



State of Alabama
Alabama Department of Environmental Management
Drinking Water State Revolving Fund (DWSRF) Loan Program

SRF Section
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DWSRF Bipartisan Infrastructure Legislation (BIL) Intended Use Plan



Fiscal Year 2023

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I. Introduction

The Safe Drinking Water Act (SDWA) Amendments of 1996 authorized a Drinking Water State Revolving Fund (DWSRF) for the purpose of assisting public water systems to finance the cost of potable water infrastructure. The U.S. Environmental Protection Agency (EPA) is authorized to award capitalization grants to the States, which in turn administer the DWSRF program. The Bipartisan Infrastructure Law (BIL) was implemented on November 15, 2021. The BIL provides an additional supplemental appropriation for the DWSRF program. This Intended Use Plan (IUP) describes how the State intends to use available BIL - DWSRF general supplemental appropriation funds for the year to meet the objectives of the SDWA and BIL and further the goal of protecting public health.

The State of Alabama is applying for \$37,177,000 in EPA grant funding that will be used to provide low interest financial assistance from the DWSRF program. The BIL states "Provided further, that for the funds provided under this paragraph in this Act in fiscal year 2022 and fiscal year 2023, the State shall deposit in the State loan fund from State moneys an amount equal to at least 10 percent of the total amount of the grant to be made to the State, notwithstanding section 1452(e) of the Safe Drinking Water Act" Therefore, the State match for fiscal year 2023 of the BIL supplemental general appropriation is 10% of the capitalization grant. The State of Alabama will provide \$3,717,700 by utilizing funds appropriated by the State Legislature to fulfill the match requirement.

Alabama's DWSRF is designed to be a perpetual source of low cost financial assistance for the construction of public water supply facilities needed to meet compliance standards and public health requirements. Once ultimate capitalization has been achieved, the program may utilize the direct loan repayments, undedicated interest from the bond debt service reserve funds and construction funds and assets of the Master State Revolving Account as the source funds to fund direct loans.

ADEM has set its short- and long-term goals of this IUP to align with EPA's strategic goals and objectives FY 2022-2026 EPA Strategic Plan. The Office of Water has identified specific measure that address the strategic goals and objectives outlined by EPA in its strategic plan. A basis for each goal in this program IUP has been identified. These references ensure that all of the specific commitments made by the State are properly correlated to the strategic goals and objectives of the Agency.

Alabama agrees to comply with all Title VI requirements of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, and the Equal Employment Opportunity requirements (Executive Order 11246 as amended) which prohibit activities that are intentionally discriminatory and/or have a discriminatory effect based on race, color, national origin (including limited English proficiency), age, disability, or sex.

II. Program Goals

A. Short-term goals (Outputs)

1. To provide financial assistance for BIL DWSRF General Appropriation eligible activities for public water supply facilities on the DWSRF Priority List. Projects which are eligible for traditional DWSRF funding will be eligible for the BIL DWSRF General Appropriation. (Deliverable)
2. To provide financial assistance through the BIL DWSRF Supplemental General Funding to include additional subsidization in the form of principal forgiveness for not less than the required minimum of 49% of the total capitalization grant. The minimum amount of additional subsidization for the 2023 fiscal year is \$18,481,330. (Deliverable)

3. To implement the State's DWSRF in compliance with the Safe Drinking Water Act, BIL, Civil Rights Act, and all applicable Federal crosscutting requirements. (Deliverable)
4. To support American workers, renew the water workforce, and cultivate domestic manufacturing by ensuring compliance with the Davis-Bacon Act and American Iron and Steel (AIS) and Build America Buy America (BABA) requirements. (Deliverable)
5. To protect the public health and the environment and promote the completion of cost-effective water treatment, storage, and distribution facilities.

B. Long term goals (Outcomes)

1. To maintain the DWSRF program and the long-term fiscal integrity of the fund.
2. To provide a self-perpetuating source of financial assistance for the construction of public water treatment and distribution facilities needed to meet the public health goals of the Safe Drinking Water Act.
3. To fund projects which will have a positive impact on public health and ensure compliance with the Safe Drinking Water Act.
4. To assist systems in ensuring affordable water supply.
5. To ensure safe drinking water and reliable infrastructure by providing funding for projects that ensure compliance with drinking water national primary water rules or return systems to compliance.
6. To protect and restore waterbodies and watersheds by addressing sources of water pollution and ensure water quality standards are protective of the health and needs of all people and ecosystems.
7. Alabama will ensure Clean and Safe Water for all communities by funding projects that prioritize Safe Drinking Water and Reliable Water Infrastructure and protect and restore waterbodies and watersheds by addressing source of water pollution and projects that ensure water quality standards are protective of the health and environment.

