

**State of Idaho
Water Pollution Control State Revolving Fund
State Fiscal Year 2013
Intended Use Plan**

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IDAHO REVOLVING FUND
INTENDED USE PLAN
MAY 3, 2012 BOARD PROPOSAL

I. Introduction

The State of Idaho, Department of Environmental Quality (DEQ) has adopted the following Intended Use Plan (IUP) for the State fiscal year 2013 (July 1, 2012 through June 30, 2013) as required under Section 606c of the Clean Water Act.

The primary purpose of the IUP is to identify the intended use of the funds available in Idaho's Water Pollution Control Loan Account. Projects on the Priority List, from which this IUP will be derived, have been reviewed by the public in accordance with Idaho's Administrative Procedures Act (Idaho Code Title 67, Chapter 52) and are proposed for approval by the State Board of Environmental Quality.

The IUP includes the following:

- ❖ lists of loan or extended term financing projects, including payment schedules for those most likely to qualify for a loan or extended term financing. "Loans" have repayment periods of up to 20 years and "extended term financings" have repayment periods up to 30 years;
- ❖ 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. In carrying out the requirements of Section 606(b)(8) of the Clean Water Act the State will use accounting, audit and fiscal procedures conforming to generally accepted governmental accounting standards. At this time of the writing of this IUP, the level of Federal funding is uncertain and the Fundable List will reflect a range of possible scenarios.

Three loans are currently delinquent or in default (North Lake Sewer and Water District loans 1899-09/16/18). The District with oversight from the State has preserved its priority position in the bankruptcy court system. At the time of writing this IUP, it is expected that these loans 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 2013 IUP.

Resources:	
Cash on Hand	\$57,280,334
EPA Capitalization Grant FFY2011	755,236
State Match	208,818
EPA Capitalization Grant FFY2012 (est.)	7,000,000
State Match	1,400,000
Loans Receivable:	
SFY 2012 – March - June	2,374,343
SFY 2013	10,104,883
SFY 2014	10,104,883
Income on Cash and Investments:	
SFY 2012 – March - June	450,146
SFY 2013	1,184,800
SFY 2014	900,800
Total Resources:	\$91,764,243
Current Remaining Loan Obligations:	(\$85,137,686)
(Loans in design/construction less disbursements and deobligations that have already occurred)	
Add back: 5 percent project shrinkage	4,256,884
(Some projects will deobligate, or self-finance and reduce disbursement requests from the CWSRF)	
Net Remaining Loan Obligations:	(\$80,880,802)
NET RESOURCES AVAILABLE TO LOAN	\$10,883,441

Key Assumptions:

Projects take thirty (30) months to construct and close from date of loan signing. We will use the **Total Resources** amount for the next twenty-seven (27) months to facilitate a conservative cashflow analysis. New loan obligations cannot exceed **Net Resources Available to Loan**. Projections are made quarterly. Our next projection will be made on 7/1/12, or when loans signed from this projection forward exceed the **NET RESOURCES AVAILABLE TO LOAN** amount whichever event comes first. Minimum Green Project Reserve depends on the actual amount of Federal funding and is estimated to be approximately \$690,800. Similarly, the minimum and maximum subsidization requirement depends on the actual amount of Federal funding and is estimated to be approximately \$383,922 and \$575,882, respectively, though we will target providing the maximum amount of additional subsidization.

Green Project Reserve Loan Activity During State Fiscal Year 2013

For State Fiscal Year 2013, DEQ will draw upon previous experience in identifying and documenting compliance with the Green Project Reserve (GPR). A DEQ Environmental Engineer has been tasked to facilitate the gathering and winnowing of this information from loan 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: <http://www.deq.idaho.gov/water-quality/grants-loans/green-project-reserve.aspx>. For State Fiscal Year 2012 DEQ exceeded its 20% GPR and expects to make use of the same approach to achieve GPR compliance in 2013.

Loan Fees

To provide for support of the administrative costs associated with operating the Water Quality SRF program or to otherwise facilitate the operation of the CWSRF effort, a fee program has been instituted. The fee will be one percent of the unpaid balance of the loan or extended term financing (unless the total interest rate and fee is less than 1%, in which case the fee will be reduced), payable when the regular repayments are made. 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 loans/financings or on projects in progress, for which an offer amendment is required (for purposes other than adding the fee).

