



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

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DWSRF Intended Use Plan



Fiscal Year 2020

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I. Introduction

The Safe Drinking Water Act (SDWA) Amendments of 1996 authorized a Drinking Water State Revolving Fund (DWSRF) for the purpose of assisting public water systems to finance the cost of potable water infrastructure. The U.S. Environmental Protection Agency (EPA) is authorized to award capitalization grants to the States, which in turn administer the DWSRF program. This Intended Use Plan (IUP) describes how the State intends to use available DWSRF program funds for the year to meet the objectives of the SDWA and further the goal of protecting public health.

The State of Alabama is applying for \$ 23,736,000 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 \$4,747,200 will be fulfilled by the overmatch of State Match Bonds. Additionally, in 2019 the State of Alabama was included in the "Additional Supplemental Appropriations for Disaster Relief Act (ASADRA)" To aid the City of Ashford in providing resiliency for their drinking water system, the State of Alabama is applying for an ASADRA grant for \$474,000. The 20% state match requirement (\$94,800) for the ASADRA grant will be fulfilled by the overmatch of State Match Bonds.

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

II. Program Goals

A. Short-term goals

1. To provide financial assistance for the construction of public water supply facilities on the DWSRF Priority List.
2. To provide DWSRF financial assistance to include additional subsidization in the form of principal forgiveness for not less than the required minimum of \$3,323,040 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 \$1,424,160 to disadvantaged communities for the construction of water treatment and distribution facilities.
4. To provide ASADRA financial assistance to include additional subsidization in the form of principal forgiveness for not less than \$237,000 to the City of Ashford for system resiliency.
5. 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.
6. To implement the State's DWSRF in compliance with the Safe Drinking Water Act and to ensure conformance with Federal crosscutting requirements.
7. To protect the public health and the environment and promote the completion of cost-effective water treatment, storage, and distribution facilities.

8. 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 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 2020 projects using a combination of interest earnings on the Fund, repayments from direct loans, and the 2020 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 2020 DWSRF program are as follows:

Projected Sources:

2020 EPA DWSRF Cap Grant:	\$23,736,000
DWSRF State Match:	\$4,747,200
ASADRA Grant	\$474,000
ASADRA Grant Match	\$94,800
<u>Direct Loan Repayments, Interest Earnings and Unobligated Funds:</u>	<u>\$78,151,440</u>
Total:	\$107,203,440

Projected Uses:

Project Assistance:	\$105,129,000
10% State Program Management:	\$1,100,000
15% Local Assistance:	\$25,000
<u>Funds Reserved for Administrative Cost (4%):</u>	<u>\$949,440</u>
	\$107,203,440

A. Leveraging

The Department does not intend to issue DWSRF revenue bonds for new projects during FY 2020.

B. Transfer of Funds

In accordance with 40 CFR 35.3530, the Alabama Department of Environmental Management (the Department) plans to transfer up to \$72,952,803 from the Clean Water State Revolving Fund (CWSRF) to the DWSRF. Funds transferred from the CWSRF to the DWSRF are to be used to fulfill the DWSRF infrastructure financing demand.

C. Eligible projects to be funded

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

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

D. Financial terms of loans

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

The total term financing shall not exceed 20 years. Repayments shall commence after completion of construction or within 3 years for which such financial assistance was made. Financial assistance repayments shall be made in accordance with the repayment schedule indicated in the 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 2020 EPA Capitalization Grant includes a requirement for a minimum \$3,323,040 be provided as assistance with additional subsidy. In addition, America's Water Infrastructure Act of 2018 (AWIA) requires a minimum of \$1,424,160 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.

Additionally, \$237,000 will be provided to the City of Ashford in the form of principal forgiveness as allowed by the 2019 Additional Supplemental Appropriations for Disaster Relief Act.

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 2020 and each fiscal year thereafter and the requirements of section 1450(e) of the Safe Drinking Water Act (42 U.S.C. 300j-9(e)) shall apply to any construction project carried out in whole or in part with assistance made available by the DWSRF as authorized by section 1452 of that Act (42 U.S.C. 300j-12). The Department will include in all loan agreements and procurement contracts terms and conditions requiring compliance with this requirement.

E. Distribution of Funds to Set-Aside Accounts

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

F. Selection of Systems to Receive Assistance

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

The criteria for ranking projects give priority to projects that:

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

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

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

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

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

G. Project Bypass/Reallotment:

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

1. Any project on the DWSRF Priority List may be bypassed if the applicant fails to submit a complete DWSRF application.

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

V. Set-Aside Activities

A. Administrative Set-Aside

SRF Guidelines allow states to set aside 4% of the grant for SRF administrative costs. Administrative funds of \$949,440 will be used to pay costs for personnel, travel and training, equipment, supplies, audit fees, and indirect costs associated with implementing the SRF Program.

