

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 2024

Final Amendment - February 2026

Amendments to the IUP were open for a 30-Day public comment period during the months of January and February 2026. No comments were received during this notice period.

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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 \$8,295,000 (\$8,229,000 from the FY2024 EPA Capitalization Grant and \$66,000 from other State's reallocations) 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 \$1,659,000 and will be fulfilled by the overmatch of State Match Bonds.

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

ADEM has set its short- and long-term goals of this IUP to align with EPA's strategic goals and objectives *FY 2022-2026 EPA Strategic Plan*, specifically Goal #5, to ensure clean and safe water for all communities and Objective 5.1 to ensure safe drinking water and reliable water infrastructure. 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 goal in this program IUP has been identified. These references ensure that all of the specific commitments made by the State are properly correlated to the strategic goals and objectives of the Agency.

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

II. Program Goals

A. Short-term goals (Outputs)

1. To provide financial assistance for DWSRF eligible activities for public water supply facilities on the DWSRF Priority List.
2. To support American workers, renew the water workforce, and cultivate domestic manufacturing by ensuring compliance with the Davis-Bacon Act and American Iron and Steel (AIS) and Build America Buy America (BABA) requirements. (Deliverable)
3. To protect the public health and the environment and promote the completion of cost-effective water treatment, storage, and distribution facilities.
4. To provide funding for the State of Alabama Public Water System Supervision (PWSS) program using the 10% State Program Management set-aside.

5. 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 (Outcomes)

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

C. Program Changes

No major programmatic changes are proposed for fiscal year 2024.

III. Sources and Uses of Funds:

The Department is expected to fund FY 2024 projects using a combination of interest earnings on the Fund, repayments from direct loans, and the 2024 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 2024 DWSRF program are as follows:

A. Projected Sources:

| | |
|--|---------------------------------|
| 2024 EPA DWSRF Cap Grant: | \$8,229,000 |
| 2024 Reallocation | \$66,000 |
| DWSRF State Match: | \$1,659,000 |
| Estimated Loan Repayments and Interest Earnings for 2024 Cap Grant | \$8,035,586 ¹ |
| Loan Repayments and Interest Earnings from Revolving Fund | \$76,212,679 ² |
| Total: | \$86,087,479 |
| Overall Total: | \$94,123,065³ |

Note 1: Estimated future repayments and interest earnings from FY24 loans.

Note 2: Approximate total funds available based on projected fiscal year funding allotments and repayments for FY24. Actual totals are provided in the annual report at the end of each fiscal year.

Note 3: Estimated repayment funds from FY24 Capitalization Grant are not included in project funds. These funds will be included in future fiscal year(s)' IUPs as repayments are received.

B. Projected Uses:

| | |
|---|---------------------|
| Project Assistance: | \$85,700,834 |
| Administrative Set-Aside (4%) ¹ | \$329,160 |
| State Program Management Set-Aside (10%) ¹ | \$822,900 |
| Local Assistance Set-Aside (15%) ¹ | \$120,000 |
| Total | \$86,972,894 |

Note 1: Set-Aside funding is discussed further in the "Set-Aside" section.

C. Leveraging

The Department does not intend to issue DWSRF revenue bonds for new projects during fiscal year 2024.

D. Transfer of Funds

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

E. Eligible Projects to be Funded

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

- Rehabilitate or develop water sources to replace contaminated sources;
- Install or upgrade treatment facilities if the project would improve the quality of drinking water to comply with primary or secondary standards;
- Install or upgrade water storage tanks to prevent microbiological contaminants from entering the water system;
- Install or replace distribution pipes to prevent contamination caused by leaks or breaks in the pipe.

- Consolidate water supplies when customers have an inadequate quantity of water, the water supply is contaminated, or the system is unable to maintain compliance for financial or managerial reasons; and
- Other projects meeting the priority objectives of the program.

