

Water Pollution Control State Revolving Fund Intended Use Plan and Project Priority List

State Fiscal Year 2012

MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Planning, Prevention and Assistance Division
Water Pollution Control State Revolving Fund
1520 East Sixth Avenue
PO Box 200901
Helena MT 59620-0901
Phone: (406) 444-6697
Fax: (406) 444-6836
Website: www.deq.mt.gov



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**MONTANA
WATER POLLUTION CONTROL STATE REVOLVING FUND
SFY 2012 INTENDED USE PLAN**

I. INTRODUCTION

The State of Montana had previously adopted the Intended Use Plan (IUP) for state fiscal year 2012 as required under Section 606 of the Clean Water Act. Since that time, new regulations have been implemented by EPA that require this revision of the IUP. **It is important to note that, in addition to the new EPA regulations and dependent upon demand for SRF funds throughout the next year, the SRF program may have to allocate funds on something other than the ‘first-come, first-served’ approach that has been used by the program since its inception in 1990.**

The primary purpose of the IUP is to identify the proposed annual intended use of the federal and state funds available to the Montana WPCSRF program. Federal dollars appropriated in one year are available for use in the next year (i.e. the FFY 2010 appropriation is available in FFY 2011). The State match will be raised through the sale of general obligation bonds or revenue anticipation notes as the need for funds arises. The draft IUP will be reviewed by the public and a hearing will be held to allow an opportunity to publicly comment on the draft IUP.

The IUP includes the following:

- I. Introduction
- II. List of Projects
- III. Order of Funding
- IV. Uses of the Revolving Fund
- V. Goals and Objectives
- VI. Activities to be Supported
- VII. Assurances and Specific Proposals
- VIII. Criteria and Method for Distribution of Funds
- IX. Subsidies to Disadvantaged Communities
- X. Public Comment, Amending IUP, State Commitment of Funds

II. LIST OF PROJECTS

The WPCSRF program is intended to provide low interest loans for the planning, design and construction of water pollution control projects. A complete list of any and all eligible projects that are considered possible candidates for assistance from the WPCSRF program at this time can be found in **Attachment I**, the Project Priority List. In addition to the PPL, this IUP also contains a list of projects expected to receive WPCSRF funds for the period June 2011 through June 2012 in **Attachment III**.

A binding commitment will be in the form of a written agreement between the State of Montana and a borrower describing the project and indicating the amount of the loan and the time at which the funds will be made available. The binding commitment obligates the State to make the loan and the borrower to receive the proceeds and repay, as per specified terms.

III. ORDER OF FUNDING

In order to transition between the historical “first come – first served” approach and the strict use of the priority list to fund projects, the projects with which the WPCSRF

program has been actively engaged during planning, design and construction will be funded this calendar year to the greatest extent possible given current financial circumstances. Every effort will be made to fund as many projects as possible; but, as was the case in 2010, it is possible that not all projects may be funded. In order to maximize the use of the funds this year, some projects may be asked to be broken into phases where practical.

The following factors will be considered when the project is ranked by the program:

1. Need for and benefit to be derived by the project as determined by the annual project priority list. The project ranking criteria have been changed for FY12 in an attempt to alleviate some past concerns by program staff related to inconsistency of project ranking and to provide more emphasis on public health and water quality protection instead of readiness to proceed. However, readiness to proceed remains one of the primary ranking categories. As in the past, the ranking criteria still integrate point source and nonpoint source projects. Additional points are given if the project is part of a DEQ compliance strategy or a Total Maximum Daily Load (TMDL) watershed restoration plan. Also, points assigned toward refinancing existing long-term debt is only awarded a total of 10 priority points and interim financing projects are limited to 25 total points per project in an effort to direct more funds toward new projects that provide direct benefit to water quality or where other mechanisms for short term financing are available to communities.
2. Ability of the municipality or private concern to finance the project, with and without loan assistance (See Section IX).
3. Amount of financial assistance available from the revolving fund and the cumulative amount of funds requested by other applicants.

IV. USES OF THE WATER POLLUTION CONTROL STATE REVOLVING FUND

The WPCSRF may be used to:

1. Provide low interest loans to municipalities for wastewater treatment systems, new interceptors, collectors, and appurtenances, infiltration/inflow correction, sewer system rehabilitation, correction of combined sewer overflows, and construction of new storm sewers and detention basins. The low interest loans can be made for up to 100 percent of the total project cost. Approximately \$276.7 million in loans (this does not include nonpoint source or refinanced projects) have been made to communities in Montana. Each of these loans has had a total loan interest rate of 4% or less. Program interest rates will be evaluated and set annually. Project draws on the federal capitalization grants will be drawn in the ratio of 83.33% federal to 16.67% state bond proceeds.
2. Refinance qualifying debt obligations for water pollution control facilities if the debt was incurred and construction initiated after March 7, 1985. Approximately \$11.2 million of debt has been refinanced through this program in the past. However, for the period covered by this IUP and until it is clear that cash flow projections for the WPCSRF program demonstrate that all new known construction and nonpoint source projects will be funded in their entirety, no WPCSRF funds will be provided for refinancing.
3. Guarantee or purchase insurance for local debt obligations. As of May, 2011, no loans have been made for this purpose;

4. Provide a source of revenue or security for general obligation bonds, the proceeds of which are deposited in the revolving fund. There is a 1% loan loss reserve surcharge included as part of the 3.75% interest rate for loans not qualifying for a hardship. The use of the surcharge is to pay principal and interest on state G.O. Bonds if the Debt Service Account is insufficient to make payments. This is to secure \$30.69 million in State General Obligation Bonds. The excess over the required reserve has periodically been transferred to the principal account to make loans. In 2012 it is anticipated that approximately \$1.3 million in excess loan loss reserve funds will be transferred to the principal account and, therefore, would be counted as additional state match for the capitalization grant.
5. Provide loan guarantees for similar revolving funds established by municipalities. As of May, 2011, no loans have been made for this purpose;
6. Finance non-point source pollution control (Section 319) implementation projects or programs. As of May, 2011, approximately \$48.3 million has been loaned out for these types of projects;
7. Earn interest on program fund accounts. At the beginning of FY11, cash flow analysis demonstrated this program will continue to be a strong source of loan funds after the federal grants are terminated. Interest income to date has been used to pay off program G.O. Bond debt. The cumulative interest earned in the program on investments is \$8.8 million through the end of SFY10.
8. Pay reasonable administrative costs of the WPCSRF program not to exceed four (4) percent (or the maximum amount allowed under the federal act) of all federal grants awarded to the fund. These administrative draws on the federal capitalization grants will be drawn in the ratio of 83.33% federal and 16.67% state bond proceeds. In addition to using WPCSRF funds for administration, each loan has a 0.75% administrative surcharge included in the 3.75% interest rate. These fees are not considered part of the loan principal. The reserve generated from this loan surcharge will be used for WPCSRF administration costs not covered by the EPA grants after capitalization grants cease and for administration of projects that use recycled funds. Capitalization grants are approved by Congress every year and EPA is currently projecting WPCSRF funding through FFY12. However, if needed, these administrative funds could be transferred to the principal account and used to make loans. In FY2012, it is anticipated that approximately \$500,000 in administrative surcharge funds will be transferred to the principal account and, therefore, would be considered additional state match for the capitalization grant.

