



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

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**Drinking Water State Revolving Fund (DWSRF)
Infrastructure Investment & Jobs Act (IIJA)
Emerging Contaminants (EC)
Intended Use Plan**



Fiscal Year 2025

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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 IIJA Emerging Contaminants (EC) 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 \$13,490,000 in EPA grant funding that will be used to provide low interest financial assistance from the DWSRF program. No match from the state of Alabama is required for this grant.

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.

Alabama agrees to comply with all Civil Rights Laws, including The Age Discrimination Act of 1975, Section 504 of the Rehabilitation Act of 1973, and Title VI of the Civil Rights Act, which prohibits discrimination in the provision of services or benefits, on the basis of race, color, national origin, sex, handicap or age.

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 IIJA EC 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.

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 2025.

III. Sources and Uses of Funds:

The Department is expected to fund FY 2025 projects using the 2025 EPA IIJA EC Capitalization Grant. The estimated sources and uses of funds in the FY 2025 DWSRF program are as follows:

A. Projected Sources:

2025 EPA DWSRF IIJA EC Cap Grant:	\$13,490,000
Estimated Loan Repayments and Interest Earnings for 2025 Cap Grant	\$0 ¹
<u>Loan Repayments and Interest Earnings from Revolving Fund</u>	<u>\$0</u>
Total Project Priorities:	\$13,490,000
Overall Total:	\$13,490,000³

Note 1: Estimated future repayments and interest earnings from FY25 loans.

Note 2: Approximate total funds available based on projected fiscal year funding allotments and repayments for FY25. Actual totals are provided in the annual report at the end of each fiscal year.

Note 3: Estimated repayment funds from FY25 IIJA 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:

<u>Project Assistance:</u>	<u>\$13,490,000</u>
Total	\$13,490,000

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 2025.

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 PFAS contaminated sources;
- Install or upgrade treatment facilities if the project would improve the quality of drinking water to comply with primary or secondary standards related to PFAS;
- Install or replace distribution pipes to prevent PFAS 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 with PFAS, 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 projects addressing emerging contaminants in drinking water. Such loans must be made such that the total amount of funding is provided with 100 percent principal forgiveness.

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 IIJA EC assistance, the project must be addressing emerging contaminants found on EPA's CCL in drinking water, must be on or added to the Priority List and have a proposed project schedule that coincides with the availability of DWSRF IIJA EC funds. The DWSRF IIJA EC 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. All projects on the Priority List will be used as the equivalency project for the fiscal year 2025 DW IIJA EC 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 2025 EPA DW IIJA EC Capitalization Grant includes a requirement for \$13,490,00 to be provided as assistance with additional subsidy.

The Department will utilize Table 1 to evaluate and score communities to determine principal forgiveness ranking. The highest ranked communities will be initially considered to 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
Ratio of Water Bill/MHHI	Actual Number

Table 1.

A community is defined as disadvantaged if the sum of the criteria for population or coverage ratio 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.
- 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) apply for fiscal year 2024 and each fiscal year thereafter. BABA will be required for eligible projects funded through the Drinking Water State Revolving Fund (DWSRF) 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 IIJA, 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 IIJA EC 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 IIJA EC 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 IIJA EC 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

SRF Guidelines allow states to reserve up to 31 percent of their DWSRF capitalization grants for activities that protect sources of drinking water, enhance water systems management, and capacity development strategies. The Department is not allocating set-asides for FY25; however, the Department reserves the right to do so in future fiscal years. Any set-aside funding will be included on an Intended Use Plan (IUP) and provided for comment by the public prior to use.

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 IIJA EC eligible projects in this IUP are on the DWSRF IIJA EC Priority List.
3. The Department certifies that it will implement the State's DWSRF program in compliance with the Safe Drinking Water Act, Infrastructure and Investment Jobs Act (IIJA), 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 100% of the DWSRF IIJA EC Capitalization Grant as required by the General Supplemental Additional Subsidization Requirement. In addition, the Department certifies that at least 25% of the DWSRF IIJA EC Capitalization Grant additional subsidization will be provided to state-defined disadvantaged communities OR communities serving a population of 25,000 or less.
5. The Department certifies that it will enter into binding commitments for 100% 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 it 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 1998 Operating Agreement with EPA. Note: the state is currently working on an updated Operating Agreement with EPA.
11. 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.