F. Financial terms of loans

The Fund may offer loans for up to 100 percent of allowable project costs for the construction of water treatment and distribution facilities and may offer a range of options regarding the term, interest rate and level of loan funding. Such loans must be made at or below market interest rates as determined by the Department. Loan interest rates will usually be set approximately 1% - 1.5% less than the AAA rated tax exempt municipal bonds. For fiscal year 2024 the Department will maintain an interest rate of 0.1% for all loans. A fee of 2.1% is assessed for all loans except for 100% principal forgiveness loans. See the Program Income section below for additional information.

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

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

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

IV. Project Selection and Method for Distribution of Funds

A. Priority List

In order to be considered for DWSRF assistance, projects must be on or added to the Priority List and have a proposed project schedule that coincides with the availability of DWSRF funds. The DWSRF priority list was developed by identifying the priority point rating for each proposed project. The funding of such projects is also subject to the availability of funds. The City of Huntsville (\$9,595,000) will be used as the equivalency project for the fiscal year 2024 capitalization grant.

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 2024 EPA Capitalization Grant includes a requirement for a minimum of \$1,161,300 (\$1,152,060 for base and \$9,240 for 2024 rollover funds) to be provided as assistance with additional subsidy. In addition, America’s Water Infrastructure Act of 2018 (AWIA) requires a minimum of \$995,400 (\$987,480 for base and \$7,920 for 2024 rollover funds) and a maximum of \$2,903,250 (\$2,880,150

for base and \$17,160 for 2024 rollover funds) be provided to disadvantaged communities in the form of additional subsidy. The Department will meet these requirements by offering the combined amount of additional subsidization exclusively to disadvantaged communities in the form of principal forgiveness.

The Department expects to allocate principal forgiveness to projects in communities determined to be disadvantaged based on the following criteria: small (less than 10,000) communities, assessment of financial records, ratio of annual average water bill to median household income (MHHI) and utilization of the Justice40 Mapping Tool.

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

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

Table 1.

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

Each individual category is briefly described below:

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

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

C. Prevailing Wages

Davis-Bacon wage requirements apply for fiscal year 2021 and each fiscal year thereafter and the requirements of section 1450(e) of the Safe Drinking Water Act (42 U.S.C. 300j-9(e)) shall apply to any construction project carried out in whole or in part with assistance made available by the DWSRF as authorized by section 1452 of that Act (42 U.S.C. 300j-12). The Department will include in all loan agreements and procurement contracts terms and conditions requiring compliance with this requirement.

D. Build America, Buy America (BABA)

Build America, Buy America (BABA) will be implemented for this fiscal year and all future fiscal years. BABA will be required for eligible projects funded through the Clean Water State Revolving Fund (CWSRF) unless a waiver is granted.

BABA is considered a federal cross-cutting requirement that applies to SRF assistance equivalent to the federal capitalization grant (i.e., “equivalency” projects). EPA’s SRF regulations at 40 CFR 35.3145 and 35.3575 require states and recipients of SRF funds equivalent to the amount of the federal capitalization grant to comply with federal cross-cutting requirements. Section 70914 of the IJA, which states when a Buy America preference applies, explains that “none of the funds made available for a Federal financial assistance program for infrastructure...may be obligated for a project unless all of the iron, steel, manufactured products, and construction materials used in the project are produced in the United States.” Therefore, BABA only applies to projects funded in an amount equivalent to the federal capitalization grant.

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. Inadequate Allocations

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

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

H. Unanticipated and Uncommitted Funds

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

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

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

I. 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 (4% or 1/5% of New Position)

SRF Guidelines allow states to set aside 4% of the grant for SRF administrative costs. Administrative funds of \$329,160 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 (2%)

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

C. State Program Management (10%)

SRF Guidelines allow states to set aside up to 10% of the grant for state program management. The Department will reserve \$822,900 to provide funding for the State of Alabama Public Water System Supervision (PWSS) program.

D. Local Assistance and Other State Programs (15%)

SRF Guidelines allow states to set aside up to 15% for local assistance and other state programs. The Department will reserve \$120,000 to provide assistance to communities for educational events promoting objectives consistent with the Safe Drinking Water Act.