For SFY 2011, the fee revenues were \$372,772, and for SFY 2012, the expected fee revenue should stay stable at about \$350,000. The fee revenue account balance, at the time of this report, is \$1,432,000. Fee revenues may be used to fund SFY 2013 operator training classes, Water Quality SRF administrative and technical support costs incurred beyond the Federal Capitalization Grant support level, and wastewater planning grant support. In SFY 2012, no fees were used for program support (being temporarily replaced with state General Fund monies).

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 planning grants. In the State office, the personnel time will consist of financial and environmental review staff. Costs of approximately \$250,000 will be charged to the direct support of municipal planning efforts.

Additionally, fee revenues may be used in SFY 2013 to support Clean Water Act efforts (as per IDAPA 58.01.12.032.01), namely the support of operator training efforts expected to cost approximately \$40,000. Surplus fee revenues will be transferred into the loan/financing repayment account, to increase "available resources." Surplus fees will earn the same interest as regular repayment idle monies, and will be transferred to the fund corpus should a cashflow deficiency arise.

II. List of Projects

Attachments I and II are the SFY 2013 Clean Water Loan Fundable List and Project Priority List. Upon completion of the public comment period, a final project listing will be submitted for approval by the Board of Environmental Quality on May 3, 2012.

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 loans in Federal fiscal year 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 includes below-market-rate loans (i.e. 20 year repayments) and extended term financing (i.e. 30 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. Administer Idaho's Water Pollution Control Loan Account to ensure its financial integrity, viability, and revolving nature in perpetuity.
 - ❖ DEQ will continue to strive to ensure the viability of the fund. One way in which this will be accomplished is by applying a variable interest rate to loans/financings of different terms (e.g. 30 year extended term financings may have a higher interest rate than 20 year loans).

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

1. Assure that Federal fiscal year 2012 capitalization funding is disbursed to projects in a timely manner.
 - ❖ With the exception of loan/financing disbursement requests for projects that require the use of repayment funds (i.e. "recycled" loan dollars used for match), whenever practicable initial capitalization dollars will be used prior to repayment funds being used. This practice will ensure that initial capitalization funds are utilized in a timely manner.
2. Provide funding for nonpoint source projects and improve marketing efforts directed at potential sponsors of nonpoint source projects. This effort is entering into its second year. 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.
 - ❖ DEQ has recently adopted a "sponsorship" approach patterned on the State of Ohio's method of subsidizing nonpoint source projects. The Cities of Soda Springs and Cascade will enter into sponsorship agreements during

State fiscal year 2013.

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 EPA concerns over disclosure adequacy. In the absence of generally accepted accounting principles for non-primary government units, DEQ has chosen a very comprehensive disclosure approach.
 - ❖ Continue to review and update state Water Quality SRF Handbook, which is placed on the Department Web site.
4. DEQ will implement extended term financing repayments (i.e. terms in excess of 20 years but not to exceed 30 years) and principal forgiveness for disadvantaged communities (as defined in rules) that are on the Fundable List starting with the most highly rated projects. If the extended repayment term does not drop the disadvantaged community below 1.5% of median household income (for their sewer rates), then DEQ may apply principal forgiveness to the extent allowed by the federal fiscal year 2012 capitalization grant (IDAPA 58.01.12.021).
 - ❖ DEQ has obtained EPA approval for its extended term financing process. DEQ will implement a variable interest rate structure that is set based upon the repayment term, so that loan or extended term financing recipients will be able to choose which funding terms they prefer. As in the past, the 20 year loans will incorporate the base interest rate. If the extended term financing recipients choose an extended financing repayment option, they will pay 0.25% higher above the base interest rate.
5. Ensure that project files include clear documentation to support compliance with Executive Order 12898 on Environmental Justice and inclusion of financial assessments.
 - ❖ DEQ recently made changes to its CWSRF Loan Handbook to facilitate financial assessments. DEQ is including an Environmental Justice review in its environmental assessments.
6. Monitor matching contributions for Federal grants to ensure they are not drawn from initial capitalization funds.
 - ❖ This goal is met by communicating frequently with Fiscal staff to ensure they draw funds appropriately.
7. Ensure that Green Project Reserve goal of 10% of the capitalization amount is directed towards supporting such efforts as energy efficiency, water conservation and innovative green projects. Utilize 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.
8. Ensure compliance with Davis-Bacon wage provision and Single Audit Act requirements.
 - ❖ DEQ recently made changes to its CWSRF Loan Handbook to include Davis Bacon language into the form that displays model contract language (form 6-C). Coordinate closely with the State Legislative Services Office

in the monitoring of Single Audit Act results and the need for audit finding follow-up.

