Idaho Department of Environmental Quality
Clean Water Loan
Letter of Interest

FY 2014

Office Use Only
TMDL Status
_____

Section 1. Project Information

Please provide complete and accurate answers to receive the highest possible rating for your project. DEQ recommends that you work closely with your engineering consultant to complete this form.

A. Project/System Identification

Project/System DUNS No. (required prior to loan signing) _____

Project/System Name _____

Project/System Address _____ City _____ State _____ Zip _____

System Phone _____ System Fax _____

Population Served _____ System Ownership (**check one**): ☐For Profit ☐Not For Profit

Owner's Name (print) _____ Owner's Phone _____

Name/Title of System Contact (if different from owner) _____

Contact's Address _____ City _____ State _____ Zip _____

Contact's Phone _____ Contact Fax _____ E-mail Address _____

Note: If the project has a National Pollutant Discharge Elimination System (NPDES) permit or a Wastewater Reuse permit (or both), the permit number(s) must be provided, including the primary permit limits for biochemical oxygen demand (BOD) and total suspended solids (TSS) in milligrams per liter (NPDES permit only).

NPDES Permit _____ BOD _____ TSS _____ Reuse Permit _____

B. Project/System Problems

1. On a separate sheet, describe the problem(s) identified in your existing DEQ-approved wastewater facility plan for a point source problem. Label the description as section 1, part B.
2. On a separate sheet, describe the alternative selected to correct the identified problem(s). Use the selected alternative in the facility plan for point source systems. Label the description as section 1, part B.

C. Project Readiness

Decide if your community is interested in DEQ Clean Water funding assistance by answering the following questions.

Wastewater System Point Source Applicants:

1. Is the DEQ-approved wastewater planning study (facility plan) and Environmental Information Document (EID) for your community less than 5 years old? **OR** ☐YES ☐NO

   Is your community already in the process of developing a new planning study and EID that will be completed and submitted to DEQ for approval by December 31, 2013? **OR** ☐YES ☐NO

   Are you proposing this loan to finance a planning effort? **OR** ☐YES ☐NO

   None of the above ☐YES

If you answered YES, complete questions 3–11, then proceed to section 2, and complete all applicable sections. Your wastewater system is eligible to be rated and placed on the Clean Water Priority List for FY 2014 with the submission of this letter of interest (LOI). **If you answered NO, do not complete or submit this form to DEQ**.

Nonpoint Source Applicants:

2. Is your project designed to address a nonpoint source (NPS) water pollution problem? ☐ YES ☐ NO

If you answered YES, complete questions 3–11 and then proceed to section 2 and complete all applicable sections. Your NPS project is eligible to be rated and placed on the Clean Water Priority List for FY 2014 with submission of this LOI. **If you answered NO, do not complete or submit this form to DEQ**.

3. When will your project be ready to begin construction? Date _____
4. Has the planning document (facility plan/engineering report) been completed? ☐ YES ☐ NO
5. Title of planning document _____ DEQ approval date _____
6. Has a final environmental determination been issued? ☐ YES ☐ NO
7. EID title (if separate) _____ Determination date _____
8. Describe the selected alternative to correct the problem(s) identified in the facility plan/engineering report _____
9. Estimated cost to correct the problems identified in the planning document $ _____
10. Briefly describe indicators or actions reflecting the community's interest or readiness to proceed on this project (e.g., minutes from public hearings) _____
11. Is financial documentation in place or does the system have legal authority to incur the debt associated with the proposed project?

    Check one:

    ☐ System does not yet have legal authority to incur this debt.
    ☐ Bond council or financial consultant retained.
    Date of proposed bond election (if applicable) _____
    ☐ Legal instrument(s) in place (e.g., bond election, judicial confirmation).
    What is the amount of debt that can be legally incurred? $ _____

Section 2. Public Health Emergency or Hazard—All Projects

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—up to 150 points.