VI. Certifications

1. The Department certifies that this IUP will be subject to public review and comment with a public notice period of 30 days.
2. The Department certifies that all DWSRF eligible projects in this IUP are on the DWSRF Priority List.
3. The Department certifies that it will implement the State's DWSRF program in compliance with the Safe Drinking Water Act, Bipartisan Infrastructure Legislation (BIL), Civil Rights Act, and to ensure conformance with Federal crosscutting requirements. (Deliverable)
4. The Department certifies to provide DWSRF financial assistance to include additional subsidization in the form of principal forgiveness for not less than the required minimum of 26% (\$2,156,700) and not more than 49% \$(4,064,550) to disadvantaged communities for the construction of eligible DWSRF projects including water treatment plants, distribution system improvements, and storage.
5. The Department certifies that it will enter into binding commitments for 120% of each payment under the DWSRF capitalization grant within one (1) year after receipt of each payment.
6. The Department certifies that it will expend all funds in the DWSRF in an expeditious and timely manner.
7. The Department certifies that all drinking water facilities in the state are in compliance with enforceable requirements or are making progress toward meeting those requirements except as specifically noted in the IUP.
8. The Department certifies that all facilities funded by the DWSRF shall complete a NEPA-like environmental review process.
9. The Department certifies that is in compliance with the operator certification and capacity development regulations along with the associated reporting requirements.
10. The Department certifies that it will comply with all requirements of the 1997 Operating Agreement with EPA.

The Department certifies that it will complete a Benefits Assessment worksheet for each loan agreement executed in order to comply with EPA environmental results reporting requirements.

VII. Program Income

The Alabama Drinking Water Finance Authority, with ADEM as its agent, assesses a fee annually based on outstanding principal. These fees vary based on the fiscal year to which the loan agreement was secured. These fees are collected twice a year, when the recipient initiates repayment of the loan. In accordance with EPA regulations, fees collected from loans sourced from outstanding grants will be used for administration of the SRF fund only. All other fees will be used for activities eligible for the DWSRF grant only. The Department expects to receive fees during FY 2024 as follows:

| Total Program Income | Program Income Collected During Grant Period | Program Income Collected After Grant Period |
|----------------------|--|---|
| \$1,275,458 | \$0.00 | \$1,275,458 |

VIII: Estimated DWSRF Capitalization Grant Schedules/Timeline

A. Estimated Grant Draw Schedule

Capitalization Grant

| Fiscal Year | Month | Draw |
|-------------|-------|-------------|
| 2024 | Oct | \$685,750 |
| 2024 | Nov | \$685,750 |
| 2024 | Dec | \$685,750 |
| 2024 | Jan | \$685,750 |
| 2024 | Feb | \$685,750 |
| 2024 | Mar | \$685,750 |
| 2024 | Apr | \$685,750 |
| 2024 | May | \$685,750 |
| 2024 | Jun | \$685,750 |
| 2024 | Jul | \$685,750 |
| 2024 | Aug | \$685,750 |
| 2024 | Sep | \$685,750 |
| Total | | \$8,229,000 |

2024 Reallocation

| Fiscal Year | Month | Draw |
|-------------|-------|----------|
| 2024 | Mar | \$5,500 |
| 2024 | Apr | \$5,500 |
| 2024 | May | \$5,500 |
| 2024 | Jun | \$5,500 |
| 2024 | Jul | \$5,500 |
| 2024 | Aug | \$5,500 |
| 2024 | Sept | \$5,500 |
| 2024 | Oct | \$5,500 |
| 2024 | Nov | \$5,500 |
| 2024 | Dec | \$5,500 |
| 2024 | Jan | \$5,500 |
| 2024 | Feb | \$5,500 |
| Total | | \$66,000 |

B. Estimated Grant Disbursal Schedule

Capitalization Grant

| Payment Quarter | Payment Date | Payment Amount |
|------------------|--------------|----------------|
| FY2024/Quarter 1 | 10/1/2024 | \$8,229,000 |