C. Program Changes

To increase the number of applicants that meet the state's affordability criteria and maybe eligible to receive disadvantaged community additional subsidy, the state expanded their disadvantaged community definition to include the utilization of the Climate and Economic Justice Screening Tool Justice40 Map. Additionally, the Department clarified the disadvantaged definition and added a threshold to be considered disadvantaged based on each criterion. This is described further in the "Additional Subsidization" section below.

III. Sources and Uses of Funds:

The Department is expected to fund FY 2023 projects using a combination of the 2023 EPA DWSRF BIL Supplemental Appropriation Capitalization Grant. Match for the EPA Grant will be fulfilled by utilizing state funds appropriated by the State Legislature. The estimated sources and uses of funds in the FY 2023 DWSRF program are as follows:

A. Projected Sources

2023 EPA DWSRF BIL Cap Grant:	\$37,177,000
DWSRF State Match:	\$3,717,700
Direct Loan Repayments, Interest Earnings, and Unobligated Funds	\$25,036,462*
<u>Total:</u>	<u>\$40,894,700</u>
Overall Total:	\$65,930,462**

*Note: Estimated future repayments and interest earnings from loans.

**Note: Estimated repayment funds are not included in the current fiscal year's project totals. These will be included in future fiscal year(s)' IUPs as repayments are received.

B. Projected Uses

Project Assistance:	\$35,689,220
State Program Management (10%):	\$3,717,700
Local Assistance (15%):	\$0
Administrative Cost (4%):	\$1,487,080
<u>Total:</u>	<u>\$40,894,000</u>

C. Leveraging

The Department does not intend to issue DWSRF revenue bonds for new projects during FY 2023.

D. Transfer of Funds

In accordance with 40 CFR 35.3530, the Alabama Department of Environmental Management (the Department) reserves the right to transfer funds from the Clean Water State Revolving Fund Bipartisan Law (CWSRF BIL) to the DWSRF BIL. Funds transferred from the CWSRF BIL to the DWSRF BIL are to be used to fulfill the DWSRF infrastructure financing demand as needed.

E. Eligible projects to be funded

Eligible projects include the planning, design, and construction of improvements to:

- Rehabilitate or develop water sources to replace contaminated sources;
- Install or upgrade treatment facilities if the project would improve the quality of drinking water to comply with primary or secondary standards;
- Install or upgrade water storage tanks to prevent microbiological contaminants from entering the water system;
- Install or replace distribution pipes to prevent contamination caused by leaks or breaks in the pipe.
- Consolidate water supplies when customers have an inadequate quantity of water, the water supply is contaminated, or the system is unable to maintain compliance for financial or managerial reasons; and
- Other projects meeting the priority objectives of the program.

F. Financial terms of loans

The Fund may offer loans for up to 100 percent of allowable project costs for the construction of water treatment and distribution facilities and may offer a range of options regarding the term, interest rate and level of loan funding. Such loans must be made at or below market interest rates as determined by the Department. Loan interest rates will usually be set approximately 1% - 1.5% less than the AAA rated tax exempt municipal bonds.

The total term financing shall not exceed 20 years or, under special circumstances, 30 years may be considered. Repayments shall commence after completion of construction or a maximum of 3 years from the date for which such financial assistance was made. Financial assistance repayments shall be made in accordance with the repayment schedule indicated in the recipient's financial agreement. Principal and accrued interest with respect to a particular financial agreement may be prepaid in accordance with the provisions of the financial agreement. Interest shall accrue from the estimated date of the execution of the DWSRF financial agreement.

Project fund disbursements to recipients at intervals as work progresses and expenses are incurred and approved.

The specific terms and conditions of the funds shall be incorporated in the financial agreement to be executed by the recipient and the Department.

IV. Project Selection and Method for Distribution of Funds

A. Priority List

In order to be considered for DWSRF BIL assistance, projects must be on or added to the Priority List and have a proposed project schedule that coincides with the availability of DWSRF BIL funds. The DWSRF BIL priority list was developed by identifying the priority point rating for each proposed project. The funding of such projects is also subject to the availability of funds.

The State reserves the right to fund projects not on the priority list, on an emergency basis, if funds are available. Emergency projects would include those where some type of failure was unanticipated and requires immediate attention to protect public health. Additionally, supplemental loans may be issued to previous recipients as needed to complete segmented projects or to cover cost overruns. See Attachment 1.