B. 2% Small Systems Technical Assistance

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

C. 10% State Program Management

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

D. 15% Local Assistance and Other State Programs

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

VI. Program Income

The Alabama Drinking Water Finance Authority, with ADEM as its agent, assesses a fee annually based on outstanding principal. These fees vary based on the fiscal year to which the loan agreement was secured. These fees are collected twice a year, when the recipient initiates repayment of the loan. In accordance with EPA regulations, fees collected from loans sourced from outstanding grants will be used for administration of the SRF fund only. All other fees will be used for activities eligible of the DWSRF grant only. The Department expects to receive fees during FY 2020 as follows:

Total Program Income	Program Income Collected During Grant Period	Program Income Collected After Grant Period
\$1,960,991.02	\$0.00	\$1,960,991.02

VII: Estimated DWSRF Capitalization Grant Schedules

Estimated Grant Draw Schedule

Estimated Grant Draw Schedule

Fiscal year	Month	Draw
2021	Oct	\$1,978,000
2021	Nov	\$1,978,000
2021	Dec	\$1,978,000
2021	Jan	\$1,978,000
2021	Feb	\$1,978,000
2021	Mar	\$1,978,000
2021	Apr	\$1,978,000
2021	May	\$1,978,000
2021	Jun	\$1,978,000
2021	Jul	\$1,978,000
2021	Aug	\$1,978,000
2021	Sep	\$1,978,000
Total		\$23,736,000

Fiscal year	Month	Payment
2021	Oct	\$1,978,000
2021	Nov	\$1,978,000
2021	Dec	\$1,978,000
2021	Jan	\$1,978,000
2021	Feb	\$1,978,000
2021	Mar	\$1,978,000
2021	Apr	\$1,978,000
2021	May	\$1,978,000
2021	Jun	\$1,978,000
2021	Jul	\$1,978,000
2021	Aug	\$1,978,000
2021	Sep	\$1,978,000
Total		\$23,736,000

Payments are defined as increases to the amount of funds available from the federal SRF capitalization grant. This draft payment schedule is based on the State's projection of binding commitments and disbursements from the SRF to the members of the SRF project list. As most of the capitalization grant is expected to be used for direct loans, the disbursement schedule is essentially the same as the grant payment schedule.

The disbursement of funds will be in proportion to the amount of state and federal funds provided by the grant and state match. This will be ensured by disbursing all State Match funds prior to drawing capitalization grant funds for project disbursements.