State Reallocation

| Payment Quarter | Payment Date | Payment Amount |
|------------------|--------------|----------------|
| FY2024/Quarter 1 | 10/1/2024 | \$66,000 |

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. The disbursement schedule will essentially coincide with the grant payment schedule as ACH draw requests will be processed only upon submittal of payment requests from loan recipients for actual costs incurred. Funds from the ACH will be disbursed to the recipient immediately. The disbursement of funds will be in proportion to the amount of state and federal funds provided by the grant and state match. This will be ensured by disbursing all state match funds prior to drawing capitalization grant funds for project disbursements.

C. Capitalization Grant Budget Periods:

2024 EPA DWSRF Capitalization Grant

October 1, 2024 through September 30, 2030

IX. Public Participation

IX. The IUP was provided for public comment on December 5, 2024 for a period of 30 days. The Department underwent a second 30-day public notice on January 13, 2026 to make amendments. No comments were received. Any changes to the IUP, including the addition of projects not listed on the IUP at the time of solicitation for public comment, will require an additional public comment period of 30 days. The Department will re-solicit this IUP for notice if changes are made in future fiscal year(s).

X. Reporting

1. Annual reports are required for the DWSRF Capitalization Grant. Each annual report is due on December 31 following each fiscal year period. The annual report for the 2024 DWSRF funding will include the results from the period of October 1, 2024 through September 30, 2025 and will be submitted on or before December 30, 2025.
2. The Department will submit information on projects into the DWSRF National Information Management System (NIMS) as binding commitments are entered into with the borrowers as proposed in this IUP. The projects will be updated in NIMS at a maximum of one quarter after the binding commitment close date.