The special administrative fees collected through loan repayments can be broken down into two categories. If the fees are repaid from first-round funds during the grant period (i.e., from capitalization grants that are still open as of April, 2011 – see list below) the uses of these fee funds will be limited to either SRF program administration or transfers to the principal account, as indicated above. However, fees repaid from loans made from capitalization grants that have been closed or from recycled funds may be used for other purposes as long as those uses are consistent with the federal Clean Water Act, this Intended Use Plan, the Operating Agreement between DEQ and EPA, or the Trust Indenture and DEQ and DNRC rules and laws governing the WPCSRF program.

FFY10 and 11 grants are the only open cap grants at this time. Projects drawing funds from these grants are:

Gildford project
Billings UV project

DNRC NPS 15 loan
Lockwood Phase 3&4 projects
Glendive Lift Station 2010 project
Butte WWTP Ph 1A project
Bigfork WWTP Ph II project
Gardiner 2010 project
Choteau Collection 2010 project
Whitefish UV project

The special administrative fee collected from these combined projects in SFY12 is expected to be approximately \$73,200. The total special administrative fees expected to be collected in SFY12 are approximately \$1.3 million. Therefore, approximately \$1,227,000 could be used for Clean Water Act-related purposes other than SRF administration and loans. However, it is anticipated that about \$500,000 will be required for SRF administration, \$500,000 will be transferred to the principal account and \$200,000 will be used for Clean Water Act-related purposes as indicated below.

The WPCSRF program is expecting to use up to \$20,000 of the special administrative fee funds for advanced training for staff, consultants and wastewater treatment operators to help promote optimization of wastewater treatment throughout Montana, especially with regard to nutrient reduction. This training is a free service to Montana's engineers and operators. Special administration fees (up to \$100,000) are also expected to be used for partial funding of a wetland specialist to provide outreach, technical assistance and education for conservation and protection of natural wetlands. In addition, approximately \$50,000 is expected to be used to help finance a vertical flow constructed treatment wetlands pilot project in conjunction with Montana State University or others to explore and demonstrate the viability of this green infrastructure as a low-tech approach to nutrient removal for small communities in a cold weather climate. And finally, up to \$30,000 of these fee-based funds are anticipated to be used to fund water pollution control training costs for the Montana Environmental Training Center (METC) which specifically provides education to water and wastewater operators in Montana. The total annual cost of the training, the wetland specialist, the wetland pilot project and METC is expected to be approximately \$200,000.

A determination of which projects are to be selected from the PPL, the amount of assistance, and the financing terms and conditions will be made by the Montana Department of Environmental Quality (DEQ) and the Montana Department of Natural Resources and Conservation (DNRC). See Section VIII below for a discussion on the distribution of funds.

Due to recent significant population growth in Montana and the expansion of water and sewer services to accommodate that growth, both the WPCSRF and Drinking Water SRF programs have developed a growth policy to clarify the eligibility of certain types of projects directly associated with growth. Specifically, with regard to wastewater systems, new wastewater projects that serve areas that are not at least 50% occupied are not eligible for WPCSRF funding.

At the Governor's discretion, the state may transfer up to 33 percent of its Drinking Water SRF capitalization grant to the WPCSRF or an equal amount from the WPCSRF to the Drinking Water SRF. Transfers could not occur until at least one year after receipt of the first DWSRF capitalization grant, which was June 30, 1999. This transfer authority was effective thru fiscal year 2001. One-year extensions of this transfer authority were granted through the Appropriation Bills for fiscal years 2002 - 2009. Another one-year extension was granted with the FY10 appropriation bill and it is assumed that the extension will again be granted in FFYs 11 and 12. In addition to transferring grant funds, States can also transfer state match, investment earnings, or principal and interest repayments between SRF programs.

Table 1 itemizes the amount of funds that have been transferred between the WPCSRF and DWSRF programs to date. Due to the increased demand for WPCSRF funds, it is expected that approximately \$3 million to \$8 million will be transferred from the DWSRF to the WPCSRF during the next 12 months. This proposed transfer is expected to be a combination of capitalization grant funds and recycled funds.

TABLE 1 - AMOUNTS AVAILABLE TO TRANSFER BETWEEN STATE REVOLVING FUND PROGRAMS

Year	Transaction Description	DWSRF Cap Grant Amount	33% of Cap Grant Amount (Eligible for Transfer)	Transferred from CWSRF to DWSRF	Transferred from DWSRF to CWSRF	Banked Transfer Ceiling	DWSRF Funds Available for Transfer	CWSRF Funds Available for Transfer
1996 & 1997	DW Grant Award	\$14,826,200	\$4,892,646			\$4,892,646	\$4,892,646	\$4,892,646
1998	DW Grant Award	7,121,300	2,350,029			7,242,675	7,242,675	7,242,675
1999	DW Grant Award	7,463,800	2,463,054			9,705,729	9,705,729	9,705,729
2000	DW Grant Award	7,757,000	2,559,810			12,265,539	12,265,539	12,265,539
2000	Transfer (2nd Rnd \$)			4,750,328		12,265,539	17,015,867	7,515,211
2001	DW Grant Award	7,789,100	2,570,403			14,835,942	19,586,270	10,085,614
2001	Transfer (2nd Rnd \$)			4,032,158		14,835,942	23,618,428	6,053,456
2002	DW Grant Award	8,052,500	2,657,325			17,493,267	26,275,753	8,710,781
2004	DW Grant Award (03)	8,004,064	2,641,341			20,134,608	28,917,094	11,352,122
2004	Transfer (2nd Rnd \$)				2,559,810	20,134,608	26,357,284	13,911,932
2005	Transfer (2nd Rnd \$)				2,570,403	20,134,608	23,786,881	16,482,335
2005	Transfer (2nd Rnd \$)				1,000,000	20,134,608	22,786,881	17,482,335