B. Additional Subsidization:

The 2023 BIL DWSRF Supplemental Appropriation Capitalization Grant includes a requirement for a minimum \$18,216,730 be provided as assistance with additional subsidy. The Department will meet these requirements by offering selected borrowers additional subsidization in the form of principal forgiveness. The Department expects to allocate principal forgiveness to projects in communities determined to be disadvantaged. Communities are assessed as disadvantaged based on calculation of the disadvantaged rank. The ranking takes into consideration the following factors:

- Size of the Community
- Financial Capability
- Current Rates for Drinking Water (Annual average water bill and Median Household Income)
- The Project is Addressing a Disadvantaged Area as Determined by the Justice 40 Map.

The Department will utilize Table 1 to evaluate and score projects to determine principal forgiveness ranking. The highest ranked projects will receive principal forgiveness until it is exhausted (see Attachment 1). Any subsequent revision to this project list will likewise demonstrate principal forgiveness will be provided to meet the required percentage of the Capitalization Grant.

Criteria	Points
<10,000 population	1
<1.1x coverage ratio	1
Project location considered disadvantaged on Justice40 Map	1
Ratio of Water Bill/MHHI	Actual Number

Table 1: Disadvantaged Ratio

A community is defined as disadvantaged if the sum of the criteria for population, coverage ratio, or Justice 40 map coverage results in a value greater than 1 point or the ratio of water bill to median household income is greater than 1. The disadvantaged rank will be determined based on the sum of the categories above, when possible.

Each individual category is briefly described below:

- <10,000 population – this is considered a “small” community. Since maintenance and cost of water system improvements is generally based on economy of scale (i.e., higher tax base results in higher tax revenue), a small community would be considered disadvantaged when compared to larger communities.
- <1.1x coverage ratio – A coverage ratio is defined as a borrower’s revenue divided by debt. This metric is meant to capture financial affordability. If a coverage ratio is 1.1x, a community would make 10% more in revenue than they expend in debt. The Department analyzes rate structures and frequency of rate increases to determine if the coverage ratio can be modified. A borrower cannot “afford” a loan if the coverage ratio is less than 1.1x.
- Justice 40 Map – the Department utilizes the data and census information provided by the White House’s Justice 40 Map. If a project’s area is within a disadvantaged area as defined by the map criteria, the community is considered disadvantaged.
- Ratio of Water Bill/MHHI – Along with coverage ratio, this metric determines a community’s ability to increase revenue through rate increases. If a coverage ratio is 1.00 then the rates are appropriate for the median household income of the area. If the rates are higher than one (1) then the applicant may have the ability to increase rates without burdening the service area population. If the ratio is less than one (1), then the population provided water by the project pays more for water than expected based on median household income.

The Department has authority to provide additional subsidization to meet the requirements by the Code of Alabama Section 22-23B-3.

C. Prevailing Wages

Davis-Bacon wage requirements apply for each fiscal year and the requirements of section 1450(e) of the Safe Drinking Water Act (42 U.S.C. 300j-9(e)) shall apply to any construction project carried out in whole or in part with assistance made available by the DWSRF as authorized by section 1452 of that Act (42 U.S.C. 300j-12). The Department will include in all loan agreements and procurement contracts terms and conditions requiring compliance with this requirement.

D. Distribution of Funds to Set-Aside Accounts

EPA provisions allow funds to be set aside from the State Revolving Fund Capitalization Grant for activities such as administration of the SRF Program, operator training and technical assistance, special drinking water projects, and source water assessment. These activities are discussed in “Set-Aside Activities” below.

E. Selection of Systems to Receive Assistance

To the maximum extent possible, the DWSRF gives priority for the use of funds to projects that address the most serious risk to human health and are necessary to ensure compliance with the Safe Drinking Water Act.

The criteria for ranking projects give priority to projects that:

1. Provide the highest nature of benefit;
2. Benefit the most people per dollar expended;
3. Assist systems most in need on a per household affordability basis as required by the Safe Drinking Water Act.
4. Use consolidation with other systems to correct existing deficiencies and improve management.

These considerations are addressed by the Priority Ranking Criteria found in ADEM Administrative Code R. 335-11-2-.04 and in the DWSRF Pre-Application provided in Attachment 3.

When two or more projects score equally under the Project Priority System a tie breaking procedure will be utilized. The project with the smallest number of existing customers served will receive the higher ranking.

A project on the fundable portion of the list may be bypassed and the next eligible project funded if it is determined that the project will not be ready to proceed during the funding year. The Department will give the applicant whose project is to be bypassed written notice. Projects that have been bypassed may be funded at a later date when the project is ready to proceed. Should a system on the funded list decline the loan, the next ranked project shall be offered access to all or a portion of these funds.