Since the DWSRF IIJA EC funds are required to be disbursed with 100% additional subsidization, no fees are expected to be collected from these funds.

VIII: Estimated DWSRF Capitalization Grant Schedules/Timeline

A. Estimated Grant Draw Schedule

Capitalization Grant

Fiscal Year	Month	Draw
2026	Sept	\$1,037,696
2027	Oct	\$1,037,692
2027	Nov	\$1,037,692
2027	Dec	\$1,037,692
2027	Jan	\$1,037,692
2027	Feb	\$1,037,692
2027	Mar	\$1,037,692
2027	Apr	\$1,037,692
2027	May	\$1,037,692
2027	Jun	\$1,037,692
2027	Jul	\$1,037,692
2027	Aug	\$1,037,692
2027	Sept	\$1,037,692
Total		\$13,490,000

B. Estimated Grant Disbursal Schedule

Capitalization Grant

Payment Quarter	Payment Date	Payment Amount
FY2027/Quarter 1	10/1/2026	\$6,745,000
FY2027/Quarter 3	4/01/2027	\$6,745,000

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:

- 2025 EPA DWSRF IIJA EC Capitalization Grant
- September 1, 2026 through August 31, 2033

IX. Public Participation

The IUP will be provided for public notice for a period of 30 days. Currently, Alabama is submitting the draft IUP to apply for provisional funding. The public notice period and response to comments, if received, will be complete prior to distributing funds. Any changes to the IUP, including the addition of projects not listed on the IUP at the time of solicitation for public comment, will require an additional public comment period of 30 days. The Department will 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 IIJA EC Capitalization Grant. Each annual report is due on December 30th following each fiscal year period. The annual report for the 2025 DWSRF funding will include the results from the period of September 1, 2026 through October 1, 2027 and will be submitted on or before December 30, 2027. The annual report shall provide an update on the deliverables and milestones accomplished by the Department in the fiscal year. Subaward (Set-aside) activities reporting will also be provided in the annual report.
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: EMERGING CONTAMINANTS PROJECT PRIORITY LIST

Project #	Applicant Name	Project Description	City/Town	County	Population	Disadvantaged Rank	Priority Ranking Points	DW SRF Amount Granted	DW SRF PF	DW SRF PF%	Applied for Project Amount	Interest Rate
FS010090-06	West Morgan-East Lawrence Water & Sewer Authority	Water Distribution System Reinforcements	Decatur	Lawrence	57,303	1.02	95	\$10,000,000	\$10,000,000	100%	\$10,000,000	NA
FS010352-02	Saraland Water and Sewer System	PFAS Remediation Pilot Study and Preliminary Design	Saraland	Mobile	15,942	1.51	75	\$500,000	\$500,000	100%	\$500,000	NA
FS010060-07	Alberville, Municipal Utilities Board of the City of, Water System	Alberville WTP Improvements for PFAS mitigation	Alberville	Marshall	22,268	1.74	100	\$300,000	\$300,000	100%	\$39,300,000	NA
FS010160-03	Sheffield Utilities	PFAS Treatment Improvements	Sheffield	Colbert	9,500	1.91	190	\$500,000	\$500,000	100%	\$16,400,000	NA
FS030005-01	Coosa Valley Water Authority	PFAS Treatment Pilot Study	Pell City	St. Clair	42,792	1.35	165	\$500,000	\$500,000	100%	\$500,000	NA
CS010488-03	Opelika, Utilities Board of the City of	Betts WTP PFAS Treatment	Opelika	Lee	31,538	1.59	70	\$690,000	\$690,000	100%	\$12,967,000	NA
FS010201-02	Loachapoka Water Authority	PFAS Treatment Pilot Study	Loachapoka	Lee	12,306	1.78	165	\$500,000	\$500,000	100%	\$500,000	NA
FS010079-04	Grand Bay Water Works Board	PFAS Treatment Pilot Study	Grand Bay	Mobile	14,100	1.56	135	\$500,000	\$500,000	100%	\$500,000	NA
6 Total Projects								\$13,490,000	\$13,490,000		\$80,167,000	

