State of Idaho
Water Pollution Control State Revolving Fund
State Fiscal Year 2016
Intended Use Plan

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IDAHO REVOLVING FUND
INTENDED USE PLAN

I. Introduction

The State of Idaho, Department of Environmental Quality (DEQ) proposes to adopt the following Intended Use Plan (IUP) for state fiscal year (SFY) 2016 (July 1, 2015 through June 30, 2016) as required under the Clean Water Act, Section 606c.

The primary purpose of the IUP is to identify the intended use of the funds available in Idaho's Water Pollution Control Account. Projects on the IUP Priority List go through a review by the public in accordance with Idaho's Administrative Procedures Act (Idaho Code 67-52). On May 20, 2015 the State Board of Environmental Quality approved the SFY 2016 IUP.

The IUP includes the following:

- Lists of assistance projects, including payment schedules for those most likely to qualify for assistance. Note: projects are technically funded via the purchase of debt but are referred to, for ease of reading, as "loan" "assistance" or "assistance agreement";
- Long-term and short-term goals;
- Assurances and specific proposals;
- Criteria and methods for distribution of funds; and
- Attachments relevant to the above.

Available funding for projects during the upcoming annual cycle is documented on the following page. The state will comply with the requirements of Title VI of the Clean Water Act. In carrying out the requirements of the Clean Water Act, Section 606(b)(8), the state will use accounting, audit, and fiscal procedures conforming to generally accepted governmental accounting standards.

Three assistance agreements are currently delinquent or in default (North Lake Recreational Sewer and Water District assistance agreements 1899-09/16/18). The district, with oversight from the state, has preserved its priority position in the bankruptcy court system. At this time, it is expected that these assistance agreements will be repaid in full; however, the repayment date is uncertain. Therefore only a minority of these repayment dollars are anticipated to be available for the SFY 2016 IUP.

Resources:		
Cash on Hand (Idle Cash and Investments)	$103,440,340	
Transfers-In From Drinking Water SRF	10,000,000	
EPA Capitalization Grant FFY 2015	6,863,000	
State Match	1,372,600	
Assistance Agreements Receivable:		
SFY 2015 – March - June	3,516,430	
SFY 2016	6,966,711	
SFY 2017	7,500,973	
Income on Cash and Investments:		
SFY 2015 – March - June	611,617	
SFY 2016	1,612,100	
SFY 2017	1,383,000	
Total Resources:		$143,266,771
Current Remaining Assistance Agreements Obligations: (Assistance agreements in design/construction less disbursements and de-obligations that have already occurred)	($98,599,491)	
Add back: 5% project shrinkage (Some projects will de-obligate, or self-finance and reduce disbursement requests from the CWSRF)	4,929,975	
Net Remaining Assistance Agreements Obligations:		($93,669,516)
NET RESOURCES AVAILABLE TO PROVIDE ASSISTANCE		$49,597,255

Key Assumptions:

Projects take 30 months to construct and close from date of assistance agreement signing. We will use the **Total Resources** amount for the next 27 months to facilitate a conservative cash flow analysis. New assistance agreement obligations cannot exceed **Net Resources Available to Provide Assistance.** Projections are made quarterly. Our next projection is scheduled to be made on July 1, 2015. The July 1, 2015 projection may be preempted if a future assistance agreement materially alters the amount available for assistance. The Green Project Reserve (GPR) goal will be $686,300.

Green Project Reserve Assistance Agreement Activity During State Fiscal Year 2016

For SFY 2016, DEQ will draw upon previous experience in identifying and documenting goal setting for the Green Project Reserve (GPR). A DEQ environmental engineer has been tasked to facilitate gathering and evaluating GPR information from assistance

recipients and their consulting engineers. Business cases or categorical documentation will be required to justify GPR eligibility and costs. Once this documentation is reviewed by DEQ, it will be posted on the website: www.deq.idaho.gov/water-quality/grants-loans/green-project-reserve.aspx. For SFY 2015, DEQ exceeded its 10% GPR goal and expects to use the same approach to meet its GPR goal in 2016.

Assistance Agreement Fees

To provide for support of the administrative costs associated with operating the Clean Water Quality State Revolving Fund (SRF) program or to otherwise facilitate the operation of the Clean Water State Revolving Fund (CWSRF) effort, a fee program has been instituted. The fee will be 1% of the unpaid balance of the assistance agreement (unless the interest rate and fee is less than 1%, in which case the fee will be reduced), payable when the regular repayments are made. Herein the term *effective interest* will be the sum of the fee and the true interest. The interest rate will be reduced by the corresponding percentage of the fee, so that there is no net effect on borrowers. Fees are only being charged on new assistance agreements or on projects in progress, for which a assistance agreement offer amendment is required.

For SFY 2014, the fee revenues were $500,485, and for SFY 2015 the expected fee revenue should increase to about $530,000. The fee revenue account balance, at the end of SFY 2014, was $1,320,804. In the second half of SFY 2015, approximately $330,000 of fee revenues will be used to fund Water Quality SRF administrative and technical support costs incurred beyond the federal capitalization grant support level, and wastewater planning grant support as well as operator training classes.

For SFY 2016 DEQ expects to use approximately $800,000 of fee revenues. Costs of approximately $280,000 will be charged to support CWSRF administration. Costs of approximately $40,000 will be charged to the direct support of operator training. Costs of approximately $480,000 will be charged to the direct support of municipal wastewater planning grant efforts.

The support for wastewater planning grants will include the direct support to municipalities for their plan development and the DEQ staff time to administer the grant support. The DEQ personnel costs will be drawn from each regional office and the state office in Boise. In each regional office, the personnel charging against the fee account will be engineering staff to support wastewater planning grants. In the state office, the personnel time will consist of financial and environmental review staff.

Surplus fee revenues will be transferred into the assistance agreement repayment account, to increase *available resources* for assistance agreements. Surplus fees will earn the same interest as regular repayment idle monies and will be periodically transferred to the fund corpus. Should a cash flow deficiency arise in the fund corpus, surplus fees would be transferred ad hoc.

II. List of Projects

Attachments I and II are the SFY 2016 CWSRF Fundable List and Project Priority List. Upon completion of the public comment period, a final project listing was approved by the Board of Environmental Quality on May 20, 2015.

The first use requirement of the Clean Water Act [Section 602(b)(5)], relating to National Municipal Policy (NMP), does not apply in Idaho since all NMP needs have been met with separate funds in the form of state and federal grants and separate state assistance agreement in FFY 1989.

III. Long- and Short-Term Goals

DEQ's long-term, basic SRF goals are to:

1. Protect public health and the waters of the state by offering financial assistance for the construction of wastewater treatment facilities. Financial assistance consists of below-market-rate interest on assistance agreements (e.g., 20-year repayments) and may include principal forgiveness for disadvantaged communities under limited circumstances.
2. Assist local communities as they strive to achieve and maintain statewide compliance with federal and state water quality standards.
3. Section V.K. and Attachment VIII more fully discuss transfers. DEQ will monitor the disparity and evaluate the impact of transferring money between the CWSRF and DWSRF, and use transfers between the two Funds to balance funding with relative need.
4. The EPA is evolving its policy towards system sustainability. This evolution will likely continue, and at the least will require administrative changes. DEQ will monitor this evolution and make changes as needed. The policy may translate into specific capitalization grant requirements, such as user rate structures that incorporate capital replacement.
5. Administer Idaho's CWSRF account to ensure its financial integrity, viability, and revolving nature in perpetuity. DEQ will continue to strive to ensure the viability of the fund using two methods: (1) applying a minimum interest rate above 0% and (2) applying a 0.25% higher interest rate for assistance agreements that are repaid in 30 years.