1. Does an officially declared or designated public health hazard or emergency exist, as certified/documented by the DEQ Board, DEQ, or District Health Department's Board of Health? ☐ YES (Provide a copy of Board documentation or certification with LOI.) ☐ NO

Section 3. Regulatory Compliance Issues—Conventional Wastewater Projects

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 100 points.

A permitted point source facility is required to comply with the United States Environmental Protection Agency (EPA) NPDES discharge permit and/or state water reuse permit. A facility is considered to be out of compliance if the facility is not meeting limits or conditions in the permit *and* legal action for noncompliance has been set in place. Legal actions may include, but are not limited to, one or more of the following: consent order, notice of violation, administrative order, permit compliance schedule, or assessment of monetary penalties:

1. Is the system in compliance with the existing NPDES and/or Reuse (wastewater land application) Permit(s) listed above? ☐ YES ☐ NO ☐ NA

   If NO, check one:

   ☐ **Low-Level Noncompliance—**Includes documented permit violations with the discharge monitoring reports, reuse inspections, or equivalent.

   ☐ **Moderate-Level Noncompliance—**Includes a first state or EPA warning letter, notice of violation, consent agreement, or equivalent that are *directly related to the proposed project.* The noncompliance will be resolved by completing the proposed project.

   ☐ **High-Level Noncompliance—**Includes second state or EPA warning letter, consent order, permit compliance schedule, or equivalent that are *directly related to the proposed project*. The noncompliance will be resolved by completing the proposed project.

   ☐ **Noncompliance Consequences Imposed—**Penalties assessed (e.g., monetary fines or incarceration) that are *directly related to the proposed project*. The noncompliance will be resolved by completing the proposed project.

2. On a separate sheet, describe the permit violations, any agency noncompliance correspondence, and any enforcement penalties imposed, or attach proof of noncompliance to this LOI. Label the description as section 3, part 2.

Section 4. Watershed Restoration—All Projects

IDAPA 58.01.12.020.02.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 100 points.

The project implements best management practices or initiates construction of wastewater collection and treatment facilities as part of an approved total maximum daily load (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*).

Points can be assigned based on a restoration from impacts to a Clean Water Act 303(d) water body, threatened or endangered species, sole-source aquifer, or sensitive/special resource ground water.

1. Does your wastewater facility discharge to a surface water body? ☐YES ☐NO

   If YES, name the surface water body. _____

2. Will your project implement best management practices or initiate construction of wastewater facilities as part of a TMDL implementation plan? ☐YES ☐NO

3. Will your project reduce impacts to surface water? ☐YES ☐NO

   If YES, on a separate sheet describe current impacts and how the proposed project will reduce the impacts. Label the description as section 4, part 3.

Check all that apply:

- ☐ Proposed project discharges to a 303(d) water body.
- ☐ Proposed project is for a point source and is expected to reduce a pollutant of concern in the 303(d) water body.
- ☐ TMDL has been approved by EPA.
- ☐ Proposed project is for a point source that is exceeding the waste load allocation listed in the approved TMDL.
- ☐ Proposed project is for an NPS and is expected to reduce a pollutant of concern in the 303(d) listed water body.
- ☐ Proposed project will reduce two or more pollutants of concern for the 303(d) listed water body.

4. Will your project reduce impacts to ground water? ☐YES ☐NO
   If YES, on a separate sheet describe current impacts and how the proposed project will reduce the impacts. Label the description as section 4, part 4.

   Check all that apply:

   - ☐ Proposed project is expected to reduce pollutant concentrations in a sole-source aquifer. Idaho sole-source aquifers include the Eastern Snake River Plain, Spokane Valley Rathdrum Prairie, and Lewiston Basin.
   - ☐ Proposed project is expected to reduce nitrate concentrations in a designated Nitrate Priority Area (www.deq.idaho.gov/water-quality/ground-water/nitrate.aspx).
   - ☐ Proposed project is expected to reduce pollutant concentrations in a critical ground water area (www.idwr.idaho.gov/WaterInformation/GroundWaterManagement/).