A. Capitalization Grant Budget Periods:

2020 EPA DWSRF Capitalization Grant

October 1, 2020 through September 30, 2024

Attachment 1

Attachment 1 - Project Priority List

County Served	Applicant Name	Population Served	Priority Point Rank	Assistance Amount	Subsidization Amount (Principal Forgiveness)	Estimated Construction Start Date
Cherokee	Centre, Water Works and Sewer Board of the Town of	9,600	Supplemental	\$800,000		
Tallapoosa	Jacksons' Gap Water Authority	6,510	Supplemental	\$50,000		
Shelby	Alabaster Water Board	12,200	Supplemental	\$6,000,000		
Cullman	Cullman, Utilities Board of The City of	63,000	Supplemental	\$6,000,000		
Blount	Oneonta, Utilities Board of the City of	19884	275	\$6,500,000		10/1/2020
Talladega	Talladega, City of	19,260	240	\$10,250,000	\$500,000	10/1/2020
Lauderdale	Florence, City of	77,754	205	\$15,000,000		10/1/2020
Walker	Dora, Waterworks and Gas Board of	4,140	190	\$2,223,000	\$500,000	7/15/2020
Walker	Parrish Waterworks & Sewer Board	5,718	170	\$1,068,000	\$500,000	9/15/2020
Morgan	Hartselle Utilities	21,057	165	\$1,900,000		8/1/2020
Crenshaw	South Crenshaw County Water Authority	5,775	145	\$1,458,000	\$500,000	10/1/2020
Baldwin	Daphne, Utilities Board of the City of	25,960	135	\$5,200,000		11/1/2020
Russell	Phenix City Utilities Department	36,219	130	\$3,521,000		10/31/2020
Coosa	Goodwater, City of	1,330	110	\$380,000	\$190,000	6/1/2021
Tallapoosa	Walnut Hill Water Authority	12,069	105	\$450,000	\$225,000	8/1/2020
Mobile	Mobile Board of Water & Sewer Commissioners (MAWSS) Master Plan	259,224	90	\$12,850,000		10/1/2019
Tuscaloosa	Citizen's Water Service, Inc.	11,517	85	\$2,202,000		1/1/2021
Madison	Huntsville Utilities	194,585	80	\$10,600,000		7/6/2020
Crenshaw	Luverne, City of	4,125	80	\$546,000		10/1/2020
Lawrence	Moulton, City of	9,165	75	\$1,000,000	\$500,000	4/1/2021
Randolph	Woodland, Town of	1,416	75	\$552,000		4/1/2021
Marion	Hackleburg Water and Sewer Board	1,467	70	\$998,000	\$499,000	4/1/2021
Baldwin	East Central Baldwin County Water, Sewer, and Fire Protection Authority	5,505	60	\$680,000	\$223,200	4/1/2021
Dale	Pinckard, Town of	1,500	60	\$362,000		7/1/2020
Blount	Cleveland, Town of	2,320	55	\$370,000	\$185,000	6/1/2021
Geneva	Malvern, Town of	1,650	55	\$220,000		11/1/2020
Colbert	Sheffield Utilities	13,200	50	\$850,000	\$425,000	10/1/2020
Houston	*Ashford, City of	3,693	50	\$474,000	\$237,000	7/1/2020
Bibb	Greenpond Water System, Inc.	8,595	40	\$3,321,000		10/1/2020
Baldwin	Summerdale, Town of	1,379	35	\$579,000		3/1/2020
Lawrence	West Lawrence Water Authority	14,958	30	\$1,000,000	\$500,000	4/1/2021
Hale	Moundville, City of	4,653	20	\$2,385,000		11/15/2020
Shelby	Pelham, City of	35,115	10	\$5,340,000		8/1/2021

DWSRF Totals \$104,655,000 \$4,747,200
ASADRA Totals \$474,000 \$237,000

*Ashford funded through the Additional Supplemental Appropriations for Disaster Relief Act, 2019

Attachment 2

Attachment II

East Central Baldwin WA Water System Improvements

This project consists of the installation of 4,400 linear feet of 10" PVC and 3,000 linear feet of 12" polyethylene water mains and associated appurtenances. Proposed improvements will significantly reduce or eliminate unnecessary water loss and further insure an efficient, reliable, and continued source of drinking water to system customers.

Pinkard Tank Rehabilitation Project

The proposed project consists of the rehabilitation of two elevated water storage tanks by recoating with a long duration epoxy paint to extend the useful life of the tanks. Rehabilitation of the storage tanks will ensure the continued provision of safe drinking water and service reliability for area water customers.

Oneonta Water System Improvements

The proposed project consists of multiple water system improvements including: system consolidation, adequately sized water mains and valves, water meter replacement, installation of VFD pumps, tank rehabilitation, booster pump rehabilitation and replacement, various water treatment plant upgrades, and backup generators at existing well sites.

Malvern Radio Read Meter Project

The Town of Malvern proposes a project to replace the systems existing manual read meters with new radio read meters. The new radio read meters will improve meter accuracy thus increasing revenues and encouraging water conservation.

Luverne Water System Improvements

This project proposes to replace approximately 1 mile of 3 inch lead joint water main with new PVC water main. Replacement of the water main will ensure adequate and quality water to the Luverne Water System customers.

Talladega Water System Improvements

The Talladega Water Systems proposes several improvements to its water system including: line replacements, meter replacements, tank rehabilitation, electrical upgrades, booster pump rehabilitation and replacement, VFD pump installation, and water treatment plant upgrades.

South Crenshaw County Water System Improvements

This project consists of replacement of all existing water meters within the system with new automatic radio read meters, reading equipment, billing software and other necessary components. In addition, the Installation of a six inch water main to bypass a section of existing water main that is often inaccessible due to terrain as well as the installation of three inch water main to eliminate need to purchase water from an adjoining system.

Alabaster System Improvements (Supplemental)

The proposed project includes water main improvements, water storage tank rehabilitation, well and water plant rehabilitation, 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.

Attachment II

Centre WTP Upgrade with GAC Filtration (Supplemental)

The Waterworks and Sewer Board of the Town of Centre proposes a project to provide increased treatment efficiency for its service area. The proposed project will consist of the addition of a granulated activated carbon (GAC) filtration system and related appurtenances to the existing water treatment process at the Centre Water Treatment Plant (WTP). Completion of this project provides a proactive, lasting response in treating source water (Coosa River) contaminants; thus, maintaining regulatory compliance and producing safe drinking water for its customers.