2005	DW Grant Awards (04 & 05)	16,588,524	5,474,213			25,608,821	28,261,094	22,956,548
2006	DW Grant Award (06)	8,229,300	2,715,669			28,324,490	30,976,763	25,672,217
2006	Transfer (1st Rnd \$)				5,000,000	28,324,490	25,976,763	30,672,217
2007	DW Grant Award (07)	8,229,000	2,715,570			31,040,060	28,692,323	33,387,787
2008	Transfer (2nd Rnd \$)			2,500,000			31,192,333	30,887,787
2008	DW Grant Award (08)	8,146,000	2,688,180			33,728,240	33,880,513	33,575,967
2009	Transfer (1st Rnd \$)				5,000,000		28,880,513	38,575,967
2009	DW Grant Award (09)	8,146,000	2,688,180			36,416,420	31,568,693	41,264,147
2009	DW ARRA Grant Award	19,500,000	6,435,000			42,851,420	38,003,693	47,699,147
2010	DW Grant Award (10)	13,573,000	4,479,090			47,330,510	42,482,783	52,178,237
2011	Transfer (1st Rnd 10)				3,000,000		39,482,783	55,178,237
2011	DW Grant Award (11)	9,500,000	3,135,000			50,465,510	42,617,783	58,313,237
2011	Transfer (2 nd Rnd \$)				3,000,000		39,617,783	61,313,237
Totals		\$152,925,788	\$50,465,510	\$11,282,486	\$22,130,213			

Residual American Recovery and Reinvestment Act (ARRA) Funds

In 2009, the WPCSRF program funded 31 ARRA projects in Montana. Several of these projects did not use all of the ARRA loan funds due to lower than expected construction bids and incomplete use of contingency funds. The amount of residual ARRA funds associated with these costs totaled \$217,821. In addition, the WPCSRF program is not expected to use all of the administrative funds that have been set aside for ARRA work and, therefore, \$143,620 in ARRA funds will be released for projects. This brings the total of residual ARRA funds to \$361,441. Because all of the ARRA requirements associated with green infrastructure and principal forgiveness have been met by the program, total residual funds of approximately \$361,441 will be substituted for base SRF recycled funds for the City of Billings' ARRA project through an account transfer. This transfer of funds will not impact the City of Billings' loan terms in any way. The loan terms will be 3.75% for 20 years and are the same terms used for base SRF loans.

V. GOALS AND OBJECTIVES

Long-Term Goal and Objectives

The long-term goal of the WPCSRF is to maintain, restore and enhance the chemical, physical and biological integrity of the State's waters for the benefit of the overall environment and the protection of public health.

Objectives:

1. Provide affordable financial assistance for eligible applicants concurrent with the objective of maintaining a long-term, self-sustaining State revolving fund program; and
2. Fulfill the requirements of pertinent federal, state and local laws and regulations governing water pollution control activities, while providing the state and local project sponsors with maximum flexibility and decision-making authority regarding such activities.

Short-Term Goal and Objectives

The short-term goals of the WPCSRF are to continue to preserve and improve the quality of the State's waters (surface and groundwater), to meet the water pollution control needs of the state, and to eliminate any public health hazards related to the discharge of inadequately treated wastewater or other pollutants. As an estimated measure of the environmental benefits attained through funding of water pollution control projects, the WPCSRF program will continue to complete an EPA environmental benefits spreadsheet for each project during 2012.

Objectives:

1. Maintain and promote the WPCSRF program, which provides low interest financing (up to 100 percent loans) for water pollution control projects; provide loans for approximately 9 new projects in SFY12 (some projects may have more than one loan);
2. Ensure the technical integrity of WPCSRF projects through the review of planning, design plans and specifications, construction activities and development of a sound operation and maintenance program;
3. Ensure compliance with all pertinent federal, state and local water pollution control laws and regulations;
4. Obtain optimum turnover of the funds for the State in the shortest reasonable time; fund eligible NPS projects;
5. Simplify the administrative and regulatory requirements of the program, without sacrificing project quality, to make the financial assistance readily accessible; coordinate on a regular basis with DNRC and financial consultants to consider ways to improve the program and optimize use of resources; and
6. Apply for all available appropriated federal funds contingent upon federal legislation.

VI. INFORMATION ON THE ACTIVITIES TO BE SUPPORTED

The primary type of assistance to be provided by the WPCSRF is expected to be loans. On a more limited basis, the State may provide funds for refinancing existing debt, guarantee or buy insurance for local debt obligations, or leverage bond issues although none of these activities are

expected during the period covered by this IUP. The State plans on reserving an amount equal to four (4) percent of the federal capitalization grant for administrative expenses in FY11 and 12.

These types of assistance will be provided to local communities, sanitary sewer districts, counties, eligible private persons, or other sub-governmental units recognized under Montana statutes for the construction of publicly-owned wastewater treatment facilities or non-point source water pollution control projects.

VII. ASSURANCES AND SPECIFIC PROPOSALS

The State will assure compliance with the following sections of the law in the State/EPA Operating Agreement, of which this document is a part. In addition, the State has developed specific proposals for implementation of those assurances in the rules promulgated by the Montana Department of Environmental Quality (DEQ) and the Montana Department of Natural Resources and Conservation (DNRC).

- Section 602(a) - Environmental Reviews - The State of Montana certifies that it will conduct environmental reviews of each Title II project receiving assistance from the WPCSRF. Montana will follow EPA approved, NEPA-like procedures in conjunction with such environmental reviews.
- Section 602(b)(3) - Binding Commitments - The State of Montana certifies that it will enter into binding commitments equal to at least 120 percent of each quarterly grant payment within one year after receipt (on a cumulative basis).
- Section 602(b) (4) - Timely Expenditures - The State of Montana certifies that it will expend all funds in the WPCSRF in an expeditious and timely manner.
- Section 602(b)(6) - Compliance with Title II Requirements - The State of Montana certifies that the applicable Title II requirements listed under this section will be satisfied in the same manner as projects constructed under Title II of the Clean Water Act.

