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**Alabama Drinking Water State Revolving Fund
Fiscal Year 2019 Annual Report**

As of September 30, 2019

PLEASE NOTE that this report does not constitute nor is it suitable for use as an official financial statement. This report is not prepared by an independent auditor or accountant, and is provided for informational purposes only.

ALABAMA DRINKING WATER SRF ANNUAL REPORT

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I. INTRODUCTION:

The State of Alabama herewith submits its Drinking Water State Revolving Fund (DWSRF) Annual Report for fiscal year 2019 (October 1, 2018 – September 30, 2019). This report describes how the State of Alabama has met the goals and objectives of its Drinking Water State Revolving loan program as identified in the Intended Use Plans (IUP).

II. EXECUTIVE SUMMARY:

Loan agreements (binding commitments) with eight-teen borrowers totaling \$67,071,000 were executed during the fiscal year. These binding commitments are enumerated in Exhibit 1. A detailed breakdown of the components of each of loan is provided in Exhibit 2.

No State Match funds have been appropriated (cash match) for the DWSRF program since its inception. The state match requirement of \$4,744, 200 will be satisfied by carryover funds by the issuance of revenue bonds by the Alabama Drinking Water Finance Authority. The Authority will issue new state match bonds to satisfy future match.

III. GOALS AND ACCOMPLISHMENTS:

A. Short Term Goals and Accomplishments

The FY 2019 DWSRF Intended Use Plan describes the short-term goals of the program. The goals included:

1. To provide financial assistance for the construction of public water supply facilities on the DWSRF Priority List.

Alabama provides municipalities with DWSRF loans with an interest rate approximately 1.0%-1.5% less than the most advantageous rates commonly available to local governments: 2.20% for FY2019 borrowers. As initially described in the FY2019 Intended Use Plan, and later modified according to the needs of the borrowers, 30 loans totaling \$110.958 M are to be funded. Funding will be provided by the FY 2019 EPA DWSRF capitalization grant, interest earnings and direct loan repayments.

2. To provide DWSRF financial assistance to include additional subsidization in the form of principal forgiveness for not less than the required minimum of \$4,744,200 for the construction of water treatment and distribution facilities.

The Department met this goal by offering principal forgiveness exclusively to projects in communities determined to be disadvantaged. Communities with the highest ratio of annual average water bill to median household income will receive up to 50% of project costs in principal forgiveness equaling 20% of the Capitalization Grant.

3. To provide DWSRF financial assistance to include additional subsidization in the form of principal forgiveness for not less than the required minimum of \$1,423,260 to disadvantaged communities for the construction of water treatment and distribution facilities.

The Department met this goal by offering principal forgiveness exclusively to projects in communities determined to be disadvantaged. Communities with the highest ratio of annual average water bill to median household income will receive up to 50% of project costs in principal forgiveness equaling 6% of the Capitalization Grant.

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.

The Department actively solicited for green infrastructure projects for 2019. This solicitation included a notice posted on the ADEM website as well as notices sent to approximately 1,200 addresses on the departments e-mail and direct mail list. The Department identified projects in the 2019 IUP totaling \$23.944 M which is over 100% of the 2019 DWSRF Capitalization Grant.

5. To implement the State's DWSRF in compliance with the goals of the Safe Drinking Water Act and to ensure conformance with Federal crosscutting issues.

All projects are reviewed to ensure compliance with the Safe Drinking Water Act and conformance with federal crosscutting issues. Comments regarding the environmental impact of proposed projects are solicited via a Finding of No Significant Impact (FNSI) or Categorical Exclusion (CE). Those entities solicited for comments include, but are not limited to, the EPA, the Corps of Engineers, the Fish and Wildlife Service of the U.S. Interior Department, the State Department of Public Health, the State Department of Conservation and Natural Resources, the Alabama Department of Economic and Community Affairs and the State Historical Commission.

6. To protect the public health and the environment and promote the completion of cost-effective water treatment, storage, and distribution facilities.

The method used in drafting the project priority list and the state review of planning documents submitted with DWSRF loan applications and pre-applications promote the protection of public health and the environment with the funding of cost-effective systems.

7. To provide funding for the State of Alabama Public Water System Supervision (PWSS) program using the 10% State Program Management set-aside.

The Department has met this goal by allocating \$1,190,000 of the 10% State Program Management set-aside to the state's PWSS program. This funding is to be used for administration of the program.

8. To provide assistance to communities for educational events promoting objectives consistent with the Safe Drinking Water Act through the 15% Local Assistance and Other State Programs Activities set-aside.

The Department is in the process of fully meeting this goal. \$25,000 has been allocated from the 15% Local Assistance and Other State Programs Activities set-aside to be used for direct assistance agreements to communities across the state. Applications are being received weekly and we anticipate full expenditure of the \$25,000 by the end of FY 2019.

B. Long Term Goals and Accomplishments

In its Intended Use Plan for FY 2019, the State of Alabama described long-term goals for the DWSRF program.

These long-term goals included:

1. To maintain the DWSRF program and the long-term fiscal integrity of the fund.
2. To provide a self-perpetuating source of low interest loans 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.

During the reporting period, Alabama has made progress in implementing the long-term goals of the DWSRF Loan Program as follows:

1. In its administration of the DWSRF program, the State of Alabama has considered the long-term fiscal health of the DWSRF. No State Match funds have been appropriated (cash match) for the DWSRF program since its inception. The state match requirement will be satisfied by carryover funds by the issuance of state match bonds by the Alabama Drinking Water Finance Authority.

The DWSRF working group includes, as integral members, persons who have extensive experience in the issuance of tax-free bonds, are knowledgeable of the cash flow requirements of such issues, have technical expertise related to the planning and design reviews required by the State and EPA prior to DWSRF funding and are capable of providing assistance in the disbursements of DWSRF funds to the loan recipients.

The Authority continues to set a loan interest rate approximately 1.0-1.5% less than the most advantageous rate commonly available to municipalities: 2.20% for the FY 2019 project list. The Department's experience with the program indicates that this is a sufficient incentive to seek DWSRF financing for eligible projects.

2. 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 and assets of the Master State Revolving Account as the source funds to fund direct loans. As of September 30, 2019, the Master State Revolving Fund (MSRF) had a balance of approximately \$133,027,667

The State is using its grant funds and bond proceeds in a manner that ensures the timely and expeditious use of DWSRF funds. The use of grant funds to make direct loans is emphasized. Using DWSRF assets in this manner decreases the issuance of debt (bonds) and provides for increased volumes of direct loan repayments that may be recycled into future loans.

3. Both the method used in drafting the project priority list and the state review of DWSRF loan applications promote protection of the public health and the environment by first providing financial assistance to projects that address the most critical needs.

4. The nature of the DWSRF program (subsidized interest rates) ensures that applicants are receiving a cost-effective method of financing. In addition, additional subsidization in the form of principal forgiveness is offered to disadvantaged systems as allowed by the Safe Drinking Water Act.

IV. DETAILS OF ACCOMPLISHMENTS

A. Fund Financial Status

1. Binding Commitments

Loan agreements (binding commitments) with eight-teen borrowers totaling \$67,071,000 were executed during the fiscal year. These binding commitments are enumerated in Exhibit 1. A detailed breakdown of the components of each of loan is provided in Exhibit 2.

2. Disbursements and Guarantees

DWSRF loan assistance totaling \$13,624,917.22 was disbursed to DWSRF loan recipients during the period.

The table below details ADEM's DWSRF Administrative costs that were obligated from the 4% administrative set-aside from the federal capitalization grants.

DWSRF Administrative Costs: 4% Set-Aside

| | DWSRF Grant |
|-----------------------|---------------------|
| Salaries | \$402,586.10 |
| Fringe | \$149,958.33 |
| Travel | \$17,843.76 |
| Professional Services | \$27,999.42 |
| Supplies | \$8,740.41 |
| Equipment | \$2,741.67 |
| Total Direct Costs | \$609,869.69 |
| Indirect Costs | \$178,505.70 |
| Total | \$788,375.39 |

3. Financial Statements

The most recent audit of Alabama's DWSRF (through FY 2018) revealed no material weaknesses in the program. A copy of this audit was submitted to EPA. The audit contract for FY 2019 is pending. EPA will receive a copy of the audit when it is available. Draft financial statements can be found in Exhibit 7.

B. Assistance Activity

Loan agreements (binding commitments) with eight-teen borrowers totaling \$67,071,000 were executed during the fiscal year. These binding commitments are enumerated in Exhibit 1. A detailed breakdown of the components of each of loan is provided in Exhibit 2.

The interest rate associated with the loan agreements completed during FY2019 was 2.20%. The interest rates reflect the condition of the market for tax-exempt bonds and the relative credit quality of the borrowers at the time that the Authority Bonds were sold.

Exhibit 2 is a breakout of the components of DWSRF project loans. The project fund, capitalized interest cost, principal forgiveness, finance expenses and GPR amount are shown for each project.

Exhibit 3 breaks down DWSRF assistance by population, as proof of the program meeting EPA's requirement that 15% of all assistance be directed to small communities. Of the small communities that applied for DWSRF loans, 100% of them were provided assistance. Combined funding of \$3.842M was provided during the FY19 for small communities

Included in Exhibit 4 are the long-term cash flow projections for the Alabama DWSRF. These cash flows incorporate the loans already made by the Authority and those projected to be offered and show how the DWSRF Master Fund revolves perpetually.

C. Provisions of the Operating Agreement and Grant Conditions

The State of Alabama agreed to a number of conditions in the DWSRF Operating Agreement and Grant Agreement. The following major conditions have been met as described in the operating and grant agreements:

- Biennial Report
- Binding Commitments
- Timely and Expeditious Use of Funds
- Annual Audit
- Annual Review
- National Reporting Needs
- Records and Data Management
- Attainment of MBE/WBE Goals
- Federal Crosscutting Authorities
- State Environmental Review Process
- Cash Draw Procedures

These conditions have been met as described in detail below:

1. Biennial Report: In lieu of a biennial report ADEM has elected to provide annual reports for each fiscal year.

2. Binding Commitments: The State has entered into 252 binding commitments totaling \$561,887,200 over the life of the program. The total amount of capitalization grants awarded for FY 1997 thru FY 2019 is \$284,440,900. The Alabama DWSRF meets the “Binding Commitments” requirement.

3. Timely and Expeditious Use of Funds: DWSRF loan assistance totaling \$30,496,863.52 was disbursed to DWSRF loan recipients during the reporting period. The pace of expenditure of funds is expected to increase significantly as the State proceeds with implementation of the DWSRF program.

In order to ensure that the loan repayment stream necessary to meet the financial obligations of the Authority are met, the Special Conditions Loan Agreement (the legal document which commits DWSRF funds to a project) explicitly specifies the date on which loan repayments are to commence, regardless of the status of construction completion.

4. Annual Audit: The most recent audit of Alabama's DWSRF (through FY 2018) revealed no finding of the program. Draft copies of financial statements are available in Exhibit 7.

5. National Reporting Needs: The Department annually provides EPA with project-level data in its Priority List and the Intended Use Plan. Additionally, information is provided to EPA quarterly and as requested.

6. Records and Data Management: ADEM receives and reviews project documents from loan applicants. These documents, together with the Department's review memos, summary checklists and the loan agreement documentation, are included in the official project files maintained by the State. These files are made available to EPA and the public upon request. Computer databases are maintained for all projects and are backed up regularly by both DWSRF staff and the Department's local area network administrators.

7. The DWSRF capitalization grant specifies that the State require loan recipients to make a good faith effort to achieve 2.5% MBE and 3.0% WBE participation for construction contracts.

MBE contracts awarded during FY 2019 were **\$1,073,815.75 (1.57%)** while WBE participation was **\$265,495 (0.39%)**. The total DBE participation rate for the reporting period was **1.95%**. The

Department continues to ensure the loan applicants and contractors and suppliers make and document a good faith effort to meet the goals

The State of Alabama submits Standard Form 5700-20A to EPA Region IV for their review on a quarterly basis to document efforts toward achieving MBE/WBE objectives.

8. Federal Crosscutting Authorities: The State of Alabama and all recipients of DWSRF funds have complied with applicable federal authorities (federal crosscutters). Recipients of DWSRF assistance agreed to do this in the loan application as well as the loan agreement between the recipient and the Authority. Projects are required to complete the State Environmental Review Process (SERP) in a manner consistent with the crosscutting requirements.

9. State Environmental Review Process: The Department conducts environmental reviews on all funded projects in accordance with the State Environmental Review Process (SERP). Categorical Exclusions (CEs) or Findings of No Significant Impact (FONSIs) are issued for each project.

10. Cash Draw Procedures: The State has drawn cash from the Federal Capitalization Grants in a manner consistent with the Capitalization Grant Agreements and the DWSRF ACH Guidance.

The rate of cash draws from the Federal Capitalization Grants is based on the dollar-for-dollar draws of direct loan projects.

Consistent with EPA policy, draws from the federal grant for the direct loan projects are required to be proportional to the disbursement of state match funds to borrowers for eligible project costs. Accordingly, the proceeds of the State Match Bonds are the first funds disbursed to members of the Bond Pool. In this manner, the State manages its disbursements to borrowers to ensure that state funds are spent first; thereby meeting the proportionality requirement.

V. Program Changes:

A. Comparison with the Intended Use Plan

The FY 2019 Intended Use Plan had a fundable list for 30 projects totaling approximately \$110.958 M. The City of Luverne decided to opt out of the program for various reasons including less than anticipated principal forgiveness. Final loan amounts will be included in future annual reports.

B. Modification of Goals and Objectives

The basic goals and objectives of the Alabama DWSRF are not expected to vary from those stated previously. The Department will seek to execute the procedures necessary to meet the program goals in an expeditious manner in subsequent programs.

C. Transfer from CWSRF to DWSRF

As outlined in the FY 2019 Intended Use Plan no funds were reserved for transfer from the CWSRF to the DWSRF program. No transfer was utilized.

