWSRF State Review Checklist for 2015 and future years on this topic: "Has the state incorporated EPA's definition of "ready to proceed" as it applies to projects for planning and design or construction into the development of its fundable list; and, if not, what steps are being taken to do so, including providing funding for planning and design to get projects ready for construction?" EPA Headquarters will inquire of each Region whether each state is using the definition in the development of its next fundable list.

States' Use of Best Practices to Reduce Unliquidated Obligations

The EPA ULO Reduction Strategy cites six best practices that states should employ to reduce ULO. During the Regions' annual reviews of states, the Regions should document factors affecting any state not meeting program requirements and objectives specified in the Strategy for the timely, expeditious, and efficient use of federal funds that capitalize the state revolving funds and provide technical assistance to water systems. A significant focus of these annual reviews, through 2016 and beyond, should be to determine the status of the states' abilities to meet the objectives of the Strategy to fully utilize legacy ULO (FY 2013 and prior years), and to draw down funds of future years' grants (beginning with FY 2014 grants) within two years of the date of grant award.

Data Completeness for Project and Benefits Reporting System (PBR): Public Health Benefits of Projects

The DWSRF provides financial assistance to projects that enable water systems to achieve and/or maintain compliance with the National Primary and Secondary Drinking Water Standards (40 CFR 35.3520(b)(2)(i)). In future DWSRF Intended Use Plans, project descriptions must be sufficiently complete to determine which standards are being addressed by the projects to ascertain project eligibility and potential public health benefits from "address[ing] present or prevent[ing] future violations of health-based drinking water standards," including "maintain[ing] compliance with . . . regulations" and "further[ing] the public health protection objectives of the Act." The descriptions should also clearly specify the type and nature (including size or extent) of a project (40 CFR 35.3520(b)(2)) as: treatment installation or upgrade (such as for improvement of drinking water quality to comply with standards that are specified), transmission and/or distribution (such as for water pressure improvement or contamination prevention caused by leaks or breaks), source (such as rehabilitation of wells or replacing contaminated source), storage installation or upgrade (such as for prevention of microbiological contaminants from entering a PWS), consolidation (which systems and whether

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consolidation is due to contamination, Technical/Financial/Managerial reasons or other rationale to be specified in the description), creation of a new system (which system and whether the new system was created due to contamination, managerial reasons or other rationale to be specified in the description).

Data Completeness for PBR: Project Status

States should have a formal quality assurance process for entering data to required fields in the PBR system. While the DWSRF list of required fields is unchanged, the recent internal audit found missing data in critical fields that contribute to determining public health outcomes.

EPA Headquarters will provide quarterly reports to Regions on the completeness of key fields in PBR. The following three fields have been identified as essential in determining environmental and public health benefits when combined with other water system compliance results, such as violations history. As experience is gained by states, Regions and Headquarters, these essential fields may be revised. For this initial effort, attention is focused on the following fields:

- PWS ID number
- Project Start date
- Project Completion date

The list of required fields has not been reduced to those listed above. The list above is a starting point for this quality assurance effort. As a reference, we have included the full list of PBR required fields as an attachment.

The quarterly reports will be sent out two weeks following the end of each quarterly PBR reporting period to each Region, with a list of State projects with missing data for these fields. The expectation is that Regions will work with States to ensure these fields are complete within 30 days of receiving this report. These fields were listed as required fields in the 2012 program procedures and are still applicable.

Thank you for significant efforts and dedication to the oversight of the DWSRF program. Please contact Charles Job, Chief, Infrastructure Branch, at 202-564-3941, Peter Shanaghan, DWSRF Team Lead, at 202-564-3848, or Howard Rubin, DWSRF Financial Analyst, at (202) 564-2051, if you have any questions.

