



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

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# DWSRF Intended Use Plan



**Fiscal Year 2021**

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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. This Intended Use Plan (IUP) describes how the State intends to use available DWSRF program funds for the year to meet the objectives of the SDWA and further the goal of protecting public health.

The State of Alabama is applying for \$ 23,939,000 in EPA grant funding that will be used to provide low interest financial assistance from the DWSRF program. The total amount of funding includes the allocation to the State of Alabama (\$23,714,000) in addition to funds because of reallocation from other state(s) (\$225,000). The 20% state match requirement for the projected grant is \$4,787,800 and will be fulfilled by the overmatch of State Match Bonds.

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.

## **II. Program Goals**

### **A. Short-term goals**

1. To provide financial assistance for the construction of public water supply facilities on the DWSRF Priority List.
2. To provide DWSRF financial assistance to include additional subsidization in the form of principal forgiveness for not less than the required minimum of \$3,351,460 for the construction of water treatment and distribution facilities.
3. To provide DWSRF financial assistance to include additional subsidization in the form of principal forgiveness for not less than the required minimum of \$1,436,340 to disadvantaged communities for the construction of water treatment and distribution facilities.
4. To provide DWSRF loans for a goal of 10% of the Capitalization Grant to projects which address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities. These four categories of projects are the components of the Green Project Reserve.
5. To implement the State's DWSRF in compliance with the Safe Drinking Water Act and to ensure conformance with Federal crosscutting requirements.
6. To protect the public health and the environment and promote the completion of cost-effective water treatment, storage, and distribution facilities.
7. To provide funding for the State of Alabama Public Water System Supervision (PWSS) program using the 10% State Program Management set-aside.
8. To provide assistance for educational events promoting objectives consistent with the Safe Drinking Water Act through the 15% Local Assistance and Other State Programs Activities set-aside.

**B. Long term goals**

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.

The Department shall comply with all of the requirements of the Operating Agreement made with EPA dated August 8, 1998, including the assurances contained therein. The Operating Agreement is incorporated by reference.

The Department is in compliance with the operator certification and capacity development regulations along with the associated reporting requirements.

**III. Sources and Uses of Funds:**

The Department is expected to fund FY 2021 projects using a combination of interest earnings on the Fund, repayments from direct loans, and the 2021 EPA Capitalization Grant. Match for the EPA Grant will be fulfilled by overmatch of State Match Bonds issued in previous years' and a contribution from ADEM State Enforcement Action. The estimated sources and uses of funds in the FY 2021 DWSRF program are as follows:

Projected Sources:

2021 EPA DWSRF Cap Grant:	\$23,939,000
DWSRF State Match:	\$4,787,800
<u>Direct Loan Repayments, Interest Earnings and Unobligated Funds:</u>	<u>\$40,207,691</u>
Total:	\$68,934,491

Projected Uses:

Project Assistance:	\$68,851,931
10% State Program Management:	\$1,100,000
15% Local Assistance:	\$25,000
<u>Funds Reserved for Administrative Cost (4%):</u>	<u>\$957,560</u>
	\$68,934,491

**A. Leveraging**

The Department does not intend to issue DWSRF revenue bonds for new projects during FY 2021.

**B. Transfer of Funds**

In accordance with 40 CFR 35.3530, the Alabama Department of Environmental Management (the Department) plans to transfer up to 72,952,803 from the Clean Water State Revolving Fund

(CWSRF) to the DWSRF. Funds transferred from the CWSRF to the DWSRF are to be used to fulfill the DWSRF infrastructure financing demand as needed.

### **C. 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.

### **D. 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. Repayments shall commence after completion of construction or within 3 years 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 assistance, projects must be on or added to the Priority List and have a proposed project schedule that coincides with the availability of DWSRF funds. The DWSRF 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 2021 EPA Capitalization Grant includes a requirement for a minimum \$3,351,460 be provided as assistance with additional subsidy. In addition, America's Water Infrastructure Act of 2018 (AWIA) requires a minimum of \$1,436,340 be provided to disadvantaged communities in the form of 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 exclusively to projects in communities determined to be disadvantaged with the highest ratio of annual average water bill to median household income. Up to 50% of project loan costs not to exceed \$500,000 will be provided as principal forgiveness to the highest rated communities until the requirement is met. Any subsequent revision to this project list will likewise demonstrate principal forgiveness will be provided to meet the required percentage of the Capitalization Grant.