Any changes to the IUP, including the addition of projects not listed on the IUP at the time of solicitation for public comment, will require an additional public comment period of 30 days. The Department will resolicit this IUP for notice if changes are made in future fiscal year(s).

F. Inadequate Allocations

If the actual federal DWSRF allocations are less than anticipated by the Department in the development of the DWSRF priority list, the Department may find it necessary to reduce their commitments to projects on the priority list. The Department may take formal action to reduce the number of commitments in accordance with subparagraph 3) of this paragraph.

- 1). The Department may redistribute the DWSRF funds allocated to each project.
- 2). The Department may redistribute funds from lower priority projects to higher priority projects.
- 3). The Department may bypass projects on the priority list in accordance with Section H, below.

G. Unanticipated and Uncommitted Funds

If unanticipated or uncommitted funds become available, the Department may take action to distribute them in accordance with subparagraphs 1-2 of this paragraph:

- 1). The Department may use the unanticipated or uncommitted funds to fund the highest priority project(s) from the priority list.
- 2). The Department may use the unanticipated or uncommitted funds to increase the amount of funds allocated to DWSRF fundable projects or to provide increased assistance to projects which have already received DWSRF assistance.

Additionally, supplemental loans may be made to previous recipients as needed to complete segmented projects or to cover unanticipated cost overruns.

H. Project Bypass/Reallotment:

The Department may bypass any project on the DWSRF Priority List that is not, in the Department's opinion, making satisfactory progress in satisfying requirements for DWSRF assistance. Bypassed projects will be removed from the priority list. In determining whether or not a project is making satisfactory progress in satisfying the requirements for DWSRF assistance, the Department shall use the criteria contained in subparagraphs 1-6 of this paragraph. Funds released through project bypass will be considered as uncommitted and available for redistribution in accordance with this section.

1. Any project on the DWSRF Priority List may be bypassed if the applicant fails to submit a complete DWSRF application.
2. The Department may use individual project schedules developed by the Department to determine whether or not the project is making satisfactory progress during the fiscal year.
3. In order to comply with EPA certification restrictions related to equivalency requirements, it may be necessary to bypass projects which have not complied with Title II requirements and other federal authorities.
4. Any project on the DWSRF Priority List may be bypassed if the applicant fails to demonstrate the ability to repay the loan.
5. To maintain the fiscal integrity of a leveraged loan program or provide funds for new construction, the Department may choose to bypass projects which involve refinancing of existing debt.
6. Projects may be removed from the priority list at the request of the applicant or if the Department finds that the project is ineligible for DWSRF assistance.

V. Set-Aside Activities

A. Administrative Set-Aside

BIL and SRF Guidelines allow states to set aside up to a maximum of 4% of the grant for SRF administrative costs. The Department will take an Administrative set-aside of 4% or \$1,487,080 for fiscal year 2023.

B. State Program Management

BIL and SRF Guidelines allow states to set aside up to a maximum of 10% of the grant for state program management. The Department will take a state program management set-aside of 10% or \$3,717,700 for management of the public water supply (PWS) branch.

C. Local Assistance

BIL and SRF Guidelines allow states to set aside up to a maximum of 15% of the grant for local assistance. The Department will not utilize local assistance funds from fiscal year 2023 DWSRF BIL.

VI. Certifications

1. The Department certifies that this IUP will be subject to public review and comment with a public notice period of 30 days.
2. The Department certifies that all drinking water treatment facility projects in this IUP are on the DWSRF Priority List.
3. The Department certifies that it will enter into binding commitments for 120% of each payment under the DWSRF capitalization grant within one (1) year after receipt of each payment.
4. The Department certifies that it will expend all funds in the DWSRF in an expeditious and timely manner.
5. The Department certifies that all facilities funded by the DWSRF shall complete a NEPA-like environmental review process.
6. The Department is in compliance with the operator certification and capacity development regulations along with the associated reporting requirements.
7. The Department certifies that it will comply with all requirements of the 1997 Operating Agreement with EPA.
8. The Department certifies that it will complete a Benefits Assessment worksheet for each loan agreement executed in order to comply with EPA environmental results reporting requirements

VI. Program Income

The Alabama Drinking Water Finance Authority, with ADEM as its agent, assesses a fee annually based on outstanding principal. These fees vary based on the fiscal year to which the loan agreement was secured. These fees are collected twice a year, when the recipient initiates repayment of the loan. In accordance with EPA regulations, fees collected from loans sourced from outstanding grants will be used for administration of the SRF fund only. All other fees will be used for activities eligible for the DWSRF grant only. The Department expects to receive fees during FY 2023 as follows:

Total Program Income	Program Income Collected During Grant Period	Program Income Collected After Grant Period
\$4,660,696.80	\$0.00	\$4,660,696.80

Note: Calculated from interest rate of 2.2% for fiscal year 2023.