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ATTACHMENT 1: EPA Response to Office of Inspector General

1) OIG Audit: Unliquidated Obligations Resulted in Missed Opportunities to Improve Drinking Water Infrastructure, July 16, 2014

No.	Recommendation	High-Level Intended Corrective Action(s)	Estimated Completion by FY
2	Develop guidance for states on what projects are to be included on the fundable list, including a definition for “ready to proceed.”	The EPA agrees with the recommendation. The ULO Reduction Strategy defines “ready to proceed” as prepared “to begin construction” and “are immediately ready, or poised to be ready, to enter into assistance agreements.” If projects are not ready to proceed to construction and still need planning, the state may include projects on the fundable list that are ready to proceed to planning and design to enable them to be ready to proceed to construction in a future fundable list.	Done 4/14/14
3	Require that the EPA regions, when reviewing the capitalization grant application for states with high unliquidated obligation balances, ensure states have adopted the EPA’s guidance on the definition of “ready to proceed” and use that definition in developing the fundable list.	The EPA agrees with the recommendation and will provide Regions with a question to enable determination of whether states have adopted the definition of ready to proceed from the ULO Reduction Strategy and are using it to develop their fundable lists and will include the question in the DWSRF State Review Checklist. The EPA will also inquire of each Region whether each state is using the definition in the development of its next fundable list.	Ready to proceed definition included in Review Checklist 9/30/14 Check on inclusion of the definition in state fundable list development 9/30/15
4	Communicate to states having high unliquidated obligation balances that they should adopt the best management practice of having a well-organized process to ensure that projects on the fundable list are ready to proceed to loan execution within the current IUP year.	The EPA agrees with the recommendation. The EPA ULO Reduction Strategy cites six practices that states should employ to reduce ULO. Regions conduct annual reviews of states and document concerns of states not meeting program requirements and objectives. Special attention to ULO considerations will be a focus of these annual reviews through 2016, including onsite visits to select states.	Done 4/14/14

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2) OIG Audit: EPA Needs to Demonstrate Public Health Benefits of Drinking Water State Revolving Fund Projects, August 1, 2014

No.	Recommendation	High-Level Intended Corrective Action(s)	Estimated Completion by FY
1	Enforce the grant requirement for states to input all necessary data in PBR (e.g., project completion, project results, project start/end dates, compliance period begin/end dates, and public water system identification numbers).	OGWDW agrees with intent of this recommendation as a path to mutual data quality objectives, which we share with the IG. We take lack of reporting seriously and will work with Regions and states to ensure receipt in PBR of complete data for projects receiving DWSRF financial assistance as provided for in grant terms and conditions. To support complete data reporting, we will also be doing further analysis of data completeness in PBR.	OGWDW will provide Regions a report of completeness of required DWSRF project data beginning in April 2015 and quarterly thereafter. The Regions will be able to identify with states, the actions needed for states to provide complete data for projects receiving DWSRF financial assistance and oversee steps to accomplish complete reporting of required data. Where incomplete reporting of required data continues to be a problem, OGWDW will consult with the Region on taking appropriate corrective action.
2	Review state-level data entry to ensure data completeness in PBR as part of the EPA's annual review of state performance.	OGWDW agrees with this recommendation and will provide guidance for the annual review process and a checklist that includes checking on completeness of the states' data reported in PBR for reviews in FY 2015.	September 2014.
3	Implement the most cost-effective method to capture public health benefit information by using information required in state annual/biennial reports and enhancing coordination with compliance monitoring programs at the federal and state levels.	OGWDW agrees with this recommendation and has initiated data integration of the PBR and SDWIS data sets to identify completed projects receiving DWSRF financial assistance which were in violation after project completion. OGWDW will develop a regular report for use by Regions and states to document the public health results of the DWSRF financial assistance.	March 2014.

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4	<p>Periodically evaluate program results to ensure that program goals are being achieved at water systems receiving DWSRF financial assistance and record successes, best practices and challenges to be shared among EPA regions and the states to focus and enhance program performance.</p>	<p>OGWDW agrees with this recommendation. OGWDW conducts an annual review of the program through the Regional offices' focused reviews of state program outputs for the prior year. OGWDW will continue to evaluate program results and achievement of program goals as well as determine what actions are necessary to achieve results where needed. The reviews will also record successes, best practices and challenges to share among Regions and states.</p>	<p>December 2014 and annually thereafter.</p>
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ATTACHMENT 2: DWSRF Project Reporting Requirements