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

#### **C. Green Project Reserve:**

Projects that address green infrastructure, water or energy efficiency or other environmentally innovative activities are the components of the Green Project Reserve (GPR) as provided by guidance from EPA. Although EPA is not requiring a minimum GPR component, ADEM will identify these projects and expects no less than 10% of Grant funds be provided for these projects.

Attachments 1 and 2 identify projects which include components of the GPR and indicate which type of GPR project it is, whether it is a categorical GPR project, and how much of the project's cost is applicable to GPR. Final project component costs applicable to green infrastructure may be revised based on final project submittal, final bid amounts or change in green infrastructure determination.

#### **D. Prevailing Wages**

Davis-Bacon wage requirements apply for fiscal year 2021 and each fiscal year thereafter 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.

#### **E. 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.

#### **F. 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.

Following completion of the ranking process, the priority list will be reviewed to determine if at least 15% of amount projected to be funded is for public water systems which regularly serve fewer than 10,000 people, as required by the SDWA. If this is not the case, the priority list will be adjusted by exchanging the lowest ranking projects above the funding line that serve 10,000 or more with the highest ranking projects below the funding line that serve fewer than 10,000, until the 15% requirement is satisfied.

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.

#### **G. 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**

SRF Guidelines allow states to set aside 4% of the grant for SRF administrative costs. Administrative funds of \$957,560 will be used to pay costs for personnel, travel and training, equipment, supplies, audit fees, and indirect costs associated with implementing the SRF Program.

**B. 2% Small Systems Technical Assistance**

The Department will not reserve any funding to provide small systems technical assistance.

**C. 10% State Program Management**

The Department will reserve \$1,100,000 to provide funding for the State of Alabama Public Water System Supervision (PWSS) program.

**D. 15% Local Assistance and Other State Programs**

The Department will reserve \$25,000 to provide assistance to communities for educational events promoting objectives consistent with the Safe Drinking Water Act.

**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 2021 as follows:

Total Program Income	Program Income Collected During Grant Period	Program Income Collected After Grant Period
\$2,195,285.82	\$0.00	\$2,195,285.82

**VII: Estimated DWSRF Capitalization Grant Schedules**

**Estimated Grant Draw Schedule**

**Estimated Grant Disbursal Schedule**

<u>Fiscal year</u>	<u>Month</u>	<u>Draw</u>	<u>Fiscal year</u>	<u>Month</u>	<u>Payment</u>
2021	Oct	\$1,994,917	2021	Oct	\$1,994,917
2021	Nov	\$1,994,917	2021	Nov	\$1,994,917
2021	Dec	\$1,994,917	2021	Dec	\$1,994,917
2021	Jan	\$1,994,917	2021	Jan	\$1,994,917
2021	Feb	\$1,994,917	2021	Feb	\$1,994,917
2021	Mar	\$1,994,917	2021	Mar	\$1,994,917
2021	Apr	\$1,994,917	2021	Apr	\$1,994,917
2021	May	\$1,994,917	2021	May	\$1,994,917
2021	Jun	\$1,994,917	2021	Jun	\$1,994,917
2021	Jul	\$1,994,917	2021	Jul	\$1,994,917
2021	Aug	\$1,994,917	2021	Aug	\$1,994,917
2021	Sep	\$1,994,917	2021	Sep	\$1,994,917
Total		\$23,939,000	Total		\$23,939,000

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. As most of the capitalization grant is expected to be used for direct loans, the disbursement schedule is essentially the same as the grant payment schedule.

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.