VIII. CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS

Historically, WPCSRF funds were allocated on a first-come, first-served basis because the supply of funds exceeded the demand. This allowed for the funding of all of the projects as they went into construction. **However, the program is drifting in and out of a cash flow situation where the demand for funds exceeds the supply of funds. Over the past two years several projects have been denied SRF funds because of this issue. Because DEQ has been working with many projects over the last year or so, ensuring that SRF requirements are being met in the planning and design process, DEQ feels it should commit to providing funds to those projects to the greatest extent possible. Therefore, rather than strictly adhering to the established ranking criteria in this transition, DEQ has prepared a list of proposed projects (please see Attachment III) for which WPCSRF funding will be provided over the next year. Other projects will be cautiously considered for funding if positive cash flow projections allow. In an effort to meet this short term demand for SRF funds, the program has taken necessary steps to arrange borrowing from \$10 million to \$15 million in the form of a general obligation-backed revenue anticipation note from the Montana Board of Investments (BOI). However, cash flow projections indicate that the BOI loan may not be needed during the next year.**

The project ranking criteria that have been in place for the past 15 years have been changed in an effort to place less emphasis on readiness to proceed and more emphasis on water quality and public health impacts as well as to reflect more on green infrastructure in order to comply with EPA grant requirements as discussed below. The updated ranking criteria are attached as Attachment IV.

The federal appropriations bill (PL 111-88) for FFY10 contained several provisions that are new or have been reinstated and, due to the current federal continuing resolution, it is expected that these provisions will apply to any capitalization grant funds received by the WPCSRF program in the near future. EPA's interpretation of PL 111-88, requires that all wastewater treatment projects for which SRF assistance agreements are executed beginning October 30, 2009 must meet federal Davis Bacon wage requirements unless construction was completed prior to October 30, 2009. This Davis Bacon provision applies to both capitalized and recycled WPCSRF funds.

Another new federal provision for FFY10 (and FFY11) capitalization grants is that at least 20 percent of the capitalization grant must be used to fund green projects as defined by EPA. Although the guidance for the cap grant does not specifically address this point, we are assuming that this requirement would also apply to any cap grant funds transferred from the DWSRF. Projects that are believed to qualify in whole or in part for green reserve are identified in Attachment III.

The final major new provision in the FFY10 (and FFY11) SRF federal appropriation is that at least 15% and not more than 50% of the cap grant must be provided as additional subsidy in the form of principal forgiveness, negative interest rates or grants. However, this percentage only applies to the amount of the total federal appropriation in excess of \$1 billion. The DWSRF program has the same provisions but at a 30% minimum requirement. The required minimum subsidy for Montana's FFY11 appropriation is \$669,233. The WPCSRF program is proposing to use approximately \$1,890,700 for principal forgiveness. Because of the additional federal requirements associated with the term 'grants', DEQ and DNRC have chosen to use principal forgiveness as the mechanism for this additional subsidy.

There are various options for allocating the additional subsidy. It could all be given to green projects; it could be prioritized by population or economic impact; it could be given to all projects this year; or it could be allocated based on the WPCSRF priority system. Due to the limited number of proposed projects this fiscal year, DEQ has chosen to give principal forgiveness to all projects expected to proceed into construction in calendar year 2011. The following considerations will also be observed in the allocation of these additional subsidies:

1. Any project that has already received principal forgiveness through WPCSRF ARRA funds will not be eligible to receive principal forgiveness available through the FFY11 cap grant.
2. No community will be allowed to receive FFY11 principal forgiveness for more than one project.
3. In order to spread the funds to more than two or three large, high priority projects, it is proposed that the principal forgiveness will be capped at \$300,000 or 30% of the loan amount, whichever is less. This cap and percentage may change depending on the projects selected in the final IUP.
4. Projects seeking short term financing will not be given additional subsidy.
5. Projects receiving principal forgiveness will not be granted extended loan terms of more than 20 years.

The proposed list of projects that will receive WPCSRF funds in SFY12 is attached as Attachment III.

Loan terms and interest rates will be determined in accordance with the Administrative Rules adopted by the DNRC. The WPCSRF program may choose to limit the maximum amount of any loan if the demand for loan funds exceeds the availability of funds. Interest rates must be established to generate sufficient revenues to allow the State to make the principal and interest

payments on general obligation bonds sold to generate the State match. Ability to repay the loan will also be considered when establishing loan terms. The types of financial assistance provided by the WPCSRF will initially be based on the applicant's request. It is anticipated that the majority of assistance will be provided in the form of direct loans.

IX. SUBSIDIES TO DISADVANTAGED COMMUNITIES

Communities that meet the disadvantaged criterion listed below may receive an additional subsidy on their WPCSRF loans, beyond the standard below-market rate financing (unless they receive a loan with principal forgiveness). This includes communities that will meet the disadvantaged criterion based on projected rates as a result of the project.

A community is considered economically disadvantaged when its combined monthly water and wastewater system rates are greater than or equal to 2.3% of the community's Median Household Income (MHI). If the community has only a wastewater system, the percentage is 0.9% of the community's MHI. These percentages are consistent with affordability requirements of other state funding agencies in Montana. The water and sewer rates used for this calculation include new and existing debt service and required coverage, new and existing operation and maintenance charges, and depreciation and replacement of equipment.

To assist these economically disadvantaged communities, the WPCSRF loan program will provide to qualifying communities a 1.0% interest rate reduction (unless they received principal forgiveness for the proposed project). The total amount of reduced interest rate loans that the WPCSRF will issue under any single capitalization grant will be limited to 20% of that capitalization grant beginning in FFY 1998. This measure is taken to ensure that the corpus of the WPCSRF fund will be maintained and the program will be able to operate in perpetuity, while still providing some additional assistance to economically disadvantaged communities. If funds are available, the maximum disadvantaged loan amount will be \$500,000.

In an effort to provide additional assistance to disadvantaged communities, the WPCSRF program will offer extended finance terms to qualifying communities. The extended loan terms allow qualifying communities up to 30 years to repay the loan. Loan terms cannot extend past the useful life of the improvements to be funded; therefore, it is expected that eligible projects will be limited to new collection system piping and appurtenances. The WPCSRF program reserves the right to limit extended term financing at any time in order to ensure the perpetuity of the fund. An evaluation of the funding baseline for the program will be evaluated annually to ensure the historic annual baseline established to date (\$12,753,710), per EPA, is continually met.

X. PUBLIC COMMENT, AMENDING IUP, STATE FINANCIAL COMMITMENT

Public Review and Comment – One public hearing was held on Friday, June 10, 2011 in Helena to discuss the SFY 2012 PPL and to allow public comment on the draft IUP. Public notice concerning the PPL and IUP was posted in major newspapers across the state, and the notice and draft IUP will be published on DEQ's website. There was also a 30-day public comment period for the public to review and comment on the draft IUP. No comments were received.