IV. Information on the Activities to be Supported

A. Allocation of Funds/Assistance Terms

The primary type of assistance to be provided by the Water Quality SRF is expected to be low-interest loans for up to 100% of project costs. The base rate of interest for SFY 2013 will be a ceiling of 2.25% and a floor of 1.00%, for 20 year loans awarded directly by DEQ (DEQ Policy Memorandum 12-01). If a loan recipient prefers to repay its extended term financing over a 30 year period, the interest rate would be adjusted to 1.25%. For a project to be considered for a 30 year loan the average design life of the project must equal or exceed 30 years. If a loan recipient renegotiates an open 20 year loan to a 30 year extended term financing, then the interest will be adjusted upwards by 0.25%. 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% loans will be considered if the community's annual cost per household exceeds one and one-half percent (1 1/2%) of the median household income.

All loans and extended term financings will be paid back over a period not to exceed 30 years. There could be some 30 year extended term financing disadvantaged loans where the interest rate will be lower than 0.75% and principal forgiveness will be allowed (up to the allowance set in the Federal fiscal year 2012 capitalization grant). This determination will be made on a case by case basis. CWSRF-specific disadvantaged loans, as directed by the Federal fiscal year 2012 appropriation, 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 reductions will be consistent with Rule requirements. The principal forgiveness will be distributed equally amongst the disadvantaged community projects on the Fundable List, based on each project's percentage of the total (disadvantaged community project costs). Principal and interest repayments must begin no later than one year after the initiation of operation date.

The Federal fiscal year CWSRF allocation will be approximately \$6,908,000. The most that appropriation allows to be distributed as a subsidy or principal forgiveness is \$575,882. Idaho will accomplish this by compliance with its Rules for Administration of Water Pollution Control Loans requirements for supplemental grants, which detail criteria for assistance for disadvantaged communities (IDAPA 58.01.12.021) and will document the proposed funding terms on Attachment I, Fundable List. The proposed funding terms are contingent upon confirmation of the contractual amounts of the project, to ensure that the impact on the users is substantiated. If the contractual costs are less than the initial estimate, the subsidy will be reduced by the percent necessary to ensure Rule compliance.

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 \$575,882 that is available for principal forgiveness. DEQ will continue to target its subsidy resources to disadvantaged communities. For those entities that receive a subsidy (i.e. principal forgiveness) the

interest on their loan or extended term financing will not begin accruing until the repayment phase (i.e. after the end of construction). Principal forgiveness is capped at the amount necessary to keep user rates at 1.5% 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 loan or extended term financing process, their subsidies shall be set aside in a pool. At the end of the SFY 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 1.5% of the community's median household income, after taking into account the initial allocation of principal forgiveness.

B. Administrative Costs of the Water Quality SRF

DEQ plans to reserve not more than 4% of the regular capitalization grant for administrative expenses.

C. Loan-Eligible Activities

CWSRF loans will provide for planning, design, and construction of secondary, and advanced secondary 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. Water Quality SRF loan assistance will be provided to local communities, counties, sewer districts, and non-profit sewer associations for the construction of publicly owned wastewater treatment facilities. Loans or extended term financings may also be provided to sponsors of nonpoint source 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 Green Project Reserve activities to meet the Federal fiscal year 2012 appropriation requirement of 10%.

D. Sponsorship Agreements

The traditional SRF loans will be leveraged to provide nonpoint source project funding. The interest rate charged on wastewater treatment/collection facility loans or extended term financing may be adjusted to accommodate nonpoint source projects that have a nexus with the point source community; however, even with a nexus, the nonpoint source projects will have no direct impact on the sponsor's NPDES permit. The nonpoint source projects will be administered by the Clean Water Act Section 319 grant staff within DEQ. The nonpoint source project will have the same administrative conditions as any Section 319 grant; however, SRF requirements such as Davis Bacon wage provisions will apply to the NPS project and SRF 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 none of the nonpoint source sponsorship projects are utilizing point source solutions (i.e. Clean Water Act Section 212) they will not need environmental reviews. See website for details: (http://www.deq.idaho.gov/water/prog_issues/surface_water/nonpoint.cfm).