**A. Capitalization Grant Budget Periods:**

2021 EPA DWSRF Capitalization Grant

October 1, 2021 through September 30, 2025

# **Attachment 1**

**Attachment 1 - Project Priority List**

County Served	Applicant Name	Population Served	Priority Point Rank	Assistance Amount	Additional Subsidization (Principal Forgiveness)	Estimated Construction Start Date
Mobile	Mobile		SUPP	\$10,850,000		N/A
Madison	Huntsville		SUPP	\$15,700,000		N/A
Franklin	Red Bay		SUPP	\$1,685,000		N/A
Tuscaloosa	Buhl Elrod Holman Water Authority		SUPP	\$1,381,500		N/A
Marshall	Arab		SUPP	\$4,670,300		N/A
Wilcox/Conecuh/Monroe	Southwest Alabama Water Authority	5,080	270	\$1,401,475	\$500,000	5/1/2021
Marion	Brilliant, Town of	900	215	\$1,792,050	\$500,000	8/1/2021
Greene	Forkland, Town of	905	180	\$1,061,500	\$500,000	12/1/2021
Bullock	South Bolluck Water Authority	10,914	160	\$1,200,000	\$500,000	8/1/2021
Choctaw	Gilbertown Water System	7,035	135	\$1,640,000	\$500,000	12/1/2021
Chambers	Chattahoochee Valley Water Supply District	18,532	130	\$8,000,000	\$500,000	8/1/2021
Dallas	Selma Waterworks and Sewer Board	20,756	125	\$1,085,600		4/1/2022
Russell	Russell County Water Authority	13608	110	\$3,428,830	\$500,000	6/1/2021
Colbert	Colbert County Comission	4,641	105	\$1,000,000	\$500,000	5/1/2022
Talladega	Lincoln, City of	10,750	95	\$2,932,753		4/1/2022
Cullman/Blount	Garden City, Town of	558	95	\$195,250	\$97,625	2/28/2022
St. Clair	Chandler Mountain/Greasy Cove Water Authority	957	90	\$617,000	\$308,500	6/1/2021
Tallapoosa	Town of New Site	791	70	\$1,110,000	\$500,000	8/1/2021
Houston	Town of Columbia	1,110	65	\$1,117,000		9/20/2021
Geneva/Houston	City of Taylor	9,543	55	\$1,738,073		12/1/2021
Calhoun	Ohatchee Water Supply District	1,410	45	\$239,100		7/1/2022
St. Clair	Pell City	14,045	40	\$4,006,500		3/1/2022

**Totals: \$66,851,931 \$4,906,125**

## **Attachment 2**

## **Attachment II**

### **Mobile DWSRF Master Plan Phase I (2019 – 2023) Supplemental**

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 insure continued provision of safe drinking water to all service area customers.

### **Huntsville Supplemental**

Huntsville Utilities has proposed a project for various water system improvements. The project consists of the construction of a transmission main along Bailey Cove Rd., Swancott Road and Research Park Blvd. The project also includes the construction of a water main along Swancott Road and US Highway 72. Rehabilitation improvements will also be made to the South Parkway Water Treatment Plant and the South West Water Treatment Plant. A water storage tank will also be constructed in order to provide redundancy and storage to the US Highway 72 West area.

### **Red Bay Supplemental**

The Red Bay Water System proposes improvements to its existing water treatment system. The project consists of the rehabilitation of the existing 30,000 gallon clearwell and construction of a new 210,000 gallon clearwell. Completion of this project will provide additional storage which will improve disinfection and contact time, thus providing safe quality drinking water for all residents.

### **Buhl Elrod Holman Supplemental**

The Buhl Elrod Holman Water Authority proposes installation of a 700 GPM water treatment package plant, new operations building, 100,000 gallon clear-well, chemical feed system, aeration tower, and service pumps; development of new Well No. 3 (400 GPM); upgrade of the Well No. 2 service pumps; new raw water transmission lines from both wells to the new WTP; and a new water distribution line from the new WTP and connecting to the existing distribution system. Proposed improvements will ensure system compliance and the continued provision of adequate and safe drinking water to all service areas customers.

### **Arab Water System Improvements Supplemental**

The Arab Water Works Board proposes a project to provide improved drinking water distribution reliability within its water system. The proposed project will consist of system-wide rehabilitation of multiple, drinking water storage tanks and the installation of a new, high service pump with VFD (variable frequency drive) controls at the Arab WTP (Water Treatment Plant). In addition, an existing booster pumping station will be retrofitted with VFD controls for increased operational efficiency. Completion of these improvements will extend the useful life of the water system's existing storage facilities and increase the system's ability to meet current and future water supply demands.