Amending the IUP - A simple addition to the PPL and IUP will be allowed after notification has been provided to affected projects (if any) already on the list. If a project scheduled to receive loan assistance within the year is displaced by the addition of a new project, a formal public hearing, if requested, will be held to allow comment on the modifications to the PPL and IUP.

State Financial Commitment - The 1989 Montana Legislature passed House Bill 601, entitled the Wastewater Treatment Revolving Fund Act, which was subsequently signed into law by the Governor. The Act created the new program, established administrative procedures and allowed for a sale of state general obligation bonds in an amount not to exceed ten million dollars. The 1995 Montana Legislature passed House Bill 493, which was subsequently signed into law by the

Governor. Among the State Financial Commitments - The 1989 Montana Legislature passed House Bill 601 titled the Wastewater Treatment Revolving Fund Act, which was subsequently signed into law by the Governor. The Act created the new program, established administrative procedures and allowed for a sale of state general obligation bonds in an amount not to exceed ten million dollars. The 1995 Montana Legislature passed House Bill 493, which was subsequently signed into law by the Governor. Among other things, the Act allowed for the sale of state general obligation bonds in an amount not to exceed an additional five million dollars. The 1999 Montana Legislature passed House Bill 110, which gives the WPCSRF an additional fifteen million dollars in general obligation-bonding authority. The 2003 Montana legislature passed House bill 46, which gives the WPCSRF an additional ten million dollars in general obligation-bonding authority. The combined bonding authority provided by these four bills furnishes the WPCSRF with forty million dollars in state general obligation bond authority, which provides enough funds to match all federal appropriations (1989-2006) that have been awarded to the program to date, as well as excess bond authority for potential future federal appropriations. In 2005 with HB142, the Legislative session allowed the Bond authority to be up to \$40 million in outstanding bonds. The State held its first bond sale in 1991. In June of 1996 Montana held its second and third bond sales to provide State match funds for projects scheduled to proceed in FFY 1997. In March of 1998 a fourth bond sale was held to provide State match for projects scheduled to proceed in FFY 1998 and 1999. In March of 2000 a fifth bond sale was held to provide State match for projects scheduled to proceed in FFY 2000 and 2001. In June 2001 a sixth bond sale was held to provide match for projects scheduled to proceed in 2002 and 2003. In June of 2003 a sixth bond sale was held to provide match for projects projected to proceed in 2003. In April of 2004 a seventh bond sale was held to provide match for projects projected to proceed in 2004. An eighth bond sale was held in April of 2005 to provide state match for proposed projects to proceed in 2005. The bond authorization includes notes to be issued instead of Bonds. Note sales were held in October, 2007, for \$500,000, in April, 2008, for \$400,000, and in March, 2009, for \$2,000,000. A bond sale of \$6,500,000 was held in 2010. The next bond or note sale is expected to be approximately \$1,000,000.

As discussed previously, the increased demand for funds may force the WPCSRF program to issue revenue anticipation notes (RANs) for the program, in order to keep the projects moving through construction with adequate SRF funds. The amount of RANs issued is expected to be between \$10 million to \$16 million, but are not expected to be issued during FY12. The terms of the RAN are expected to be approximately 4% for three years.

Attachment 1

MONTANA
WPCSRF Project Priority List
State Fiscal Year 2012

<i>Rank</i>	<i>Name</i>	<i>EPAID</i>	<i>Project Description</i>	<i>Ranking Total</i>	<i>Amount Assist Type:</i>	<i>Commit Date</i>
1	Butte-Silver Bow WWTP-Phase IA	C302225	II	475	\$750,000 Loan	9/1/2010
2	Laurel Headworks and LS	C303195	II, IIIB	465	\$1,600,000 Loan	10/1/2009
3	Bozeman WWTP	C303105	I	415	\$20,000,000 Loan	7/1/2008
4	River Rock WWTP 2011	C302224	II	395	\$4,000,000 Loan	8/1/2011
5	Bridger Pines	C303183	I	375	\$950,000 Loan	6/1/2011
6	Anaconda-Deer Lodge West Valley PH1	C302193	IVA	365	\$700,000 Loan	12/1/2012
7	Butte-Silver Bow WWTP-BNR	C301193	II	360	\$15,200,000 Loan	1/1/2012
8	Big Sky WWTP Improvements	C301184	II, IVA	360	\$6,500,000 Loan	10/1/2003
9	Gardiner-Park Co W&S Dist Phase I	C301226	I, IIIB	360	\$411,000 Loan	4/1/2011
10	Lockwood Collection (Ph 3, 4, & 5)	C303110	IVA	355	\$3,078,000 Loan	1/1/2011
11	Deer Lodge Treatment Phase 1	C301209	I	355	\$3,886,000 Loan	4/1/2012
12	Philipsburg WWTP	C302207	II, IIIA	350	\$3,000,000 Loan	7/1/2013
13	Plentywood WWTP-Lagoons	C301250	I	345	\$3,300,000 Loan	8/1/2011
14	Whitefish Collection & UV	C302223	IVA	345	\$865,000 Loan	10/1/2010
15	Laurel WWTP Improvements Ph2A2	C301241	II	340	\$6,000,000 Loan	12/1/2012
16	Bigfork WWTP (Phase II)	C303196	II	340	\$8,500,000 Loan	9/1/2010
17	Wibaux WWTP	C301201	I	330	\$500,000 Loan	3/1/2010
18	Greater Woods Bay WW Collection	C302221	IVA	305	\$4,435,000 Loan	8/1/2011
19	Charlo Collection	C302232	IVA	300	\$500,000 Loan	6/1/2011