A sponsorship agreement will be signed between the point source loan recipient and the nonpoint source project manager. The point source loan recipient's rates will not be impacted by the NPS project. The NPS project costs will generally be funded by interest rate reductions, so that point source rate payers do not experience an increase in their rate burden. 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. The NPS sponsorship recipients will be compelled to follow the same administrative conditions as the regular SRF loan or extended term financings recipients (e.g. Davis Bacon wage provision compliance, environmental review, reporting on efforts to contract with disadvantaged business enterprises, ensuring that contractors have not been debarred from engaging in federally funded work, etc.).

For SFY 2013, DEQ will facilitate the sponsorship of two nonpoint source projects. The NPS projects were selected because: they had completed a technically correct 319 grant application; they were in the same watershed as their sponsor; and, their sponsor was in support of the NPS effort. Since the current inflation rate is about 3%, the diminution of interest earning to the SRF corpus does not represent a perpetuity concern (as long as the number of sponsorship projects is kept to a low number).

SRF Loan	Nonpoint Source Project	Nonpoint Source Project Funding Amount	SRF Loan Modification
City of Soda Springs (WW1201)	Caribou Soil Conservation District – Trout Creek Project	\$220,000	Modest interest decrease on the 1.75%, \$13m, 20 year loan
City of Cascade (WW12XX)	North Fork Payette River Bank Stabilization by Alzar School	\$36,400	Modest interest decrease on the 0.25%, \$2.2m, 30 year loan

V. Assurances and Specific Proposals

A. Environmental Reviews - 602(a) of the Clean Water Act (CWA) 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 Water Quality SRF. DEQ will follow its EPA-approved SERP for conducting environmental reviews. Some projects (denoted on the Fundable List as “Tier II”) will not be required to engage in the complete suite of agency consultation to develop their environmental information documents. Projects that are sited over a sole source aquifer, sited by a Wild and Scenic River or are joint funded with non-SRF Federal funding will have to complete the normal suite of agency consultations and these projects are denoted as “Tier I” projects on the Fundable List.

These procedures are outlined in Section 58.01.12.042 of the state Rules for Administration of Water Pollution Control Loans. More detailed procedures are embodied in the Wastewater Facilities Loan Account Handbook of Procedures (Chapter 5). The Chapter 5 Checklists may be found at <<http://www.deq.idaho.gov/media/651369-ww-loan-handbook.pdf>>.

DEQ agrees to comply with and to require recipients of loans from Idaho’s Water Pollution Control Loan Account to comply with applicable federal cross-cutting requirements (with the exception of those loans or extended term financings that qualify for Tier II consideration). DEQ will notify EPA when consultation or coordination by EPA is necessary to resolve issues regarding these requirements.

B. Binding Commitments - 602(b)(3) of the CWA

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

C. Expeditious and Timely Expenditures - 602(b)(4) of the CWA

DEQ will expend all funds in the Water Quality SRF in a timely and expeditious manner.

D. First-Use Enforceable Requirements - 602(b)(5) of the CWA

DEQ certifies that all major and minor wastewater treatment facilities that the state has previously identified as part of the National Municipal Policy Universe 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 - 602(b)(6) of the CWA

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 Section 602(b)(6) of the Clean Water Act 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 - 602(b)(2) of the CWA

DEQ agrees to deposit into the Water Quality SRF 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. DEQ draws administrative funding at 100% Federal. Draws for loan funding are split between state match and Federal funding at a ratio that ensures the full state match requirement is met for the overall award, despite the 100% Federal treatment of administrative funds. This loan funding ratio is currently 17.2414% state match and 82.7586% Federal.

G. State Laws and Procedures - 602(b)(7) of the CWA

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.

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. This will also include completion of the electronic “one-pager” for all funded projects. A hard copy of each “one-pager” will be provided to EPA with the Annual Report.

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 Water Quality SRF monies. They are designed to provide maximum flexibility for assistance and assure 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. Water Quality SRF 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 nonpoint source 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 as far down the list as needed to select enough projects that are ready to proceed to use all of the funds that are available. In cases where a lower ranked project is selected, it is because higher ranked projects have not indicated a readiness to proceed, higher ranked projects 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 Green Project Reserve and Additional Subsidization requirements (if so designated on the Priority List), and have expressed a willingness to proceed with the SRF loan process.

In some cases, the project amount on 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 Water Quality SRF. 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 loan or extended term financing recipients and projected timing of loan or extended term financing 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. Please refer to Attachment IV for more detail.