5. Will your project improve habitat for listed threatened or endangered species? ☐YES ☐NO
   If YES, on a separate sheet describe current impacts and how the proposed project will reduce the impacts. Label the description as section 4, part 5.

Points are awarded according to the expected effectiveness of the project and transferability of the demonstrated technologies to other parts of Idaho. The proposed project will either restore designated or existing beneficial uses, reduce the severity of NPS impacts, or will promote statewide nonpoint 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 hydraulic unit code [HUC]).

6. What is the estimated reduction in pollutant load to the watershed (as a percentage of the total pollutant load in the watershed) that will result from implementing your proposed project? For example, if a system that contributes 10% of the total pollutant load reduces the discharge by half, this would be a 5% reduction in the watershed (described by an 8-digit HUC).

   Check one:

   - ☐ Proposed project will not result in a load reduction or will not reduce the impacts to surface water or ground water.
   - ☐ Proposed project will result in an estimated 25% or less reduction in pollutant loading to the *watershed*.
   - ☐ Proposed project will result in an estimated greater than 25% but less than 75% reduction in pollutant loading to the *watershed*.
   - ☐ Proposed project will result in an estimated greater than 75% reduction in pollutant loading to the *watershed*.

Section 5. Watershed Protection From Impacts—Conventional Wastewater Projects Planning to Sponsor Nonpoint Source Efforts as Part of Their Loan

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 100 points.

1. Five beneficial uses are designated by the "Water Quality Standards" (IDAPA 58.01.02.100). Of the five beneficial uses listed, which will the proposed project reduce or prevent future impacts to?

   Check all that apply:

   ☐ Aquatic life
   ☐ Recreation
   ☐ Water supply
   ☐ Wildlife habitats
   ☐ Aesthetics

   On a separate sheet, describe the current impacts to each beneficial use checked and explain how the proposed project will reduce or prevent future impacts. Label the description as section 5, part 1.

2. Nexus/benefit to municipality—Preference is given based on the commitment of other municipalities, governing agencies, or other eligible entities (may include local landowners or citizen groups working through eligible entities) for *implementing* or *financing* a portion of the proposed project that is managed by the primary loan applicant. A support letter must describe the municipality, governing agency, or other eligible entities commitment to *implement* or *fund* a portion of the proposed project. All support letters must be included with this LOI. Indicate below how many support letters are attached.

   Check one: ☐No support letters ☐One or two support letters ☐Three or more support letters

3. State and National Priorities—Preference is given to projects based on recognizing the special status of waters or uses of those waters.

   Check all that apply:

   ☐ This project is a State Priority—Project reduces impacts to either:
   a. State park or state recreational area
   b. Recognized blue ribbon fishery
   c. Designated Nitrate Priority Area
   d. Area of high ground water vulnerability (based on Source Water Assessments)
   e. Project helps meet the state's NPS management program objectives

   ☐ This project is a National Priority—NPS or statewide initiative project is intended to positively impact either:
   a. Threatened or endangered species
   b. Wilderness area
   c. Wild and scenic river
   d. EPA-designated sole-source aquifer

   Include documentation supporting the designation as a State Priority or a National Priority. Label the documentation as section 5, part 3.

Section 6. Preventing Impacts To Beneficial Uses—Nonpoint Source Projects Not Sponsored by Municipal Point Source Loan Recipients

IDAPA 58.01.12.020.02.e. Preventing impacts to uses (nonpoint source pollution projects)—up to 100 points.

Note: For sponsoring a NPS project to be completed by others, the project sponsor may also check item(s) in section 7 (check with DEQ State Office to see if proposed project qualifies as a *sustainability* effort).

1. Five beneficial uses are designated by the "Water Quality Standards" (IDAPA 58.01.02.100). Of the five beneficial uses listed, which will the proposed project reduce current or prevent future impacts to?