Exhibit 1 - Binding Commitments

| Project Name | Project # | Bind Date | Estimated Completion Date | Loan Amount | Repayment Date | Interest Rate | Funds Source | IUP FY |
|---|-------------|------------|---------------------------|------------------------|----------------|---------------|--------------|--------|
| Lexington Water System Improvements | FS010236-01 | 10/1/2018 | 3/1/2020 | \$720,000.00 | 8/15/2020 | 2.2% | DL:EPA | 2017 |
| Centre WTP Upgrade with GAC Filtration | FS010238-01 | 10/1/2018 | 5/15/2020 | \$2,235,000.00 | 8/15/2020 | 2.2% | DL:EPA | 2018 |
| Mobile Various Water Infrastructure Improvements | FS010096-02 | 11/1/2018 | 12/31/2019 | \$7,510,000.00 | 2/15/2019 | 2.2% | DL:EPA | 2018 |
| South Bullock County WA Water Main Replacement | FS010112-05 | 11/15/2018 | 7/1/2019 | \$497,000.00 | 8/15/2019 | 2.2% | DL:EPA | 2017 |
| Gilbertown Systemwide Water Production, Storage, & Distribution | FS010227-01 | 11/15/2018 | 8/31/2021 | \$1,970,000.00 | 2/15/2022 | 2.2% | DL:EPA | 2018 |
| Haleyville 2018 Water System Improvements | FS010244-01 | 11/15/2018 | 5/15/2019 | \$1,320,000.00 | 8/15/2019 | 2.2% | DL:EPA | 2018 |
| Silverhill Water System Rehabilitation and Upgrades | FS010242-01 | 11/15/2018 | 12/1/2019 | \$565,000.00 | 2/15/2020 | 2.2% | DL:EPA | 2018 |
| Tuscaloosa 2018 DWSRF Projects | FS010085-03 | 2/1/2019 | 12/1/2020 | \$18,250,000.00 | 2/15/2021 | 2.2% | DL:EPA | 2018 |
| Anniston Southeast Area Water Tank & Transmission Main | FS010239-01 | 2/15/2019 | 12/31/2021 | \$7,445,000.00 | 2/15/2022 | 2.2% | DL:EPA | 2018 |
| Fort Payne Downtown Waterline Replacement | FS010008-05 | 2/15/2019 | 4/30/2019 | \$1,479,000.00 | 8/15/2019 | 2.2% | DL:EPA | 2018 |
| West Morgan East Lawrence Water and Sewer Authority Water Main | FS010090-02 | 2/15/2019 | 12/1/2020 | \$2,095,000.00 | 2/15/2021 | 2.2% | DL:EPA | 2018 |
| Thorsby 2018 Water System Improvements | FS010057-03 | 3/1/2019 | 2/15/2020 | \$880,000.00 | 8/15/2020 | 2.2% | DL:EPA | 2018 |
| Jacksons' Gap Capital Improvements | FS010246-01 | 3/15/2019 | 9/1/2019 | \$280,000.00 | 2/15/2020 | 2.2% | DL:EPA | 2018 |
| Mulga Water System AMR Project | FS010249-01 | 3/15/2019 | 9/15/2020 | \$705,000.00 | 2/15/2021 | 2.2% | DL:EPA | 2018 |
| Winfield Automatic Meter Read Project | FS010243-01 | 7/1/2019 | 1/30/2020 | \$800,000.00 | 2/15/2020 | 2.2% | DL:EPA | 2018 |
| Dadeville Water Storage Tanks Rehabilitation (Supplemental) | FS010235-01 | 8/1/2019 | 12/1/2019 | \$210,000.00 | 2/15/2020 | 2.2% | DL:EPA | 2019 |
| Mobile Various Water Infrastructure Improvements (Supplemental) | FS010096-02 | 8/1/2019 | 8/1/2019 | \$20,010,000.00 | 8/15/2019 | 2.2% | DL:EPA | 2019 |
| New Site Water System Improvements (SUPPL) | FS010230-01 | 8/1/2019 | 10/31/2019 | \$100,000.00 | 2/15/2020 | 2.2% | DL:EPA | 2019 |
| 18 Loans | | | | \$67,071,000.00 | | | | |

Note: "Funds Source" designates the source of loan funding, e.g.:
 DL:EPA = Direct Loan funded by the Master State Revolving and the EPA Grant

Exhibit 2 - DWSRF Loan Summary

| Project Name | IUP FY | Project Amount | GPR Amount | Principal Forgiveness | Cap Interest | Finance Expense | Loan Amount |
|--|--------|------------------------|------------------------|-----------------------|-----------------------|---------------------|------------------------|
| Centre WTP Upgrade with GAC Filtration | 2018 | \$2,184,188.94 | \$0.00 | \$500,000.00 | \$40,811.06 | \$10,000.00 | \$2,235,000.00 |
| Lexington Water System Improvements | 2017 | \$702,399.58 | \$300,000.00 | \$350,000.00 | \$7,600.42 | \$10,000.00 | \$720,000.00 |
| Mobile Various Water Infrastructure Improvements | 2018 | \$7,500,000.00 | \$0.00 | \$0.00 | \$0.00 | \$10,000.00 | \$7,510,000.00 |
| Silverhill Water System Rehabilitation and Upgrades | 2018 | \$548,221.56 | \$0.00 | \$270,000.00 | \$6,778.44 | \$10,000.00 | \$565,000.00 |
| Gilbertown Systemwide Water Production, Storage, & Distribution Improvements | 2018 | \$1,869,627.67 | \$15,000.00 | \$500,000.00 | \$90,372.33 | \$10,000.00 | \$1,970,000.00 |
| Haleyville 2018 Water System Improvements | 2018 | \$1,300,980.00 | \$793,000.00 | \$500,000.00 | \$9,020.00 | \$10,000.00 | \$1,320,000.00 |
| South Bullock County WA Water Main Replacement | 2017 | \$484,678.79 | \$0.00 | \$242,000.00 | \$2,321.21 | \$10,000.00 | \$497,000.00 |
| Tuscaloosa 2018 DWSRF Projects | 2018 | \$17,503,916.67 | \$0.00 | \$0.00 | \$736,083.33 | \$10,000.00 | \$18,250,000.00 |
| Fort Payne Downtown Waterline Replacement | 2018 | \$1,464,095.83 | \$46,000.00 | \$409,000.00 | \$4,904.17 | \$10,000.00 | \$1,479,000.00 |
| West Morgan East Lawrence Water and Sewer Authority Water Meter Replacement | 2018 | \$2,002,294.06 | \$0.00 | \$0.00 | \$82,705.94 | \$10,000.00 | \$2,095,000.00 |
| Anniston Southeast Area Water Tank & Transmission Main | 2018 | \$6,963,648.78 | \$30,000.00 | \$0.00 | \$471,351.22 | \$10,000.00 | \$7,445,000.00 |
| Thorsby 2018 Water System Improvements | 2018 | \$851,500.44 | \$365,000.00 | \$0.00 | \$18,499.56 | \$10,000.00 | \$880,000.00 |
| Mulga Water System AMR Project | 2018 | \$682,790.00 | \$679,000.00 | \$335,000.00 | \$12,210.00 | \$10,000.00 | \$705,000.00 |
| Mulga Water System AMR Project | 2018 | \$268,478.33 | \$20,000.00 | \$130,000.00 | \$1,521.67 | \$10,000.00 | \$280,000.00 |
| Jacksons' Gap Capital Improvements | 2018 | \$781,442.61 | \$778,000.00 | \$130,000.00 | \$8,557.39 | \$10,000.00 | \$800,000.00 |
| Winfield Automatic Meter Read Project | 2018 | \$198,460.00 | \$0.00 | \$0.00 | \$1,540.00 | \$10,000.00 | \$210,000.00 |
| Dadeville Water Storage Tanks Rehabilitation (Supplemental) | 2019 | \$20,000,000.00 | \$19,900,000.00 | \$0.00 | \$0.00 | \$10,000.00 | \$20,010,000.00 |
| Mobile Various Water Infrastructure Improvements (Supplemental) | 2019 | \$89,450.00 | \$85,000.00 | \$0.00 | \$550.00 | \$10,000.00 | \$100,000.00 |
| 18 Loans | | \$65,396,173.26 | \$23,011,000.00 | \$3,366,000.00 | \$1,494,826.74 | \$180,000.00 | \$67,071,000.00 |

Exhibit 3 : DWSRF Assistance to Small Systems

System Funding < 3,300 Population

| Project Name | IUP FY | Bind Date | Loan Amount | Population |
|---|---------------|------------------|-----------------------|-------------------|
| New Site Water System Improvements (SUPPL) | 2019 | 8/1/2019 | \$100,000.00 | 773 |
| Thorsby 2018 Water System Improvements | 2018 | 3/1/2019 | \$880,000.00 | 1980 |
| Jacksons' Gap Capital Improvements | 2018 | 3/15/2019 | \$280,000.00 | 2170 |
| South Bullock County WA Water Main Replacement | 2017 | 11/15/2018 | \$497,000.00 | 2400 |
| Silverhill Water System Rehabilitation and Upgrades | 2018 | 11/15/2018 | \$565,000.00 | 2400 |
| Winfield Automatic Meter Read Project | 2018 | 7/1/2019 | \$800,000.00 | 2500 |
| Lexington Water System Improvements | 2017 | 10/1/2018 | \$720,000.00 | 2874 |
| | | | \$3,842,000.00 | 15,097 |

System Funding > 3,300 Population

| Project Name | IUP FY | Bind Date | Loan Amount | Population |
|--|---------------|------------------|------------------------|-------------------|
| Centre WTP Upgrade with GAC Filtration | 2018 | 10/1/2018 | \$2,235,000.00 | 3489 |
| Haleyville 2018 Water System Improvements | 2018 | 11/15/2018 | \$1,320,000.00 | 4173 |
| Dadeville Water Storage Tanks Rehabilitation (Supplemental) | 2019 | 8/1/2019 | \$210,000.00 | 4395 |
| Mulga Water System AMR Project | 2018 | 3/15/2019 | \$705,000.00 | 6300 |
| Gilbertown Systemwide Water Production, Storage, & Distribution Improvements | 2018 | 11/15/2018 | \$1,970,000.00 | 8170 |
| Fort Payne Downtown Waterline Replacement | 2018 | 2/15/2019 | \$1,479,000.00 | 14012 |
| Mobile Various Water Infrastructure Improvements | 2018 | 11/1/2018 | \$7,510,000.00 | 19290 |
| Anniston Southeast Area Water Tank & Transmission Main | 2018 | 2/15/2019 | \$7,445,000.00 | 23106 |
| West Morgan East Lawrence Water and Sewer Authority Water Meter Replacement | 2018 | 2/15/2019 | \$2,095,000.00 | 32073 |
| Tuscaloosa 2018 DWSRF Projects | 2018 | 2/1/2019 | \$18,250,000.00 | 120000 |
| Mobile Various Water Infrastructure Improvements (Supplemental) | 2019 | 8/1/2019 | \$20,010,000.00 | 231885 |
| | | | \$63,229,000.00 | 466,893 |

| | | | |
|---|------------------------|----------|------------|
| Total project funding | \$67,071,000.00 | | |
| System Funding > 3,300 Population | \$63,229,000.00 | = | 94% |
| Small System Funding > 3,300 Population | \$3,842,000.00 | = | 6% |

Exhibit 4- Long Term Cash Flows
DWSRF Perpetuity of the Fund Measure

| FY | Contributed Capital | | *ARRA | Transfer from CWSRF | Total Contributed Capital |
|-------|---------------------|------------------------------|-------------|---------------------|---------------------------|
| | Total Grant | Net Grant (minus set asides) | 20% Match | | |
| 1998 | \$8,465,600 | \$8,126,976 | \$1,693,120 | \$2,793,648 | \$12,613,744 |
| 1999 | \$8,872,800 | \$7,810,450 | \$1,774,560 | \$2,928,024 | \$12,513,034 |
| 2000 | \$9,221,400 | \$8,249,969 | \$1,844,280 | \$3,043,062 | \$13,137,311 |
| 2001 | \$9,259,500 | \$7,855,865 | \$1,851,900 | \$3,055,635 | \$12,763,400 |
| 2002 | \$8,052,500 | \$6,685,924 | \$1,610,500 | \$2,657,325 | \$10,953,749 |
| 2003 | \$8,004,100 | \$7,523,854 | \$1,600,820 | \$2,641,353 | \$11,766,027 |
| 2004 | \$8,303,100 | \$7,970,976 | \$1,660,620 | \$2,740,023 | \$12,371,619 |
| 2005 | \$8,997,600 | \$8,666,180 | \$1,799,520 | \$2,969,208 | \$13,434,908 |
| 2006 | \$8,229,300 | \$7,900,144 | \$1,645,860 | \$0 | \$9,546,004 |
| 2007 | \$8,229,000 | \$7,899,840 | \$1,645,800 | \$0 | \$9,545,640 |
| 2008 | \$8,146,000 | \$7,820,160 | \$1,629,200 | \$0 | \$9,449,360 |
| 2009 | \$8,146,000 | \$7,820,160 | \$1,629,200 | \$0 | \$9,449,360 |
| *2009 | \$19,500,000 | \$18,720,000 | \$0 | \$0 | \$18,720,000 |
| 2010 | \$16,823,000 | \$16,150,080 | \$3,364,600 | \$0 | \$19,514,680 |
| 2011 | \$11,674,000 | \$11,207,040 | \$2,334,800 | \$0 | \$13,541,840 |
| 2012 | \$11,125,000 | \$10,680,000 | \$2,225,000 | \$0 | \$12,905,000 |
| 2013 | \$10,438,000 | \$10,020,480 | \$2,087,600 | \$0 | \$12,108,080 |
| 2014 | \$16,892,000 | \$16,216,320 | \$3,378,400 | \$0 | \$19,594,720 |
| 2015 | \$16,781,000 | \$16,109,760 | \$3,356,200 | \$0 | \$19,465,960 |
| 2016 | \$15,876,000 | \$15,240,960 | \$3,175,200 | \$0 | \$18,416,160 |
| 2017 | \$15,740,000 | \$15,110,740 | \$3,148,000 | \$0 | \$18,258,740 |
| 2018 | \$23,944,000 | \$22,986,240 | \$4,788,000 | \$0 | \$27,774,240 |
| 2019 | \$23,721,000 | \$22,772,160 | \$4,744,200 | \$0 | \$27,516,360 |
| | | | | | \$345,359,936 |

Net Assets of Program (as of 9/30/16)

| | |
|---------------------------------------|--------------------------|
| Direct Loan Principal Outstanding: | \$ 216,865,000.00 |
| Available Cash and Investments: | \$ 133,027,667.00 |
| Amount Due to Borrowers: | \$ (76,225,112.00) |
| Federal Letter of Credit Outstanding: | \$ 24,525,314.00 |
| Total Net Assets: | \$ 298,192,869.00 |

EXHIBIT 5
FY 2019 Intended Use Plan

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



SRF Section
Permits and Services Division
Alabama Department of Environmental Management
Post Office Box 301463
Montgomery, Alabama 36130-1463

(334) 271-7913

DWSRF Intended Use Plan



Fiscal Year 2019

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ATTACHMENT 1 – PROJECT PRIORITY

ATTACHMENT 2 – PROJECT DESCRIPTIONS

ATTACHMENT 3 – ALABAMA DWSRF PRE-APPLICATION FORM

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 \$ 23,721,000 in EPA grant funding that will be used to provide low interest financial assistance from the DWSRF program. The 20% state match requirement for the projected grant is \$4,744,200 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 \$4,744,200 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 \$1,423,260 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.
9. To provide assistance to communities 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 2019 projects using a combination of interest earnings on the Fund, repayments from direct loans, and the 2019 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 2019 DWSRF program are as follows:

Projected Sources:

| | |
|--|---------------|
| 2019 EPA DWSRF Cap Grant: | \$23,721,000 |
| Direct Loan Repayments, Interest Earnings and Unobligated Funds: | \$84,656,640 |
| State Match: | \$4,744,200 |
| | <hr/> |
| Total: | \$113,121,840 |

Projected Uses:

| | |
|--|---------------|
| Project Assistance: | \$110,958,000 |
| 10% State Program Management: | \$1,100,000 |
| 15% Local Assistance: | \$115,000 |
| Funds Reserved for Administrative Cost (4%): | \$948,840 |
| | <hr/> |
| | \$113,121,840 |

A. Leveraging

The Department does not intend to issue DWSRF revenue bonds for new projects during FY 2019.

B. 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.

C. 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 recipients 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 2019 EPA Capitalization Grant includes a requirement for a minimum \$4,744,200 be provided as assistance with additional subsidy. In addition, America's Water Infrastructure Act of 2018 (AWIA) requires a minimum of \$1,423,260 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 2019 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 (See Attachment 5).

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 \$948,840 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 \$1,190,000 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 0.75% fee annually based on outstanding principal. 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 of the DWSRF grant only. The Department expects to receive fees during FY 2019 as follows:

| Total Program Income | Program Income Collected During Grant Period | Program Income Collected After Grant Period |
|----------------------|--|---|
| \$1,511,455.99 | \$0.00 | \$1,511,455.99 |

VII: Estimated DWSRF Capitalization Grant Schedules

A. Estimated Grant Draw Schedule

| Fiscal Year | Month | Draw |
|-------------|-------------|-------------|
| 2020 | October-19 | \$1,976,750 |
| 2020 | November-19 | \$1,976,750 |
| 2020 | December-19 | \$1,976,750 |
| 2020 | January-20 | \$1,976,750 |
| 2020 | February-20 | \$1,976,750 |
| 2020 | March-20 | \$1,976,750 |

| | | |
|-------|--------------|--------------|
| 2020 | April-20 | \$1,976,750 |
| 2020 | May-20 | \$1,976,750 |
| 2020 | June-20 | \$1,976,750 |
| 2020 | July-20 | \$1,976,750 |
| 2020 | August-20 | \$1,976,750 |
| 2020 | September-20 | \$1,976,750 |
| Total | | \$23,721,000 |

B. Estimated Grant Disbursal Schedule

| Fiscal Year | Month | Payment |
|-------------|--------------|--------------|
| 2020 | October-19 | \$1,976,750 |
| 2020 | November-19 | \$1,976,750 |
| 2020 | December-19 | \$1,976,750 |
| 2020 | January-20 | \$1,976,750 |
| 2020 | February-20 | \$1,976,750 |
| 2020 | March-20 | \$1,976,750 |
| 2020 | April-20 | \$1,976,750 |
| 2020 | May-20 | \$1,976,750 |
| 2020 | June-20 | \$1,976,750 |
| 2020 | July-20 | \$1,976,750 |
| 2020 | August-20 | \$1,976,750 |
| 2020 | September-20 | \$1,976,750 |
| Total | | \$23,721,000 |

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.