VII: Estimated DWSRF Capitalization Grant Schedules

A. Estimated Grant Draw Schedule

Fiscal Year	Month	Draw
2024	Jan	\$3,098,087
2024	Feb	\$3,098,083
2024	Mar	\$3,098,083
2024	Apr	\$3,098,083
2024	May	\$3,098,083
2024	June	\$3,098,083
2024	July	\$3,098,083
2024	Aug	\$3,098,083
2024	Sep	\$3,098,083
2024	Oct	\$3,098,083
2024	Nov	\$3,098,083
2024	Dec	\$3,098,083
Total		\$37,177,000

B. Estimated Grant Disbursal Schedule

Payment Quarter	Payment Date	Payment Amount
FY2024/Quarter 3	04/01/24	\$18,588,500
FY2024/Quarter 4	07/01/24	\$18,588,500

Payments are defined as increases to the amount of funds available from the federal SRF capitalization grant. This draft payment schedule is based on the State's projection of binding commitments and disbursements from the SRF to the members of the SRF project list. The disbursement schedule will essentially coincide with the grant payment schedule as ACH draw requests will be processed only upon submittal of payment requests from loan recipients for actual costs incurred. Funds from the ACH will be disbursed to the recipient immediately. The disbursement of funds will be in proportion to the amount of state and federal funds provided by the grant and state match. This will be ensured by disbursing all state match funds prior to drawing capitalization grant funds for project disbursements.

C. Capitalization Grant Budget Periods:

2023 EPA DWSRF BIL Capitalization Grant

October 1, 2024 through September 30, 2030

VIII. Public Participation

The IUP was provided for public comment on February 1, 2024, for a period of 30 days. Comments were received and all comments have been addressed. The comments are attached to the final IUP. Minor changes were made as a result of the comments; however, no changes were made that would require an additional public notice period.

IX. Reporting

1. Annual reports are required for the BIL DWSRF Capitalization Grant. Each annual report is due on December 30th following each fiscal year period. The annual report for the 2023 DWSRF BIL funding will include the results from the period of October 1, 2023 through September 30, 2024 and will be submitted on or before December 30, 2024.
2. The Department will submit information on projects into the DWSRF National Information Management System (NIMS) as binding commitments are entered into with the borrowers as proposed in this IUP.

IX. Reporting

1. Annual reports are required for the BIL DWSRF Capitalization Grant. Each annual report is due on December 30th following each fiscal year period. The annual report for the 2023 DWSRF BIL funding will include the results from the period of October 1, 2023 through September 30, 2024 and will be submitted on or before December 30, 2024.
2. The Department will submit information on projects into the DWSRF National Information Management System (NIMS) as binding commitments are entered into with the borrowers as proposed in this IUP.

Attachment 1: Project Priority List

Project #	Applicant Name	Project Description	City/Town	County	Justice 40 Map Coverage	Population	Financial Rank	DW Ratio	Disadvantged Rank	Priority Ranking Points	DW BIL FY	DW BIL Amount Granted	DW BIL Principal Forgiveness	DW BIL Principal Forgiveness %	Applied for Project Amount	Fund
FS010483-01	DeKalb-Jackson Water Supply District	Contact Clarifiers for the DJWSD	Ider	Jackson	Yes	5,500	0	2.28	4.28	305	2023	\$3,602,274	\$3,602,274	100%	\$3,602,274	BIL
FS010168-05	Florence, City of	Supplemental 2023	Florence	Lauderdale		39,709	0	1.50	1.50	55	2023	\$2,166,236	\$0	0%	\$7,500,000	SRF/BIL
FS010206-02	Heflin Water Works and Sewer Board	Water System Improvements	Heflin	Cleburne	Yes	3,416	1	1.53	4.53	130	2023	\$7,590,200	\$7,237,082	95%	\$9,090,200	BIL/ARPA
FS010068-02	Hale County Water Authority	Water System Improvements	Greensboro	Hale	Yes	2,484	0	2.74	4.74	165	2023	\$5,184,375	\$4,321,739	83%	\$5,184,375	BIL
FS010096-04	Mobile, AL (MAWSS), Board of Water and Sewer Commissioners of the City of	Master Plan SRF Water Projects Phase II - Years 2024-2028	Mobile	Mobile	Yes	187,445	0	N/A	N/A	Supp	2023	\$4,378,190	\$0	0%	\$11,936,000	SRF/BIL
FS010364-01	Northwest St. Clair Water System	Water System Upgrades	Steele	St. Clair	Yes	1,299	1	1.71	4.71	125	2023	\$1,251,000	\$612,990	49%	\$1,251,000	BIL
FS010392-01	Old Line Water Authority	New Water Supply Well	Jackson	Clarke	Yes	4,774	1	1.85	4.85	290	2023	\$2,442,645	\$2,442,645	100%	\$2,442,645	BIL
FS010055-03	Oneonta Utilities Board, City of	Water Treatment Plant And Distribution System Upgrades	Oneonta	Blount		6,778	0	2.02	3.02	190	2023	\$7,875,000	\$0	0%	\$10,500,000	BIL/ARPA
FS010199-04	Red Bay, Water Works and Gas Board of the City of	Red Bay Water System Proposed DWSRF Water Improvements Project	Red Bay	Franklin	Yes	3,187	0	N/A	N/A	SUPP	2023	\$1,200,000	\$0	0%	\$2,400,000	BIL/ARPA
Total	9											\$35,689,920	\$18,216,730		\$63,906,494	