Cleveland Water Systems Improvements

The Town of Cleveland proposes a project to provide improved drinking water distribution and source reliability within its water system. The proposed project will consist of a new well and well house to supply more water to the system and eliminate continued water purchasing from a neighboring water system. In addition, two (2) new water lines will be constructed from the water lines in the Oneonta and Blountsville water systems, both connecting to the Cleveland water lines to provide adequate water supply back up. The improved water supply will also ensure that sufficient drinking water is supplied to a local public park and ballfields to alleviate health concerns. Various electrical upgrades at the Cleveland WTP (Water Treatment Plant) will be performed to accommodate the additional water volume and repair normal wear concerns. Completion of these improvements will provide an improved quality of life for The Town's customers by providing safe, reliable drinking water in a cost-effective manner.

Jacksons' Gap Capital Improvements (Supplemental)

The Jacksons' Gap Water Authority proposes improvements to increase the efficiency of its drinking water distribution system. Improvements will include the installation of a constant pressure booster station to increase and maintain sufficient pressure to the highest elevation points in the system. Installation of a single-phase, auxiliary generator (with automatic transfer capability) or the installation of variable frequency drive (VFD) capability will also be added to various water system booster stations as necessary. Completion of the proposed improvements will provide for a system with increased water supply efficiency and reliability as well as reduced operational costs for its customers.

Pelham AMR Water Meter Replacement & Ballantrae Back Up Water Main

The City of Pelham proposes a project to improve the drinking water distribution reliability within its water system. The proposed project will consist of system-wide analog water meter replacement with AMR (Automatic Read) water meters in addition to the construction of a backup water line to the Ballantrae development and the easternmost portion of Pelham's water system; along Highway 336 with system connection at Ballantrae Club Drive. Completion of these improvements will increase the water system's reliability by allowing for safe drinking water transmission should there be a repair needed in the rough terrain of this area. Moreover, providing this proactive measure will avoid having a water main break removed from service for repair, and, consequently, exposing the entire service area to an extended water outage.

Citizen's Water Main Upgrade

The Citizen's Water Service, Inc. (CWS) proposes a project to provide improved drinking water distribution reliability within its water system. The proposed project will consist of installation of a 12-inch water main along George Newell Road to an existing 12-inch water main, installation of a 12-inch water main along Paradise Lane to an existing 6-inch water main and installation of a booster pump station. Completion of this proposed project will reduce friction loss and increase pressure in the distribution system and provide additional fire protection.

Attachment II

Cullman Duck River (Supplemental)

The Utilities Board of the City of Cullman proposes to construct a new water pump station and associated transmission main. Proposed project work will transmit raw water from the newly constructed Duck River reservoir to the Cullman Utilities water treatment facility. The project will enable Cullman Utilities to provide a second raw water source in the event of a drought or emergency and increase the region's water supply to meet current and future demands to the water system.

Dora Water System Improvements

The Dora Water System proposes a project to provide improved drinking water reliability within its water system. The proposed project will consist of replacement of 59,440 feet of undersized water main. The water main replacement is proposed along Bryan Road, Burnwell Road and Yerewood. Completion of this proposed project will alleviate low water pressure, reduce leaks and line breaks and reduce the unaccounted for water loss.

Greenpond System Improvements

The Greenpond Water System proposes a project to provide improved drinking water reliability within its distribution system. The proposed project will consist of installation of 32,000 L.F. of water main to interconnect with Citizens' Water Service (CWS) and installation of a booster pump station. Completion of this proposed project will provide an additional source of water to meet the current and future demands of the Greenpond Water System.

Hackleburg Meter and Line Replacement

The Town of Hackleburg proposes a project to replace existing meters and service lines within the distribution system. The proposed project will consist of replacing existing water meters with new AMR meters and also replace the service lines from the main to the meter. Completion of this proposed project will reduce the unaccounted for water loss and decrease overall operational cost associated with labor and transportation.

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 proposed 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.

Moulton Distribution Upgrades

The City of Moulton proposes a project to upgrade the existing water treatment plant and distribution system. The proposed project will consist of upgrading the current 10-inch water main from the treatment plant to the distribution system. Completion of this project will provide additional flow from the treatment plant into the distribution system.

Goodwater AMR Meters

The City of Goodwater proposes to replace existing meters with Automatic Meter Read (AMR) meters. Completion of this project will enable the utility to reduce water loss and reduce fuel consumption while reading meters which will increase the efficiency of the water system.