<i>Rank</i>	<i>Name</i>	<i>EPAID</i>	<i>Project Description</i>	<i>Ranking Total</i>	<i>Amount Assist Type:</i>	<i>Commit Date</i>
20	Hardin, City of - Phase 1B	C303186	I, IIIB, IV	290	\$3,400,000 Loan	1/1/2010
21	Bozeman Digester	C301229	II	285	\$5,103,000 Loan	7/1/2010
22	Big Sandy	C303194	I, IIA	275	\$800,000 Loan	3/1/2012
23	DNRC NPS Projects	C307175	VIIA, VII	265	\$3,000,000 Loan	9/1/2011
24	Plentywood Collection	C302233	IIIB	260	\$1,400,000 Loan	9/1/2011
25	Harlem WWT	C303207	I, IIIB	255	\$1,163,000 Loan	6/1/2013
26	Wolf Creek SCS/WWTF	C303199	I, IVA, IV	255	\$1,000,000 Loan	1/1/2012
27	Gallatin Gateway	C303148	I, IVA	245	\$3,000,000 Loan	6/1/2012
28	Bozeman Lab/Admin Bldg	C301230	II	245	\$2,000,000 Loan	1/1/2010
29	Lolo WWTP	C301215	II, IIIB	240	\$1,500,000 Loan	6/1/2012
30	Glendive Husky LS	C304218	IIIB	235	\$281,000 Loan	3/1/2012
31	Rudyard Collection	C304153	IIIB	235	\$43,000 Loan	7/1/2010
32	Miles City Lift Station	c304219	IIIB	235	\$1,000,000 Loan	11/1/2011
33	LaCasa Grande W&S Dist-New Collection	C302230	IVA	230	\$975,000 Loan	6/1/2012
34	Martinsdale	C303056	I, IVA, IV	225	\$900,000 Loan	2/1/2014
35	Saltese Water/Sewer District	C303189	I, IVA, IV	225	\$560,000 Loan	8/1/2015
36	Seeley Lake Sewer	C303187	II, IIIB, I	225	\$1,110,000 Loan	6/1/2015
37	Craig	C303198	I, IVA	220	\$1,000,000 Loan	12/1/2014
38	Missoula Co.-Spring Meadow	C303204	IVA	220	\$2,000,000 Loan	6/1/2012
39	Stevensville WWTF Upgrade	C301106	IIA, IVA	215	\$2,600,000 Loan	8/1/2015
40	Bearcreek	C302231	IIIB	215	\$200,000 Loan	8/1/2011

<i>Rank</i>	<i>Name</i>	<i>EPAID</i>	<i>Project Description</i>	<i>Ranking Total</i>	<i>Amount Assist Type:</i>	<i>Commit Date</i>
41	Three Forks WWTP	C302217	II, IIIB	215	\$1,000,000 Loan	12/1/2013
42	Twin Bridges WW	C301204	I, IIIB	205	\$800,000 Loan	6/1/2012
43	Augusta Collection	C302228	IIIB	205	\$315,000 Loan	5/1/2012
44	Winifred WWTP	C303193	I	205	\$1,000,000 Loan	6/1/2013
45	Meadowlark W&S Dist	C302178	IVA, IVB	205	\$250,000 Loan	12/1/2014
46	White Sulphur Springs WWTF	C302056	I, IIIB	200	\$600,000 Loan	6/1/2012
47	Bridger UV	C301249	I	200	\$100,000 Loan	6/1/2013
48	East Helena SS Separation	C302219	VI	200	\$500,000 Loan	6/1/2013
49	Roberts W&S Dist	C304215	I, IIIA, III	200	\$650,000 Loan	12/1/2013
50	Jackson	C301249	I	195	\$100,000 Loan	9/1/2011
51	Amsterdam/Churchill WWTF Improvements	C301245	I	195	\$2,800,000 Loan	6/1/2011
52	Whitehall, Town of	C303190	I, IIIA	190	\$1,800,000 Loan	12/1/2010
53	Dillon WWTF Upgrade	C301244	II	190	\$1,400,000 Loan	8/1/2012
54	Hebgen Lake Estates	C301220	I, IIIB	190	\$620,000 Loan	6/1/2012
55	North Baker-Fallin Co	C302024	IVA, IVB	185	\$910,000 Loan	12/1/2014
56	Sheridan WWTP	C301160	I, IIIB	185	\$500,000 Loan	6/1/2014
57	Boulder Treatment	C304204	I	180	\$2,000,000 Loan	9/1/2013
58	Fort Smith W&S Dist. Upgrades	C301218	I	175	\$250,000 Loan	1/1/2012
59	Helena City of, NPS	C307182	VI	175	\$1,125,000 Loan	6/1/2012
60	Drummond	C304154	I, II, IIIA	170	\$1,000,000 Loan	12/1/2014
61	Eureka (Midvale) Collection	C303200	IVA	170	\$1,000,000 Loan	7/1/2013

<i>Rank</i>	<i>Name</i>	<i>EPAID</i>	<i>Project Description</i>	<i>Ranking Total</i>	<i>Amount Assist Type:</i>	<i>Commit Date</i>
62	Custer County RID#1	C302235	IIIA & III	165	\$345,000 Loan	1/1/2012
63	Melrose Co W&S Dist	C302229	IIIB	165	\$160,000 Loan	1/1/2012
64	Livingston WWTP	C303181	I, II, IIIB	165	\$1,000,000 Loan	6/1/2012
65	Philipsburg I/I Reduction	C304208	IIIA	160	\$270,200 Loan	12/1/2014
66	Miles City Headworks	c301252	II	160	\$1,600,000 Loan	9/1/2011
67	Flathead Co - Bigfork Stormwater	C307189	VI	155	\$1,400,000 Loan	5/1/2012
68	Lewis & Clark Co WWTP/SCS	C302030	I, IVA, IV	155	\$500,000 Loan	12/1/2012
69	Dayton Sewer Dist	C303180	I, IVA, IV	150	\$500,000 Loan	12/1/2014
70	Colstrip, City of	C301216	I, IIIB	135	\$3,000,000 Loan	6/1/2012
71	Great Falls UV	C301246	I	135	\$3,500,000 Loan	12/1/2013
72	Choteau WWTP	C303097	I	135	\$3,000,000 Loan	6/1/2013
73	Glendive WWTP Improvements 2014	C301251	II	130	\$7,000,000 Loan	1/1/2014
74	Laurel Storm Sewer	C305175	VIID	125	\$1,000,000 Loan	10/1/2009
75	Crow Agency Collection System Improv Phase 3	C303202	IIIB	120	\$3,000,000 Loan	12/1/2011
76	Polson Stormwater System Improvements	C306119	VIID	115	\$500,000 Loan	12/1/2015
77	Ramsay W&S Dist	C301207	I, IIIB, IV	110	\$1,500,000 Loan	6/1/2015
78	Saco WWTP	C304205	I, IIIB	105	\$710,000 Loan	4/1/2013
79	Missoula-NPS-Open Space	C307180	VIID	100	\$1,000,000 Loan	7/1/2015
80	Havre WWTP	C301053	I, II, IIIB	95	\$2,000,000 Loan	12/1/2012
81	Agricultural BMPs	C307174	VIIA	95	\$1,000,000 Loan	12/1/2014
82	Yellowtail W&W Dist WWTF Upgrades	c301219	I	95	\$2,500,000 Loan	7/1/2012