DEQ's short-term, basic SRF goals are to:

1. Ensure that FFY 2015 capitalization funding is disbursed to projects in a timely manner. With the exception of assistance agreement disbursement requests for projects that require the use of repayment funds (e.g., *recycled* assistance dollars will be used to match Federal funds), whenever practicable initial capitalization dollars will be used prior to repayment funds being used. This practice will ensure that initial capitalization funds are used in a timely manner.
2. Provide funding for nonpoint source (NPS) projects and improve marketing efforts directed at potential sponsors of NPS projects. To date there has not been a big enough demand upon SRF/319 staff to impose an undue administrative burden, nor to materially degrade the long-term health of the fund.
3. Ensure clear tracking of fee revenues and expenditures, while developing clear rules, policies, and procedures related to a maturing fee structure.
    - ❖ Financial statement disclosure has continued to change to meet State Legislative Service Office and United States Environmental Protection Agency (EPA) concerns over disclosure adequacy. In the absence of

generally accepted accounting principles for nonprimary government units, DEQ has chosen a comprehensive disclosure approach.

- ❖ Continue to review and update the state CWSRF Handbook, which is found on DEQ's website. The updates will include new requirements associated with the Clean Water Act reauthorization of 2014.

4. Ensure that the GPR goal of 10% of the capitalization amount is directed towards supporting such efforts as energy efficiency, water conservation, and innovative green projects. Use in-house environmental engineering expertise to facilitate meeting this goal. This goal will be met by comparing end-of-project costs to initial estimates and making any corrections to the EPA reporting database.
5. Ensure compliance with Davis-Bacon wage provision and Single Audit Act requirements.
6. Update guidance checklists in the CWSRF Handbook to incorporate recent capitalization grant changes.
7. Implement use of a *cradle-to-grave* assistance agreement checklist.
8. Implement appropriate changes to statute, rule, contracts, procedures and policies as a result of the Clean Water Act reauthorization (Water Resources Reform and Development Act, or WRRDA) enacted on June 10, 2014. Due to the timing of Idaho's legislative process and the completion of the EPA WRRDA guidance, the Idaho statutory and rule changes will not be pursued until early in calendar year 2016. During the interval, requirements for sustainability compliance [WRRDA Section 602(b)(13)] will be met through assistance agreement contract requirements.
9. Incorporate population, unemployment and poverty trends into Fundable Lists to facilitate allocation decisions. This is a WRRDA requirement.
10. Work with software developers and stakeholders to develop and implement a new assistance agreement servicing software application. The software is expected to achieve reporting efficiencies, better serve DEQ project managers in their day-to-day administration of assistance agreement projects, allow State Office staff to better manage the CWSRF fund with long-term forecasting and reduce duplicate data entry. The software is being purchased with an equal mix of DWSRF and CWSRF assistance fees.

IV. Information on the Activities to be Supported

A. Allocation of Funds/Assistance Terms

The primary type of assistance to be provided by the CWSRF is expected to be low-interest assistance agreements for up to 100% of project costs. The effective rate of interest will vary from a ceiling of 2.75% and a floor of 1.50%, for 20-year assistance agreements awarded directly by DEQ (DEQ Policy Memorandum 14-01). If an assistance recipient prefers to repay their obligation over a 30-year period, the effective interest rate would be adjusted to a floor of 1.75% and a ceiling of 3.00%. The average design life of the project must equal or exceed the repayment period. A floor is being established to help offset the effects of inflation and to encourage communities to complete their projects in a timely manner.

In some instances 0.00% assistance agreements will be considered if the community's annual cost of user rates per household exceeds 1.50% of the median household income. Additionally, the interest rate floor can be lowered below 1.50% for twenty-year assistance agreements and below 1.75% for thirty-year assistance agreements, if the assistance agreement recipient sponsors a nonpoint source project.

All assistance agreements will be paid back over a period not to exceed 30 years (consistent with the useful life of the project).

Some 30-year disadvantaged assistance agreements could be available with effective interest rate that is lower than 1.75%. This determination will be made on a case-by-case basis. CWSRF-specific disadvantaged assistance agreements will be directed to those communities that are ready to proceed and that meet disadvantaged community criteria established in IDAPA 58.01.12.021. Principal and interest repayments must begin no later than 1 year after the initiation of operation date.

To the extent that entities on the Fundable List qualify as disadvantaged, they will share equally, on a project cost pro-rata basis, in the monies that are available for principal forgiveness. DEQ will continue to target its subsidy resources to disadvantaged communities. CWSRF specific disadvantaged loans will be directed to those communities that are ready to proceed and that meet disadvantaged community criteria established in IDAPA 58.01.12.021 and as defined in Appendex VI to meet WRRDA affordability requirements. The FFY 2015 CWSRF capitalization grant allows DEQ to provide additional subsidy between the maximum amount of $2,058,900 and a minimum amount of $0 (i.e. principal forgiveness is allowed up to 30% of the capitalization grant amount but is not required). DEQ will provide principal forgiveness equal to 25% of the capitalization grant (consistent with the approach taken for the Drinking Water SRF), or $1,715,750. Principal forgiveness is capped at the amount necessary to keep user rates at 1.50% of median household income. To the extent that growth is funded with subsidized loans or extended term financing, it will only be for reasonable, average growth.

Should entities that are slated for principal forgiveness on the Fundable List opt out of the SRF financing process, or if the final costs are less than the initial estimates, their remaining subsidies shall be set aside in a pool. When the federal capitalization grant is ready to be closed out (that is associated with the principal forgiveness allocated for SFY 2016), the pool balance will be allocated to those disadvantaged communities that:

- Entered into loans or extended term financings with DEQ during the course of the year; and,
- Will pay user rates that exceed 1.50% of the community's median household income, after taking into account the initial allocation of principal forgiveness.

B. Administrative Costs of the Clean Water State Revolving Fund

DEQ plans to reserve not more than 4% of the regular capitalization grant for administrative expenses plus the amount of any fees collected for such purpose.

C. Assistance Agreement Eligible Activities

CWSRF assistance agreements will provide for planning, design, and construction of secondary and advanced secondary wastewater treatment units, interceptors and appurtenances for infiltration/inflow correction, collector sewers and appurtenances, new interceptor sewers and appurtenances, combined sewer overflow correction, stormwater management programs, and recycled water distribution. CWSRF assistance will be provided to local communities, counties, and sewer districts for the construction of publicly owned wastewater treatment facilities. Assistance agreements may also be provided to sponsors of NPS projects to implement water pollution control projects. Such projects must be consistent with the State Water Quality Management Plan and demonstrate a nexus or benefit to a municipality. Additionally, funding will be provided for GPR activities to meet the Federal requirement for SFY 2016 of 10%.

D. Sponsorship Agreements

Some of the traditional CWSRF assistance agreements may be leveraged to provide NPS project funding. At the time the IUP was written there were no projects identified for sponsorship assistance, but if they later become available the DEQ may consider supporting their funding. The effective interest rate charged on wastewater treatment/collection facility assistance agreements may be adjusted to accommodate NPS projects that have a nexus with the CWSRF assistance recipient community; however, even with a nexus, the NPS projects will have no direct impact on the sponsor's National Pollutant Discharge Elimination System (NPDES) permit. The NPS projects will be administered jointly by the Clean Water Act, Section 319 grant staff within DEQ and the CWSRF staff. The NPS project will have the same administrative conditions as any Section 319 grant; however, CWSRF cost eligibility criteria will apply. Additionally, sponsorship projects will be strongly encouraged to complete their projects within the same timeframe as their point source counterparts. Since NPS sponsorship projects are not using point source solutions (i.e., Clean Water Act, Section 212), they will not need environmental reviews. DEQ will also not apply discretionary Federal cross-cutters to the NPS sponsorship projects. See DEQ's website for details: www.deq.idaho.gov/media/908842-loi-companion-1012.pdf.

When a sponsorship agreement is signed, the signatories will be the point source assistance agreement recipient, the DEQ Director and the NPS project manager. The amount of the point source assistance agreement will increase, but the interest rate will be reduced so that the point source assistance agreement recipient's rates will not be impacted by the NPS project.