## **Attachment II**

### **Southwest Alabama Water Authority Pump Station and Waterline Improvements**

The Southwest Alabama Water Authority proposes various building repairs and renovations to its existing Franklin Well Facility, along with the installation of a new Motor Control Center, related instrumentation and electrical upgrades and new Emergency Generator. Proposed improvements also include installation of a new Emergency Generator with electrical upgrades at the existing Franklin Booster Pump Station; installation of approximately 20,000 LF of new 6-inch water main and five (5) new hydrants along CR-22 between Ramah Road EWT and CR-30 in providing system redundancy, adequate distribution pressures, and prevention of DBPs. Approximately 9,500 LF of additional 6-inch water main will also be installed along CR-5 to eliminate existing dead ends, create needed looping, minimize DBP formation, improve flow, and allow connection of six (6) new customers currently reliant upon unregulated wells. Proposed improvements will ensure continued provision of safe and adequate water supply to service area customers.

### **Town of Brilliant 2021 Water System Improvements**

The Town of Brilliant proposes a project to provide safe and reliable drinking water within its water system. The proposed project will consist of construction of a new water supply well and treatment facility, construction of a new ground storage tank, installation of new water mains, emergency power generator, SCADA and altitude valves at all existing storage tanks. Completion of this proposed project will provide an additional source of water and storage to help meet current and future demands of the water system and provide power during emergency situations.

### **Town of Forkland**

The Town of Forkland proposes to construct a new potable water supply well to replace the systems only well. The current well has failed to due collapse of the casing.

### **South Bullock Water Authority Water Storage Tank**

South Bullock County Water Authority proposes to build an elevated water storage tank to provide 1.53 to 2 days of average water storage based on current water demands which will eliminate current water storage shortages. The proposed location of this storage tank will be at the systems Sardis Well. The ground elevation at this site is approximately 500 fmsl and therefore the tank will be approximately 185 feet tall. If there is sufficient funding the Authority also proposes to upgrade water mains connecting this elevated water storage tank with the Aberfoil distribution area.

### **Gilbertown Water System Replacement of Melvin Well and Installation of AMR Meters**

The Utilities Board of the Town of Gilbertown proposes to replace the Melvin Well (Well Number 2) an existing water supply well that has failed and was pumping sand prior to pulling the pump when the casing failed. The systems water meters are old deteriorated and inaccurate. The Utilities Board also proposes to replace the existing water meters with new drive by radio read meters (AMR meters). Meter replacement will significantly improve accuracy and reduce the fuel and manpower required to read the manual meters on a monthly basis.

### **Chattahoochee Valley Water Supply District 2021 Water Treatment Plant Clearwell and Pumping Station Improvements**

The Chattahoochee Valley Water Supply District (CVWSD) proposes a project to provide safe and reliable drinking water within its water system. The proposed project will consist of upgrades to the existing water treatment plant which include the filtration, electrical, chemical and SCADA systems. Completion of the proposed project will help maintain compliance, provide safe potable

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drinking water to all customers, improve the efficiency of the treatment process and meet current and future demands of the water system.

### **Selma Waterworks and Sewer Board Water Main & Lead Service Pipe Replacement**

The City of Selma Waterworks and Sewer Board proposes a project to replace 7,510 LF of 6-inch, 3-inch, and 2-inch water main with new ductile iron water main. Also included are all appurtenances including tees, valves, fittings and services. Also included in this project will be the replacement of 100 lead service lines with new copper service pipes. Improvements will increase water efficiency and allow the system to stay in compliance.

### **Russell County Water Authority 2021 Water System Improvements**

The Russell County Water Authority (RCWA) proposes a project to provide improved drinking water reliability within its water system. The proposed project will consist of upgrading existing water mains, installation of new water mains, upgrades to Well Number 1 which include a new chlorine booster pump, replacement of the existing fencing, a new pressure valve and upgrade to the existing SCADA. Completion of this proposed project will reduce leaks, line breaks, water loss and help meet the current and future demands of the water system.

### **Colbert County Commission Water System Improvements Phase II**

The Colbert County Commission on behalf of the Colbert County Water System, proposes to replace 1600 LF of 8" water line on Gnat Pond Rd and 6th St.; replace 1700 LF of 10" water line on Old Hwy 20; replace 1,750 LF of 6" water line on 6th St. and Fennel Ln.; replace 3000 LF of 10" water line on Marthaler Ln; replace approximately 2,500 existing meters with new AMR water meters; replace Actuators at the Colbert County Water Treatment Plant; replace air relief, pressure control, and altitude valves within the distribution system. Completion of this project will result in decreased water loss and increased system efficiency.

### **City of Lincoln Water System Improvements**

The City of Lincoln proposes installation of a new drinking water source well in replacing a recently collapsed well; replacement of deteriorating service lines; additional water lines in the Quail Ridge Road and Bishop Truss Road areas to establish looping for improved pressure and flow; and the cleaning and inspection of an existing 2MG ground level water storage tank. The new well will satisfy current water supply demands and consist of at least one (1) test well, new well housing, pumps, chlorination and monitoring equipment, chlorine contact line, and new emergency backup generator. An additional new emergency backup generator is also proposed for existing Well No. 3. Proposed improvements will ensure the provision of safe drinking to all service area customers.

### **Town of Garden City Water, Meter, and Distribution System Improvements**

The Town of Garden City proposes a project to provide improved drinking water reliability within its water system. The proposed project will consist of replacement of existing water meters with new AMR meters, installation of SCADA at the existing tank and a replacement valve on the water supply connection from Blount County. Completion of this proposed project will reduce the unaccounted for water loss and decrease overall operational cost associated with labor and transportation.

### **Chandler Mountain/Greasy Cove Water Authority Water Improvements**

The Chandler Mt. Greasy Cove Water Authority proposes a project to provide safe and reliable drinking water within its water system. The proposed project will consist of replacement of existing

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water meters with new AMR/AMI meters, installation of emergency power at existing booster pump stations, rehabilitation of existing water storage tanks and replacement of fire hydrants. Completion of this proposed project will reduce water loss, maintain compliance, provide power during emergency situations, and decrease overall operational cost associated with labor and transportation.

### **Town of New Site Water System Improvements**

The Town of New Site proposes improvements to its water system to provide increased efficiency and reliability. The proposed project will consist of system-wide replacement of existing water meters with AMR (Automated Meter Read) water meters, installation of an auxiliary power source and constant pressure station at various system pump stations, installation of fire hydrants for cleaning and maintenance and replacement of the Town's interconnection transmission main with the City of Alexander City. Completion of these improvements will provide an increase in system reliability, identify and eliminate previously unaccounted for water loss and decrease the current energy, labor, and transportation costs, resulting in improved overall customer service and increased operational revenues.

### **Town of Columbia Water Supply Well Improvements**

The Town of Columbia proposes to construct a new potable water supply well to replace a very old and potentially unreliable well. The goal of the new well will be to drill deeper to achieve better water quality and achieve a finished well capable of producing 400 gallons per minute.

### **City of Taylor Potable Water Well, Generators, and SCADA**

The City of Taylor proposes to construct a potable water well at the City's existing water storage tank site on Bunk Road, install emergency backup generators at this new well and at each of the City's other two water supply wells. In addition, the City proposes to install a Supervisory Control and Data Acquisition (SCADA) system to monitor and control the potable water wells and storage tanks associated with the City's water distribution system.

### **Ohatchee Water Supply District Water System Improvements**

The Town of Ohatchee proposes replacement of approximately 530 existing manual read water meters with new digital Automatic Meter Reading (AMR) "radio read" water meters and associated reading system equipment. Proposed project work will also include installation or replacement of backflow prevention devices, check valves, meter boxes, and curb stops where needed along with SCADA upgrades. This project will accurately identify locations of previously unaccounted for water loss and provide energy and labor cost savings for a more efficient, reliable, and accountable system in serving all service area customers.

### **City of Pell City 2021 Well A to Woodhill Tank and Mill Village Water Rehabilitation**

The City of Pell City proposes to install approximately 29,000 LF of DI water main and related appurtenances to connect existing Well A directly to existing Woodhill Tank. The purpose of the project is to mitigate system pressure surges as well as replacement of deteriorated water main in the Mill Village area.

## **Attachment 3**



# Form 370: Drinking Water State Revolving Fund Preapplication

Project Name	
Assistance Amount Requested	\$
Date Submitted	



Submit Complete Preapplication to:	
Preferred method <b>By email:</b>	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	
Physical Address		Mailing Address	
County		DUNS 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 <a href="http://www.epa.gov/smartgrowth/water_scorecard.htm">http://www.epa.gov/smartgrowth/water_scorecard.htm</a> ).	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	
<b>TOTAL POINTS CLAIMED:</b>	

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