C. Capitalization Grant Budget Periods:

2019 EPA DWSRF Capitalization Grant

October 1, 2019 through September 30, 2023

Attachment 1

Attachment 1 - Project Priority List

| County Served | Applicant Name | Population Served | Priority Point Rank | Assistance Amount | Subsidization Amount (Principal Forgiveness) | * GPR Component Costs | * GPR Type | * GPR Categorical Project | Estimated Construction Start Date | **Fundable |
|-----------------|---|-------------------|---------------------|--------------------------------|--|-----------------------|-------------------------|---------------------------|-----------------------------------|------------|
| Tallapoosa | Dadeville, Waterworks and Sewage Board of the City of | 1,465 | Supp | \$196,000 | | | | | - | Yes |
| Mobile | Mobile, The Board of Water & Sewer Commissioners of the City of | 259,800 | Supp | \$20,000,000 | | \$19,900,000 | Water/Energy Efficiency | Y | 5/1/19 | Yes |
| Tallapoosa | New Site, The Town of | 773 | Supp | \$85,000 | | \$85,000 | Water/Energy Efficiency | Y | 1/22/19 | Yes |
| Franklin | Red Bay, The Water Works and Gas Board of the City of | 2,075 | 195 | \$415,000 | \$207,000 | | | | 1/6/20 | Yes |
| Colbert | Colbert County Commission | 13,587 | 150 | \$1,000,000 | \$500,000 | \$605,000 | Water/Energy Efficiency | Y | 5/1/20 | Yes |
| Madison | Owens Cross Roads Water Authority | 3,162 | 145 | \$3,607,000 | | | | | 3/1/20 | Yes |
| Franklin | Hodges, The Town of | 810 | 140 | \$309,000 | \$154,000 | | | | 1/3/20 | Yes |
| Marshall | North Marshall Utilities Board | 4,205 | 130 | \$1,164,000 | \$500,000 | | | | 3/1/20 | Yes |
| Walker | Cordova, Water Works and Gas Board of the City of | 1,300 | 125 | \$200,000 | \$100,000 | \$19,000 | Water/Energy Efficiency | Y | 4/1/20 | Yes |
| Mobile | Turnerville Water & Fire Protection Authority | 5,970 | 125 | \$500,000 | \$250,000 | | | | 1/1/20 | Yes |
| Shelby | Alabaster Water Board | 33,000 | 115 | \$10,125,000 | | | | | 8/1/19 | Yes |
| Marshall | Arab Water Works Board | 12,200 | 110 | \$3,854,000 | \$500,000 | \$546,000 | Water/Energy Efficiency | Y | 5/1/20 | Yes |
| Shelby and Bibb | Calera, Water Works Board of the City of | 7,925 | 110 | \$5,000,000 | | | | | 12/1/19 | Yes |
| Dallas | Selma, Water Works & Sewer Board of the City of | 18,370 | 110 | \$1,478,000 | \$500,000 | | | | 3/15/20 | Yes |
| Walker | Curry Water Authority, Inc. | 17,370 | 105 | \$25,000,000 | \$500,000 | | | | 2/1/21 | Yes |
| Morgan | West Morgan-East Lawrence Water & Sewer Authority | 31,398 | 100 | \$30,000,000 | \$500,000 | | | | 10/1/19 | Yes |
| Jackson | Pisgah, Town of | 500 | 95 | \$451,000 | \$225,000 | \$285,000 | Water/Energy Efficiency | Y | 5/15/20 | Yes |
| Tuscaloosa | Buhl Elrod Holman Water Authority | 3,570 | 85 | \$2,424,000 | \$500,000 | | | | 9/1/19 | Yes |
| Crenshaw | Luverne, City of | 2,800 | 85 | \$600,000 | | \$600,000 | Water/Energy Efficiency | Y | 9/1/19 | Yes |
| DeKalb | Collinsville, Waterworks & Sewer Board of the Town of | 1,050 | 80 | \$783,000 | \$391,000 | | | | 2/1/20 | Yes |
| Sumter | York, City of | 2,538 | 80 | \$1,025,000 | \$500,000 | | | | 9/1/19 | Yes |
| Tuscaloosa | Citizens' Water Service, Inc. | 10,713 | 75 | \$2,202,000 | | | | | 11/1/19 | No |
| Baldwin | Robertsdale, City of | 9,000 | 75 | \$1,904,000 | \$421,460 | \$1,904,000 | Water/Energy Efficiency | Y | 8/1/20 | Yes |
| Lee | Auburn, Water Works Board of the City of | 63,000 | 65 | \$7,100,000 | | | | | 5/1/19 | No |
| Morgan | Hartselle Utilities | 10,500 | 65 | \$1,653,000 | | | | | 6/1/18 | No |
| Blount | Blountsville Utilities Board | 1,457 | 45 | \$700,000 | \$350,000 | | | | 5/1/20 | Yes |
| Barbour | West Barbour County Water Authority | 460 | 30 | \$138,000 | \$69,000 | | | | 3/1/20 | Yes |
| Shelby | Alabaster Water Board | - | 0 - DP | \$6,375,000 | | | | | N/A | No |
| Morgan | West Morgan-East Lawrence Water & Sewer Authority | - | 0 - DP | \$28,000,000 | | | | | N/A | No |
| | | | | Fundable: \$110,958,000 | \$6,167,460 | \$23,944,000 | | | | |
| | | | | Total: \$156,288,000 | | | | | | |

* Green Project Reserve (GPR) - green infrastructure, water or energy efficiency, or environmentally innovative activities. Actual costs may differ based on Green Infrastructure

Supp - Supplemental
DP - Debt Purchase

**Fundability based on availability of funds and ability to meet program small system funding requirements (See Chapter IV.F)

Attachment 2

Attachment 2 – Project Descriptions

Alabaster Water Distribution System and Water Treatment Facilities Upgrades: The proposed project encompasses water main improvements, water storage tank rehabilitation, well and water plant rehabilitation, a new water supply well, booster pumping station capacity upgrade and rehabilitation, installation of a backup generator, SCADA and security improvements, water meter replacement with smart meters, a new office, operations and future water treatment plant facility. The proposed improvements will ensure that the system continues to provide safe reliable water to all service area customers.

Auburn Well #4 Production Facility and Transmission Main: The Auburn Water Works Board proposes construction of a new groundwater supply well (approximately 4 MGD capacity) in south Auburn along with a 20-inch water transmission Main (approx. 5 miles) to convey this water to a clearwell at the James Estes Water Treatment Plant where it will then enter Auburn's water distribution system. – Not fundable due to funding availability

Blountsville Ground Water Storage Tank and Booster Station Improvements: The Blountsville Utilities Board proposes demolition of an existing 90,000 gallon ground storage standpipe and replacement by construction of a new 300,000 gallon ground storage tank with replacement of pumps at Hwy 231 BPS with variable frequency drives (VFD's) added. The proposed facilities will meet the demands of the low-pressure portion of the service area and provide the additional capacity to serve as a pumped storage system to meet the usage needs of the John's Mountain Tank area. Completion of these improvements will increase the water system's operational reliability and supply safe reliable potable water to the service areas customers.

Calera Water Distribution System and Water Treatment Plant Upgrades: The Calera Water Works Board proposes to make upgrades and improvements to the Water Distribution System and Water Treatment Plant. Upgrades will address low-pressure areas installation of new water lines to address the aging infrastructure. The system experiences low pressures of 15 - 18 psi range during off peak times which will be corrected by installation of a 14 inch loop line and replacement of old undersized water mains. A new elevated water storage tank and a new booster pumping station are also proposed. Proposed project work will significantly improve system pressures and redundancy in insuring the continued provision of sufficient and safe drinking water to all service area customers.

Cordova Test Well and Distribution System Improvements: The Water Works & Gas Board of the City of Cordova proposes system upgrades to include drilling a test well with plans for a future production well, upgrade the SCADA system with additions and control improvements, and replace failing Class 160 PVC pipe and valves to monitor water leakage. Construction of these proposed improvements will ensure a safe and reliable water supply to all the customers of the system.

Curry Water Treatment Plant and Distribution System Improvements: The Curry Water Authority proposes to Construct a new 4 MGD Water Treatment Plant, install new a new raw water transmission main, install new water transmission mains, install a new elevated storage tank, install pressure reducing valves throughout the system. Upgrades and improvements will also include performing necessary maintenance to existing water storage tanks, replace existing undersized water lines, and replace existing water meters. Construction of the proposed new facilities along with upgrades to the existing distribution system will result in the system becoming self-sufficient and provide safe reliable water supplies to all of the system's customers.

Luverne Water Meter Replacement Project: The City of Luverne 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, meter reading equipment, billing software, and other necessary components. Proposed project work will increase system reliability, identify and eliminate previously unaccounted for water loss, decrease associated energy, labor, and transportation costs, encourage water conservation, improve overall customer service, and increase operational revenues.

West Barbour County Water Main Replacement Project: The West Barbour County Water Authority proposes to replace of water supply mains at three creek crossings by directional bore method to prevent imminent failure due to exposure of the existing lines. Construction of the proposed projects will prevent failures of the distribution mains at these creek crossings and thus provide reliable water supplies for the systems customers.

West Morgan – East Lawrence Water Authority Reverse Osmosis Treatment Process: The West Morgan-East Lawrence Water & Sewer Authority proposes to construct water treatment plant upgrades to include replacement of the existing submerged membrane filters with new pressure membrane filters, installation of a Reverse Osmosis treatment process downstream of the new membrane filters, and installation of a waste stream treatment system to minimize the discharge of PFAS compounds back to the Tennessee River. These proposed improvements will benefit all service area customers with the provision of continued quality drinking water.

Buhl-Elrod-Holman Water System Improvements: 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.

Citizens' Water System Improvements: Citizens' Water Service, Inc. proposes installation of approximately 25,000 LF of new 12-inch ductile iron water main along Brookwood Parkway to connect existing mains at George Newell Road and Brookwood High School and along Paradise Lane to connect existing water mains at Brookwood Parkway and Covered Bridge Road along with the construction of a new booster station adjacent to Million Gallon Tank. Proposed project work will significantly improve system pressures and redundancy in insuring the continued provision of sufficient and safe drinking water to all service area customers. – Not fundable due to funding availability

Mobile AMI Installation (Supplemental): The Mobile Board of Water and Sewer Commissioners proposes installation of approximately 20,000 Advanced Metering Infrastructure (AMI) water meters and two new AMI system towers which will substantially reduce energy and labor costs associated with monitoring water usage, and insure the continued provision of sufficient and safe drinking water to all service area customers.

Robertsdale Water Infrastructure Improvements: The City of Robertsdale proposes replacement of approximately 3,600 manual read water meters with Advanced Metering Infrastructure (AMI) meters along with the installation of leak detection modules. These new meters will provide decreased energy and labor costs and result in greater accuracy and accountability of overall system water usage. Leak detection modules will offer rapid, reliable,

and effective discovery and identification of water loss locations. These proposed improvements will benefit all service area customers with the provision of continued quality drinking water.

Selma Water System Improvements: The Water Works and Sewer Board of the City of Selma proposes various improvements to its water production, treatment, and storage facilities. Improvements will consist of the installation of a new water production well at Robert Jack Chandler WTP; construction of a new concrete block building to house existing potassium permanganate equipment at Chandler WTP; replacement of filter building piping; repair and sealing of concrete troughs; and the rehabilitation, repair, and repainting of Chandler WTP and Johnson City elevated water storage tanks. These proposed improvements will benefit all service area customers with the provision of continued quality drinking water.

Turnerville Drinking Water Treatment Upgrades: The Turnerville Water & Fire Protection District proposes construction of additional treatment facilities at Henry Davis Road Well to address intermittent color, ammonia and associated disinfection retention, and high total dissolved solids. Project work items will consist of the installation of a new stripping/aerator unit, clear-well for detention and chlorine contact time, and new service pumps and associated piping and valves to transfer finished water to the adjacent elevated storage tank. Proposed improvements will ensure system compliance and the continued provision of adequate and safe drinking water to all service areas customers.

York Storage Tank Rehabilitation: The City of York proposes rehabilitation of the McGregor Elevated Water Storage Tank (500,000 gal.), Oswald Elevated Water Storage Tank (200,000 gal.), and Millville Standpipe (500,000 gal.). Proposed work will consist of media blasting of exteriors and application of new protective coating. Proposed improvements will insure continued provision of safe and adequate water supply to service area customers.

Colbert County Meter and Distribution Upgrades: The Colbert County Commission proposes a project to provide improved drinking water distribution reliability within its water system. The proposed project will consist of replacement of existing water meters with new AMR meters, replacement of 8,050 LF of existing water main, installation of SCADA at seven water meter locations and the rehabilitation of three pump stations. A complete water audit will be conducted to identify inaccuracies within the billing system. In addition, GIS mapping will be utilized to locate water meters associated with customer accounts in the billing system. Completion of these improvements will reduce the unaccounted for water loss and decrease overall operational cost associated with labor and transportation.

Dadeville Rice Avenue, Hillcrest, and Fulton Street Tank Rehabilitation (Supplemental): The Waterworks and Sewage Board of the City of Dadeville proposes the rehabilitation of the Rice Avenue, Hillcrest, and Fulton Street Elevated Water Tanks. Improvements include miscellaneous repairs, media blasting and applying a new protective coating system. Proposed project work will guarantee that safe water is provided to all customers, safeguard the tanks against weather and corrosion, and extend the useful life of the tanks.

New Site Water System Improvements (Supplemental): 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.

Hartselle Distribution Upgrades: The Hartselle Utilities (HU) proposes a project to provide adequate water pressure and reliability within the HU water system. The proposed project will consist of installation of a new booster pumping station, 2500 L.F. of new water main and associated appurtenances. Completion of this project will provide adequate water pressure in high level pressure zones within the (HU) water system, thus providing safe quality drinking water for all residents. – Not fundable due to availability of funds

Hodges AMR Meter Installation: The Town of Hodges proposes a project to provide improved drinking water distribution within its water system. The proposed project will consist of replacement of existing water meters with new AMR meters. Completion of these improvements will reduce the unaccounted water loss and decrease overall operational cost associated with labor and transportation.

Red Bay Clearwell Construction and Rehabilitation: 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.

Arab Water System Improvements: 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.

Collinsville Water Storage Tanks Rehabilitation, Telemetry and Generator Upgrades: The Waterworks & Sewer Board of the Town of Collinsville proposes a project to improve the drinking water distribution reliability within its water system. The proposed project will consist of system-wide rehabilitation of multiple, drinking water storage tanks with upgrades to their remote monitoring equipment as needed. Additionally, a new auxiliary generator will be installed at The Board's office to maintain electrical service during power outages. Completion of these improvements will increase the water system's operational reliability by extending the useful life of its existing storage facilities while also providing uninterrupted remote monitoring and emergency alert capabilities.

North Marshall Utilities Bishop Mountain Water Line: The North Marshall Utilities Board proposes a project to provide potable drinking water to residents in the Bishop Mountain community. The proposed project will consist of the installation of approximately 22,500 LF of new water main, construction of a 50,000 Gallon elevated water storage tank and a new booster pumping station with related appurtenances for all facilities (including installation of remote monitoring equipment). Completion of this project will address a public health concern by eliminating the use of contaminated residential wells, thus providing safe drinking water for the residents that reside on Bishop Mountain.