Should any NPS project help to meet a municipality's NPDES permit requirements, the NPS project will be treated as if it were an integral part of the point source project, with the reporting requirements that go along with a point source project.

For SFY 2016, DEQ NPS projects had no potential sponsors for the sponsorship of any NPS projects. NPS projects, in order to be selected, will have a completed, technically correct 319 grant application (and are therefore in compliance with 40 CFR 35.3115 et seq.), be located in the same (8 digit HUC) watershed as their sponsor, and have their sponsor's support in the NPS effort.

V. Assurances and Specific Proposals

A. Environmental Reviews—Clean Water Act, Section 602(a) and Cross-Cutter Compliance, 40 CFR 35.3145

DEQ certifies that it will conduct environmental reviews of each Clean Water Act Section 212 project receiving assistance from the CWSRF. DEQ will follow its EPA-approved State Environmental Review Process (SERP) for conducting environmental reviews.

These procedures are outlined in the "Rules for Administration of Water Pollution Control Loans" (IDAPA 58.01.12.042). More detailed procedures are embodied in the *Clean Water State Revolving Fund Loan Handbook* (Chapter 5, Forms B & C). The Chapter 5 checklists may be found at www.deq.idaho.gov/media/651369-ww-loan-handbook.pdf.

DEQ agrees to comply with and to require recipients of assistance agreements from Idaho's Water Pollution Control Loan Account to comply with applicable federal cross-cutting requirements. DEQ will notify EPA when consultation or coordination by EPA is necessary to resolve issues regarding these requirements.

B. Binding Commitments—Clean Water Act, Section 602(b)(3)

DEQ will enter into binding commitments for 120% of each quarterly payment within 1 year of receipt of that payment. Binding commitment dates are listed in Attachment I of this IUP.

C. Expeditious and Timely Expenditures—Clean Water Act, Section 602(b)(4)

DEQ will expend all funds in the CWSRF in a timely and expeditious manner.

D. First-Use Enforceable Requirements—Clean Water Act, Section 602(b)(5)

DEQ certifies that all major and minor wastewater treatment facilities that the state has previously identified as part of the National Municipal Policy (NMP) are:

- In compliance, or
- On an enforceable schedule, or
- Have an enforcement action filed, or
- Have a funding commitment during or prior to the first year covered by an IUP.

E. Compliance with Title II Requirements—Clean Water Act, Section 602(b)(6)

DEQ has met the specific statutory requirements for publicly owned wastewater treatment projects constructed in whole or in part before SFY 1995 with funds directly made available by federal capitalization grants. Therefore, DEQ no longer plans to use its federal capitalization grant and state match on *equivalency projects*. These projects meet the 16 specific statutory requirements provided by the Clean Water Act, Section 602(b)(6) as amended by the Water Quality Act of 1987, Public Law 100-4 and are eligible under 201(b); 201(g)(1) and (2); 201(N); and 211.

F. State Matching Funds—Clean Water Act, Section 602(b)(2)

DEQ agrees to deposit into the CWSRF from state monies an amount equal to 20% of the capitalization grant on or before the date on which the state receives each grant payment from EPA. These funds will be transferred from Idaho's Water Pollution Control Account or from non-program income assistance agreement fees. DEQ draws administrative funding at 100% federal.

G. State Laws and Procedures—Clean Water Act, Section 602(b)(7)

DEQ agrees to expend all grant payment in accordance with state laws and procedures.

H. Consistency with Planning

DEQ agrees that it will not provide assistance to any wastewater treatment project unless that project is consistent with plans developed under the Clean Water Act, Section 205(j), 208, 303(e), 319, or 320.

I. Reporting

DEQ agrees to provide data or information to EPA as may be required for national reports, public inquiries, or Congressional inquiries. Capitalization grant-funded recipients will be monitored for Single Audit Act compliance and annual reports will be sent to assistance agreement recipients telling them the amount of federal monies they received during the past year.

DEQ will comply with reporting requirements of the EPA Order on Environmental Benefits and the Federal Funding and Accountability and Transparency Act. Project information will be updated at least quarterly in the Clean Water Benefits Reporting System. An environmental benefits summary report for all funded projects will also be completed. A hard copy of the summary report will be provided to the EPA with the Annual Report.

J. Qualifications Based Standards for Selection of Professional Service Providers

DEQ is in compliance with the Clean Water Act's (Section 602(b)(14)) Federal procurement standard by its adherence to Idaho Code 68-2320.

K. Transfers Between State Revolving Funds

For SFY 2016, DEQ plans to transfer $10 million from the DWSRF to the CWSRF. Should additional transfers become needed, DEQ reserves the right to transfer surplus funds originating back to FFY 1997 capitalization grant awards. See Attachment VIII for listings of capitalization grants and related narrative. Per 40 CFR 35.3550 a state may reserve the authority to transfer funds in future years. Funds may be transferred on a net basis, provided that the 33% transfer allowance associated with the DWSRF program capitalization grants received is not exceeded. Only repayments will be used for transfers. DEQ intends to transfer $10 million from the DWSRF to the CWSRF in SFY 2016.

VI. Criteria and Method for Distribution of Funds

The following principles and procedures will be the basis for the administration, funding, allocation, and distribution of the CWSRF monies. The principles and procedures are designed to provide maximum flexibility for assistance and ensure long-term viability of the revolving program.

A. Program Administration

The 4% allowed in the capitalization grants provided by EPA will be set aside to be used for program administration. Program administration costs will be met by capitalization grant allocations and by fee revenues (to the extent that the annual capitalization grant is insufficient to meet our needs).

B. CWSRF Priority List

Letters of interest were sent to all cities, counties, and water and sewer districts in the state. Returned letters of interest and priority list rating forms were sent to project engineers in DEQ regional offices to complete a rating of projects in each region. The result of the rating and ranking was the preliminary Priority List that was presented during the public review and comment period. Separate letters of interest were sent to potential NPS applicants. Projects are rated using the following criteria:

1.	Public health emergency certified by the DEQ Board or a Health District Board	up to 150 Points
2.	Regulatory Compliance Status	up to 100 Points
3.	Watershed Restoration	up to 100 Points
4.	Watershed Protection	up to 100 Points
5.	Preventing Impacts to Uses	up to 100 Points
6.	Sustainability	up to 50 Points
7.	Affordability	up to 10 Points

Attachment III contains the guidance document that fully explains how DEQ staff applied the above criteria when rating individual projects.

C. Fundable Projects

The highest rated projects on the adopted Priority List that are ready to proceed are selected for funding and are listed on the IUP. These fundable projects are listed on Attachment I. DEQ staff starts at the top of the Priority List and continues to select projects ready to proceed until all of the available funds are used. In cases where a lower ranked project is selected, it is because higher ranked projects have not indicated a readiness to proceed, do not meet the eligibility requirements for available funds, or because additional funding has become available. A project that is *ready to proceed* will have shown evidence of legal authority to enter into debt, have a completed facility plan, be able to meet GPR and Additional Subsidization requirements and have expressed a willingness to proceed with the CWSRF process.

In some cases, the project amount on the Fundable List may be less than the project amount on the Priority List. The Priority List amount is the estimate of the total project cost, while the costs on Fundable List are the amount that project applicants expect to

borrow from the CWSRF. In each case, the difference will be provided from some other source, such as cash on hand or a grant from the Community Development Block Grant program administered by the Idaho Department of Commerce.

D. Disbursements

The estimated timing and amount of disbursements for the projects on the new IUP are added to the latest cash disbursement request projections for prior year funded and projected projects. The projections are normally provided to EPA in July each year. The projections are based upon estimated disbursement schedules submitted by assistance agreement recipients and projected timing of assistance agreements, adjusted for corrections by regional project engineers and state office staff. These disbursements are tracked on an ongoing basis to project needed cash from all capitalization grants and state match. All funds will be expended in an expeditious and timely manner.