Attachment 8: DWSRF Project and Benefits Reporting Data Elements	
Project Benefits Data Fields	Required/Option
Borrower	required
Loan Execution Date	required
PWSID Number	required
Tracking number	required
Other tracking number	optional
Assistance Type	required
Loan Interest Rate	required
State Market Interest Rate	optional
Loan Term	optional
Incremental Funding	optional
Phase #	optional
Original Tracking Number	optional
Same Health Benefits	optional
Total Assistance (Initial Amount)	required
Total Assistance (Final Amount)	required
Additional Subsidy Provided	required
Grant Amount \$	required
Negative Interest Amount \$	required
Principal Forgiveness Amount \$	required
Net Loan Amount	optional
Funding is complete and funded amount has changed from initial amount	required
Based on states criteria, could the borrower have afforded the project without additional subsidy provided	required
% Funded By DWSRF	optional
Disadvantaged Assistance	required
IUP Year	optional
Assistance applies to_ grant year requirements	required
System Name	required
System Type	required
Ownership Type	optional
Age of System	optional
Project Name	required
Project Description	required

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Project Benefits Data Fields	Required/Option
Project Purpose	required
Number of Projects Funded	required
Public Health Impact Description	required
Other Project Comments	optional
Project Start Date	required
Project Completion Date	Required
Project Consolidates Systems	Required
Number of System Eliminated	Optional
Project Creates New Systems	Required
Population Served by the project	Optional
Population Served by the system	Required
Borrower Population	Optional
Number of connection by the project	Optional
Number of connections by the system	Optional
Counties Served Primary	Optional
Other County 1	Optional
Other County 2	Optional
Address Line 1	Required
Address Line 2	Optional
City, State, Zip Code	Required
Congressional District	Optional
Project Includes Green Project Reserve	Required
Green Infrastructure Amount	required if green
Energy Efficiency Amount	required if green
Water Efficiency Amount	required if green
Green Innovative Amount	required if green
Amount of additional subsidy provided used to fund GPR.	required if green 2010 - 2012
NIMS project categories (Transmission, Treatment, etc...)	Required
Compliance Objectives	Optional
State set-aside information recipient	Required
State set-aside Funding Amount	Required
State set-aside Funding type	required
Grant number	required
Grant Award date	required
State Organization receiving grant	required

This list does not include FFATA requirements

STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC HEALTH



Raul Pino, M.D., M.P.H.
Acting Commissioner

Dannel P. Malloy
Governor
Nancy Wyman
Lt. Governor

Drinking Water Section

DWS Circular Letter #2016-06

To: Applicants for Drinking Water State Revolving Fund Loans (DWSRF)

From: Lori Mathieu, Public Health Section Chief, Drinking Water Section

Date: March 9, 2016

Subject: Public Act 14-98 Section 46: Public Water System Improvement Program

Section 46 of Public Act 14-98 (effective July 1, 2014) appropriated \$50 million in state general obligation bonds to provide supplemental grants-in-aid to not-for-profit public water systems that are eligible to receive loan funding through the DWSRF. The DPH does not anticipate any significant allocations of PA 14-98 Section 46 funding during calendar year 2016. The DPH is pursuing a limited opportunity under this Statute and the DPH Drinking Water Section has been in contact with those public systems that might receive funding. As a result of these circumstances, applicants that have applied for DWSRF funding in State Fiscal Year 2016 or 2017 must be prepared to move forward with their project(s) and execute DWSRF funding agreements with the expectation that these grants-in-aid will not be available during calendar year 2016.

Public Water Systems that have already awarded construction contracts to contractor(s) for projects that are scheduled to receive DWSRF funding will be expected to move forward with your DWSRF funding agreement(s) as expeditiously as possible. DWS staff may be reaching out to you in the near future to get any remaining information that may be necessary to prepare these agreements. You are urged to give these outreach effort prompt attention if you are contacted.

The Department of Public Health (DPH) will continue to communicate on a routine basis concerning any future opportunities that may arise due to PA 14-98 Section 46. The DWS intends to keep you informed if any progress is achieved in this regard.

If you have any questions or if the anticipated unavailability of grants-in-aid is going to create any delays to your project schedule then please contact Cameron Walden, Supervising Sanitary Engineer, at (860) 509-7333.

Cc: Ellen Blaschinski, DPH



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