Attachment 2 – DWSRF BIL SUPP General Project Descriptions

Dekalb-Jackson Water Supply District – Contact Clarifiers for the DJWSD

Dekalb-Jackson Water Supply District proposes to install a new concrete solid contact clarifier for additional pretreatment. The new solids contact clarifier would improve water quality for all customers.

Florence, City of – 2023 Supplemental

The City of Florence proposes a long-range project to upgrade the existing water treatment plants and distribution system. The project will be completed in four phases and consist of replacing aerator, flocculator drives, lime feeder, upgrading the effluent troughs and installing continuous sludge removal equipment at Wilson Lake Water Treatment Plant; improving intake, rapid mixing and settling basins, install static screens, replacing raw water pumps, media, underdrains and lime feeder, upgrade treatment building, upgrade flocculators, upgrading filter pipe gallery and installing a generator at Cypress Creek Water Treatment Plant; replace and upgrade water lines throughout the distribution system; replace and upgrade booster pump stations; abandon, replace and construct water storage tanks throughout the distribution system. Completion of this proposed project will reduce leaks and unaccounted for water loss, resolve pressure issues, provide redundancy in the distribution system and increase the City of Florence ability to meet current and future demands of the water system.

Heflin Water Works and Sewer Board – Water System Improvements

The Heflin Water Works and Sewer Board proposes to construct a new water treatment plant and water intake. The proposed project would improve water quality and reliability for all customers.

Hale County Water Authority – Water System Improvements

Hale County Water Authority proposes to replace pressure relief valves, upgrade the booster pumps station, bring the CR 21 storage tank back into service, and develop a new well and transmission water main on the west side of the County. The proposed project would result in stabilized water pressure and additional reliability for affected customers.

Mobile AL (MAWSS), Board of the Water and Sewer Commissioners of the City of – Master Plan SRF Water Project Phase II

The Mobile Board of Water and Sewer Commissioners (MAWSS) proposes improvements to Stickney WTP which include installation of VFD and actuator pumps, improvements to Operations Building, HVAC improvements to blower and sludge pump buildings, replacement of six (6) MCCs, new emergency generator, new main electrical and generator building, repairs and renovations to reservoirs, new finished water line to clearwells, new laboratory, security upgrades, new flammable storage building, and sludge removal; solids handling and SCADA improvements at Myers WTP; DC to AC conversion study and emergency by-pass connection at Big Creek Pump Station; development of SCADA change management processes and procedures; design and implementation support of Wide Area Network (WAN) SCADA;

development of updated radio telemetry; cybersecurity program design: structural, mechanical, and electrical upgrades to various booster pump stations; and implementation of permanent spill isolation and contamination prevention BMPS at Big Creek Lake. These improvements will ensure continued provision of safe drinking water to all service area customers.

Northwest St. Clair Water System – Water System Upgrades

Northwest St. Clair Water System proposes to upgrade the existing booster pump station as well as piping to the existing ground storage tank. The proposed project would result in increased capacity, reliability, and pressure for existing customers.

Old Line Water Authority – New Water Supply Well

Old Line Water Authority proposes to install a new water supply well, identify and repair water loss sources, and upgrade SCADA. The project would result in improved water quality and reduced water loss.

Oneonta Utilities Board of the City of – Water Treatment Plant and Distribution System Upgrades

The Utilities Board of the City of Oneonta proposes to upgrade the Calvert Prong Water Treatment Plant by replacing filters and to replace existing water lines along U.S. Route 231. The proposed project will improve capacity and reliability for the system for all customers.