E. Federal Payments

The Idaho CWSRF has cumulative binding commitments in excess of the amount required for the current capitalization grant. This allows for the entire Federal payment to be made in a timely manner. Attachment IV provides more detail.

F. State Match

Idaho's match for all capitalization grants is provided from funds that are drawn either from the state Water Pollution Control Account or from non-program income assistance agreement fee revenues. The Water Pollution Control Account derives its funding from a set amount of $4.8 million from the state sales tax and is perpetually appropriated to DEQ under Idaho Code Title 63 Chapter 36.

VII. Additional Information Requirements

A. Public Review and Comment

See Attachment V.

B. Bypass Procedures

A project may be bypassed if:

- It does not support meeting GPR goals (if so designated on the Fundable List)
- It is not ready to proceed
- It voluntarily opts out of the SRF process
- The project does not meet eligibility requirements
- It does not allow for timely use of funds.

In place of the bypassed project, the next highest ranking project(s) that is ready to proceed will be used (IDAPA 58.01.12.020.04.c). DEQ will use Priority List ranking as much as possible when preparing the IUP. However, the lack of adequate funding; changes in project scope; failure to pass a bond election; or other unforeseen circumstances may require that a highly ranked project on the IUP be bypassed. If a

project is bypassed, DEQ will offer assistance funds to the highest ranked, ready-to-proceed project from the most current approved Priority List. To date, in SFY 2015, no entities have been bypassed. Should any projects be bypassed by June 30, 2015 (end of SFY 2015), those projects and reasons for being bypassed will be included in the SFY 2015 Annual Report.

ATTACHMENT I. Clean Water State Revolving Fundable Listing

State of Idaho Water Quality State Revolving Fund
for the Period of July 1, 2015 through June 30, 2016
LIST OF FUNDABLE CLEAN WATER PROJECTS

Rank	Project	Rating Points	Regional Office	Est. Project Cost	Est. Assistance Commitment Date and Est. Funding Terms	Ancillary Requirements	Est. Cost of Green Infrastructure	Needs Category	NPDES or Land Application Permit #	Project Description
1	City of Coeur d'Alene	190	CRO	$20,000,000	September 2015 20 years, 2.75%	Davis Bacon Wage Provisions, Cross-cutting Requirements, American Iron and Steel, FFATA Reporting, Single Audit Act and Disadvantaged Business Enterprise Compliance Reporting	$20,000,000 (water conservation and energy efficiency; reuse of plant system water; reuse of effluent; advanced lighting; variable frequency drive pumps; NEMA motors; and, aeration improvements, Business Case required)	II	ID-002853-0	Collection and treatment system improvements to include: primary process improvements, chemical storage and feed, secondary process improvements, and tertiary process addition.
2	City of Kellogg	180	CRO	$9,843,110	August 2015 30 years, 2.78%	Davis Bacon Wage Provisions and American Iron & Steel		IV-A	N/A	Rehabilitate and/or replace collection system.
3	City of Notus	165	BRO	$2,020,000	June 2016 30 years, 1.75%, $184,647 of principal forgiveness	Davis Bacon Wage Provisions and American Iron & Steel	$418,500 (high-efficiency motors and pumps, water conserving reuse procedures	I, III-A, X	N/A	Improve treatment and reduce collection line leakage to include land application and reuse.

ATTACHMENT I. (CONT.)

							Business Case required)			
4	City of Franklin	162	PRO	$2,500,000	October 2015 30 years, 1.75%, $228,523 of principal forgiveness	Davis Bacon Wage Provisions and American Iron & Steel	$2,300,000 (improved pumps and motors, Business Case required)	I, IV-A, X	LA-M014-02	Increase the reuse land area and storage volume. Make reuse site improvements, add new pumping and piping to move effluent to new land area and to convey wastewater to improved storage.
5	Elk Bend Sewer District	160	IFRO	$1,250,000	August 2015 30 years, 1.75%, $114,261 of principal forgiveness	Davis Bacon Wage Provisions and American Iron & Steel	$250,000 (high-efficiency pumps and motors; and, reduction in waste processed, leading to reduced energy demands, Business Case required)	III-B, I, IV-A	N/A	Replace lift stations, add 4,000 feet of gravity sewer to Steelhead Bend, construct new treatment facility, and a new large soil absorption module.
6	City of Hagerman	145	BRO	$10,002,000	November 2015 30 years, 1.75%, $914,092 of principal forgiveness	Davis Bacon Wage Provisions and American Iron & Steel		I	ID-002594-1	Install new lift stations, new gravity mains, new flow meters and vaults, rapid infiltration site acquisition, new lagoons, land application and add back-up power.
7	City of Ashton	125	IFRO	$3,000,000	May 2016 30 years, 1.75%, $274,227 of principal forgiveness	Davis Bacon Wage Provisions and American Iron & Steel		II, III-A, III-B	ID-002371-0	Correct treatment deficiencies (to meet NPDES ammonia limits), rehabilitate collection lines, improve pumping stations and disinfection process.
	Assistance Total ==➔ $48,615,110					GPR Total =➔ $22,968,500				

ATTACHMENT II. Clean Water State Revolving Priority Listing

State of Idaho Water Quality State Revolving Fund
for the Period of July 1, 2015 through June 30, 2016
COMPREHENSIVE LISTING OF CLEAN WATER PROJECTS

Rank	Project	Rating Points	Reg. Office	Est. Project Cost	Needs Category	NPDES or Land Application Permit #	Est. Cost of Green Infrastructure	Project Description
1	City of Coeur d'Alene	190	CRO	$20,000,000	II	ID-002853-0	$20,000,000 (water conservation and energy efficiency; reuse of plant system water; reuse of effluent; advanced lighting; variable frequency drive pumps; NEMA motors; and, aeration improvements, Business Case required)	Collection and treatment system improvements to include: primary process improvements, chemical storage and feed, secondary process improvements, and tertiary process addition.
2	City of Kellogg	180	CRO	$9,843,110	IV-A	N/A		Rehabilitate and/or replace collection system.
3	City of Notus	165	BRO	$2,020,000	X, I	ID-002101-6	$50,000 (energy savings, Business Case required)	Improve treatment and reduce collection line leakage to include land application and reuse.
4	City of Franklin	162	PRO	$2,500,000	I, IV-A, X	LA-M014-02	$2,300,000 (improved pumps and motors, Business Case required)	Increase the reuse land area and storage volume. Make reuse site improvements, add new pumping and piping to move effluent to new land area and to convey wastewater to improved storage.
5	Elk Bend Sewer District	160	IFRO	$1,250,000	III-B, I, IV-A	N/A	$250,000 (high-efficiency pumps and motors; and, reduction in waste processed, leading to reduced energy demands, Business Case required)	Replace lift stations, add 4,000 feet of gravity sewer to Steelhead Bend, construct new treatment facility, and a new large soil absorption module.
6	City of Hagerman	145	BRO	$10,002,000	II	ID-002594-1		Install new lift stations and add back-up power.
7	City of Ashton	125	IFRO	$3,000,000	II, III-A, III-B	ID-002371-0		Correct treatment deficiencies (to meet NPDES ammonia limits), rehabilitate collection lines, improve pumping stations and disinfection process.
8	City of Glenns Ferry	47	BRO	$4,281,900	I, III-B, IV-A, VI-A	ID-002200-4		Construct a stormwater pump station and force main, replace/rehabilitate collection lines, and improvements to the treatment system
9	City of Ammon	45	IFRO	$1,600,000	III-B	N/A		Repair aging pumps and collection lines.
10	City of Bellevue	40	TFRO	$520,000	IV-A	LA-00012-02	$200,000 (improved pumps and motors, Business Case required)	Replacement of a lift station.
11	City of Albion	23	TFRO	$448,500	I, II	LA-000077-03		New lift station and reconstruction of the gravity trunk line.
12	City of Kimberly	10	TFRO	$12,049,000	I, III-A, III-B	N/A		Replace segments of the collection system, relocate a monitoring station and implement pretreatment.
	Total =====>			**$67,514,510**				

WARNING: USE OF THIS LIST AS A MAILING LIST OR AS A TELEPHONE NUMBER LIST IS PROHIBITED BY IDAHO CODE SECTION 9-348 AND IS PUNISHABLE BY A CIVIL PENALTY OF UP TO $1,000.