ATTACHMENT 1: PROJECT PRIORITY LIST

| Project # | Applicant Name | Project Description | City/Town | County | Population | Disadvantaged Score | Priority Ranking Points | DW SRF Amount Granted | DW SRF Amount of PF | DW SRF % PF | Applied for Project Amount | Interest Rate | Fund |
|--------------|---|---|--------------|-----------|------------|---------------------|-------------------------|-----------------------|---------------------|-------------|----------------------------|---------------|-----------------|
| FS010153-06B | Huntsville Utilities (2024 SUPP) | Water System Improvements (2024) | Huntsville | Madison | 210,081 | 0.00 | SUPP | \$7,500,000 | \$0 | 0% | \$7,500,000 | 1.99% | DWSRF |
| FS010096-10B | Mobile, AL (MAWSS), Board of Water and Sewer Commissioners of the City of | Master Plan Phase I SUPP | Mobile | Mobile | 187,445 | 0.00 | SUPP | \$8,935,000 | \$0 | 0% | \$8,935,000 | 1.99% | DWSRF |
| FS010096-13 | Mobile, AL (MAWSS), Board of Water and Sewer Commissioners of the City of | Causeway Water Main SUPP | Mobile | Mobile | 187,445 | 0.00 | SUPP | \$1,700,000 | \$0 | 0% | \$1,700,000 | 1.99% | DWSRF |
| FS010096-11 | Mobile, AL (MAWSS), Board of Water and Sewer Commissioners of the City of | Master Plan Phase II SUPP | Mobile | Mobile | 187,445 | 0.00 | SUPP | \$12,483,768 | \$0 | 0% | \$20,010,000 | 1.99% | DWSRF/DWBIL |
| FS010205-03 | Harpersville, Town of | Harpersville Waterline Replacement Project 2024 | Harpersville | Shelby | 1,589 | 2.65 | 305 | \$2,310,000 | \$577,500 | 25% | \$5,265,000 | 1.99% | DWSRF/DWBIL LSL |
| FS010202-05 | East Central Baldwin Water Authority | New Water Supply Well | In County | Baldwin | 4,989 | 1.59 | 115 | \$1,600,000 | \$0 | 0% | \$1,600,000 | 2.75% | DWSRF |
| FS010239-05 | Anniston Water Works and Sewer Board | Paul B. Krebs WTP Improvements | Anniston | Calhoun | 21,455 | 1.61 | 120 | \$11,964,781 | \$0 | 0% | \$16,500,000 | 2.20% | DWSRF |
| FS010098-05 | Daphne, The Utilities Board of the City of (Daphne Utilities) | Various Water System Improvements | Daphne | Baldwin | 27,088 | 0.55 | 115 | \$2,500,000 | \$0 | 0% | \$2,500,000 | 2.50% | DWSRF |
| FS010089-10 | South Alabama Utilities | Johnson Rd. N. Water Supply Well | Citronelle | Mobile | 68,000 | 0.79 | 155 | \$2,423,694 | \$0 | 0% | \$2,423,694 | 2.50% | DWSRF |
| FS010133-05 | Warrior River Authority | #1 of 4 WTP Improvements | Bessemer | Jefferson | 26,171 | 0.99 | 220 | \$2,375,000 | \$0 | 0% | \$9,500,000 | 1.99% | DWSRF |
| FS010522-05 | York, City of | Proposed York Water System Infrastructure Project - 2024 SUPP | York | Sumter | 2,371 | 3.62 | 215 | \$1,124,000 | \$1,124,000 | 100% | \$2,248,000 | N/A | DWSRF |
| FS010425-02 | Bessemer Water Services | AMI Meter Replacement, General Main/Service Line Rehabilitation, Steel Tank Rehabilitation, and Lakeshore Secondary Supply Line and Booster Station | Bessemer | Jefferson | 26,171 | 2.01 | 175 | \$2,000,000 | \$0 | 0% | \$42,223,750 | 2.20% | DWSRF |
| FS010064-07 | Cullman, City of | Primary Water Transmission Pipeline Replacement | Cullman | Cullman | 17,892 | 1.37 | 170 | \$5,075,000 | \$0 | 0% | \$10,150,000 | 2.20% | DWSRF |
| FS010124-03 | Troy, City of | Well and Storage Tank Rehabilitation | Troy | Crenshaw | 17,765 | 0.45 | 160 | \$3,465,000 | \$0 | 0% | \$3,465,000 | 2.75% | DWSRF/ARPA |
| FS010497-01 | Northeast Etowah Water Co-op | 2" & 3" Main Replacement | Gadsden | Etowah | 4,260 | 3.88 | 155 | \$999,313 | \$999,313 | 100% | \$999,313 | 2.20% | DWSRF |
| FS010306-02 | Coffee County Water Authority | SRF Well, Tank, and Mains | Etba | Coffee | 3,449 | 1.89 | 150 | \$600,000 | \$0 | 0% | \$3,526,000 | 1.99% | DWSRF/ARPA |
| FS010239-03 | Anniston Water Works and Sewer Board | Paul B. Krebs WTP Improvements | Anniston | Calhoun | 21,455 | 1.61 | 120 | \$5,945,000 | \$0 | 0% | \$17,090,000 | 1.99% | DWSRF/ARPA |
| FS010072-04 | Jackson Water Works and Sewer Board | Water Meter Replacement | Jackson | Clarke | 4,774 | 3.19 | 110 | \$700,777 | \$250,000 | 36% | \$1,132,055 | 1.99% | DWSRF/ARPA |
| FS010272-03 | Parrish Waterworks and Sewer Board | Water System Improvements | Parrish | Walker | 1,294 | 3.45 | 125 | \$600,000 | \$0 | 0% | \$600,000 | 2.20% | DWSRF/ARPA |
| FS010060-05 | Albertville, Municipal Utilities Board of the City of | Albertville WTP Improvements | Albertville | Marshall | 22,268 | 1.74 | 85 | \$2,000,000 | \$0 | 0% | \$6,790,000 | 1.99% | DWSRF |
| FS010060-06 | Albertville, Municipal Utilities Board of the City of | Albertville WTP Improvements | Albertville | Marshall | 22,268 | 1.74 | 85 | \$2,000,000 | \$0 | 0% | \$6,790,000 | 1.99% | DWSRF |
| FS010551-02 | Arley, Town of | Water System Improvements | Arley | Winston | 625 | 2.38 | 55 | \$200,000 | \$0 | 0% | \$1,264,200 | 1.99% | DWSRF/ARPA |
| FS010448-02 | Montevallo WW&SB | Water System Line Replacement | Montevallo | Shelby | 6,968 | 1.59 | 55 | \$1,500,000 | \$0 | 0% | \$6,000,000 | 2.75% | DWSRF/ARPA |
| FS010426-02 | Bessemer, GUSC of the City of | Raw Water Pump Upgrade and High Service Pump Control Valve Replacement | Bessemer | Jefferson | 26,171 | 2.01 | 50 | \$1,199,501 | \$0 | 0% | \$2,399,002 | 2.20% | DWSRF |
| FS010276-03 | Talladega, Alabama, City of | New Water Treatment Plant & System Improvements | Talladega | Talladega | 15,782 | 1.99 | 40 | \$4,500,000 | \$0 | 0% | \$6,000,000 | 1.99% | DWSRF/ARPA |
| Total | 24 | | | | | | | \$85,700,834 | \$2,950,813 | *36% | \$179,821,014 | | |

*Note: Percent additional subsidy is calculated based on capitalization grant amount (\$8,295,000). Amount includes \$17,160 in additional subsidization for the "rollover" funding granted during fiscal year 2024.

**Note (and bold): Equivalency Project

The following were removed from the IUP based on Feedback from the systems: Huntsville Utilities, Talladega County Commission, Clayton WW&SB, North Marshall Utilities Board, and Ashville

Attachment 2 – DWSRF Project Descriptions

Albertville, Municipal Utilities Board of the City of – WTP Improvements

The Municipal Utilities Board of the City of Albertville proposes improvements at the Albertville WTP include a new 2 MGD clearwell, filter rehabilitation of the four filters at the 9 MGD WTP, and a new backwash pipeline to the 9 MGDWTP filters. The new clearwell will provide redundant storage capability to allow the existing 2MGD clearwell to be removed from service for maintenance or for emergency repairs. The additional clearwell will improve disinfection contact time and permit a wider operating range for clearwell storage capacity and disinfection dosage rates. The proposed improvements should increase filter run time and provide a more efficient backwash process. The new backwash pipeline to the 9 MGD WTP will allow the consolidation of the Albertville WTP backwash facilities to one location at the combined Finished Water Pumping Station. During Revision 1 to this IUP, a second loan was added to support this project as shown in the Project Priority List.

Arley, Town of – Water System Improvements

The Town of Arley proposes a project to rehabilitate multiple tanks, the existing clearwell, and the existing filter/clarifier basins, as well as construct a new clearwell. Completion of this project will improve tank and clearwell reliability and longevity, increase storage capacity, and provide the capability to take one clearwell offline at a time for maintenance. The purpose of the project is to provide improved drinking water reliability within its water system.

Ashville, City of – Water System Improvements

The City of Ashville proposes to upgrade the water treatment plant by increasing treatment capacity, adding a pressure sand filter, chlorination and new pumps. The new pumps will be added to an existing SCADA system for 24-7 monitoring. The proposed work includes the replacement of 3,300 LF of 4" water line along U.S. Highway 231 with a new 6" PVC water line. This will provide a complete loop of 6" water lines along U.S. Highway 231, U.S. Highway 11, and Dietrich Road. This removes the hydraulic restriction with the 4" pipe and allows customers in the area to be fed from two directions to increase pressure and flow. A new booster pump station will be placed on U.S. 231 to boost pressure toward the interstate. The project will restore customer pressures along the U.S. Highway 431 corridor north of Interstate 59.

Anniston Water Works and Sewer Board – Paul B. Krebs WTP Improvements

The Anniston Water Works and Sewer Board proposes to rehabilitate the Paul B. Krebs Water Treatment Plant including a new finished water pump station, new stand-by generator, general site improvements for continued protection of the Coldwater Spring Watershed, and conversion of the Chlorine Gas Disinfection to Bulk Sodium Hypochlorite. The proposed project would address concerns related to the watershed, emergency power, and disinfection system improving water quality throughout the system and multiple other systems which currently purchase water.

Bessemer Water Services – Water System Improvements

Bessemer Water Services proposes to upgrade the water system's metering infrastructure, inventory service line material and condition, install and inventory backflow prevention, system mapping, reduce unaccounted for water, re-allocate system's personnel, and encourage more responsible water usage. The purpose of the project is to improve water quality and provide a secondary backup to provide water to the existing service area.

Bessemer, GUSC of the City of – Raw Water Pump Upgrade and Control Valve Replacement

The GUSC of the City of Bessemer proposes to rehabilitate and upgrade the raw water pump and high service pump control valve. The purpose of the project is to increase redundancy and reliability of the raw water intake and reduce water loss.

Coffee County Water Authority – SRF Well, Tank, and Mains

The Coffee County Water Authority proposes to install a new storage tank and well to serve the Fairview system and Britt area which are currently experiencing reduced pressures. A new well would also be constructed since the system is rural and spread out, adequate pressures would not be available with just a new storage tank. The proposed project will increase pressure and reliability to the system throughout Fairview and the county.

Cullman, City of – Primary Water Transmission Replacement

The City of Cullman proposes to replace the transmission water main from the water treatment plant to the distribution system. Over 50 percent of water purchased from Cullman Utilities is conveyed through the current transmission water main, which has exceeded its operating life. Completion of this project will ensure compliance with drinking water regulations. reduce leaks, unaccounted water loss, and continued provision of adequate safe drinking water to all service areas.

Daphne, The Utilities Board of the City of – Water System Improvements

The Utilities Board of the City of Daphne, Alabama, herein referred to as Daphne Utilities (DU) plans to install a new well and associated treatment equipment to provide reliable water service and operational integrity to its customers. DU currently has 11 operating wells and 3 existing wells that are no longer in service due to age and the inability to produce quality water. The proposed well will replace one of the aging and nonoperational wells. Completion of this project will provide adequate capacity to ensure water demands are met.

East Central Baldwin Water Authority – New Water Supply Well

The East Central Baldwin Water Authority proposes to install a new water supply well to meet the existing needs due to the declining viability of one of its existing groundwater production wells. The need for this new water supply well is due to the persistent severe manganese and iron contamination. The new well will satisfy long-term sustainability concerns of providing safe reliable drinking water to their customers.

Harpersville, Town of – Waterline Replacement

The Town of Harpersville proposes to replace the existing asbestos cement water line. The proposed project will increase water quality and reliability for all customers throughout the system.

Jackson Water Works and Sewer Board – Water Meter Replacement

The Jackson Water Works and Sewer Board proposed to replace the existing water meters with automated read meters (AMRs) throughout the system. The proposed project would increase reliability and reduce operational costs throughout the system.

Mobile, Board of Water and Sewer Commissioners (MAWSS) – Master Plan Phase I

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.

Mobile, Board of Water and Sewer Commissioners (MAWSS) - Master Plan SRF Water Project Phase II

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

Mobile, Board of Water and Sewer Commissioners (MAWSS) – Causeway Water Main Replacement

Mobile Board of Water & Sewer Commissioners proposes the emergency replacement and/or rehabilitation of various existing sections of the Causeway Water Main to the Spanish Fort Water System which are experiencing significant water loss. Proposed improvements will include replacing or rehabilitating more than 9,300 LF of 20-inch HDPE main. As MAWSS currently supplies 70% of Spanish Fort's total water supply, these repairs are immediately and urgently needed to eliminate existing water loss.

Montevallo Water and Sewer Board – Water System Line Replacement

The proposed project will rehabilitate the water storage tank, replace existing water lines, and upgrade the booster pump stations including piping, valves, actuators, etc. The project will increase water quality and reliability for all customers.