Owens Cross Roads Water Treatment Plant Upgrade: The Owens Cross Roads Water Authority proposes a project to upgrade its water treatment system. The capacity of the Owens Cross Roads WTP (Water Treatment Plant) will be expanded from 1.0 MGD (Million Gallons per Day) to 2.0 MGD to meet existing water supply demands. Proposed improvements include the construction of new filters and a new filter building (with energy efficient lighting) as well as the construction of a new clear well. New high service pumps (with variable frequency drive controls) will be installed, as the existing high service pumps will be converted to backwash pumps for the new filters. Additionally, a water softener system, filter backwash pond and an auxiliary generator will be installed to reduce hard water/calcium issues, eliminate monthly sewer use charges and to maintain system operation during power outages, respectively. The City successfully completed phase one of its three-phase water system master plan in 2018, with phase two currently underway. Completion of the proposed improvements (phase 3) will allow the system to meet current and future water supply demands, thus eliminating the costs of purchasing supplemental water from neighboring systems. Moreover, the proposed project will increase treatment and system reliability while reducing overall operational costs with optimized equipment and facilities.

Pisgah Water System Improvements: The Town of Pisgah proposes improvements to its water system to provide increased water supply reliability and distribution efficiency. The project consists of the rehabilitation of an existing water storage tank as well as system-wide replacement of existing analog water meters with new, AMR (automatic read) meters and related appurtenances. The proposed project will increase system reliability by identifying and eliminating previously unaccounted for water loss with a decrease in the associated energy, labor, and transportation costs. Furthermore, increases in overall customer service and operational revenues are also achieved.

Attachment 3



Form 370: Drinking Water State Revolving Fund Preapplication

The purpose of this preapplication is to gather information concerning potential projects eligible for funding from the Drinking Water State Revolving Fund (DWSRF). The DWSRF was established through amendments to the Safe Drinking Water Act (SDWA) to provide low-interest rate financing for construction of public water system improvements. This information will be used to develop a priority list of projects that will be eligible for assistance from the DWSRF. This form may be submitted at any time, but for the highest probability of funding it is recommended that it be submitted as early as possible after the start of the fiscal year (October 1). Please review the instructions, sign and date the preapplication and submit two complete copies with attachments to:

SRF Section
 Alabama Department of Environmental Management
 Post Office Box 301463
 Montgomery, Alabama 36130-1463

If by overnight mail:
 1400 Coliseum Boulevard
 Montgomery, Alabama 36110-2400
 (334) 271-913



| | | |
|---|----------------------|-----------------------------|
| Project Name | | Assistance Amount Requested |
| | | \$ |
| Applicant | County | DUNS Number |
| Name and Title of Contact Person | Telephone | FAX |
| Street Address or Post Office Box | City, State, and ZIP | Email Address |
| Consulting Engineer | Telephone | FAX |
| Firm | Email | |
| Street Address or Post Office Box | City, State, and Zip | |
| Number of Connections to be Served by the Project | AL House District(s) | AL Senate District(s) |
| Total Number of System Connections (Current) | PWSID Number | DUNS Number |

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

1. Break down the total project costs (categories should sum to 100%):

Treatment: ___% Distribution: ___% Source: ___% Storage: ___%

2. Give a brief description of the proposed project and attach a copy of the preliminary engineering report (PER).

3. Give an estimated cost outline for the entire project. If available, give line item breakdowns.

4. List all other funding sources to be utilized to complete this project.

| Other Funding Source(s) | Amount(s) | Commitment Date |
|-------------------------|-----------|-----------------|
| | | |
| | | |
| | | |

5. Provide a proposed project schedule.

| Activity | Date |
|--|------|
| Plans & Specifications Submitted to ADEM | |
| Bid Opening | |
| Notice to Proceed | |
| Start Construction | |
| Complete Construction | |

6. Enter the Median Household Income (MHI) for the affected community:

Source: _____

| |
|----|
| \$ |
|----|

7. Enter the Average Annual Household Water Bill:

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 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 |
| Circle the point value that applies to the project and enter the total points claimed here. If none of the above criteria apply, enter zero. Note that credit can be claimed for only one of the above criteria. | | |

*Applicant must provide supporting documentation to receive credit.

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 |
| Circle the point value(s) that apply to the project and enter the total points claimed here. If none of the above criteria apply, enter zero. | | |

*Applicant must attach supporting documentation from the local Health Department to receive credit.

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

| | Ranking Criteria | Point Value |
|---|--|-------------|
| 1 | The project significantly reduces unaccounted for water loss. The unaccounted for water loss during the last 12-month period was*: | |
| | 50% or higher | 25 |
| | 35% or higher | 20 |
| | 20% or higher | 10 |
| | 15% or higher | 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.* | 10 |
| | 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.* | 5 |
| Circle the point value(s) that apply to the project and enter the total points claimed here. If none of the above criteria apply, enter zero. | | |

*Applicant must provide supporting documentation to receive credit.

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

| | Ranking Criteria | Point Value |
|---|---|-------------|
| 1 | The system lacks adequate capacity to provide safe drinking water, as evidenced by boil water notices, and/or total lack of service to existing customers for a significant period of time. Completion of the project will provide adequate capacity for 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 |
| Circle the point value(s) that apply to the project and enter the total points claimed here. If none of the above criteria apply, enter zero. | | |

*Applicant must provide supporting documentation to receive credit.

E. System Consolidation Criteria (Maximum: 100 points)

| | Ranking Criteria | Point Value |
|--|---|-------------|
| 1 | The project will consolidate two or more systems, resulting 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 |
| Circle the point value(s) that apply to the project and enter the total points claimed here (maximum credit 50 points). If none of the above criteria apply, enter zero. | | |

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 |
| | b) Water Conservation Plan, adopted by governing body* | 5 |

| | | |
|--|--|----------------------|
| 2 | The project includes one or several of the following design considerations: | |
| | a) LEED certified or other ADEM-approved green building techniques. | 5 |
| | b) Project envelope is located in a previously developed area. | 5 |
| | c) Use of environmentally friendly post-consumer recycled or reclaimed materials. | 5 |
| 3 | The project incorporates at least one of the following construction methods: | |
| | • Innovative erosion control practices; | 5 |
| | • Protection of onsite trees, vegetation, native habitats and urban forests; or | |
| | • Replanting of disturbed areas with native plant species. | |
| 4 | The project will utilize one or more of the following water conservation strategies: | |
| | a) Incorporates sustainable water pricing practices and rate structures. | 10 |
| | b) Completion of EPA's Water Quality Scorecard (see http://www.epa.gov/smartgrowth/water_scorecard.htm). | 5 |
| Circle the point value(s) that apply to the project and enter the total points claimed here (maximum bonus credit 50 points). If none of the above criteria apply, enter zero. | | <input type="text"/> |

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 |
| Circle the point value(s) that apply to the applicant and enter the total points here. | | <input type="text"/> |

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 |
| Circle the point value that applies to the project and enter the total points claimed here. | | <input type="text"/> |

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 | 5 |
| | Circle the point value(s) that apply to the applicant and enter the total points here. | |

J. Project Readiness (30 possible bonus points)

| | Ranking Criteria | Point Value |
|--|---|--------------------|
| | Project planning is complete and biddable plans and specifications will be submitted to ADEM within 60 days of this application for examination and/or issuance of a construction permit. | 30 |
| | Circle the point value that applies to the project and enter the total points claimed here. | |

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 | |
| Part J: Project Readiness (30 bonus points maximum) | |
| TOTAL POINTS CLAIMED: | |

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

The following attachments must be included with this form:

1. Preliminary Engineering Report – Required for all infrastructure projects
2. Detailed project narrative with schedules, cost breakdowns, etc – May be substituted for engineering report for all non-infrastructure projects
3. Copies of last three (3) audited financial statements
4. Project maps
5. 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 |

Instructions

Do not use this form for Clean Water State Revolving Fund projects. Use Form 340.

The Drinking Water State Revolving Fund is only open to public bodies. This includes any county, state agency, incorporated city or town, public corporation, district, cooperative, association, authority or any instrumentality thereof created by or pursuant to state law and having jurisdiction, power or authority with respect to the transmission, sale, production or delivery of drinking water, including also a combination of two or more of the foregoing.

Unrelated projects should be submitted on separate preapplications, and will be scored independently.

Projects primarily intended to serve future growth are not eligible for DWSRF funding.

Preapplications may be submitted at any time, but it is recommended that they be submitted as soon as possible after the start of the fiscal year (October 1) for maximum available funding.

PAGE 1

Project Name: Enter a short descriptive title for the project. Example: Kashmir Road Elevated Storage Tank Security Project.

Assistance Amount Requested: Enter the total amount of DWSRF assistance sought.

Applicant: Enter the name of the public body that will be the recipient of DWSRF assistance.

County: Enter the county where the work will occur. If the project spans 2 or more counties, enter the names of all counties impacted.

DUNS Number: Enter the Data Universal Numbering System number for the applicant, provided by Dun & Bradstreet.

Contact Person: Enter contact information for the employee or official who is most familiar with the project. This is the person the Department should contact if there are any questions or additional information required.

Consulting Engineer: Enter the contact information for the consulting engineer, if any.

Connections Served by the Project: Enter the number of customer connections that will directly benefit from the project.

Alabama Legislative Districts: Enter the district numbers for all districts impacted by the project.

Current Connections: Enter the total number of customer connections served by the applicant (Do not include connections served by other systems that purchase water from the applicant).

PWSID Number: Enter the PWSID number for the applicant. For consolidation projects, also include the PWSID number for the system that will be eliminated by the project.

DUNS Number: Enter the DUNS number for the applicant. If the applicant does not have a DUNS number, please register at <http://fedgov.dnb.com/webform> and enter the number received.

PAGE 2

1. **Needs Categories:** Break down all project costs according to the needs categories shown. The total must sum 100%.
2. **Project Description:** Provide a brief description of the proposed project (one paragraph or less). For infrastructure projects a copy of the preliminary engineering report must be attached. All other projects must include either a preliminary engineering report or other report that includes information on the project scope, need for the project, any alternatives considered, cost/scheduling information, and project maps.

3. **Cost Outline:** Provide estimated costs for all project components. Give as much detail as possible.
4. **Other Funding:** If funding sources other than the DWSRF will be used to finance any portion of the project costs, provide the name(s), amount(s), and any available commitment dates.
5. **Project Schedule:** Provide an estimated project schedule (for planning purposes, you may assume that the DWSRF funding agreement will be closed in August of the following year). Note that all work must be underway within one year of the funding agreement date, and completed within 3 years.
6. **MHI:** Provide the Median Household Income for the affected community, and the source used (typically, the most recent census). This information will be used as a tie-breaker should one or more projects have identical scores.
7. **Average Water Bill:** Enter the average annual household water bill for residential customers. Do not include industrial, commercial, wholesale, or consecutive customers. If this information is not available, the minimum residential water charge for one year may be used.

PAGE 3

- A. **Enforcement and Compliance Rating Criteria:** For the maximum point value of 50, the system must presently be under a formal enforcement action including a notice of violation, consent order, administrative order, or litigation. The project must return the system to compliance as its primary purpose. For 40 points credit, the applicant must demonstrate that the proposed project will result in compliance and, therefore, avoid formal enforcement by the Department. For 25 points credit, the applicant must demonstrate that the project is necessary to keep the system in compliance. Supporting documentation must be attached to receive credit. All other projects will be awarded zero points.
- B. **Drinking Water Contaminants Criteria**
 1. To receive credit, the purpose of the project must be to eliminate primary MCL violations that are occurring at the time of application.
 2. To receive credit, the purpose of the project must be to eliminate secondary MCL violations that are occurring at the time of application.
 3. If the primary purpose of the project is to extend water service to persons (existing residences) served by documented contaminated wells, credit may be claimed.
- C. **Water/Energy Efficiency Rating**
 1. The unaccounted for water loss must equal the amount shown on the last Sanitary Survey prepared by the ADEM Drinking Water Branch or other study/investigation. Include documentation to receive credit.
 2. Be sure to include a copy of the audit or plan for credit.

PAGE 4

3. The renewable energy project must be owned by the applicant.
4. Provide supporting documentation (manufacturer's literature, energy audits, etc.) in order to receive credit. Simply replacing equipment that is at the end of its useful life, with new equipment of average efficiency, does not qualify.
- D. **Capacity and Pressure Criteria:** Documentation must be provided to receive credit. Note that the maximum point value for this section is 100.
- E. **System Consolidation Criteria**
 1. At least one public water system must be dissolved as a result of the project to claim 100 points. (Note: points may be claimed elsewhere on this form by the applicant for enforcement and violations of the system to be eliminated)
 2. Credit may be claimed if the interconnection provides an additional source to a water system or portion of a water system that is served by only one source.
- F. **Sustainability Criteria:** Use of the techniques and design considerations listed can result in significant bonus points for the project ranking. Note: Credit for completing the EPA Water Quality Scorecard will only be awarded once per community. Subsequent years' applications will receive credit only if the applicant demonstrates improvement in their score.

PAGE 5

G. Reporting Criteria (Note that these values are deductions from the total points awarded to the project)

1. If, over the past 12 months from submittal of this preapplication, the system was cited by ADEM for late reports or a monitoring/reporting violation, ten points must be deducted. "Cited" includes issuance of a warning letter, Notice of Violation, consent order, administrative order, or litigation.
2. If the applicant was asked over the past four years to complete a survey for the Drinking Water Needs Survey or the Clean Watershed Needs Survey, and failed to do so, twenty points must be deducted. Example: Two years ago the Cameron Water Works was sent a Drinking Water Needs survey, but did not participate. Twenty points would be deducted from the Cameron Water Works' score.

H. Affordability Criteria: Be sure your calculations are based on the average annual household water bill, not the monthly water bill.

PAGE 6

I. Infrastructure Improvement Criteria: For each applicable component, add the applicable points to the total. To receive credit, the component must be a significant portion of the project. Example: installation of a new water storage tank with a fence, security light, and connection to an existing SCADA system would receive credit for the tank only (10 points) since the security and SCADA portions of the work are incidental.

J. Project Readiness: To receive bonus credit, project planning must be complete and biddable plans and specifications will be submitted to ADEM within 60 days of submittal of this application.

PAGE 7

Enter the points claimed from A. through J. Be sure to note the limits on points from each category. Sum the points and enter the total as shown.

Note: The final point determination is made by the Alabama Department of Environmental Management. Any points claimed that cannot be satisfactorily justified will be deducted from the total.

Be sure to submit two (2) complete, signed copies with all attachments.

This form must be signed by an official of the public body that is authorized to sign funding applications.

EXHIBIT 6
FY 2019 Grant Workplan



State of Alabama

Alabama Department of Environmental Management

Drinking Water State Revolving Fund (DWSRF) Loan Program

SRF Section

(334) 271-7714

Permits and Services Division

srf@adem.alabama.gov

Alabama Department of Environmental Management

Post Office Box 301463

Montgomery, Alabama 36130-1463

DWSRF Set-Aside Workplan



Capitalization Grant Year 2019

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I. Introduction

The Safe Drinking Water Act (SDWA) Amendments of 1996 authorized States to provide funding for certain non-project activities, called Set-Asides, provided that the amount of that funding does not exceed certain ceilings. States are required to provide documentation through work plans how they intend to use the chosen set-asides. In the following sections, each set-aside chosen to be implemented by the Alabama Drinking Water State Revolving Fund (DWSRF) will be described in detail.

II. Administration and Technical Assistance (4%)

A. Funding Amount

A state may reserve up to 4 percent of its DWSRF Capitalization Grant (Cap Grant) for the administration and oversight of its DWSRF project loan fund and set-aside programs to and to provide technical assistance to public water systems. The total amount allocated can be found below in total and as a percentage of the total 2019 Cap Grant (\$23,721,000.00).

- \$948,840.00
- 4% of \$23,721,000.00

B. Projected Work Years for Implementation

This set-aside is projected to be fully expended within 2 years.

C. Goals and Objectives

The DWSRF's goals and objectives for this set-aside include those consistent with the intent of the set-aside, including providing funding for administrative costs as well as technical assistance.

Administrative costs in accordance with the most recent guidance¹ include actions and expenditures associated with administration and implementation of the DWSRF program (including set-aside programs) such as salaries for state program employees, travel, and office expenditures.

Technical assistance costs in accordance with the most recent guidance¹ includes actions and expenditures associated with providing technical and financial assistance to public water systems including contracting with third parties for technical services. The technical assistance provided by the DWSRF to public water systems is being provided in the form of Drinking Water Infrastructure Needs Survey (DWINS) assistance.

D. Schedule

See Attachment 1

E. Set-Aside Responsibilities

See Attachment 1

F. Evaluation Process

See Attachment 1

III. State Program Management

A. Funding Amount

A State may reserve up to 10 percent of its Cap Grant to develop and implement its drinking water protection, capacity development, operator certification and source water protection programs. The

total amount allocated for this set-aside can be found below in total and as a percentage of the total 2019 Cap Grant.

- \$1,190,000.00
- 5% of 23,721,000.00

B. Projected Work Years for Implementation

This set-aside is projected to be fully expended within 18 months or 1.5 Years.

C. Goals and Objectives

The DWSRF's goals and objectives for this set-aside include those consistent with the intent of the set-aside, including implementing the state Public Water System Supervision (PWSS) program. Please note that staff of the PWSS program are dually funded using both the DWSRF State Program Management Set-Aside and PWSS grant funds. For further detail on the goals and objectives of the PWSS program, please see Attachment 2.

In addition the operator certification program will be contracting assistance to assess needs, regulation, and program improvements. For further detail on this initiative, please see Attachment 3.

D. Schedule

See Attachment 2 and Attachment 3

E. Set-Aside Responsibilities

See Attachment 2 and Attachment 3

F. Evaluation Process

See Attachment 2 and Attachment 3

IV. Local Assistance and Other State Programs Set-Aside

A. Funding Amount

A state may reserve up to 15 percent of a CAP Grant for capacity development and source water protection activities using the Local Assistance and Other State Programs Set-Aside. The total amount allocated for this set-aside can be found below in total and as a percentage of the total 2019 Cap Grant.

- \$25,000.00
- 0.1% of \$23,721,000.00

B. Projected Work Years for Implementation

This set-aside is projected to be fully expended within 18 months or 1.5 years.

C. Goals and Objectives

The DWSRF's goals and objectives for this set-aside include those consistent with the intent of the set-aside. The DWSRF intends to provide grant funding for outreach and training to promote public awareness of source water and wellhead protection.

D. Schedule

The schedule of this set-aside is contingent upon interest in funding opportunities as well as the FY 2019 DWSRF loan application list but is projected to be executed within 18 months of Cap Grant award.

E. Set-Aside Responsibilities

The DWSRF will evaluate all applications submitted for direct assistance. Approved applicants will be notified by the DWSRF and reimbursed for expenses related to assistance opportunities. A formal application is available for direct assistance applicants (Attachment 4). Direct assistance is not to exceed \$1,000.00 per applicant and will be distributed in order of application. The total amount made available for direct assistance will not exceed \$25,000.00.

F. Evaluation Process

Evaluation for direct assistance grants will be evaluated for completion through reporting and request for reimbursement by the applicant.

References

¹Environmental Protection Agency (2017), *Drinking Water State Revolving Fund Eligibility Handbook*, Office of Groundwater and Drinking Water.

Attachment 1

DWINS Assistance Request for Proposals

**Alabama Department of
Environmental Management
(ADEM)**

**REQUEST FOR PROPOSALS
(RFP)**

For

Drinking Water FY2020 Needs Survey Proposal

RFP Number: 059 19000000002

For all questions about this
RFP, please contact the
Issuing Officer:

Kris Berry, Chief
State Revolving Fund Section
Permits and Services Division
Alabama Department of Environmental Management
1400 Coliseum Boulevard
Montgomery, AL 36130
(334) 271-7700

**RELEASED ON:
August 16, 2019**

**DUE ON:
September 13, 2019**

1. Introduction

- a. This Request for Proposals (“RFP”) is being issued to select a contractor to perform System Surveys related to the FY 2020 Drinking Water Needs Survey.
- b. This RFP process will be conducted to evaluate responses and pricing information from contactors for potential award. All qualified contractors are invited to participate by submitting responses, as further defined below. After evaluating all contactors’ responses and pricing information received prior to the closing date of this RFP, ADEM will select a contractor and proceed to draft a contract.
- c. The schedule of events set out herein represents ADEM’s best estimate of the schedule that will be followed. However, delays to the procurement process may occur which may necessitate adjustments to the proposed schedule. If a component of this schedule, such as the close date of the RFP, is delayed, the rest of the schedule may be shifted as appropriate. Any changes to the dates up to the closing date of the RFP will be publicly posted prior to the closing date of this RFP. After the close of the RFP, ADEM reserves the right to adjust the remainder of the proposed dates, including the dates for evaluation, negotiations, award and the contract term on an as needed basis with or without notice.

| Description | Date | Time |
|---|---|-------------|
| ADEM Releases RFP | August, 16, 2019 | - |
| RFP Period Closes | September 13, 2019 | 5:00 pm |
| Notice of Award (on or about) | September 16, 2019 | - |
| Duration of contract (subject to negotiation) | October 1, 2019 – September 30, 2020 | - |

- d. The term of the contract shall be from October 1, 2019 through September 30, 2020.

2. General Information

- a. The release of this RFP is formally communicated through the posting of this RFP on the Alabama Department of Finance’s website, which is accessible online at <http://rfp.alabama.gov/PublicView.aspx>.
- b. Please carefully review all information contained in the RFP, including all documents available as attachments or addenda or available through links. Any difficulty accessing the RFP or opening provided links or documents should be reported immediately to the Issuing Officer.
- c. Responses received after the identified due date and time or submitted by any other means than those expressly permitted by the RFP will not be considered. Responses must be complete in all respects, as required in each section of this RFP.
- d. ADEM reserves the right to reject any or all responses, to waive any technicality, irregularity or informality in a response, and to accept or reject any item or combination of items, when to do so would be to the advantage of the State of Alabama. It is also within the right of ADEM to reject responses that do not contain all elements and information requested in this RFP. A response may be rejected if the statement contains any defect or irregularity and such defect or irregularity constitutes a material deviation from the RFP requirements, which determination will be made by ADEM on a case-by-case basis.

- e. ADEM reserves the right to cancel this RFP at any time.
- f. The cost for developing the response and participating in the procurement process is the sole responsibility of the Offeror. ADEM will not provide reimbursement for such costs.
- g. The content of proposals will remain confidential until final award (actual execution of a contract) or cancellation of the procurement. PLEASE NOTE: Marking information (financial or other information) "confidential", or "proprietary", etc., will not protect the information from public disclosure. ADEM does not guarantee the confidentiality of Offeror's information.

3. Submittal Information

- a. By submitting a response to the RFP, the Offeror is acknowledging that the Offeror has read the information and instructions, and agrees to comply with the information and instructions contained herein.
- b. Appendix B of this RFP lists all required elements of a response to the RFP. These components will constitute the Offeror's proposal.
- c. The Offeror must ensure its response is accurate and readily understandable.
- d. The Offeror must label its response using the corresponding section numbers of the Request of Proposal Requirements, so that the reviewers can easily organize and navigate the Offeror's response.
- e. A transmittal letter with an original signature and the State of Alabama Disclosure Statement form (Appendix E) must accompany the proposal.
- f. On the shipping package, please indicate the name of the Offeror's organization and the point of contact.
- g. Submit the complete response package by email to:

srf@adem.alabama.gov

Subject: [Company Name] FY2020 DWINSA PROPOSAL

Or by mail to:

Kris Berry, Chief
State Revolving Fund Section
Permits and Services Division
Alabama Department of Environmental Management
1400 Coliseum Boulevard
Montgomery, AL 36130

****Responses received after the due date and time will not be evaluated.**

4. RFP Evaluation and Selection Process

All timely responses will be evaluated in accordance with the following steps. The objective of the evaluation process is to identify the most highly qualified Offeror(s).

- a. First, the response will be reviewed by the Issuing Officer to determine if the response is in compliance with the following requirements:
 - i. Response was received by deadline, and
 - ii. Response is complete and contains all required documents
- b. ADEM will evaluate each response carefully based on the following criteria:
 - i. Stability and Resources of the submitting organization, including the organization's history, status, growth, overall resources, form of ownership, and other evidence of stability.
 - ii. Organization's relevant experience and qualifications, including the demonstrated ability in effective services for projects comparable in complexity, size, and function, for customers similar in scope to ADEM, and other similarly-structured organizations. This includes relevant experience and qualifications of the principal and lead staff.
 - iii. Organization's apparent suitability to provide services for project, including the apparent fit to the project type and/or needs of ADEM, any special or unique qualifications for the project, current and projected workloads (available resources), proximity of office(s) and/or lead staff to project location and/or proven ability to gather resources in location of service.
 - iv. Past performance evidence of the submitting organization, including level of quality of the services to previous customers, customer's statements of that quality, and other reference information which ADEM may obtain.
 - v. Pricing information
- c. Prior to an award, ADEM must be assured that the selected Offeror has all of the resources to successfully perform under the contract. If, during the evaluation process, ADEM is unable to assure itself of any Offeror's ability to perform if awarded, ADEM may request from an Offeror any additional information deemed necessary to determine the Offeror's responsibility. If such information is required, the Offeror will be notified and will be permitted approximately seven (7) business days to submit the information requested.

5. Contract Terms and Conditions

- a. The contract which ADEM expects to award as a result of this RFP will be based upon the RFP, the successful Offeror's final response as accepted by ADEM and the standard contract terms and conditions, which are attached to this RFP (Appendix C). Please review ADEM's contract terms and conditions prior to submitting a response to this RFP.
- b. Offerors should plan on the contract terms and conditions contained in this RFP being included in any award as a result of this RFP. Therefore, all costs associated with complying with these requirements should be included in any pricing quoted by the Offerors. The contract terms and conditions may be supplemented or revised before contract execution and are provided to enable Offerors to better evaluate the costs associated with the RFP and the potential resulting contract.
- c. By submitting a response, each Offeror acknowledges its acceptance of the RFP specifications and the contract terms and conditions without change except as otherwise expressly stated in the submitted response. If an Offeror takes exception to a contract provision, the Offeror must state the reason for the

exception and state the specific contract language it proposes to include in place of the provision.

- i. Any exceptions to the contract must be submitted with the Offeror's response.
 - ii. Exceptions must be in an original document using the track changes functionality and may not be submitted in the form of highlighted changes to the original contract. Proposed exceptions must not conflict with or attempt to preempt mandatory requirements specified in the RFP.
 - iii. Contract exceptions which grant the Offeror an impermissible competitive advantage, as determined by ADEM, in its sole discretion, will be rejected. If there is any question whether a particular contract exception would be permissible, the Offeror is strongly encouraged to inquire via written question submitted to the Issuing Officer prior to the deadline for submitting written questions as defined by the Schedule of Events.
- d. The Offeror covenants that the Offeror presently has no interest and will not acquire any interest, direct or indirect, which could conflict in any manner or degree with the performance of the Offeror's services hereunder. The Offeror further covenants that, in the performance of this contract, no person having any such interest will be employed by the Offeror for the purposes of this project.
- e. The Offeror and its subcontractors will comply with all relevant federal, state, and local laws.
- f. It is required that all contracts made with Departments of the State of Alabama contain a certification statement indicating the following:
- i. That all workers on the project are either citizens of the United States or are in a proper and legal immigration status that authorizes them to be employed for pay within the United States
 - ii. That no lobbyist are employed by the company (if there are lobbyist employed they must be identified)
- This statement must be signed by an authorized person within the company contracted to work for the State of Alabama. A copy of this form can be found in Appendix E.
- g. The Offeror and its subcontractors warrant that it has not employed or retained any company or person, other than a bona fide employee working solely for the Offeror, to solicit or secure this Contract, and that it has not paid or agreed to pay any person other than a bona fide employee working solely for the Offeror, any fee, commission, percentage, brokerage fee, gifts, or any other consideration, contingent upon or resulting from the award or making of this Contract. For breach or violation of this warranty, ADEM will have the right to annul this Contract without liability or, at its discretion, deduct from the Contract price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.

6. List of RFP Documents and Attachments

Request for Proposal
Appendix A – Scope of Services
Appendix B – Minimum Qualifications
Appendix C – Request for Proposal Requirements and Evaluation
Appendix D – Standard Contract Terms and Conditions
Appendix E – State of Alabama Disclosure Statement
Appendix F – Immigration Status Statement

Appendix A
Scope of Services
Alabama Drinking Water FY2020 Needs Survey Proposal

STATEMENT OF PURPOSE

The goal of the survey is to collect data regarding water system's 20-year infrastructure needs. Using forms developed by US EPA, public water systems record data that documents the scope and cost of future infrastructure improvement projects that are required in order to protect public health. To be included in the survey, projects must be SRF eligible capital improvement needs. Projects must also fall within the prescribed time frame, meet the project allowability policies, and be adequately documented. US EPA acquires the forms, evaluates the data, and uses that information to compile a report it submits to Congress and to determine the allocation of SRF money to the States. The results of this assessment will directly impact the fundability of the DWSRF capitalization grant.

DETAILED SCOPE OF WORK

The Contractor will perform the following tasks. Additional tasks may be identified during the contract development process between ADEM and the selected contractor. The scope of work shall require the contractor to meet the highest standards prevalent in the industry or business most closely involved in providing the appropriate goods or services. Work to be performed under the Contract awarded through this proposal includes:

1. Service Overview

Contractor agrees to provide ADEM the services described herein. Contractor will attend training, visit water systems, prepare survey documents, gather supporting documentation, enter the Needs Survey information into an Excel spreadsheet, convert hard copy documentation into PDF files, prepare reports, and other tasks necessary to assist ADEM with the 2020 Drinking Water Infrastructure Needs Survey.

2. Services to be Performed

A. Contractor will attend EPA Needs Survey training (Tentative Date – October 22 & 23, Atlanta, Georgia), if necessary visit public water systems (PWS), prepare survey documents, gather supporting documentation, enter the Needs Survey information into an Excel spreadsheet, convert hard copy documentation into PDF files, prepare reports, and other tasks necessary to assist ADEM with the 2020 Drinking Water Infrastructure Needs Survey.

B. Site Visits

1. When necessary (See Section 2.C. regarding survey packet fulfillment requirements), Contractor shall make site visits to each of the water systems, approximately 140, chosen by USEPA and identified by ADEM. Contractor will interview water system personnel, identify qualifying needs, assemble the supporting documents.
2. Prior to site visit, ADEM will provide to the Contractor:
 - a. A list of water systems that are participating in the Needs Survey. The names, addresses, titles and phone numbers of the representative of the selected water systems to be contacted to schedule site visits.
 - b. The 2015 Needs Survey for Alabama results.

3. Prior to site visit, the contractor shall:
 - a. Prepare a letter, approved by ADEM, to the water systems to be mailed by the contractor that introduces the contractor, explains the purpose of the survey, and requests the cooperation of the water system with the contractor.
 - b. Make sure the water system received and completed the cover page of the survey packet.
 - c. Make sure the water system has an inventory form including wells, pipelines (including lead service lines), pump stations, storage tank, and treatment plants, etc. including the design capacity and condition of each, and any necessary documentation that show the needs and costs.
 - d. Make sure the water systems are willing to comply, contact ADEM as soon as possible if they are not.
4. At each site visit the contractor shall:
 - a. Interview water system staff.
 - b. Gather appropriate documentation as described by USEPA in guidance documents and as instructed during the required training for completion of the Needs Survey.
 - c. Using professional judgment, identify and document all eligible needs for the 20-year period based on US EPA guidance.
 - d. Ensure that the Needs Survey and Assessment questionnaire is complete.
5. Following each site visit the contractor shall:
 - a. Complete survey package. (see Item C. below)
 - b. Submit the complete package to ADEM.

C. Survey Packets

It is understood by ADEM that prior to a site visit, needs survey packet fulfillment may be met through historical documentation as well as phone and email correspondence between the contractor and the system. In this case, the requirement to perform a site visit at each water system individually may be waived.

1. USEPA will distribute a survey packet to target water systems in January 2020. The packet will include a survey questionnaire, instructions for completing the questionnaire, a list of codes to be used in completing the survey and a cover letter instructing the water supplier to complete the questionnaire and forward the information to Needs Survey Coordinator at ADEM for review and submission to Cadmus/EPA.
2. The Contractor will complete the survey package as soon as possible following the interview and gathering of documents.
3. The surveys may be scheduled at the convenience of the Contractor and the Water System with the following limitations:
 - a. The first five (5) surveys must be completed and delivered to ADEM no later than two weeks before the initial survey review date or first workgroup meeting set by Cadmus/EPA. (Approximately March 2020)
 - b. One third of the total number of surveys must be completed with all documentation and submitted to Needs Survey Coordinator at ADEM two weeks prior to the one third milestone date set by Cadmus/EPA. (Approximately June 2020)
 - c. Two thirds of the total number of surveys must be completed with all documentation and submitted to Needs Survey Coordinator at ADEM no later than two weeks prior to the two thirds milestone date set by Cadmus/EPA. (Approximately August 2020)

- d. All of the total number of surveys must be completed with all documentation and submitted to Needs Survey Coordinator at ADEM no later than two weeks prior to the final submittal date set by Cadmus/EPA. (Approximately October 2020)
- 4. The completed survey package must include:
 - a. Completed survey questionnaire.
 - b. Contractor signed and dated project documentation summary. This summary is to contain the system name and number, and a statement for each project entered onto the survey form. Each statement is to contain:
 - (1) The project name and number.
 - (2) A summary description of the project and statement of why the project is needed (if documentation of need is not available).
 - (3) Title, date and page number of documents from which description and need are taken (no older than 4 years).
 - (4) Title, date and page number of documents from which project cost information is taken (no older than 10 years).
 - (5) Which Modeling parameter was used (if cost data is not available).
 - (6) Any other information required by USEPA or necessary to document project costs.
 - c. Supporting documentation cited in the summary, including:
 - (1) Title and date of publication of each document cited.
 - (2) Description of the water system needs.
 - (3) Description of the projects which will address the water system needs.
 - (4) Cost of the projects.
- 5. Corrections and Modifications to Survey Packages
 - a. After Cadmus/EPA have reviewed the submitted survey package, the Contractor will provide additional documentation and justification for any projects that are deleted or modified by Cadmus/EPA. This shall include those projects that are:
 - (1) Accepted by Cadmus but the project costs were not approved.
 - (2) Deleted by Cadmus.
 - b. Corrections and Modifications shall include but not limited to
 - (1) Research to establish “costs of comparable construction”.
 - (2) Modification of project description in previously submitted survey documents.
 - (3) Obtaining additional documentation to gain approval for the project submitted.
 - (4) Update Excel Spreadsheet to reflect all changes.

D. Deliverables

- 1. Contractor shall submit all completed survey packages to Needs Survey Coordinator of ADEM in electronic format. Spreadsheet data shall be in the Excel spreadsheet format, as required by ADEM. All supporting documentation, such as cost estimates shall be in PDF format.
- 2. A weekly progress report which includes at a minimum:
 - a. The status of the Needs Survey packets of all of the water systems included in the Needs Survey.
 - b. A summary of survey packets that have complications and/or need modifications.
- 3. Contractor shall submit all revised surveys and additional documents to Cadmus/EPA through Cadmus website as often as possible following review and approval by ADEM.
- 4. A final progress report which includes at a minimum:
 - a. A summary of “lessons learned”.

- b. Final summary of all surveyed systems, cost that was sent to Cadmus/EPA, and estimated total cost of needs identified by survey using best judgment.
- c. Other information as required by ADEM.

All Deliverables may be submitted to ADEM electronically via email to srf@adem.alabama.gov with the subject line *[Water System Name] FY 2020 DWINSA Survey Packet*.

Appendix B
Minimum Qualifications
Drinking Water FY2020 Needs Survey

Proposers must submit a letter (3 page maximum), explaining how the Proposer or the Proposer's team meets the following:

Minimum Qualifications:

- A. Minimum of three years of experience of the type(s) listed below. All experience must have occurred within the past seven years. It is possible to attain the experience types listed below during the same time period. Please note: It is not necessary to have experience in all categories; however, Proposer must have experience in at least three of the categories below:
1. Drinking Water Needs Survey and/or experience in survey and assessment related to Drinking Water Infrastructure
 2. Experience in administration, management, and or/operations with one or more public water systems serving a population of at least 10,000.
 3. Performing sanitary surveys of public water systems.
 4. Experience in preparing public water system Master plans. Capital Improvement plans, Facility plans, and budget planning documents
 5. State and Federal regulations and standards of drinking water systems.
 6. Sufficient knowledge of Access, Adobe, Excel (may be different people) to input data into existing databases or spreadsheets, submit documents electronically, and upload data onto EPA website.
- B. Registered Professional Engineer(s) on staff or contracted by the Proposer and assigned to work on the Needs Survey Project.
1. The contractor or consultant must be registered at the time of the execution of the contract and thereafter.

Appendix C

Request for Proposal Requirements

Drinking Water FY2020 Needs Survey

Format

The submittal should be numbered in accordance with the numbering in this appendix, so the reviewers can easily match the submittal with the requirements below. Statements should be concise, clearly written and complete.

Proposal Requirements

A. Technical Proposal

1. Fiscal Management (1 page maximum)

Briefly describe Proposer's experience with, and current strategies for, ensuring that the Proposer conducts business in a fiscally responsible manner and remains financially solvent through the proposed contract period. If Proposer is a corporation (as opposed to an individual): identify the staff or board members that have fiscal responsibilities; and include a copy of the Proposer's last fiscal review or audit, or, if the Proposer is a "new" business, include a copy of a business plan completed within the last year.

2. Organizational Experience and Capacity (5 pages maximum)

Describe Proposer's experience and capacity to perform the work described in the RFP, including:

- a. Expertise in project management and coordination with project stakeholders.
- b. Experience with the Drinking Water Needs Survey and/or experience in survey and assessment related to Drinking Water infrastructure.
- c. Knowledge of public water system infrastructure and experience working with water system personnel.
- d. Experience in preparing public water system Master plans, Capital Improvement plans, Facility plans, and budget planning documents.
- e. Knowledge of State and Federal regulations and standards for drinking water systems.
- f. Description of similar project(s), including names and addresses of any government or private agencies with which the Proposer has had contracted to provide services within the last 5 years.

B. Technical Experience & Capacity (1 page maximum)

1. Describe your experience in and capacity to use Microsoft Access, Microsoft Word, Adobe Acrobat, Excel spreadsheets, or similar products.

C. Key Persons

1. Specify key personnel to be assigned to the work conducted under the contract. Include a resume (not to exceed two (2) pages each) for each individual that demonstrates qualifications and experience for the requested services.

D. Proposed Project Plan (8 pages maximum)

1. Develop a project plan that addresses all work, timeframes, and key events described in this RFP.

E. Cost proposal (6 pages maximum)

1. Provide a detailed cost proposal that includes identifiable proposed costs for all the work contained in the Scope of Work, and that reflects Proposer's rates and fees to perform the work.
2. All proposed travel and meal expenses (including Proposer's and any third party's) must not exceed Alabama per diem rates, which are found on the web at:
3. Provide a cost summary for contractor travel, including travel time rates and maximum charges, and any anticipated mileage, lodging, and meals.

Appendix D

Standard Contract Terms and Conditions Drinking Water FY2020 Needs Survey

1. Scope of Services

The Contractor will provide services as set out in the Scope of Services, which is included with this Agreement as Appendix A and which is incorporated as if fully set out herein.

2. Payment

a. The Department agrees to reimburse the Contractor an amount not to exceed **\$350,000** for the services performed under this Agreement.

b. The Contractor shall submit invoices in triplicate not more than once per quarter to the Department for actual cost incurred. The final invoice shall be submitted within ninety (90) days of expiration of this Agreement.

c. In the case of non governmental agencies, prior to the purchase of any items or the execution of any printing contracts under this agreement with a value less than \$1,000.00, one quote or attempt for a quote of outside costs, including but not limited to copying costs and freight terms, must be obtained. For items with a value from \$1,000.00 to \$3,000.00, two such quotes or attempts for quotes must be obtained. For items with a value from \$3,000.00 to \$7,499.00, three such quotes or attempts for quotes must be obtained. The purchase of any items or the execution of any contract shall comply with the Alabama Bid Laws Sections 41-16-20 et. Seq. of the Code of Alabama (1975).

3. Term of Agreement

All work performed under this Agreement shall begin on the date on which this Agreement is executed, and shall terminate on September 30, 2020. This Agreement is conditioned upon the receipt of sufficient funds from the Alabama Legislature and/or the U.S Environmental Protection Agency and is subject to termination in the event of proration of the fund from which payment under this Agreement is to be made. If the term of this Agreement extends beyond one fiscal year, this Agreement is subject to termination in the event that funds are not appropriated for the continued payment of the contract in subsequent fiscal years. This Agreement may be amended by the mutual written agreement of both parties but under no circumstances shall the expiration date be extended or the contract amount be increased without approval in accordance with Section 29-2-41 Code of Alabama 1975.

4. Termination of Agreement for Cause

If, through any cause, the Contractor shall fail to fulfill in a timely and proper manner its obligation under this Agreement, or if the Contractor shall violate any of the covenants, agreements or stipulations of this Agreement, the Department shall thereupon have the right to terminate this Agreement by giving written notice to the Contractor of such termination and specifying the effective date thereof at least 30 days before the effective date of such termination. In that event, any finished or unfinished studies, reports or other work by the Contractor shall, at the option of the Department, become its property and the Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed under this Agreement.

5. Termination for Convenience of the Department
The Department may terminate this Agreement at any time by giving written notice to the Contractor of such termination and specifying the effective date thereof, at least 30 days before the effective date of such termination and under the same conditions as herein set forth for the Department, the Contractor may cancel this Agreement. In the event of cancellation, all finished or unfinished studies, reports or other work by the Contractor shall, at the option of the Department, become its property. If the Agreement is terminated by the Department as provided herein, the Contractor shall be paid for all work satisfactorily completed prior to termination.
6. Changes
The Department may, from time to time, require changes in the scope of services of the Contractor to be performed hereunder. Such changes, including any increases or decreases in the amount of the Contractor's compensation, which are mutually agreed upon by and between the Department and the contractor shall be incorporated in written amendments to this Agreement.
7. Title VI and Equal Employment Opportunity
 - a. The Contractor will comply with Title VI of the Civil Rights Act of 1964 (88-352) and all requirements of the U. S. Environmental Protection Agency (hereinafter called "EPA") issued pursuant to that title, to the end that in accordance with Title VI of that Act, no person in the United States shall, on the ground of race, color, or national origin be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity funded by this contract.
 - b. There shall be no discrimination against any employee who is employed in the work covered by this Agreement, or against any applicant for such employment, because of race, color, religion, sex, national origin, age or disability covered by the Americans with Disabilities Act. This provision shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training including apprenticeship. The Contractor shall insert a similar provision in all subcontracts for services covered by this Agreement.
8. Interest of Members of the Department and Others
No officer, member or employee of the Department and no members of the Environmental Management Commission, and no other public official of the governing body of the locality or localities in which the project is situated or being carried out who exercise any functions or responsibilities in the review or approval of the undertaking or carrying out of this project, shall participate in any decision relating to this Agreement which affects his personal interest or have any personal or pecuniary interest, direct or indirect, in this agreement or the proceeds thereof.
9. Assignability
The Contractor shall not assign any interest in this Agreement, and shall not transfer any interest in the same (whether by assignment or novation), without the prior written consent of the Department.
10. Findings Confidential
Any reports, information, data, etc., given to or prepared or assembled by the Contractor under this Agreement which the Department requests to be kept as confidential shall not be made available to any individual or organization by the Contractor without the prior written approval of the Department, unless such confidentiality would be contrary to the law of the State of Alabama or the United States.

11. Acknowledgment
Videos, films, computer disks, printed information or other materials produced for dissemination under this agreement must include the Department's logo, prominently displayed, along with the following acknowledgment:
"This project was funded or partially funded by the Alabama
Department of Environmental Management."
12. Reproducible Materials
Any printed information, photographs or art works delivered to the Department under this agreement shall be camera ready and/or computer ready as appropriate. The master tape of any video or audio productions will be delivered to the Department in an immediately reproducible form. Any computer program generated under this agreement will be delivered to the Department in an original and immediately reproducible form.
13. Officials Not to Benefit
No member of or delegate to the Congress of the United States of America, and no resident commissioner, shall be admitted to any share or part hereof or to any benefit to arise herefrom.
14. Copyright
No reports, maps, or other documents or products produced in whole or in part under this Agreement shall be the subject of an application for copyright by or on behalf of the contractor.
15. Audits and Access to Records
 - a. The Contractor agrees to abide by the requirements of OMB Circular A-133. When financial statements are prepared and an audit is performed as a result of OMB Circular A-133 requirements the Contractor shall provide the Department with a copy of its audit report covering the period of this contract within thirty (30) days of receipt by the Contractor of the auditor's report.
 - b. If OMB Circular A-133 is applicable the Contractor agrees that the comptroller General of the United States or any of his/her duly authorized representatives, the Secretary of Commerce or any of his/her duly authorized representatives, the Director of ADEM or any of his/her duly authorized representatives, and the Chief Examiner of the Department of Examiners of Public Accounts and any of his/her duly authorized representatives shall, until the expiration of three (3) years from the date of submission of the final financial report, have access to and the right to audit, examine, and make excerpts or transcripts from any directly pertinent books, documents, papers, and records of the Contractor involving transactions related to this Agreement. The Contractor agrees to provide access to any or all documents, papers, records and directly pertinent books of the Contractor involving transaction related to this Agreement upon written request from the Director of ADEM.
16. Taxes
The Contractor is responsible for reporting and making payment of any applicable federal and state taxes which may be due as a result of payments received pursuant to this Agreement.
17. Contractor Not Entitled to Merit System Benefits
In the case of Non-State Agencies under no circumstances shall the Contractor or any of its employees be entitled to receive the benefits granted to State employees under the Merit System Act by reason of this Agreement.

18. Not to Constitute a Debt of the State/Settlement of Claims
- a. It is agreed that the terms and commitments contained herein shall not be constituted as a debt of the State of Alabama in violation of Article 11, Section 213 of the Constitution of Alabama, 1901, as amended by Amendment Number 26. It is further agreed that if any provision of this contract shall contravene any statute or Constitutional provision or amendment, either now in effect or which may, during the course of this contract, be enacted, then the conflicting provision in the contract shall be deemed null and void. The contractor's sole remedy for the settlement of any and all disputes arising under the terms of this agreement shall be limited to the filing of a claim with the Board of Adjustment for the State of Alabama.
- b. For any disputes arising under the terms of this contract, the parties hereto agree, in compliance with the recommendations of the Governor and Attorney General, when considering settlement of such disputes, to utilize appropriate forms of non-binding alternative dispute resolution including, but not limited to, mediation by and through the Attorney General's Office of Administrative hearings or where appropriate, private mediators.
19. Requisite Reviews and Approvals
- The Contractor acknowledges and understands that this contract is not effective until it has received all requisite state government approvals and the Contractor shall not begin performing work under this contract until notified to do so by the Alabama Department of Environmental Management. The Contractor is entitled to no compensation for work performed prior to the effective date of this contract.
20. Immigration Affirmation
- By signing this contract, the contracting parties affirm, for the duration of the agreement, that they will not violate federal immigration law or knowingly employ, hire for employment, or continue to employ an unauthorized alien within the state of Alabama. Furthermore, a contracting party found to be in violation of this provision shall be deemed in breach of the agreement and shall be responsible for all damages resulting therefrom.

Appendix E

**State of Alabama Disclosure Statement
Drinking Water FY2020 Needs Survey**

Appendix F

**Immigration Status Statement
Drinking Water FY2020 Needs Survey**

Attachment 2

Public Water Supply Supervision Workplan

ALABAMA DEPARTMENT ENVIRONMENTAL MANAGEMENT
FY2020-FY2021
PWSS WORKPLAN

The EPA Grant Policy Issuance 11-03, *State Grant Workplans and Progress Reports* (GPI 11-03), requires that all workplans for state categorical program grants prominently display EPA’s strategic goals and objectives [FY 2018-2022 EPA Strategic Plan](#). The Office of Water has identified specific measures that address the strategic goals and objectives outlined by EPA in its strategic plan. A basis for each task in this program workplan 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.