ATTACHMENT III. Guidance for Integrated Priority System: Water Quality Project Ranking

Integrated Priority System
Water Quality Project Ranking
Idaho DEQ Water Pollution Control Loan Program
(To be completed by DEQ staff)

Priority Year
FY 2016
Total Points
0

SECTION I. PROJECT INFORMATION

Project Name/City

Description of Project/Problem(s) (use additional pages if necessary)
Limited capabilities: WordWrap works; use <alt><enter> for manual carriage return; no <tab>

Total Estimated Project Cost
Estimated DEQ Loan Amount

DEQ Staff Reviewer
Date Regional Office

QA Reviewer(s)
QA Date(s)

SECTION II. INTEGRATED PRIORITY SYSTEM

Instructions

An integrated priority system will be used by the Department of Environmental Quality (DEQ) to annually allot available funds in accordance with the **Rules for Administration of Water Pollution Control Loans (IDAPA 58.01.12)**. Each water quality project will be ranked using the integrated priority system in accordance with this rating form.

Section II includes five major rating categories A, B, C, D and E and two supplementary categories F and G. Categories A-D and F-G apply to conventional wastewater (point source) projects. Category E and possibly C and F apply to Non-Point Source (NPS) projects. Applicants with both conventional and NPS components can receive credit under both categories D and E. Answer questions and generate a score for each category.

A. Public Health Emergency or Public Health Hazard* 150 points or 0
IDAPA 58.01.12.020.02.a. Public health emergency or hazard certified by the Idaho Board of Environmental Quality, the Department, a District Health Department or by a District Board of Health – one hundred and fifty (150) points. (5-8-09)

** Board certification of public health emergency must accompany LOI and rating form.*

Check one	Possible	Score
☐ 1. There is no officially declared or designated public health emergency or hazard, or the proposed project will not resolve an officially declared or designated public health emergency or hazard. Enter 0 and proceed to Part B.	0	
☐ 2. The proposed project will resolve an officially declared or designated public health hazard or emergency that is a **documented** health threat as certified by a Health District Board or the DEQ Board. Enter 150 at right and as the Section II Part A Subtotal.	150	
Section II, Part A Subtotal (0 or 150 pts)		0

B. Regulatory Compliance Issues 0-100 points

IDAPA 58.01.12.020.02.b. Regulatory compliance issues (e.g., noncompliance and resulting legal actions relating to infrastructure deficiencies at a wastewater facility) -- up to one hundred (100) points.

For purposes of qualifying for points in this subsection (Regulatory Compliance Issues), the cause of noncompliance and resulting legal actions should be restricted to infrastructure deficiencies at a permitted point source facility. The purpose of this subsection is not to assign points for noncompliance resulting **purely** from system mismanagement or O&M deficiencies.

A point source wastewater facility is required to comply with state and federal rules and the terms of its permits (such as federal NPDES discharge permit or state subsurface discharge permit. For purposes of LOI evaluation, a facility will not receive points for noncompliance unless documented by agency correspondence, such as: warning letter, compliance agreement schedule, consent order, notice of violation, administrative order, permit compliance schedule or assessment of monetary penalties.

Check one	Possible	Score
1. Is the system out of compliance with applicable NPDES, Reuse and subsurface discharge permits?		
☐ • **Low Level Noncompliance (0 pts)** -- includes minor or undocumented permit violations. (No points)	0	_____
☐ • **Moderate Level Noncompliance (50 pts)** -- Includes a 1st State or EPA Warning Letter, notice of violation, or equivalent that will be resolved by the proposed project.	50	_____
☐ • **High Level Noncompliance (75 pts)** -- includes 2nd State or EPA Warning Letter, compliance agreement schedule, consent order, permit compliance schedule, or equivalent that will be resolved by the proposed project.	75	_____
☐ • **Noncompliance Consequences Imposed (100 pts)** -- Penalties assessed (*e.g.* , monetary fines or incarceration) that are directly related to the proposed project and noncompliance will be resolved by the completion of the proposed project. Enter 100 and proceed to Part C.	100	_____
☐ 2. Is the system in compliance with its current permit, but **has received a draft permit** with which the system would be initially out of compliance, *and compliance will be achieved by the proposed project* ? **Requires documentation.**	75	_____
Section II, Part B Subtotal (0-100 pts)		0

C. Watershed Restoration — All Projects 0-100 points

IDAPA 58.01.12.020.01.02.c. Watershed restoration (e.g., implementation of best management practices or initiation of construction at wastewater collection and treatment facilities as part of an approved total maximum daily load plan, implementation of nonpoint source management actions in protection of a threatened water, or is part of a special water quality effort) -- up to one hundred (100) points.

The project implements best management practices or initiates construction of wastewater collection and treatment facilities as part of an approved TMDL, protects threatened waters identified through Idaho's Nonpoint Source Management Program Plan, or is part of a special water quality effort (*e.g.* , Governor's Bull Trout Conservation Plan).

Check all that apply	Possible	Score
3. Surface Water		
☐ a. The proposed project discharges to a 303(d) water body.	10	_____
Name of 303(d) water body: _____		

☐ b. The proposed project is for a point source and is expected to reduce a pollutant of concern in the 303(d) listed water body. 10 _____

List pollutants reduced: _____

☐ c. The TMDL has been approved by EPA. 7 _____

Name of TMDL document: _____

☐ d. The proposed project is for a point source that is exceeding its waste load allocation listed in the approved TMDL. 8 _____

List pollutants exceeding WLA: _____

☐ e. The proposed project is for a non-point source and is expected to reduce a pollutant of concern in the 303(d) listed water body. 8 _____

List pollutants reduced: _____

☐ f. The proposed project will reduce two or more pollutants of concern for the 303(d)-listed water body. 5 _____

List pollutants reduced: _____

4. Ground Water

☐ a. The proposed project is expected to reduce pollutant concentrations in a sole-source aquifer. Eastern Snake River Plain, Spokane-Rathdrum or Lewiston Basin 20 _____

☐ b. The proposed project is expected to reduce pollutant concentrations in a designated Nitrate Priority Area 5 _____

www.deq.idaho.gov/water-quality/ground-water/nitrate.aspx

Identify NPA: _____

☐ c. The proposed project is expected to reduce pollutant concentrations in a designated Critical Ground Water Area 2 _____

www.idwr.idaho.gov/WaterInformation/GroundWaterManagement/

Identify CGWA: _____

5. Threatened and Endangered Species

☐ The proposed project is expected to improve habitat for a threatened or endangered species. 5 _____

www.fws.gov/idaho/Species.htm click "Is this Species in Your County?"

List species w/ improved habitat: _____

Subtotal for Part C.1-5 **(Subtotal C.1-5: limit to 50pt)** 0

6. Watershed Load Reduction

Points are awarded according to the expected effectiveness of the project and the transferability of the demonstrated technologies to other parts of the State of Idaho. The proposed project will either restore designated or existing beneficial uses, reduce the severity of non-point source impacts, or will promote statewide non-point pollution reduction or remediation. More points will be awarded to projects that will have the greater overall reduction in pollutant load to the entire watershed **(described by an 8-digit HUC)**. **If estimated reduction is greater than 25%, supporting calculation must be provided.**

cfpub.epa.gov/surf/locate/index.cfm _____

List HUC name & number: _____

Check one	Possible	Score
☐ a. The proposed project will not result in a load reduction or will not reduce impacts to surface water or ground water.	0	_____
☐ b. The proposed project will result in an estimated 25% or less reduction in overall pollutant loading to the watershed.	15	_____
☐ c. The proposed project will result in an estimated 26-75% reduction in overall pollutant loading to the watershed.	30	_____
☐ d. The proposed project will result in an estimated greater than 75% reduction in overall pollutant loading to the watershed.C.3.	50	_____
(Subtotal C.6: limit to 50pt)		0

Subtotal. Add subtotals for Parts C.1-5 and C.6. **(Section II Part C subtotal)** 0

D. Watershed Protection from Impacts (conventional wastewater projects) 0-100 points

NOTE: For point source projects that plan to sponsor nonpoint source efforts as part of their loan

NOTE: Points will be awarded in this section only if a NPS project has been identified. Check with Tim Wendland.