Attachment II

Parrish Distribution System Upgrades

The Parrish Water Board proposes a project to provide improved drinking water reliability within its distribution system. The proposed project will consist of replacing undersized water main, replacing the High Hill Booster Pump Station, replacing the telemetry system and the rehabilitation of the Main Water Storage Tank (Downtown). Completion of this proposed project will alleviate low water pressure, reduce leaks, reduce the unaccounted for water loss and decrease overall operational cost associated with labor and transportation.

Sheffield Water Meters

The Sheffield proposes a project to provide improved drinking water distribution within its water system. The proposed project will consist of replacement of 2,467 existing water meters with new AMR/AMI meters. Completion of this proposed project will reduce the unaccounted water loss and decrease overall operational cost associated with labor and transportation.

West Lawrence System Upgrade

The West Lawrence Water Authority proposes a project to provide improved reliability within the distribution system by upgrading the existing infrastructure. The project will consists of installation of a new water main from connecting to the City of Moulton water treatment plant to the West Lawrence Loosier Million Gallon Storage Tank and removal of an existing booster pump station. Completion of this proposed project will provide a more reliable water service between the West Lawrence Water Authority and the City of Moulton.

Daphne Various Water System Improvements

The Utilities Board of the City of Daphne proposes a project for various water system improvements. The project includes improvements to two water storage tanks, installation of a new well and replacement of another well, and water main upgrades in two areas of the city. Improvements will provide additional storage capacity to meet current needs, additional well capacity and replacement of an aging well, and necessary water main improvements to replace aging infrastructure.

Huntsville Utilities Water System Improvements (Multi-Year Capital Plan)

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

Phenix City Water System Improvements

The Phenix City Utilities Department proposes a project with various water system improvements including a water main extension and storage tank rehabilitation. The water main extension will be approximately 9,500 LF and will help improve pressure levels along the high elevation of the road. The storage tank rehabilitation consists of 5 storage tanks. The improvements will repair sanitary and safety defects that are currently at the storage tanks and provide the necessary repaint and recoating of the tanks.

Attachment II

Summerdale Water System Improvements

The Town of Summerdale proposes a project that will provide drinking water availability to areas in the town where public water lines are currently unavailable. The project will consist of the installation of 2.5 miles of new water main infrastructure, and provide connections to the existing Summerdale water system.

Woodland Water System Rehabilitation

The Town of Woodland proposes a project to replace existing meters with Automatic Meter Read (AMR) meters, as well as the replacement of old water lines. Completion of this project will enable the town to reduce unaccounted water loss while increasing the efficiency of the system. New water lines will replace old water lines due to age, leaks, breaks, lead or asbestos-cement piping.

Florence Capital Improvement Plan

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

Ashford Emergency Generators and SCADA Improvements

The proposed project consists of the installation of emergency generators at each of the City's two (2) existing potable water wells. Along with generator installation, this project includes the installation of a SCADA system to monitor each of the City's well and tank sites. This project is being completed as hurricane preparedness for the City's water distribution system.

Mobile Drinking Water Master Plan

The Mobile Board of Water and Sewer Commissioners (MAWSS) proposes improvements to Stickney WTP which include installation of VFD and actuator pumps, improvements to Operations Building, HVAC improvements to blower and sludge pump buildings, replacement of six (6) MCCs, new emergency generator, new main electrical and generator building, repairs and renovations to reservoirs, new finished water line to clearwells, new laboratory, security upgrades, new flammable storage building, and sludge removal; solids handling and SCADA improvements at Myers WTP; DC to AC conversion study and emergency by-pass connection at Big Creek Pump Station; development of SCADA change management processes and procedures; design and implementation support of Wide Area Network (WAN) SCADA; development of updated radio telemetry; cybersecurity program design: structural, mechanical, and electrical upgrades to various booster pump stations; and implementation of permanent spill isolation and contamination prevention BMPs at Big Creek Lake. These improvements will insure continued provision of safe drinking water to all service area customers.

Attachment II

Moundville Elevated Storage Tank

The City of Moundville proposes a project to increase storage capacity within the water system. The project will consist of construction of a 500,000 gallon elevated water storage tank with an onsite 400 GPM booster pump station and upgrades to the existing SCADA system. Completion of this project will provide additional storage capacity for emergency situations.

Walnut Hill Water Main Addition

The Walnut Hill Water Authority proposes a project providing water lines to an area currently unserved. The project will include the installation of approximately 40,000 LF of water main to residents in the area. New water lines will fix water quality issues and create a safe and reliable water supply to residents.

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.		<input type="text"/>

*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.		<input type="text"/>

*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.		<input type="text"/>

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.