<i>Rank</i>	<i>Name</i>	<i>EPAID</i>	<i>Project Description</i>	<i>Ranking Total</i>	<i>Amount Assist Type:</i>	<i>Commit Date</i>
83	Culbertson WWTP	C302115	I, II	95	\$1,000,000 Loan	8/1/2012
84	Libby WWTP Improvements	C303151	I, IVA	95	\$3,100,000 Loan	6/1/2013
85	Lodge Grass WWTP	C301074	I	95	\$200,000 Loan	12/1/2011
86	Glendive Meade Ave Collection	C304216	IIIB	90	\$463,000 Loan	5/1/2014
87	Glendive Sargent Benham Collection	C304217	IIIB	90	\$233,000 Loan	5/1/2013
88	Great Falls Treatment	C301297	II	85	\$8,000,000 Loan	6/1/2014
89	Treasure State Acres Sewer District	C301158	I	85	\$650,000 Loan	8/1/2015
90	Joliet	C304151	I, IIIB	85	\$500,000 Loan	12/1/2014
91	Ennis Collection	C304157	IIIA	80	\$200,000 Loan	8/1/2013
92	Forsyth Collection	C304142	IIIB	80	\$800,000 Loan	7/1/2012
93	Harlowton WWTP Improvements	C301213	I	80	\$1,000,000 Loan	6/1/2013
94	Fort Benton Collection	C302234	VI	80	\$200,000 Loan	8/1/2012
95	Ennis Storm Sewer	C305174	VIID	75	\$750,000 Loan	8/1/2013
96	Black Eagle Water Dist. Collection	C302185	IIIB	70	\$200,000 Loan	12/1/2012
97	Polson Collection	C302200	IIIA, IVA	70	\$1,500,000 Loan	9/1/2015
98	Baker, City of	C302186	IVA	60	\$800,000 Loan	12/1/2014
99	Somers New WWTF	C301242	I	50	\$1,100,000 Loan	10/1/2015
100	Lewis & Clark Co NPS #1	C307176	VIII	50	\$500,000 Loan	12/1/2012
101	Lakeside Lift Station Improvements	C301233	IIIB	35	\$1,200,000 Loan	6/1/2013

<i>Rank</i>	<i>Name</i>	<i>EPAID</i>	<i>Project Description</i>	<i>Ranking Total</i>	<i>Amount Assist Type:</i>	<i>Commit Date</i>
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PROJECT DESCRIPTION CATEGORIES			
I	Secondary Treatment	VIID	NPS Urban Runoff
II	Advanced Treatment	VIIIE	NPS Ground Water
IIIA	Infiltration/Inflow Correction	VIIIF	NPS Marinas
IIIB	Major Sewer System Rehabilitation	VIIIG	NPS Resource Extraction
IVA	New Collectors & Appurtenances	VIIIH	NPS Brownfields
IVB	New Interceptors & Appurtenances	VII-I	NPS Storage Tanks
V	Correction of Combined Sewer Overflows	VIIJ	NPS Sanitary Landfills
VI	Stormwater Control	VIIK	NPS Hydromodification
VIA	NPS Agric. (Cropland)	VIII	Confined Animals-Point Source
VIB	NPS Agric. (Animals)	IX	Mining-Point Source
VIIC	NPS Silviculture		

ATTACHMENT II

**PROGRAM FUNDING STATUS
MONTANA WPCSRF PROGRAM**

FISCAL YEARS 1990 TO 2010

Capitalization Grants	\$159,399,765
State Match	\$ 30,690,000
Overmatch from RIT, C.O.I. fees, investments, LLS	\$ 28,930,143
Program Administration Allowance	(\$5,771,052)
Available to Loan	\$213,248,856
Principal Repayments and Interest as of June 30, 2010.....	\$ 129,842,923
Transfers to DWSRF (principal repayments)	(\$ 5,152,273)
Transfers from DWSRF (direct capitalization grants).....	\$ 13,000,000
Funds Available to Loan through FY10	<u>\$ 137,690,650</u>

FY 2012

Anticipated Capitalization Grant (FY12)	\$ 7,222,000
DWSRF Transfer	\$ 3,000,000
Anticipated State Match for FY12	
- Normal G.O. Bond match.....	\$ 1,444,400
- Additional G.O. Bond Match	\$0
- Estimated Loan Loss Surcharge (LLS)	\$ 1,300,000
Program Administration Allowance	\$0
Anticipated Investment Transfers	\$0
Anticipated Principal Repayments and Interest.....	\$ 21,000,000
Anticipated Overmatch (RIT or other)	\$0
Anticipated transfers from special administration Acct.....	\$ 500,000
Revenue Anticipation Note.....	\$0
Available to Loan FY2012.....	<u>\$ 33,466,400</u>

Total Funds Dedicated to Loan.....\$384,105,906

Loans committed as of April, 2011.....(\$362,521,928)

Funds available for Loans in FY2012.....\$ 21,583,978

Amount of Estimated Loans Identified on Attachment III of
Fiscal Year 2012 Intended Use Plan.....\$11,284,300

ATTACHMENT III

**Projects Expected to Receive WPCSRF Funds
For Calendar Year 2011**

\$7.222M Cap Grant						updated 5/20/2011
Fundable Projects for 2011 Construction	Total Loan Amount	Potential Green	First Rnd Total	Principal Forgiveness	First Rnd Loan	Recycled Loan
Bridger Pines WWTP	\$985,000	\$985,000	\$985,000	\$295,500	\$689,500	\$0
River Rock WWTP	4,142,100	50,000	385,220	300,000	85,220	3,756,880
Plentywood Treatment	3,300,000		3,300,000	300,000	3,000,000	0
Butte Phase 1A Change Order	1,040,000		590,000	300,000	290,000	450,000
Charlo collection	600,000		600,000	180,000	420,000	0
Bear Creek Collection	278,300		278,300	83,500	194,800	0
Glendive Husky LS	281,000		281,000	84,300	196,700	0
DNRC NPS	1,500,000	1,500,000	1,500,000	0	0	0
Miles City Lift Station	1,000,000		0	0	0	1,000,000
Miles City Headworks	1,600,000		300,000	300,000	0	1,300,000
Melrose Pump Replacement	158,000		158,000	47,400	110,600	0
Total	\$14,884,300	\$2,535,000	\$8,377,520	\$1,890,700	\$4,986,820	\$6,506,880
Min Green Required: \$1,444,400						
Min Principal Forgiveness required : \$669,233						
Admin (4%) = \$288,880			\$288,880			
State match (4% of grant): \$1,444,400						
Total grant with Match \$8,666,400						
Total Grant expenditures			\$8,666,400			

This assumes 30% subsidy with a cap of \$300,000.