IDAPA 58.01.12.020.01.02.d. Watershed protection from impacts (e.g., improvement of beneficial use(s) in a given water body, evidence of community support, or recognition of the special status of the affected water body) -- up to one hundred (100) points.

1. Points will be assigned based on the **documented** number of designated beneficial uses impacted by non-point source pollutants. Eight points will be awarded for each of the five beneficial uses designated in the *Water Quality Standards* (IDAPA 58.01.08.100) for which the proposed project will prevent or reduce future impacts.

Check all that apply	Possible	Score
☐ a. Aquatic Life	8	
☐ b. Recreation	8	
☐ c. Water Supply (domestic, agricultural or industrial; or ground water)	8	
☐ d. Wildlife Habitats	8	
☐ e. Aesthetics	8	
	(Subtotal D.1)	0

2. Nexus/benefit to municipality - Points are awarded based on the commitment of a municipality, governing agency or other eligible entity (*e.g.* , local landowner, citizen group working through eligible entity) for implementing or financing a portion of the proposed NPS project managed by a loan-eligible entity. **A support letter must indicate the committment of the municipality, governing agency or other eliglible entity to *implement or fund* a portion of the proposed project.** More points are awarded based on the degree of project support exhibited.

Check one	Possible	Score
☐ a. No support letters.	0	
☐ b. One or two support letters.	20	
☐ c. Three or more support letters.	40	
	(Subtotal D.2)	0

3. State and National Priorities - Points will be assigned based upon recognition of the special status of waters or uses of those waters.

Check all that apply	Possible	Score
☐ a. This project is a State Priority - The project reduces impacts to either:	10	

- a State Park or State Recreation Area
- a designated Nitrate Priority Area
  www.deq.idaho.gov/water-quality/ground-water/nitrate.aspx
  Identify NPA: _____
- an area of high ground water vulnerability (based on source water assessments)
  www.deq.idaho.gov/water/swaOnline
  Identify vulnerable PWS: _____
- the project enhances the State's non-point source management program
  www.deq.idaho.gov/water-quality/surface-water/nonpoint-source-pollution/idahos-nps-management-program.aspx

☐ b. The project is a National Priority - A statewide initiative project is intended to positively impact either:	10	

- a threatened or endangered species
  www.fws.gov/idaho/Species.htm click "Is this Species in Your County?"
  map.streamnet.org/website/bluecriticalhabitat/viewer.htm
  Identify T/E species: _____
- a wilderness area

publiclands.org/Get-Books-and-Maps.php?plicstate=ID

- a wild and scenic river, or
  www.nps.gov/ncrc/programs/rtca/nri/states/id.html
  www.idwr.idaho.gov/WaterManagement/WaterRights/Wild_Scenic/WildScenic.htm
- an EPA-designated sole source aquifer
  yosemite.epa.gov/r10/water.nsf/Sole+Source+Aquifers/ssamaps

(Subtotal D.3) 0

Subtotal. The sum of D.1, D.2 and D.3 **(Section II Part D Subtotal)** 0

E. Preventing Impacts to Beneficial Uses (NPS Projects Not Sponsored by Loan Recipients) 0-100 points
IDAPA 58.01.12.020.02.e. Preventing impacts to uses (nonpoint source pollution projects) –up to one hundred (100) points.

NOTE: For sponsoring a NPS project to be completed by others, the project sponsor may be able to also check item(s) in Part F (check with DEQ State Office to see if proposed project qualifies as a "Sustainability" effort).

1. Points will be assigned based on the documented number of designated beneficial uses impacted by non-point source pollutants. Seven points will be awarded for each of the five beneficial uses designated in the *Water Quality Standards* (IDAPA 58.01.08.100) for which the proposed project will prevent future impacts.

Check all that apply	Possible	Score
☐ a. Aquatic Life	7	
☐ b. Recreation	7	
☐ c. Water Supply (domestic, agricultural or industrial)	7	
☐ d. Wildlife Habitats	7	
☐ e. Aesthetics	7	
	(Subtotal E.1)	0

2. Nexus/benefit to municipality - Points are awarded based on the commitment of a municipality, governing agency or other eligible entity (*e.g.* , local landowner, citizen group working through eligible entity) for implementing or financing a portion of the proposed NPS project managed by a loan-eligible entity. **A support letter must indicate the committment of the municipality, governing agency or other eliglible entity to *implement or fund* a portion of the proposed project**. More points are awarded based on the degree of project support exhibited.

Check one	Possible	Score
☐ a. No support letters.	0	
☐ b. One or two support letters.	20	
☐ c. Three or more support letters.	40	
	(Subtotal E.2)	0

3. State and National Priorities - Points will be assigned based upon recognition of the special status of waters or uses of those waters.

Check all that apply	Possible	Score
☐ a. This project is a State Priority - The project reduces impacts to either:	10	

- a State Park or State Recreation Area
- a designated Nitrate Priority Area
  www.deq.idaho.gov/water-quality/ground-water/nitrate.aspx
  Identify NPA: _____
- an area of high ground water vulnerability (based on source water assessments)
  www.deq.idaho.gov/water/swaOnline
  Identify vulnerable PWS: _____
- the project enhances the State's non-point source management program
  www.deq.idaho.gov/water-quality/surface-water/nonpoint-source-pollution/idahos-nps-management-program.aspx

☐ b. The project is a National Priority - A non-point source or statewide initiative project is intended to positively impact either: 10 _____

- a threatened or endangered species
  www.fws.gov/idaho/Species.htm click "Is this Species in Your County?"
  map.streamnet.org/website/bluecriticalhabitat/viewer.htm
  Identify T/E species: _____
- a wilderness area
  publiclands.org/Get-Books-and-Maps.php?plicstate=ID
- a wild and scenic river, or
  www.nps.gov/ncrc/programs/rtca/nri/states/id.html
  www.idwr.idaho.gov/WaterManagement/WaterRights/Wild_Scenic/WildScenic.htm
- an EPA-designated sole source aquifer
  yosemite.epa.gov/r10/water.nsf/Sole+Source+Aquifers/ssamaps

(Subtotal E.3) 0

4. For Non-Point Source related projects, how long will the project owners, managers, or sponsoring agency (the entity seeking a **Part E.4.** loan) operate and maintain the project after implementation? (Check one)

☐ a. Less than 5 years 1 _____
☐ b. Between 5 and 10 years 3 _____
☐ c. More than 10 years 5 _____

(Subtotal E.4): max 5 pt 0

Subtotal. The sum of E.1, E.2, E.3 and E.4 **(Section II Part E Subtotal)** 0

F. Sustainable ("Green") Infrastructure Efforts 0-50 points

IDAPA 58.01.12.020.02.f. Sustainability efforts (e.g., prospective efforts at energy conservation, water conservation, extending the life of capital assets, green building practices, and other environmentally innovative approaches to infrastructure repair, replacement and improvement) –up to fifty (50) points.