Northeast Etowah Water Co-op – Main Replacement

The proposed project will install new 2- and 3-inch water main throughout the system. The project will increase water quality and pressure, reduce water loss, and increase reliability for customers.

Parrish Waterworks and Sewer Board

The Parrish Waterworks and Sewer Board propose a project to provide improved drinking water reliability within its distribution system. The proposed project will consist of replacing water mains, installing valves, installing new chlorination booster pump, installing new booster pump station. Completion of this proposed project will reduce leaks, reduce the unaccounted-for water loss and decrease overall operational and maintenance costs.

South Alabama Utilities – Johnson Rd. N. Water Supply Well

South Alabama Utilities proposes to construct a new Water Supply Well and treatment building and connect to the existing Johnson Road North water main.

Talladega, City of – New Water Treatment Plant and System Improvements

The City of Talladega proposes to install a new water treatment plant and related appurtenances. The existing treatment plant is beyond the useful life and losing capacity. The proposed project would increase reliability and improve water quality throughout the system.

Troy, City of – Well and Storage Tank Rehabilitation

The City of Troy proposes to replace the Park Well vertical turbine pump, rehabilitate the Franklin Drive Well, Braswell Tank, and Park Street Tanks, and replace the East Walnut Street and South Brundidge Street water main. The proposed project would increase reliability and provide adequate pressure throughout the system while decreasing water loss.

Warrior River Authority – WTP Improvements

The Warrior River Water Authority proposes to increase the water treatment plant capacity to provide better redundancy for the loss of a groundwater source. The proposed project would increase system redundancy and resiliency for all customers.

York, City of – Water System Infrastructure Improvements

The City of York proposes to replace approximately 20,000 linear feet of cast iron water mains, install a booster pump station, rehabilitate the two (2) deep finished well water sources, and install SCADA. The proposed project would improve water quality and reliability for all customers throughout the system.



Form 370: Drinking Water State Revolving Fund Preapplication

| | |
|-----------------------------|----|
| Project Name | |
| Assistance Amount Requested | \$ |
| Date Submitted | |



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

Section 1: Contact Information

Loan Applicant

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

Project Engineer:

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

Section 2: Project Information

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

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

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

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

Priority Ranking System

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

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

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

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

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

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

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

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

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

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

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

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

F. Sustainability Criteria (50 possible bonus points) *

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

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

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

H. Affordability Criteria (Maximum: 60 points)

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

I. Infrastructure Improvement Criteria*

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

Sum the points from each category below.

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

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

Attachments to be included with this form:

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

Preliminary Engineering Report Outline:

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

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

| | |
|--|--------------------|
| Signature of Authorized Representative | Print or Type Name |
| Title | Date |

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) 271-7796
(334) 271-7950 FAX

DWSRF Set-Aside Workplan



Capitalization Grant Year 2024

Revised January 2026

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A. FUNDING AMOUNT 4

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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 workplans on 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 the DWSRF Capitalization Grant or 1/5 of the current position of the fund for the administration and oversight of its DWSRF project loan fund and set-aside programs 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 2023 Capitalization Grant.

- \$329,160
- 4% of \$8,229,000

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.

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.

III. Small System Technical Assistance

A. Funding Amount

A State may reserve up to 2 percent of its Capitalization Grant to provide technical assistance to public water systems serving 10,000 or fewer persons. The Department will not reserve any funding to provide small systems technical assistance.

IV. State Program Management

A. Funding Amount

A State may reserve up to 10 percent of its Capitalization Grant to develop and implement its drinking water protection, capacity development, operator certification and source water protection programs. A total of \$822,900 was allocated from the 2023 Capitalization Grant. This funding will be used to provide support to the Public Drinking Water System branch of ADEM.

V. Local Assistance and Other State Programs Set-Aside

A. Funding Amount

A state may reserve up to 15 percent of a Capitalization Grant for capacity development and source water protection activities using the Local Assistance and Other State Programs Set-Aside. The Department will reserve \$120,000 to support local water education.

References

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