   Check all that apply:

   ☐ Aquatic life
   ☐ Recreation
   ☐ Water supply
   ☐ Wildlife habitats
   ☐ Aesthetics

   On a separate sheet, describe the current impacts to each beneficial use checked and explain how the proposed project will reduce or prevent future impacts. Label the description as section 6, part 1.

2. Nexus/benefit to municipality—Preference is given based on the commitment of other municipalities, governing agencies, or other eligible entities (may include local landowners or citizen groups working through eligible entities) for *implementing* or *financing* a portion of the proposed project that is managed by the primary loan applicant. A support letter must describe the municipality, governing agency, or other eligible entities commitment to *implement* or *fund* a portion of the proposed project. All support letters must be included with this LOI. Indicate below how many support letters are attached.

   Check one: ☐No support letters ☐ One or two support letters ☐ Three or more support letters

3. State and National Priorities—Preference is given to projects based upon recognition of the special status of waters or uses of those waters.

   Check all that apply:

   ☐ This project is a State Priority—The project reduces impacts to either:
   a. State park or state recreational area
   b. Recognized blue ribbon fishery
   c. Designated Nitrate Priority Area
   d. Area of high ground water vulnerability (based on Source Water Assessments)
   e. Project enhances the state's NPS management program

   ☐ This project is a National Priority—NPS or statewide initiative project is intended to positively impact either:
   a. Threatened or endangered species
   b. Wilderness area
   c. Wild and scenic river
   d. EPA-designated sole-source aquifer

   Include documentation supporting the designation as a State Priority or a National Priority. Label the documentation as section 6, part 3.

4. For NPS-related projects, how long will the project owners, managers, or sponsoring agency operate and maintain the project after implementation?

   Check one (NPS projects only):

   ☐ Less than 5 years
   ☐ Between 5 and 10 years
   ☐ More than 10 years

Section 7. Sustainable (Green) Infrastructure Efforts—All Projects

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 50 points.

Answers to the following questions can improve your overall rating and your access to funds that are specifically designated for sustainability efforts. If you earn Priority List points for your responses to this section, your project engineer will need to help DEQ (several hours) develop the needed information for reporting to EPA.

For reference, some green infrastructure-related websites include the following:

http://www.epa.gov/cupss/
http://en.wikipedia.org/wiki/ISO_14001
http://www.iso14000-iso14001-environmental-management.com/
http://www.iso.org/iso/iso_14000_essentials
http://www.energystar.gov/index.cfm?c=evaluate_performance.bus_portfoliomanager
http://www.energystar.gov/index.cfm?c=evaluate_performance.bus_portfoliomanager_benchmarking;
http://www.epa.gov/region09/waterinfrastructure/benchmark.html http://www.epa.gov/greenpower/
http://www.nema.org/Policy/Energy/Efficiency/Pages/NEMA-Premium-Motors.aspx
http://www.cee1.org/ind/mot-sys/mtr-ms-main.php3

1. How much of your budget is being allocated to sustainable infrastructure? $ _____

2. **Point source applicants—**Would your system owners be willing and able to sponsor a NPS project? See www.deq.idaho.gov/water-quality/grants-loans/wastewater-system-construction-loans.aspx or contact the Loan Program office for details. ☐ YES ☐ NO

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 7, part 3. Management-based efforts could include, but would not be limited to the following:

   Check all that apply—20 points each:

   ☐ a. Implement a capital budget that is funded and supported by a capital improvement plan
   ☐ Implement usage-based full-cost pricing for wastewater
   ☐ Implement a formal asset management system (using a tool such as EPA's Check Up Program for Small Systems [CUPSS])
   ☐ Implement sustainable design principles, including energy efficiency and disassembly design
   ☐ Implement a formal environmental management system (shown by International Organization for Standardization (ISO) 14001 certification)
   ☐ Sustainable infrastructure benchmarking program
   ☐ Become an EPA Green Power partner
   ☐ Consolidate with another wastewater system
   ☐ Implement *green* building management (based on Leadership in Energy and Environmental Design (LEED) operation and maintenance [O&M] criteria)
   ☐ Conduct a professional energy audit and intend to substantially implement its recommendations
   ☐ Other (contact Grant and Loan Program)

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. Include documentation supporting the technology-based efforts. Label the documentation as section 7, part 4. Technology-based efforts could include, but would not be limited to the following:

   Check all that apply—20 points each:

   ☐ Water conservation measures that would result in an estimated water savings of 20% or more.