Red Bay, Waterworks and Gas Board of the City of – DWSRF Water Improvements

The Waterworks and Gas Board of the City of Red Bay proposes to construct a new water storage tank and appurtenances. The proposed project would reduce water loss and increase reliability for all customers within the system.



Form 370: Drinking Water State Revolving Fund Preapplication

Project Name	
Assistance Amount Requested	\$
Date Submitted	



Submit Complete Preapplication to:	
Preferred method By email:	srf@adem.alabama.gov
By overnight mail:	1400 Coliseum Boulevard Montgomery, Alabama 36110-2400 (334) 271-7714
By mail:	SRF Section Alabama Department of Environmental Management Post Office Box 301463 Montgomery, Alabama 36130-1463

Section 1: Contact Information

Loan Applicant

Applicant Name			
Authorized Representative (Signatory of Loan Agreement)		Title of Authorized Representative	
Email Address		Telephone Number	
Contact Person (Daily SRF Communications)		Title of Contact Person	
Email Address		Telephone Number	
Mailing Address		City, Zip Code	
County		UEI Number	
Fax Number		PWSID Number	
AL House District(s)		AL Senate District(s)	
Total Number of System Connections (Current)		Population of System	

Project Engineer:

Firm Name	
Address	
City, State, Zip code	
Engineer Name	
Telephone Number	
Email Address	
Fax Number	

Section 2: Project Information

For the following questions, please attach additional pages if adequate space is not provided on this form:

Break down the total project cost (categories should sum to 100%) and list all other funding sources to be utilized to complete this project.

Treatment:	%	Other Funding Source(s)	Amount(s)	Commitment Date
Distribution:	%			
Source:	%			
Storage:	%			

Enter the Median Household Income (MHI) for the affected community:	Enter the Average Annual Household Water Bill Based on 5,000 Gal Usage:
Source:	Source:
\$	\$

Priority Ranking System

The following factors are used to rank the proposed project and will ultimately determine if the project is fundable. The applicant must provide documentation where required in order to receive credit.

*Any ranking criteria that cannot be verified through supporting documentation by the Department will be awarded zero points.

A. Enforcement and Compliance Rating Criteria (Maximum: 50 points)*

	Ranking Criteria	Point Value
1	The system is under formal enforcement action by ADEM. Completion of the project will return the system to compliance.	50
2	The project is a voluntary effort to resolve noncompliance and will mitigate the issuance of a formal enforcement action.	40
3	The system is currently in compliance but will be in imminent noncompliance without the proposed project.	25

B. Drinking Water Contaminants Criteria (Maximum: 150 points)*

	Ranking Criteria	Point Value
1	The system has current primary MCL violations and completion of the project will return the system to compliance.	100
2	The system has current secondary MCL violations and completion of the project will return the system to compliance.	50
3	The primary purpose of the project is to extend service to persons presently served by contaminated wells.	50

C. Water/Energy Efficiency Rating (Maximum: 45 points)*

Ranking Criteria		Point Value
1	The project significantly reduces water loss. The unaccounted reported water loss during the last 12-month period was: 50% or higher 35% - 49% 20% - 34% 15% - 19%	25 20 10 5
2	The project incorporates energy efficient design considerations with established objectives and targets for energy reduction opportunities.	5
3	The project uses renewable energy such as wind, solar, geothermal, hydroelectric, micro-hydroelectric, biogas combined heat and power (CHP) systems, or biofuels production to provide power to a drinking water treatment plant.	5
4	The project implements upgrades to pumps and treatment processes which result in: a) 20% or greater reduction in energy consumption at a drinking water treatment plant. b) 10-20% reduction in energy consumption at a drinking water treatment plant, or 20% or greater reduction in energy consumption at a remote pump station.	10 5

D. Capacity and Pressure Criteria (Maximum: 100 points) *

Ranking Criteria		Point Value
1	The system lacks adequate capacity to provide safe drinking water. Completion of the project will restore capacity to existing customers.	100
2	The project will mitigate pressure readings of <20 psi at 50 or more customer meters.	50
3	The project will mitigate pressure readings of <20 psi at 10-49 customer meters.	25

E. System Consolidation Criteria (Maximum: 100 points) *

Ranking Criteria		Point Value
1	The project will result in the elimination of at least one public water system.	100
2	The project will establish a new interconnection between two water systems, where the beneficiary water system (or portion of the beneficiary water system) is served by only one source.	25