The tasks identified in this workplan address the following goals and objectives:

Goal 1 – A Cleaner, Healthier Environment: Deliver a cleaner, safer, and healthier environment for all Americans and future generations by carrying out the Agency’s core mission.

Objective 1.2 – Provide for Clean and Safe Water: Ensure waters are clean through improved water infrastructure and, in partnership with states and tribes, sustainably manage programs to support drinking water, aquatic ecosystems, and recreational, economic, and subsistence activities.

Goal 3 - Greater Certainty, Compliance, and Effectiveness: Increase certainty, compliance, and effectiveness by applying the rule of law to achieve more efficient and effective agency operations, service delivery, and regulatory relief.

Objective 3.1 Compliance with the Law: Timely enforce environmental laws to increase compliance rates and promote cleanup of contaminated sites through the use of all of EPA’s compliance assurance tools, especially enforcement actions to address environmental violations.

State Contacts

Program Contact

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EPA Region 4 Contacts

Program Contact

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| No. | Same/ New/ Revised | Workplan Commitments/Tasks | Schedule/ Due Date | EPA R4 Comments | State End-of-Year Report/ Comments |
|--|--------------------------|---|---|---|---|
| GOAL 1 – A CLEANER, HEALTHIER ENVIRONMENT | | | | | |
| Objective 1.2: Provide for Clean and Safe Water | | | | | |
| <i>Drinking Water Program Elements</i> | | | | | |
| 1 | | <p>Ensure ongoing compliance with Primary Drinking Water Regulations by implementing State-Approved Rules for which State has received final primacy.</p> <p>Basis for Task: 40 CFR 141, 40 CFR 142. EPA Strategic Plan: 1.2, SM-2</p> <p>Outputs: Report on actions taken that demonstrate ongoing implementation of, and compliance with, Primary Drinking Water Regulations.</p> <p>Provide quarterly written information regarding the status of CWSs with health-based violations, that are not identified as priority CWSs by the Enforcement Response Policy’s Enforcement Targeting Tool.</p> <p>Outcomes: Protection of drinking water and human health.</p> | <p>Annually – by December 31</p> <p>Quarterly - within 30 days (unless otherwise noted) of State’s receipt of list from EPA.</p> | <p><i>(EPA SPM ensures state is on track with implementation and compliance of rule requirements)</i></p> | <p>Mutually with both DWSRF set-aside and PWSS grant funds</p> |
| 2 | | <p>Revise current primacy programs to adopt newly promulgated Federal Drinking Water rules and regulations to implement the Safe Drinking Water Act as amended in 1996. Submit a primacy application for EPA review and approval in accordance with SDWA requirements.</p> <p>Primacy Applications submitted & under EPA review (Interim Primacy): LCR-STR and RTCR</p> <p>Primacy Applications to be submitted to EPA (extension granted): NONE</p> <p>Basis for Task: 40 CFR 142.12. EPA Strategic Plan: 1.2, SM-2; AWIA Sections 2008 and 2010</p> <p>Output: Revise and/or adopt state regulations and submit a primacy application for EPA review and approval, in accordance with SDWA requirements.</p> <p>Outcomes: Protection of drinking water and human health.</p> | <p>Within two years of federal rule effective date or by compliance date specified in rule,</p> <p>OR</p> <p>Submit a two-year extension request.</p> | <p><i>(EPA must finalize a Revised CCR Rule and a Restructuring Rule (requiring states to adopt authority for requiring system restructuring assessments in the event of repeated health-based violations) by October 2020. State primacy applications must be submitted per deadlines in these final federal rules, likely late FY-22 or early-FY23. During FY21, States may want to begin working on primacy applications for the Revised CCR and Restructuring Rules.)</i></p> | <p>Mutually with both DWSRF set-aside and PWSS grant funds</p> |

| No. Same/ New/ Revised | Workplan Commitments/Tasks | Schedule/ Due Date | EPA R4 Comments | State End-of-Year Report/ Comments |
|------------------------------|---|---------------------------|-----------------|--|
| 3 | <p>Maintain a systematic sanitary survey program and follow up on any discrepancies discovered during sanitary surveys as required by regulation. Conduct sanitary surveys based on the cycle for water system size, source water, and type.</p> <p>Basis for Task: Regional Priority, 141.21(d), 142.16(b)(3), 142.16(o). EPA Strategic Plan: 1.2, SM-2</p> <p>Output: Report completed sanitary surveys for the current year in SDWIS, from which EPA can obtain a complete listing. Report annually on status of sanitary survey program.</p> <p>Outcomes: Protection of drinking water and human health.</p> | Annually – by December 31 | | <i>Mutually with both DWSRF set-aside and PWSS grant funds</i> |
| 4 | <p>Ensure all laboratories used by public water systems are certified or approved to conduct sample analysis for regulated and unregulated contaminants. Ensure receipt of current EPA SESD certification approval letter (valid until next triennial review).</p> <p>Basis for task: 40 CFR 141.28. EPA Strategic Plan: 1.2, SM-2</p> <p>Output: Report on status of laboratory certification and approval.</p> <p>Outcomes: Protection of drinking water and human health.</p> | Annually – by December 31 | | <i>Mutually with both DWSRF set-aside and PWSS grant funds</i> |
| 5 | <p>Maintain a State program for the certification of labs in accordance with EPA lab certification requirements.</p> <p>Basis for task: 40 CFR 142.10. EPA Strategic Plan: 1.2, SM-2</p> <p>Output: Report on status of State laboratory certification program.</p> <p>Outcomes: Protection of drinking water and human health.</p> | Annually – by December 31 | | <i>Mutually with both DWSRF set-aside and PWSS grant funds</i> |
| 6 | <p>Maintain a water system design and construction plan and specification review program.</p> <p>Basis for task: 40 CFR 141.10(b)(5). EPA Strategic Plan: 1.2, SM-1</p> <p>Output: Report on status of state program and regulations to ensure adequate water system design and construction.</p> <p>Outcomes: Protection of drinking water and human health.</p> | Annually – by December 31 | | <i>Mutually with both DWSRF set-aside and PWSS grant funds</i> |
| 7 | <p>Ensure newly permitted public water systems have design/construction capable of compliance with present and future SDWA regulations.</p> <p>Basis for task: Program Priorities Guidance. EPA Strategic Plan:-1.2, SM-1</p> <p>Output: Report on implementation of state regulations/laws to permit new public water systems.</p> <p>Outcomes: Protection of drinking water and human health.</p> | Annually – by December 31 | | <i>Mutually with both DWSRF set-aside and PWSS grant funds</i> |

| No. Same/ New/ Revised | Workplan Commitments/Tasks | Schedule/ Due Date | EPA R4 Comments | State End-of-Year Report/ Comments |
|------------------------------|---|--|--|--|
| 8 | <p>Maintain records for all rules/policies. Enforce reporting and record keeping as required.</p> <p>Basis for task: 40 CFR 141 Subpart D, 40 CFR 142 Subpart B. EPA Strategic Plan: 1.2, SM-1</p> <p>Output: Report on status of state record keeping for all rules/policies.</p> <p>Outcomes: Protection of drinking water and human health.</p> | Annually – by December 31 | | <i>Mutually with both DWSRF set-aside and PWSS grant funds</i> |
| 9 | <p>Ensure analytical methods are being applied to demonstrate compliance with the regulations.</p> <p>Basis for task: 40 CFR 141 Subpart C. EPA Strategic Plan: 1.2, SM-1</p> <p>Output: Report on State application of analytical methods to comply with regulations.</p> <p>Outcomes: Protection of drinking water and human health.</p> | Annually – by December 31 | | <i>Mutually with both DWSRF set-aside and PWSS grant funds</i> |
| 10 | <p>Provide a summary of the status of each Effective Variance and Exemption to EPA.</p> <p>Provide a summary of New Variance or Exemption to EPA.</p> <p>Basis for task: 40 CFR 142.15(b)(2), 142.15(a)(3). EPA Strategic Plan: 1.2, SM-1</p> <p>Output: Provide status of each effective, or new, Variance and Exemption.</p> <p>Outcomes: Protection of drinking water and human health.</p> | Quarterly - February 15 May 15 August 15 November 15 Annually – by December 31 | Alabama does not current have any variances or exemptions in effect. | <i>Mutually with both DWSRF set-aside and PWSS grant funds</i> |
| 11 | <p>Report the State’s PWSS inventory at least annually to SDWIS/FED, according to the Revised SDWIS/FED Inventory Reporting Requirements for SDWIS/FED. EPA Region 4 encourages States to provide quarterly updates of the PWS Inventory in SDWIS/FED at the same time as the Actions and Samples submission.</p> <p>The inventory will be used to calculate the next fiscal year’s grant allotment and will be frozen as of January 1st annually.</p> <p>Basis for task: 40 CFR 141 and 142. EPA Strategic Plan: 1.2, SM-1</p> <p>Output: Update inventory in SDWIS/STATE & upload to SDWIS/FED via CDX.</p> <p>Outcomes: Protection of drinking water and human health.</p> | Annually – by December 31 | | <i>Mutually with both DWSRF set-aside and PWSS grant funds</i> |
| 12 | <p>Establish and follow quality assurance procedures to ensure data entered into SDWIS/FED is of the highest reliability and maximum value to the public. Work with regional staff on trouble shooting errors.</p> <p>Basis for task: EPA Strategic Plan: 1.2, SM-1</p> <p>Output: Report on State implementation of QA procedures to ensure data in SDWIS/FED is of the highest reliability.</p> <p>Outcomes: Protection of drinking water and human health.</p> | Annually – by December 31 | | <i>Mutually with both DWSRF set-aside and PWSS grant funds</i> |

| No. Same/ New/ Revised | Workplan Commitments/Tasks | Schedule/ Due Date | EPA R4 Comments | State End-of-Year Report/ Comments |
|------------------------------|--|---|---|--|
| 13 | <p>Participate in Priority Reviews, attend State Directors Meetings (as scheduled), the Data Management Users Conference, ASDWA meetings, Area Wide Optimization Program (AWOP) quarterly meetings and comprehensive performance evaluations, new rules and/or program training and other meetings as needed.</p> <p>Basis for task: EPA Strategic Plan: 1.2, SM-1</p> <p>Output: Attend meetings and training to stay current with PWSS program priorities and revisions. Report on meeting/training attendance.</p> <p>Outcomes: Protection of drinking water and human health.</p> | Ongoing | | <i>Mutually with both DWSRF set-aside and PWSS grant funds</i> |
| 14 | <p>Develop and implement a Capacity Development strategy to assist public water systems in acquiring and maintaining technical, managerial, and financial capacity.</p> <p>Basis for task: SDWA §1420 (c). EPA Strategic Plan: 1.2, SM-1; AWIA Section 2012</p> <p>Output(s):</p> <p>a. Submit revisions to State Capacity Development Strategy that describe how the state will encourage PWSs to develop and maintain asset management plans and provide technical assistance to PWSs in implementing these plans.</p> <p>Submit the following report(s) to EPA Region 4 Drinking Water Section Capacity Development Coordinator and cc: the SPM:</p> <p>b. Annual Report to EPA</p> <p>c. Triennial Report to the Governor, that includes a description of how the state will encourage PWSs to develop asset management plans.</p> <p>Outcomes: Protection of drinking water and human health</p> | <p>a. Deadline established in final EPA guidance</p> <p>b. 90 days after end of grant reporting period</p> <p>c. September 30, 2020</p> | <p>(EPA plans to finalize guidance on implementation of AWIA capacity development provisions in Fall 2019. EPA anticipates that the guidance will require states to submit revised capacity development strategies in Fall 2021.)</p> <p>The last Triennial Report was submitted on August 3, 2017.</p> | <i>Mutually with both DWSRF set-aside and PWSS grant funds</i> |
| 15 | <p>Assist EPA with UCMR4.</p> <p>Basis for task: 40 CFR 141.35, 40 CFR 141.40. EPA Strategic Plan: 1.2, SM-1</p> <p>Output: Provide assistance specified in PA. Provide voluntary updates on status of UCMR assistance provided to EPA.</p> <p>Outcomes: Protection of drinking water and human health.</p> | <p>Ongoing voluntary assistance, as noted in PA.</p> <p>Report annually – by September 30</p> | | <i>Mutually with both DWSRF set-aside and PWSS grant funds</i> |
| 16 | <p>Assist EPA with ensuring that CWSs serving >3300 people certify completion of a water system risk assessment and emergency response plan in accordance with applicable deadlines established under Section 2013 of AWIA.</p> <p>Basis for task: SDWA §1433; AWIA Section 2013</p> <p>Output: If State provides assistance to EPA with this activity, provide voluntary updates on the status of assistance provided to EPA.</p> <p>Outcomes: Protection of drinking water and human health.</p> | <p>Ongoing voluntary assistance.</p> <p>Report annually – by September 30</p> | <p>(CWS deadlines for completing a water system risk assessment extend from March 2020 to June 2021, depending on system size)</p> | <i>Mutually with both DWSRF set-aside and PWSS grant funds</i> |

| No. Same/ New/ Revised | Workplan Commitments/Tasks | Schedule/ Due Date | EPA R4 Comments | State End-of-Year Report/ Comments |
|------------------------------|---|---|---|---|
| 17 | <p>Provide annual documentation and ongoing implementation of the State Operator Certification Program.</p> <p>Perform an Internal Program Review once every three years</p> <p>Perform an External Program Review once every five years.</p> <p>Basis for task: F.R. Vol. 64, No. 24, Appendix A. EPA Strategic Plan: 1.2, SM-1</p> <p>Output:</p> <p>a. Submit Operator Certification Program Annual Report to EPA Region 4 Drinking Water Section Operator Certification Coordinator and cc: the SPM.</p> <p>b. Submit documentation of Internal Program Reviews, as required.</p> <p>c. Submit documentation of External Program Reviews, as required.</p> <p>Outcomes: Protection of drinking water and human health.</p> | <p>a. Annually – by May 1</p> <p>b. Once every 3 years with Annual Report</p> <p>c. Once every 5 years with Annual Report</p> | | <p><i>Mutually with both DWSRF set-aside and PWSS grant funds</i></p> |
| 18 | <p>Maintain an up-to-date, approved Quality Management Plan (QMP). Review the QMP at least annually to reconfirm its suitability and effectiveness. Revise and resubmit the QMP to EPA for review and approval as needed (i.e. to prevent expiration or whenever significant changes, as defined in EPA QA/R-2, occur).</p> <p>Basis for task: EPA Order 5360.1 A2 & EPA Requirement for QMPs, EPA QA/R-2.</p> <p>Output: Reconfirm Suitability of existing QMP on an ongoing basis. Update QMP if “significant changes” occur. Resubmit QMP as needed to prevent expiration.</p> <p>Outcomes: Protection of drinking water and human health.</p> | <p>As needed, allowing sufficient time for review and acceptance (e.g. prior to expiration of existing QMP).</p> | <p>State QMP was last approved by EPA on July 2, 2018 and expires on June 30, 2023.</p> | <p><i>Mutually with both DWSRF set-aside and PWSS grant funds</i></p> |
| 19 | <p>Commit to accepting for use only data that is generated in accordance with applicable methods and procedures presented or cited in 40 CFR Part 141, 40 CFR Part 142, 40 CFR Part 143, state PWSS Program primacy applications approved by EPA, and the EPA-approved QMP.</p> <p>Basis for task: EPA Order 5360.1 A1, 40 CFR 31.45.</p> <p>Output: Submit QA certification letter with FY20-FY21 PWSS Program grant application. Alternatively, submit and maintain an up-to-date, approved Quality Assurance Project Plan.</p> <p>Outcomes: Protection of drinking water and human health.</p> | <p>With FY20-FY21 PWSS Program grant application.</p> | | <p><i>Mutually with both DWSRF set-aside and PWSS grant funds</i></p> |

| No. | Same/ New/ Revised | Workplan Commitments/Tasks | Schedule/ Due Date | EPA R4 Comments | State End-of-Year Report/ Comments |
|---|--------------------------|---|--|--|--|
| 20 | | <p>Maintain up-to-date documentation that demonstrates State competency to generate and use environmental data.</p> <p>Basis for task: Agency Policy Directive #FEM-2012-02</p> <p>Output: Written certification that scope of work for the use or generation of environmental data is similar to that in the previous Continuing Environmental Program (PWSS) award. Alternatively, submit and maintain an up-to-date, approved Competency Demonstration documentation package.</p> <p>Outcomes: Protection of drinking water and human health.</p> | With FY20-FY21 PWSS Program grant application. | EPA will determine data competency based on past performance under the PWSS program. | <p>Scope of Work for the use or generation of environmental data is similar to that in the previous Continuing Environmental Program (PWSS) award.</p> <p><i>Mutually with both DWSRF set-aside and PWSS grant funds</i></p> |
| 21 | | <p>The State will strive to provide its surface water assessment program a list of public water systems (including location) that monitor ambient/raw water so that the monitoring data may be considered in assessing water quality and determining impairment.</p> <p>Basis for task: EPA National Program Guidance. Coordinates with CWA 106 Workplan Task.</p> <p>Output: Provide state surface water assessment program with a list of public water systems (including location), as requested.</p> <p>Outcomes: Protection of drinking water and human health.</p> | As requested. | | <i>Mutually with both DWSRF set-aside and PWSS grant funds</i> |
| GOAL 3: GREATER CERTAINTY, COMPLIANCE, and EFFECTIVENESS | | | | | |
| Objective 3.1 Compliance with the Law | | | | | |
| <i>Drinking Water Enforcement Program Elements</i> | | | | | |
| 1 | | <p>Report State violations and enforcement actions at least quarterly to SDWIS/FED, but no later than 45 days following the end of the quarter.</p> <p>Basis for task: 40 CFR 141 and 142, EPA Guidance: “Consolidated Summary of Reporting Requirements for SDWIS/FED”, EPA Strategic Plan: 3.1.</p> <p>Output: Uploads of violations and enforcement actions in SDWIS/FED in accordance with enforcement task due dates.</p> <p>Outcomes: Protection of drinking water and human health.</p> | Quarterly - February 15 May 15 August 15 November 15 | | <i>Mutually with both DWSRF set-aside and PWSS grant funds</i> |
| 2 | | <p>Provide required information when referring enforcement cases to EPA (as specified in Attachment – Enforcement Section 1).</p> <p>Basis for task: SDWA 1414(b)(2), EPA Strategic Plan: 3.1.</p> <p>Output: Provide appropriate and required information to EPA Region 4 Drinking Water & Wastewater Section in the Enforcement and Compliance Assurance Division (ECAD).</p> <p>Outcomes: Protection of drinking water and human health.</p> | As needed. | | <i>Mutually with both DWSRF set-aside and PWSS grant funds</i> |

| No. Same/ New/ Revised | Workplan Commitments/Tasks | Schedule/ Due Date | EPA R4 Comments | State End-of-Year Report/ Comments |
|------------------------------|--|--|-----------------|---|
| 3 | <p>Address with a formal enforcement action or return to compliance the number of priority systems equal to the number of PWS's that have a score of 11 or higher on the July 2019 ETT report (for FY20) or the July 2020 ETT report (for FY21).</p> <p>Note: All data pertaining to compliance status (i.e. formal enforcement activity or Return to Compliance) must be uploaded to SDWIS-Fed in time to show in the October 2020 ETT list (for FY20) or October 2021 ETT list (for FY21) in order to be counted towards this commitment. (For most states this would be the August 15 upload unless a state is doing uploads more frequently than quarterly).</p> <p>Basis for task: National Priority, EPA Strategic Plan: "EPA Enforcement Response Policy for PWS Program Under the SDWA and Implementation of the Enforcement Targeting Tool-December 8, 2009" (EPA-ERP).</p> <p>Output: Enforcement actions or activities (e.g., formal enforcement (notices of violation, administrative orders, etc.) or RTC) and data uploaded to SDWIS-Fed.</p> <p>Outcomes: Protection of drinking water and human health.</p> | <p>Within two quarters for those systems being identified as priorities.</p> | | <p><i>Mutually with both DWSRF set-aside and PWSS grant funds</i></p> |
| 4 | <p>Take immediate action to address 100% of health based and major monitoring/reporting violations for acute contaminants for PWSs with an ETT score of ≥ 11.</p> <p>Basis for task: National Priority, Regional Priority, EPA Strategic Plan: 3.1, EPA-ERP.</p> <p>Output: Enforcement actions/activities (e.g., notices of violation, administrative orders, etc.) or RTC.</p> <p>Outcomes: Protection of drinking water and human health.</p> | <p>Within two quarters for those systems being identified as priorities.</p> | | <p><i>Mutually with both DWSRF set-aside and PWSS grant funds</i></p> |
| 5 | <p>Address PWSs with an ETT score of < 11 on an ongoing/rolling basis.</p> <p>Basis for task: National Priority, Regional Priority, EPA Strategic Plan: 3.1, EPA-ERP.</p> <p>Output: Enforcement actions/activities (e.g., notices of violation, administrative orders, etc.).</p> <p>Outcomes: Protection of drinking water and human health.</p> | <p>As appropriate.</p> | | <p><i>Mutually with both DWSRF set-aside and PWSS grant funds</i></p> |
| 6 | <p>The State will escalate its response to violations in accordance with its enforcement management system to ensure return to compliance.</p> <p>Basis for task: National Priority, Regional Priority, EPA Strategic Plan: 3.1, EPA-ERP.</p> <p>Output: Enforcement actions/activities (e.g., administrative orders, referrals to EPA, etc.).</p> <p>Outcomes: Protection of drinking water and human health.</p> | <p>As appropriate.</p> | | <p><i>Mutually with both DWSRF set-aside and PWSS grant funds</i></p> |

| No. | Same/ New/ Revised | Workplan Commitments/Tasks | Schedule/ Due Date | EPA R4 Comments | State End-of-Year Report/ Comments |
|-----|--------------------------|--|---|-----------------|---|
| 7 | | <p>Provide a quarterly written response to EPA regarding the status of PWSs identified as priorities in the quarterly Enforcement Targeting Tool (ETT) report provided by EPA.</p> <p>Basis for task: National Priority, Regional Priority, EPA Strategic Plan: 3.1, EPA-ERP.</p> <p>Output: Provide Status Report to EPA Region 4 Drinking Water & Wastewater Section in ECAD.</p> <p>Outcomes: Protection of drinking water and human health.</p> | <p>Quarterly - within 30 days (unless otherwise noted) of State's receipt of list from EPA.</p> | | <p><i>Mutually with both DWSRF set-aside and PWSS grant funds</i></p> |

ATTACHMENT – ENFORCEMENT SECTION 1

SECTION 1: Referring Enforcement Cases to EPA – please provide the following information: 1414 (b)(2)

Public Water System Name and Identification Number

Public Water System Owner/Operator Name

Ownership Information – The State will submit available evidence/documentation on ownership and whether ownership has ever been contested or raised as an issue at the State level.

Public Water System Current Address

Public Water System Telephone Number

Public Water System Population and Type of System

Number of Service Connections

Actual Count

Factoring Method

Evidence of Violations – At the time of referral, the State shall submit to EPA the entire file (or a copy of that file) that is pertinent to the case. EPA will work with the State to achieve the most efficient method for securing a copy of the file. Before an enforcement action is issued, EPA needs to ensure that there is evidence in the Region 4 office to support every violation listed – either hard copy evidence or a tabular summary from the State of its violation information.

Copies of all State enforcement actions

Date Case Referred by State Drinking Water Program (complete package with letter of referral by the State)

Date of most recent Sanitary Survey (please provide a copy to EPA)

Attachment 3

Operator Certification Assessment and Review Scope

Review and Assessment of Alabama's OC Program for Water and Wastewater

Scope of Work

Goals:

1. Assess the adequacy of our Draft Revised OC Regulation
2. Assess Status of our current Training Needs and Future Training Needs
3. Assess Current Status of our current OC Program with an Outlook to the future
4. Provide recommendations for improving our training and overall OC Program with alternatives for achieving potential incremental improvements to both

Project Stages

1. Evaluation of current program status & proposed Changes to ADEM's OC regulation
2. Review recent EPA Guidelines & Critiques
3. Comparison of Other State Programs: Present Overview of an exemplary state OC Program
4. Identify Current Staff roles and needs for the future
5. Review licensing information: regulations, number of water and wastewater operators, pass rate, violations
6. Identify Operator Training Needs - Plants, potential participants and possible training facilities
7. Destination analysis: outline path and milestones for possible program development in 3, 5 and 10 yrs
8. Quality Training control procedures: course assessments
9. Next steps

Approach

1. Interview state personnel: Jim, Russell, Kris, Brian...maybe PWS/NPDES. Also Wendy Waldrep (Water Girl), David Moore (Muscle Shoals), Doug Smedley (Calera) as reps for training
2. Focus group sessions (2-3) with state personnel: Jim, Kris, & Brian
3. Meet with various operators and plant supervisors at their work place (BWWB, MWWSSB, Huntsville Utilities)
4. Focus group sessions with operators and supervisors: invite people with different license levels and from different regions; may need to schedule 2-3 sessions to reach representative audience
5. Meet trainers: Train the Trainer Committee and/or Subgroup
6. Evaluate interest in outreach by university (ACCS, AU, UA, JSU/Calhoun Comm College)

Reports

1. Quarterly progress reports to state administrators; Jim, Brian, Russell
2. Final report: Current Status, Recommendations to address current needs, Recommendations to address future needs

Derivation of Cost

1. 7 trips over 12-months/yr: Includes six Routine trips: Sunday (arrive)-Wed (depart). Two of the trips will be Special Sunday-Thursday tips to account for longer work in and travel to Montgomery or Alabama areas.

2. Mileage...current IRS/GSA rate is \$0.58/mile (up to 400 mile one-way travel to Montgomery AL)
3. Roundtrip Flights to Montgomery...Cost range from about \$300-600
4. Hotels...allow \$125/night; reimbursement based on receipts
5. Meals...allow \$50/day; ¾ that cost for partial day
6. Consulting fee...\$2,000/day; no cost when traveling to and from AL; cost prorated for partial days
7. Year-long study

Based on the above factors, the project cost would be approximately \$78,000.

Statement of Qualifications

The successful candidate will meet all of the following minimum qualifications:

- Professional Engineer or Certified Grade IV Water and Wastewater Operator with 20+ years of experience
- Professor of Civil and/or Environmental Engineering at a major University
- 20+ years of experience with Training Certified Water and Wastewater Operators
- Other national recognition in Operator Certification Training
- Other state recognition in Civil and/or Environmental Engineering

Attachment 4

Water Festival Grant Notification and Instruction

From: [Water Festival Grant Applications](#)
To: [Water Festival Grant Applications](#)
Cc: [Berry, Kris](#)
Subject: ADEM Water Festival Grant Application | October 15th Deadline
Date: Friday, September 20, 2019 3:28:04 PM

Good Afternoon,

The Alabama Department Environmental Management is offering funding assistance to Groundwater Festival Programs. Funds are available as small grants of up to \$1,000 to eligible entities and may be used subsidize the expenses incurred in implementing one Groundwater Festival for elementary and middle school students. These expenses include educational materials, T-shirts, and bus transportation. Educational materials may include such items as supplies for building aquifers, wetlands, watersheds, filtration systems, and for demonstrating the water cycle.

Application Deadlines

Fall: October 15th

Spring: March 15th

To apply for the grant, please complete the online form at: <https://forms.office.com/Pages/ResponsePage.aspx?id=SFw87IIx80yOrdLevG1ibiUOmpAxHBETcIR4ev5ELtUOFFURTNYQk4yMIBUR0tVMzNFUTA0RFJZSS4u>.

Once an application is received and eligibility is verified, a grant document will be generated by the Department and provided to the applicant contact. The signed grant document should then be returned to the Department. If you have questions concerning eligibility, please contact Kris Berry at (334) 271-7805.

If you would like your email address removed from this distribution list, please send your request to waterfestival@adem.alabama.gov.

Permits and Services Division
Alabama Department of Environmental Management



EXHIBIT 7

FY 2019 Draft Financial Statements

FY19 Balance Sheet

Alabama Drinking Water Finance Authority

Current Assets

| | |
|---|---------------|
| <i>Cash and Cash Equivalents</i> | 11,299,663.46 |
| <i>Accrued Interest Receivable on Investments</i> | 348,712.50 |
| <i>Accrued Interest Receivable on Loans</i> | 643,988.73 |
| <i>Loans Receivable current</i> | 17,605,000.00 |
| <i>Principal Forgiveness EPA</i> | 8,504,760.00 |
| <i>Due from (Various detailed seperately)</i> | 20,002.00 |
| <i>Grant revenue receivable</i> | 83,526.77 |
| <i>TVA Grant</i> | 299,999.77 |

Current Assets 38,805,653.23

Other Assets

| | |
|--|----------------|
| <i>U S Treasury Slugs</i> | 6,553,935.00 |
| <i>U S Treasury Bonds</i> | 129,383,847.50 |
| <i>Loans Receivable</i> | 228,480,000.00 |
| <i>Unamortized Loan Premium</i> | -3,533,719.46 |
| <i>Unamortized Deferred Refunding Cost</i> | 996,675.85 |

Other Assets 361,880,738.89

Current Liability

| | |
|---|---------------|
| <i>Accrued bond interest payable</i> | -125,591.72 |
| <i>Bonds Payable current</i> | -6,835,000.00 |
| <i>Due to (Various Detailed seperately)</i> | -27,705.29 |

Current Liability -6,988,297.01

Long Term Liabilities

| | |
|---|----------------|
| <i>Payable to Borrowers</i> | -76,301,530.48 |
| <i>Unamortized premium on bonds payable</i> | -1,214,873.77 |
| <i>Bonds Payable</i> | -27,090,000.00 |
| <i>TVA due to Grant Recipients</i> | -300,000.00 |

Long Term Liabilities -104,906,404.25

Net Assets

288,791,690.86

FY19 Income Statement

Alabama Drinking Water Finance Authority

| | | |
|------------------------------|---|-----------------|
| | <i>Investment Earnings</i> | -3,095,097.22 |
| | <i>Market Value adjustment</i> | -1,509,580.09 |
| | <i>Loan Premium accretion</i> | -542,681.88 |
| | <i>Loan Interest income</i> | -4,694,291.17 |
| | <i>Accrued Loan Interest Income</i> | -643,988.73 |
| | <i>Accrued Prior Interest receivable investme</i> | 341,468.75 |
| | <i>Accrued Prior interest receivable loans</i> | 617,052.60 |
| | <i>Accrued Investment Income</i> | -348,712.50 |
| | <i>Bond premium accretion</i> | -327,581.54 |
| Operating Revenue | | -10,203,411.78 |
| | <i>Bond Interest expense</i> | 1,217,667.09 |
| | <i>Accrued Bond Interest expense</i> | 125,591.72 |
| | <i>Bond Issue Cost amortization</i> | 269,274.40 |
| | <i>Administrative expense</i> | 359,165.76 |
| | <i>Accrued Prior Year Bond Interest expense</i> | -149,641.72 |
| | <i>TVA Grant Expense</i> | 170,277.66 |
| Operating Expense | | 1,992,334.91 |
| | <i>Prior grant revenue receivable</i> | 59,411.09 |
| | <i>Grant Revenue</i> | -21,959,303.03 |
| | <i>Accrued Grant Revenue</i> | -83,526.77 |
| Non Operating Revenue | | -21,983,418.71 |
| | <i>Transfer to Master (Treasurer)</i> | 0.00 |
| | <i>Transfer to (from) other account</i> | 0.00 |
| | <i>Transfer Admin Fee</i> | 1,604,359.43 |
| Transfers | | 1,604,359.43 |
| | <i>Beginning Net Assets</i> | -260,201,554.71 |
| Net Assets | | -260,201,554.71 |
| Ending Net Assets | | -288,791,690.86 |