2.Nonpoint source project sponsorship Points

☐ Applicant is willing to sponsor NPS project (**rated by State Office for FY2016**) 10 _____

Check all that apply under #3-#4—10 points each, up to a maximum of 50 points

3. Management-based efforts—Explain the management-based sustainability initiative efforts your system will engage in as part of the project and the cost of the effort. Include documentation supporting the management-based efforts. Label the documentation as section II.F. 3. Management-based efforts could include, but would not be limited to the following:

Points

☐ a. Implement a capital budget that is funded and supported by a capital improvement plan 10 _____

☐ b. Implement usage-based full-cost pricing for wastewater. This means that (a) utility rates must be based on the flow and strength of wastewater treated, and (b) utility rates 10 _____

☐ c. Implement a formal asset management system, (using a tool such as EPA's Check Up Program for Small Systems [CUPSS] 10 _____

Indicate which asset management system: _____
www.epa.gov/cupss

☐ e. Implement a formal environmental management system (shown by International Organization for Standardization (ISO) 14001 certification) 10 _____
en.wikipedia.org/wiki/ISO_14000#ISO_14001_standard
www.iso14000-iso14001-environmental-management.com/

www.iso.org/iso/iso_14000_essentials

☐ f. Sustainable infrastructure benchmarking program (Describe in documentation) 10 _____

www.energystar.gov/buildings/about-us/how-can-we-help-you/benchmark-energy-use

www.waterrf.org/publicreportlibrary/91201.pdf

www.epa.gov/region09/waterinfrastructure/benchmark.html

☐ g. Become an EPA GreenPower Partner 10 _____

www.epa.gov/greenpower

☐ h.Consolidate with another wastewater system 10 _____

Identify which system(s): _____

☐ i. Implement green building management, (based on Leadership in Energy and Environmental Design (LEED) operation and maintenance [O&M] criteria 10 _____

www.usgbc.org/LEED/#rating

en.wikipedia.org/wiki/Leadership_in_Energy_and_Environmental_Design

☐ j. Conduct a professional energy audit and substantially implement its recommendations 10 _____

Identify professional (or organization) conducting audit: _____

☐ k. Other (consult with Grant and Loan Program Office) 10 _____

4. Technology-based efforts—Explain the technology-based sustainability initiative efforts your system will engage in as part of the project and the cost of the effort. The items below are grouped according to the documentation required, including data and calculations. Label the documentation as section II.F. 4. Technology-based efforts could include, but would not be limited to the following:

Categorically accepted (no justification required):

☐ Advanced fluorescent lighting 10 _____

☐ High-efficiency discharge lighting 10 _____

☐ Lighting controls 10 _____

☐ Green roofs 10 _____

☐ On-site energy generation: methane clean combustion, fuel cells, solar, wind 10 _____

☐ Wastewater reuse when other alternatives have been considered in the facility planning 10 _____

☐ Decentralized system when other alternatives have been considered in the facility 10 _____

☐ Class A reclaimed water distribution system ("purple pipe") 10 _____

https://pnclwa.membercliicks.net/assets/2010ConfTechPresentations/Session09/2010_pnclwa-_session_9-1_-_reuse_-_clint_dolsby.pdf

☐ Construct or renovate buildings to meet LEED design and construction criteria. 10 _____

Identify LEED-certified professiona _____

www.usgbc.org/LEED/#rating

en.wikipedia.org/wiki/Leadership_in_Energy_and_Environmental_Design

☐ Direct seeding (nonpoint source) 10 _____

☐ Hydromodification for riparian buffers (nonpoint source) 10 _____

Business case required, showing energy savings and payback on capital and O&M costs that

www.deq.idaho.gov/green-project-reserve

☐ Variable frequency drive (VFD) pumps 10 _____

☐ Heat pumps that reclaim heat from treated effluent 10 _____

☐ Efficient replacements for vacuum dewatering systems 10 _____

☐ Energy-efficient motors that meet National Electrical Manufacturers Association 10 _____

www.nema.org/Policy/Energy/Efficiency/Pages/NEMA-Premium-Motors.aspx

☐ Aeration improvements, such as fine bubble aeration, VFD blowers, or automated 10 _____

☐ Supervisory Control and Data Acquisition (SCADA) 10 _____

☐ Infrastructure improvements that significantly reduce infiltration/inflow or eliminate lift s 10 _____

☐ Tertiary filtration that reduces ultraviolet disinfection power requirements 10 _____

☐ Pressure transmission line replacement resulting in reduced pumping costs 10 _____

Provision of environmentally innovative wastewater treatment systems such as the following

☐	Phosphorus recovery for beneficial re-use	10	_____
☐	Significantly reduce or eliminate the use of chemicals in treatment	10	_____
☐	Significantly reduce or minimize the volume or toxicity of residuals	10	_____
☐	Ground water recharge by land application of effluent forwhere there are other cost-	10	_____
☐	Other (contact Grant and Loan Program)	10	_____
	Subtotal (Part F): Limited to 50 points		0

G. Affordability 10 points maximum

IDAPA 58.01.12.020.02.g. Affordability (current system user charges exceed state affordability guidelines) -- ten (10) points.

A project is not affordable if the monthly user charge (based on operation, maintenance, replacement and debt service) exceeds 1.5% of the monthly Median Household Income (MHI).

• Obtain city or community MHI from either (check one):

☐ factfinder2.census.gov ☐ 5-yr estimate ☐ 3-yr estimate ☐ 1-yr estimate

☐ DEQ-approved community income survey:

community name:

MHI (annual)_____ Year 2013

NOTE: 2009-2013 ACS 5-year estimates will not be available until December 4, 2014

2. Adjust the MHI to January 2015 dollars using the Bureau of Labor Statistics CPI-U price index

http://data.bls.gov/cgi-bin/cpicalc.pl 2015 MHI (annual) _____

monthly user charge _____

a. Not affordable	10	
b. Affordable	0	
	Subtotal (Part A)	0

FINAL SCORE

Subtotal Section II Part A - Public Health Emergency or Public Health Hazard (0-150)	0
Subtotal II Part B - Regulatory Compliance Status (0-100)	0
Subtotal Section II Part C - Watershed Restoration (0-100)	0
Subtotal Section II Part D - Watershed Protection from Impacts (Conventional WW Projects) (0-100)	0
Subtotal Section II Part E - Preventing Impacts to Beneficial Uses (NPS Projects Only) (0-100)	0
Subtotal Section III Part F - Sustainable Infrastructure Efforts (0-50)	0
Subtotal Section III Part G - Affordability (0-10)	0
Total	**0**

SECTION III. READINESS TO PROCEED (no score)

1. Readiness to proceed, based on the following milestones **(Check one)**

No existing planning document (*e.g.* , facility plan, capital improvement plan, eng. report) _____

Consultant hired for planning document and environmental document _____

Draft planning document and environmental document submitted to DEQ _____

Approved planning document without environmental document _____

Approved planning document and environmental determination made _____

10% or more (Preliminary) Design completed _____

2. Is financial documentation in place or does the system have legal authority to incur the debt associated with the proposed project?

The system does not yet have legal authority to incur this debt _____

Bond council or financial consultant retained

Legal instrument(s) in place (e.g., bond election, judicial confirmation, etc.).

NOTES:

For recording information not on LOI, conversations with applicant, etc.

Limited capabilities: WordWrap works; use <alt><enter> for manual carriage return; no <tab>

ATTACHMENT IV. EPA Payment Schedule

SFY 2016

Quarter Ending	Payments	Total	Source
09/30/2015	$6,578,880	$6,578,880	FFY15 Cap Grant
12/31/2015	$284,120	$6,863,000	FFY15 Cap Grant

Payments are defined as increases to the amount of funds available from the Automated Clearinghouse (ACH). The EPA payment schedule assumes that the FFY 2015 award will occur after July 1, 2015. Capitalization grant money will be exclusively disbursed to projects at a ratio of 83.33% Federal to 16.67% State Match until the full amount of state match required by the capitalization grant has been disbursed. The remaining grant draws will be at 100% Federal.

ATTACHMENT V. Public Notification and Involvement Strategy

FOR STATE FISCAL YEAR 2016
WATER QUALITY AND DRINKING WATER PRIORITY LISTS

The public will be involved in the SFY 2016 Priority List development at several points in the process. Involvement for the drinking water and water pollution control lists was solicited directly from the systems through a survey of system interest that was mailed out by DEQ early in the Priority List process. Information on the completed letter of interest forms was used by state and regional office staff in preparing draft lists. A copy of the letter of interest form will be included as attachments in the final IUP. The DEQ SRF staff has found that combining information obtained directly from eligible entities with that provided by DEQ engineering staff results in the most accurate listing of infrastructure needs.

Notification that all four SFY 2016 Priority Lists are available for public review were given in Idaho's six major (regional) newspapers for approximately 4 weeks. Notices were published three times in each of the newspapers. Copies of proofs of publication will be included as attachments to the final IUP.

Notification of availability of the lists was also placed on DEQ's website from March 19 to April 21, 2015.

Approval packages related to the four lists were sent to the Board of Environmental Quality prior to their meeting on May 20, 2015. Copies of the issue analyses for the CWSRF lists and the Board agenda are available upon request. DEQ staff made presentations at the Board meeting on May 20, 2015, and answered questions about the lists. The Board approved all lists on May 20, 2015.

ATTACHMENT VI. Description of Disadvantaged Assistance

The Department shall award assistance to applicants deemed disadvantaged using the following criteria, to the extent required by the most recent federal capitalization grant. To qualify for disadvantaged assistance, an applicant must have an annual cost of wastewater service for residential customers that exceeds 1.5% of the median household income. The annual cost includes all operating, maintenance, replacement, and debt service costs, both for the existing system and upgrades being financed with state revolving funds. If the applicant's service area is not within the boundaries of a municipality (per Idaho statute municipalities include non-profit providers of wastewater services), the applicant may use the census data for the county in which it is located, or may use a Department-approved income survey (which details the community's median household income).

First, the assistance agreement interest rate will be reduced from the rate established by the Director for standard assistance agreements to a rate that results in an annual charge equal to 1.50% of median household income. The interest rate reduction may result in an assistance agreement interest rate of as low as 1.50% (in rare instances the rate may be set at 0.00%).

Second, if a 1.50% interest rate and 20-year repayment assistance agreement set of terms and conditions result in the annual user charge exceeding 1.50% of median household income, then the length of the assistance agreement repayment will be extended in increments of years up to a maximum of 30 years until the annual user charges equals 1.50% of median household income. Thirty-year assistance agreements will be charged a 0.25% higher interest rate than otherwise comparable 20-year assistance agreements.

Third, if at 1.75% interest and a 30-year repayment, the annual user charge still exceeds 1.5% of median household income, the principal which causes the user charge to exceed 1.50% may be reduced. The amount of principal reduction for all projects will be capped at $1,715,750. The principal reduction will be based on the pool of qualifying disadvantaged communities (projects) receiving an equal share in the amount available for principal reduction. Principal forgiveness is for disadvantaged communities and is to be spread out amongst those communities and may not be provided in excess to lower a community status to below 1.50% of the median household income.

- At the end of the state fiscal year any unallocated principal forgiveness (identified in the Fundable List – Attachment I), will be allocated to those disadvantaged entities that signed loans with DEQ during the state fiscal year and still qualify as disadvantaged. If a project's budget increases after the Fundable List is established, any year-end reallocation of unused principal forgiveness will take into account the project's new cost.
- If a disadvantaged community accepts principal forgiveness and their project is completed under budget, their remaining principal forgiveness will be allocated to those disadvantaged entities that signed loans with DEQ during the state fiscal year and still qualify as disadvantaged.
- If a project that has a claim to disadvantaged assistance (on the Fundable List) opts out of the loan process and the funding thereby goes to a lower rated project, that lower rated

project (if the community is disadvantaged) can lay claim to the disadvantaged assistance (however, the ratio of principal forgiveness to dollars loaned will remain consistent).

DEQ will use trends indicated by the U.S. Census five-year population, employment and poverty data to resolve final principal forgiveness allocation issues. The disadvantaged community that suffers from the greatest percentage declines in population, and the greatest percentage rise in poverty and unemployment will be given preference between competing entities.

ATTACHMENT VII. Decision-Making Strategy for Fundable Versus Non-fundable Portions of the Priority List

FOR STATE FISCAL YEAR 2016
WATER QUALITY AND DRINKING WATER PRIORITY LISTS

To develop the fundable portion of the Priority List, several factors were taken into account. These included, but are not limited to:

the project's timeliness in completing the facility plan/engineering report,

completing the Environmental Information Document,

having the legal authority to incur debt; and,

overall readiness to proceed.

The draft terms to be offered are given on the Fundable List; however, at the time of the offer these may be adjusted. The Idaho Department of Environmental Quality's Policy Memorandum 14-01 gives the Department's Director the ability to set effective interest rates for the CWSRF program. As noted in the memorandum, "there could be some 'disadvantaged loans' where the effective interest rate will be below 1.50%..." This determination is made on a case-by-case basis.

ATTACHMENT VIII. Listing of Capitalization Grants—Reference for Potential Transfers Between Funds

Drinking Water SRF

Federal Fiscal Year	Capitalization Grant Amount
1997	$14,157,800
1998	7,121,300
1999	7,463,800
2000	7,757,000
2001	7,789,100
2002	8,052,500
2003	8,004,100
2004	8,303,100
2005	8,285,500
2006	8,229,300
2007	8,229,000
2008	8,146,000
ARRA	19,500,000
2009	8,146,000
2010	13,573,000
2011	9,418,000
2012	8,975,000
2013	8,421,000
2014	8,845,000
2015	8,845,000
Total	$187,261,500

Note: The Drinking Water SRF fund is used to measure how much in transfers may be made, between the two funds, because the Drinking Water fund has received the lesser of capitalization grants and is therefore the limiting factor.

Only one transfer may be made each year. For SFY 2016 $10 million will be transferred from the Drinking Water SRF to the Clean Water SRF. Per 40 CFR 35.3550 a state may reserve the authority to transfer funds in future years. Funds may be transferred on a net basis, provided that the 33% transfer allowance associated with the DWSRF program capitalization grants received is not exceeded. Only repayments will be used for transfers. The SFY 2016 $10 million transfer is the second transfer for a total of $20 million.

The recent past has highlighted an imbalance in demand between the two funds, with the CWSRF having a much higher demand than the DWSRF:

- Demand in SFY 2012 for DWSRF $68m vs. CWSRF $117m
- Demand in SFY 2013 for DWSRF $27m vs. CWSRF $149m
- Demand in SFY 2014 for DWSRF $37m vs. CWSRF $162m
- Demand in SFY 2015 for DWSRF $45m vs. CWSRF $69m
- Demand in SFY 2016 for DWSRF $46m vs. CWSRF $69m

The two types of projects (DW vs. CW) have the same funding sources to apply to and so there is no offsetting relief for the CW entities to seek additional funds. Typically, CW projects are more expensive than DW projects (this year the ratio is $6m: $4m per project). The current expectation is that the transferred funds into the CWSRF will reside there for some period of years; however, the transfer may be reversed in the future if the relative needs change.

The total amount of authority being reserved is 33% of $187,261,500 or $61,796,295. With the actual transfer of $10,000,000 in SFY 2015 and the proposed transfer of an additional $10,000,000 in SFY 2016 there will remain $41,796,295 of remaining reserve that could be transferred from the Drinking Water SRF to the Clean Water SRF, until the reserve is increased by new Federal grants. The transfer will be taken from the fund corpus and will not affect set-asides. The potential for long-term diminution of DWSRF fund resources will be known as future, relative needs become known. DEQ will continue to monitor and conduct financial assessment/modeling to determine potential long-term impacts to the DWSRF fund.