F. Sustainability Criteria (50 possible bonus points) *

Ranking Criteria		Point Value
1	The project implements one or more of the following planning methodologies: a) Asset Management Plan	10
2	The project includes one or several of the following design considerations: a) LEED certified or other ADEM-approved green building techniques. b) Project envelope is located in a previously developed area. c) Use of environmentally friendly post-consumer recycled or reclaimed materials.	5 5 5
3	The project incorporates at least one of the following construction methods: • Innovative erosion control practices; • Protection of onsite trees, vegetation, native habitats and urban forests; or • Replanting of disturbed areas with native plant species.	5
4	The project will utilize one or more of the following water conservation strategies: a) Incorporates sustainable water pricing practices and rate structures. b) Completion of EPA's Water Quality Scorecard (see http://www.epa.gov/smartgrowth/water_scorecard.htm).	10 5

G. Reporting Criteria (Maximum point reduction: 30) *

Ranking Criteria		Point Reduction
1	The system was cited during the last twelve months for late submittal of Monthly Operating Reports (MOR) or Consumer Confidence Reports (CCR), or was cited for a monitoring/reporting violation.	-10
2	The system was sent a Drinking Water Needs Survey and/or a Clean Watershed Needs Survey in the last four years and failed to return a completed survey.	-20

H. Affordability Criteria (Maximum: 60 points)

Ranking Criteria	Point Value
Divide the Average Annual Household Water Bill by the Median Household Income (from Page 2) and multiply by 100%:	
2.50% or higher	60
2.00 – 2.49%	40
1.50 – 1.99%	20
Less than 1.50%	0

I. Infrastructure Improvement Criteria*

Ranking Criteria	Point Value
1 Construction of a new water treatment plant	20
2 Level of treatment upgrade to an existing water treatment plant	15
3 Modifications to address disinfection byproduct requirements	25
4 Replacement of water lines due to age, leaks, breaks, or lead or asbestos-cement pipe	10
5 Installation of new water lines, where none existed previously	5
6 Rehabilitation or replacement of a water storage tank	15
7 Installation of a new water storage tank	10
8 New or upgraded pump station (not associated with a tank project)	5
9 Security improvements to a water system	5
10 Emergency power generators	5
11 Construction of a new well	15
12 Rehabilitation/upgrade of an existing well	10
13 Installation of green stormwater infrastructure at a water treatment plant	5
14 Installation of water meters in previously unmetered areas, or replacement of traditional water meters with AMR or smart meters	10
15 Water meter replacement with traditional meters	5
16 Installation or retrofitting water efficient devices such as plumbing fixtures and appliances (toilets, showerheads, urinals)	5
17 Replacement of (potable) landscape irrigation with more efficient landscape irrigation systems	5
18 Recycling and water reuse projects that replace potable sources with non-potable sources (grey water, wastewater effluent)	10
19 Installation or upgrade of SCADA systems	15

Sum the points from each category below.

Part A: Enforcement and Compliance (50 points maximum)	
Part B: Drinking Water Contaminants (150 points maximum)	
Part C: Water/Energy Efficiency (45 points maximum)	
Part D: Capacity and Pressure (100 points maximum)	
Part E: System Consolidation (50 points maximum)	
Part F: Sustainability (50 bonus points maximum)	
Part G: Reporting (Maximum Reduction of 30)	
Part H: Affordability (60 points maximum)	
Part I: Infrastructure Improvement	
TOTAL POINTS CLAIMED:	

This form should be signed by the official who is authorized to execute contracts on behalf of the applicant jurisdiction. **ONE SIGNED COPY (including attachments)** should be emailed to the address shown on Page 1 of this form.

Attachments to be included with this form:

1. **Preliminary Engineering Report (PER Outline PER Format Below (Preferred))**
2. **Copies of last three (3) years of audited financial statements (if available)**

Preliminary Engineering Report Outline:

1. **Description of Project**
 - a. Brief description and background of project
 - b. Purpose of project
 - c. Location of project
 - d. Project Scope
 - e. Average annual household water bill
 - f. Population and median household income
2. **Proposed Improvements**
 - a. System connections and connections that benefit from construction
 - b. System plan for water conservation
 - c. Proposed operation and management
 - d. Improvements to system
3. **Project Maps**
 - a. Include all affected water bodies
4. **Projected Outlay Schedule**
5. **Cost Breakdown**
 - a. Estimated cost outline for entire project
6. **Supporting Documentation*** for priority points claimed, as required above. Any points claimed that cannot be readily substantiated from the information submitted will not be counted. The Department reserves the right to make the final determination of all points awarded.

The undersigned representative of the applicant certifies that the information in the application and in the attached statements and exhibits is true, correct and complete to the best of the applicant's knowledge, information and belief.

Signature of Authorized Representative	Print or Type Name
Title	Date