ATTACHMENT IV

**WATER POLLUTION CONTROL
STATE REVOLVING FUND
PRIORITY LIST RANKING CRITERIA**
Revised February 24, 2011

A. WATER QUALITY OR PUBLIC HEALTH IMPACTS RELATED TO THE PROJECT

May assign points to all that apply
(Give zero or full points only)

Public Health

Is the purpose of the project to protect a public health? **75** ____
- e.g., public drinking water source from a leaking lagoon or pipes, sewer on-site systems, conservation easement for source water protection, sewage back-ups into homes, operator safety, contact recreation, surfacing sewage, flooding, etc.

Water Quality

Is the purpose of the project to reduce toxic effects to aquatic life? **25** ____
- e.g., ammonia or metals toxicity in a surface water discharge

Is the purpose of the project to reduce sediment loading to a surface water body? **25** ____
- e.g., Channel storm water runoff to settling ponds.
Protect streambanks by providing alternate sources of stockwater.
Install buffer strips between fields and streams.
Generally green infrastructure.

Is the purpose of the project to reduce nutrients in a surface water body? **25** ____
- e.g., Implement nutrient management plans to prevent excess fertilizer use.
Install waste control structures at animal feeding operations.
(Note: Concentrated animal feeding operations do not qualify for nonpoint source projects.)
Improve irrigation water use management to reduce return flows.
Replace failing septic tanks or sewer the area.

Is the purpose of the project for compliance with national secondary standards? **25** ____
- e.g., national secondary standards or basic stabilization req. are not met

Is the proposed project to help meet a TMDL? **50** ____

Project addresses a formal state or federal enforcement action **50** ____

TOTAL POINTS IN WATER QUALITY AND PUBLIC HEALTH IMPACTS _____

B. EFFECTIVENESS OF PROPOSED PROJECT IN IMPROVING WATER QUALITY OR PUBLIC HEALTH

Pick one of the following:

Project is expected to eliminate health hazards or restore local water body to fully supporting all uses that are impacted by the activity: **100** _____

Examples: All septic tanks in an area are being replaced by sewer.
A small stream is listed for nutrients and the primary source of the nutrients is the WWTP and BNR, total retention or spray irrigation is proposed. (Note: This scenario would probably only apply for a large discharge in a small stream.)
Stormwater project which eliminates flooding that is public health related.
Eliminate sewer backups into homes.

Any project that directly improves the quality of ground or surface water, but may not fully restore uses as indicated above. **50** _____

Examples: Stormwater retention to prevent runoff from reaching sediment-impacted stream.
I/I correction to eliminate SSOs or to improve treatment efficiency.
Separation of sanitary and storm sewers.
WWTP upgrade that improves treatment capabilities/effluent quality.
Fix existing leaking lagoons (unless conversion to spray irrigation or total retention, in which case, it may be given more points as indicated above).
Replacement of failing lift station.

Project is primarily designed to improve infrastructure and/or may not have direct impacts to improving water quality. **25** _____

Examples: Stormwater collection not related to public health or safety.
Upgrading unit processes – not expected to reduce pollution.
Landfills and related equipment.
Replacing old collection systems – not related to treatment improvement or overflows.

TOTAL POINTS FOR WATER QUALITY IMPROVEMENT _____

C. ACTIVITY-SPECIFIC CRITERIA

Select either category 1 (Point Source Projects) or 2 (Nonpoint Source Projects) below.

1. Wastewater Projects
May assign points in all categories that apply
(Give 0 points or full points only)

Capacity Issues
One or more unit processes is nearing or beyond capacity, resulting in adverse impacts to performance. **10** _____

Reliability or Obsolescence

Reliability and/or equipment obsolescence is adversely affecting one or more existing unit processes and the proposed project will replace or upgrade the unit process. (This could include leaking lagoons or pipes.)

10 _____

Beneficial Use

Proposed project involves beneficial use of biosolids or treated wastewater resulting in reduction or elimination of a discharge to state water AND provides some further benefit such as the growth of crops or turf, industrial reuse.

20 _____

Water Conservation

Water meters are installed in the entire project area.

10 _____

An I/I reduction program is being implemented or will be part of the proposed project OR I/I is currently less than 20% of the total wastewater flow on an annual basis (i.e., I/I is not a significant problem)

10 _____

Energy Conservation

Proposed project reduces energy consumption or includes energy reducing principles or technologies

10 _____

TOTAL POINTS FOR WASTEWATER PROJECTS

2. Nonpoint Source Projects

May assign points in all categories
(Give 0 points or full points)

The proposed project will improve water use efficiency

20 _____

Examples: Improve irrigation water use management to increase return flows or groundwater recharge or to decrease stream withdrawals.

Proposed project will have beneficial uses in addition to water quality protection such as promoting wildlife habitat.

25 _____

Examples: Construct, restore, and protect wetlands
Projects designed to increase in-stream flows to protect aquatic life. Stream bank restoration, green stormwater projects such as green roofs, vegetated swales, wetlands treatment, etc.

The proposed project's primary purpose is to protect water quality or public health.

25 _____

Example: Sewering an area with on-site systems to protect DW supply.

TOTAL POINTS FOR NONPOINT SOURCE PROJECTS

D. READINESS TO PROCEED

May assign points for each category.

Engineer has been formally hired for planning and design (0 or full points only) **20** _____

Planning document or complete, conceptual plan has been approved by SRF program at DEQ. (10 points for submittal of draft planning document) **20** _____

All other project funding is in place. (0 or full points only) **20** _____

Rates and Charges are in place and deemed by SRF adequate to cover loan (0 or full points only) **10** _____

Final plans and specs have been approved or final project approval has been given by SRF program. (10 points for submittal of draft P&S) **20** _____

Construction is expected to begin with the next 12 months **75** _____

TOTAL POINTS FOR READINESS TO PROCEED _____

E. TOTAL PRIORITY POINTS

Refinancing of existing long-term debt. (total project points) **10**

Interim financing (total project points) **25**

TOTAL POINTS IN CATEGORY A. (Purpose) _____
(Maximum points -- 275)

TOTAL POINTS IN CATEGORY B. (Effectiveness) _____
(Maximum points -- 100)

TOTAL POINTS IN CATEGORY C. (Activity-specific) _____
(maximum points -- 70)

TOTAL POINTS IN CATEGORY D. (Readiness) _____
(maximum points -- 165)

TOTAL PRIORITY POINTS _____

Ranked By: _____ Date: _____

Comments: