

Department of Environmental Quality

Clean Water Loan Assistance Letter of Interest

STEP 1. Decide if your community is interested in DEQ Clean Water funding assistance by answering the following questions. It is strongly recommended that you work closely with your engineering consultant to complete this form.

1A. For Wastewater System Applicants:

- YES **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 **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, 2012? OR**
- YES **are you proposing this loan to finance a planning effort? OR**
- NO **none of the above**
-
- YES **2. Is your wastewater system owned and operated by a (check one):**
- NO county, city, municipal corporation, non-profit corporation, school district,
- irrigation district, sewer district, water district, highway district or
- other special purpose district or political subdivision of the state established by law?

Proceed to Step 2 if you answered YES to both questions. Your wastewater system is eligible to be rated and placed on the Clean Water Priority List for FY2013 with the submission of this letter of interest (LOI).
If you answered NO, please do not complete or submit this form to DEQ.

1B. for Non-Point Source Applicants:

Is your project designed to address a Non-Point Source (NPS) water pollution problem?

YES NO

Proceed to Step 2 if you answered YES. Your NPS project is eligible to be rated and placed on the Clean Water Priority List for FY2013 with the submission of this letter of interest (LOI).
If you answered NO, please do not complete or submit this form to DEQ.

STEP 2. PROJECT INFORMATION – Please provide complete and accurate answers to receive the highest possible rating for your project.

SECTION I. PROJECT IDENTIFICATION

Project/System Name _____

Project/System Address _____ City _____ State _____ Zip _____

Population Served _____ System Phone # _____ System FAX # _____

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 # _____ Email address _____

NOTE: If the project has a NPDES permit or a Wastewater Reuse permit (or both), the permit number(s) must be provided, including the primary permit limits for BOD and TSS in milligrams per liter (NPDES permit only).

NPDES Permit # _____ BOD _____ TSS _____ Reuse Permit # _____

For point-source applicants: Would your system owners be willing and able to sponsor a non-point source (NPS) project? Contact the Loan office for details. YES NO

PROJECT/SYSTEM PROBLEMS:

A. On a separate sheet describe the problem(s) identified in your existing DEQ approved wastewater facility plan for a point source problem. Label this description as Section I Part A.

B. 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 this description as Section I Part B

SECTION II. INTEGRATED PRIORITY SYSTEM

A. PUBLIC HEALTH EMERGENCY OR HAZARD:

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)

Does an officially declared or designated public health hazard or emergency exist, **as certified by DEQ Board, DEQ, District Health Department or Board of Health ?**

1. YES (Provide a copy of Board documentation or certification with LOI.)

2. NO

B. REGULATORY COMPLIANCE ISSUES (Point Source Projects – Conventional Wastewater Systems)

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.

A permitted point source facility is required to comply with the 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: a consent order, a notice of violation, an administrative order, a 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

If No, Choose One of the following:

2. Low Level Noncompliance – includes documented permit violations with DMRs, reuse inspections or equivalent.

3. Moderate Level Noncompliance – includes a 1st State or EPA warning letter, notice of violation, consent agreement or equivalent that are directly related to the proposed project and the

noncompliance will be resolved by the completion of the proposed project.

- 4. High Level Noncompliance** – includes 2nd State or EPA Warning Letter, consent order, permit compliance schedule or equivalent that are directly related to the proposed project and the noncompliance will be resolved by the completion of the proposed project.
- 5. Noncompliance Consequences Imposed** - Penalties assessed (e.g. monetary fines or incarceration) that are directly related to the proposed project and the noncompliance will be resolved by the completion of the proposed project.

On a separate sheet, describe the permit violations, any agency non-compliance correspondence, and any enforcement penalties imposed or attach proof of noncompliance to this LOI. Label this description as Section II Part B.

C. WATERSHED RESTORATION

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).

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

Does your wastewater facility discharge to a surface water body? YES NO
If YES name the surface water body _____

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

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 this description as Section II Part C.1.

Check all that apply

- a. The proposed project is located on a 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) water body.
- c. The TMDL has been approved by EPA.
- d. The proposed project is for a point source that is exceeding the waste load allocation listed in the approved TMDL.
- 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.
- f. The proposed project is expected to restore from impacts to a special resource water.
- g. The proposed project will reduce two or more pollutants of concern for the 303(d) listed water body.

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 this description as Section II Part C.1.

Check all that apply

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

Will your project improve habitat for listed threatened or endangered species? YES NO

If Yes, check below and on a separate sheet describe current impacts and how the proposed project will reduce the impacts Label this description as Section II Part C.1.

Check all that apply

- k. Will your project improve habitat for listed threatened or endangered species?

2. 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).

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 the implementation of your proposed project? For example, if a system that contributes 10% of the total pollutant load reduces their discharge by half, this would be a 5% reduction in the watershed (described by an 8-digit Hydrologic Unit Code).

Check one

- a. The proposed project will not result in a load reduction or will not reduce the impacts to surface water or ground water.
- b. The proposed project will result in an estimated 25% or less reduction in pollutant loading to the watershed.
- c. The proposed project will result in an estimated greater than 25% but less than 75% reduction in pollutant loading to the watershed.
- d. The proposed project will result in an estimated greater than 75% reduction in pollutant loading to the watershed.

D. WATERSHED PROTECTION FROM IMPACTS (Conventional Wastewater Projects)

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. There are five beneficial uses designated by §100 of the *Water Quality Standards (IDAPA 58.01.02)*. Which of these five beneficial use(s) is the proposed project expected to reduce current or prevent future impacts?

Check all that apply

- a. Aquatic Life.
- b. Recreation.
- c. Water Supply.
- d. Wildlife Habitats.
- e. 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 this description as Section II Part D.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, 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. Please indicate below how many support letters are attached.

Check one

- a. No support letters b. One or two support letters c. 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.

- a. This project is a State Priority - The project reduces impacts to either:
 - i. a State Park or State Recreational Area
 - ii. a recognized blue ribbon fishery,
 - iii. a special resource water designated in IDAPA 58.01.02,
 - iv. a designated Nitrate Priority Area
 - v. an area of high ground water vulnerability (based on Source Water Assessments), or
 - vi. the project enhances the State's nonpoint source management program.
- b. This project is a National Priority - A nonpoint source or statewide initiative project is intended to positively impact either:
 - i. a threatened or endangered species,
 - ii. a wilderness area,
 - iii. a wild and scenic river, or
 - iv. an EPA-designated sole source aquifer.

Include documentation supporting the designation as a State Priority or a National Priority. Label the documentation as Section II Part D.3.

E. PREVENTING IMPACTS TO BENEFICIAL USES (Non Point Source Projects)

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

1. There are five beneficial uses designated by §100 of the *Water Quality Standards (IDAPA 58.01.02)*. Which of these five beneficial use(s) is the proposed project expected to reduce current or prevent future impacts?

Check all that apply

- a. Aquatic Life.
- b. Recreation.
- c. Water Supply.

- d. Wildlife Habitats.
- e. 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 this description as Section II Part E.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, 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. Please indicate below how many support letters are attached.

Check one

- a. No support letters b. One or two support letters c. 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.

- a. This project is a State Priority - The project reduces impacts to either:
 - i. a State Park or State Recreational Area
 - ii. a recognized blue ribbon fishery,
 - iii. a special resource water designated in IDAPA 58.01.02,
 - iv. a designated Nitrate Priority Area
 - v. an area of high ground water vulnerability (based on Source Water Assessments), or
 - vi. the project enhances the State's nonpoint source management program.
- b. This project is a National Priority - A nonpoint source or statewide initiative project is intended to positively impact either:
 - i. a threatened or endangered species,
 - ii. a wilderness area,
 - iii. a wild and scenic river, or
 - iv. an EPA-designated sole source aquifer.

Include documentation supporting the designation as a State Priority or a National Priority. Label the documentation as Section II Part E.3.

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

Choose one (Non-Point Projects only)

- a. Less than 5-years.
- b. Between 5-years and 10-years.
- c. More than 10-years.

F. SUSTAINABLE (“Green”) INFRASTRUCTURE EFFORTS

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.

(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, it is likely that your project engineer will have to spend some time (perhaps a few hours) in helping DEQ

develop the needed information for reporting to the Environmental Protection Agency.

For reference, some green infrastructure related websites include:

- <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.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/gov/energy/efficiency/premium/>
- [http://www.nema.org/stds/complimentary-docs/upload/MG1premium.pdf.](http://www.nema.org/stds/complimentary-docs/upload/MG1premium.pdf)
- <http://www.cee1.org/ind/mot-sys/mtr-ms-main.php3>

**How much of your budget is being allocated to Sustainable Infrastructure?
Would your system owners be willing and able to implement the Sustainable
Infrastructure portion of the project as a stand-alone project without the
conventional aspects?**

\$ _____
YES NO

1. **Management-based efforts.** Please 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 Part F.1. Management-based efforts could include (but would not be limited to):
 - a. Implement a capital budget that is funded, and is supported by a capital improvement plan
 - b. Implement usage-based full-cost pricing for wastewater
 - c. Implement a formal asset management system (using a tool such as EPA’s CUPSS);
 - d. Implement sustainable design principles, including energy efficiency and design for disassembly;
 - e. Implement a formal environmental management system (exemplified by ISO 14001 Certification);
 - f. SI benchmarking program
 - g. Become an EPA Green Power partner
 - h. Consolidate with another wastewater system
 - i. Implement “green” building management (based on LEED O&M criteria)
 - j. Conduct a professional energy audit and intend to substantially implement its recommendations
 - k. Other (consult with the Grant & Loan Program Office).

2. **Technology-based efforts.** Please 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 technology-based efforts. Label the documentation as Section II, Part F.2. Technology-based efforts could include (but would not be limited to):
 - a. Water conservation measures that would result in an estimated water savings of 20% or more.
 - b. Attain a 20% net energy reduction in a unit operation by installing equipment such as:
 - Advanced fluorescent lighting
 - High-efficiency discharge lighting
 - Lighting controls
 - Variable frequency drive pumps
 - Heat pumps that reclaim heat from treated effluent
 - Efficient replacements for vacuum dewatering systems
 - Energy-efficient motors that meet 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
 - Grey water distribution system
 - Aeration improvements, such as fine bubble aeration, VFD blowers or automated dissolved oxygen control
- c. Construct or renovate buildings to meet LEED criteria
3. **Construction practices.** Please explain the construction practices 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 II, Part F.3. Construction practices efforts could include (but would not be limited to):
- Use of recycled materials for facility construction
 - Design/build for environmentally friendly decommissioning

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 the Department.**

G. AFFORDABILITY

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

How many equivalent dwelling unit (EDU) connections does your system serve? _____

What is the current average residential user rate? \$_____/month

Upon project completion, what is the expected *change* in operation and maintenance cost (not including debt service)? \$_____/month

Does the current average user rate include charges to retire the SRF debt for which you are applying? YES NO

If yes, how much of the current average user rate is devoted to the debt retirement? \$_____/month

SECTION III. READINESS TO PROCEED

When will your project be ready to begin construction?

Has the planning document (facility plan/engineering report) been completed? YES NO

Title of Planning Document: _____ DEQ Approval Date _____

Has a final environmental determination been issued? YES NO

Title of EID (if separate): _____ Determination Date _____

Describe the selected alternative to correct the problem(s) identified in the facility plan/engineering report.

Estimated cost to correct the problems identified in the planning document \$ _____

Briefly describe indicators or actions that reflect the community's interest or readiness to proceed on this project (*e.g.*, minutes from public hearings).

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

Choose one

- The 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, etc.).
What is the amount of debt that can be legally incurred? _____

Would you be willing for us to share your Letter of Interest with other federal funding agencies? YES NO

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

Authorized Signature _____ Title _____ Date _____

<p><i>Return completed form and attached questionnaire by January 6, 2012 to:</i> Idaho Department of Environmental Quality Attn: MaryAnna Peavey 1410 North Hilton Boise, Idaho 83706 maryanna.peavey@deq.idaho.gov tel. (208) 373-0122 fax (208) 373-0576</p>
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