   Attain a 20% net energy reduction in a unit operation by installing equipment such as the following:

- ☐ Advanced fluorescent lighting
- ☐ High-efficiency discharge lighting
- ☐ Lighting controls
- ☐ Variable frequency drive (VFD) pumps
- ☐ Heat pumps that reclaim heat from treated effluent
- ☐ Efficient replacements for vacuum dewatering systems
- ☐ Energy-efficient motors that meet National Electrical Manufacturers Association (NEMA) Premium specification
- ☐ Green roofs
- ☐ On-site energy generation, such as methane clean combustion, fuel cells, solar, or wind
- ☐ Direct seeding
- ☐ Hydromodification for riparian buffers
- ☐ Wastewater reuse when other alternatives have been considered in the facility planning process
- ☐ Decentralized system when other alternatives have been considered in the facility planning process
- ☐ Gray water distribution system
- ☐ Aeration improvements, such as fine bubble aeration, VFD blowers, or automated dissolved oxygen control
- ☐ Construct or renovate buildings to meet LEED criteria

Projects that result in energy savings and payback on capital and O&M costs that do not exceed the useful life of the asset such as the following:

- ☐ Supervisory control and data acquisition **(**SCADA) system installation
- ☐ Infrastructure improvements that significantly reduce infiltration/inflow or eliminate lift station(s)
- ☐ Tertiary filtration that reduces ultraviolet disinfection power requirements
- ☐ Pressure transmission line replacement resulting in reduced pumping costs

Provision of environmentally innovative wastewater treatment systems that result in the following:

- ☐ Phosphorus recovery for beneficial reuse
- ☐ Significantly reduce or eliminate the use of chemicals in treatment
- ☐ Significantly reduce or minimize the volume or toxicity of residuals
- ☐ Land application of effluent for ground water recharge where there are other cost-effective discharge alternatives
- ☐ Other (contact Grant and Loan Program)

5. Construction practices—Explain the construction practice sustainability initiative efforts your system will engage in as part of the project and the cost of the effort. Include documentation supporting the construction efforts. Label the documentation as section 7, part 5. Construction practice efforts could include, but would not be limited to the following:

Check all that apply—10 points each:

- ☐ Brownfield site is being used for the facility
- ☐ Use of recycled materials for facility construction
- ☐ Design/build for environmentally friendly decommissioning

Section 8. Affordability—Conventional Wastewater Projects

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

1. How many equivalent dwelling unit (EDU) connections does your system serve? _____
2. What is the current average residential user rate? $ _____ /month/household
3. Upon project completion, what is the expected *change* in operation and maintenance cost (not including debt service)? $ _____ /month/household
4. Does the current average user rate include charges to retire the State Revolving Fund (SRF) debt for which you are applying? ☐ YES ☐ NO
5. If YES, how much of the current average user rate is devoted to the debt retirement? $ _____ /month/household

Section 9. Authorized Signature

Would you be willing to allow us to share your LOI with other federal funding agencies? ☐ YES ☐ NO

I understand that if awarded funding, costs incurred prior to the award are not eligible for reimbursement, unless written acceptance of the costs are received from DEQ. Initials _____

I certify that, to the best of my knowledge, all information provided here is valid and correct:

Authorized Signature _____ Title _____ Date _____

Print Name _____

Return completed form and attached questionnaire by January 4, 2012 to:
Idaho Department of Environmental Quality
Attn: MaryAnna Peavey
1410 North Hilton
Boise, ID 83706
maryanna.peavey@deq.idaho.gov
Phone (208) 373-0122 Fax (208) 373-0576