ATTACHMENT 2 – DW IJA EC PROJECT PRIORITY DESCRIPTIONS

Albertville Municipal Utilities Board - Albertville WTP - PFAS Removal Pilot Study

The Albertville Municipal Utilities Board proposes to perform pilot testing on treatment of PFAS throughout the Water Treatment system. The proposed project would ensure the correct method is chosen in order to meet and/or exceed the proposed MCL limit (4 ppt).

Saraland Water and Sewer Service

The Saraland Water and Sewer Service (SWSS) proposes to conduct a pilot study and perform preliminary engineering services to identify the appropriate PFAS remediation technology for its drinking water system. The results of the pilot study will be used to determine the basis of design. The preliminary engineering design will provide conceptual plans and cost estimates for the installation of PFAS remediation system(s).

Sheffield Utilities – Sheffield Water Treatment Plant PFAS Treatment

The Project Scope includes water treatment plant improvements needed to mitigate PFAS. The project Scope includes treatment evaluation and pilot testing. The proposed project would improve water quality and remove PFAS to levels that meet and/or exceed the proposed MCL (4 ppt).

West-Morgan/East Lawrence Water Authority – EC Removal and Interconnection to West Lawrence, Hartselle, and Falkville Water Systems

The West-Morgan/East Lawrence Water Authority proposes to interconnect with the West Lawrence Water Authority and Hartselle Utilities water systems. West Lawrence currently purchases water from the City of Moulton. Hartselle currently purchases water from Decatur Utilities and provides water exclusively to the Town of Falkville. Both sources have been tested and revealed to have emerging contaminants within the drinking water. WM/EL operates a reverse osmosis system which eliminates emerging contaminants from drinking water. Interconnection to WM/EL would provide the communities with increased water quality and allow the systems to comply with the proposed MCL standard for PFOA and PFAS contaminants.

Coosa Valley Water Supply District - PFAS Treatment Pilot Study

The Coosa Valley Water Supply District (CVWSD) is a regional water supply created by a joint partnership between the Odenville Utilities Board, the City of Pell City, the City of Springville and St. Clair County. The proposed project will evaluate treatment processes (pilot studies and testing) of PFAS throughout the system. The proposed project would ensure the correct method is chosen in order to meet and/or exceed the proposed MCL limit (4 ppt).

The Utilities Board of the City of Opelika – Betts WTP PFAS Treatment

Opelika Water Board proposes to treat PFAS in the finished water from the Betts WTP by using granular activated carbon filter treatment. The proposed project will include site preparation, lab, and piping improvements for incorporation of carbon treatment into the water treatment process and will contribute to meeting and/or exceeding the proposed MCL limit (4 ppt).

Grand Bay Water Works Board, Inc. – Replacement of Contaminated Well with a New Well

Grand Bay Water proposes to develop a new water supply well that does not contain PFAS exceeding the proposed MCL limit (4.0 ppt). This source of funding will assist the system in constructing test wells and constructing a new well that will not contain PFAS above the proposed MCL (4.0 ppt) and the goal of 0.0 ppt.

Loachapoka Water Authority – Deep Water Production Well, Treatment Building, & Transmission Main

The Loachapoka Water Authority proposes to develop a replacement deep water production well which will not be contaminated with PFAS. The proposed funding will assist in the development of these new facilities and result in water supply levels of PFAS that will meet or exceed the proposed MCL (4.0 ppt)

Opelika, Utilities Board of the City – Betts WTP PFAS Treatment

The Utilities Board of the City of Opelika proposes treat PFAS in the finished water from the Betts WTP by using granular activated carbon filter treatment. The proposed project will include site preparation, lab, and piping improvements for incorporation of carbon treatment into the water treatment process and will contribute to meeting and/or exceeding the proposed MCL limit (4 ppt).



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