F. State Match

Idaho’s match for all capitalization grants is provided from funds that are drawn from the state Water Pollution Control Account. 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 federally mandated Green Project Reserve goals (if so designated on the Fundable List);
- ❖ it is not ready to proceed;
- ❖ it voluntarily opts out of the SRF loan process;
- ❖ the project does not meet eligibility requirements; or
- ❖ it does not allow for timely utilization of loan or extended term financing 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 project on the IUP be bypassed. If a project is bypassed, DEQ will offer loan or extended term financing funds to the highest ranked, ready-to-proceed project from the most current approved Priority List. To date, in SFY 2012 no entities have been bypassed.

ATTACHMENT I.

**Clean Water State Revolving Loan Fundable Listing
State of Idaho Water Quality State Revolving Loan Fund
for the Period of July 1, 2012 through June 30, 2013
LIST OF FUNDABLE CLEAN WATER LOAN PROJECTS**

Rank	Project	Rating Points	Regional Office	Est. Project Cost	Est. Loan 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 Fruitland	252	Boise	\$10,100,000	July, 2012 30 years, 1.25%, and \$542,322 of principal forgiveness	Davis Bacon Wage Provisions, Tier I SERP, Cross-cutting requirements, Business Case required for Green Project Reserve and Disadvantaged Business Enterprise Compliance	\$3,000,000 (Energy savings from consolidation of two plants into one facility, variable frequency drives and NEMA premium motors to be used, turbo blowers will be used in place of aeration blowers, fine bubble diffusers will be installed)	II	ID-002119-9	Combine wastewater treatment at a single mechanical activated sludge plant utilizing membrane bioreactor technology.
14	Moore Water and Sewer Association, Incorporated	173	Idaho Falls	\$625,000	Sept., 2012 30 years, 1.25% and \$33,560 of principal forgiveness	Tier I SERP and Davis Bacon Wage Provision Compliance		I	N/A	The existing wastewater lagoons are not providing proper treatment and are leaking into the ground water and surface water of the Big Lost River. Additional capacity is needed. The lagoons need to be rehabilitated with proper liners and new transfer structures.
Totals =====>				<u>\$10,725,000</u>	<u>\$575,882</u>		<u>\$3,000,000</u>			

ATTACHMENT II.

Clean Water State Revolving Loan Priority Listing State of Idaho Water Quality State Revolving Loan Fund for the Period of July 1, 2012 through June 30, 2013 COMPREHENSIVE LISTING OF CLEAN WATER LOAN 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 Fruitland	252	BRO	\$19,500,000	II	ID-002119-9	\$3,000,000 (Energy savings from consolidation of two plants into one facility, variable frequency drives and NEMA premium motors to be used, turbo blowers will be used in place of aeration blowers, fine bubble diffusers will be installed, Business Case required)	Combine wastewater treatment at a single mechanical activated sludge plant utilizing membrane bioreactor technology.
2	Garden Valley	252	BRO	\$5,500,000	IV-A, IV-B,X	LA-000214-01		Provide a pumping station and pipeline from Terrace Lakes to South Fork Landing Water Reclamation Facility.
3	City of Hayden	250	CRO	\$5,200,000	II	ID-002659-0	\$1,575,000 (Energy savings from flow equalization, biological nutrient removal and reuse, Business Case required)	Upgrade to Biological Nutrient Removal, chemical treatment, filtration and Ultraviolet disinfection.
4	Hayden Area Recreational Water and Sewer District	250	CRO	\$6,200,000	II	ID-002659-0	\$1,575,000 (Energy savings from flow equalization, biological nutrient removal and reuse, Business Case required)	Upgrade to Biological Nutrient Removal, chemical treatment, filtration and Ultraviolet disinfection.

ATTACHMENT II. (CONT.)

Rank	Project	Rating Points	Reg. Office	Est. Project Cost	Needs Category	NPDES or Land Application Permit #	Est. Cost of Green Infrastructure	Project Description
5	Elk Bend Sewer District	235	IFRO	\$750,000	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 Notus	235	BRO	\$4,715,000	X, I	ID-002101-6		Upgrade existing lagoons and land apply during growing months.
7	City of Coeur d'Alene	230	CRO	\$11,000,000	II	ID-0022853	\$2,000,000 (Water conservation and energy efficiency, reuse of plant system water, reuse of effluent, advanced lighting, variable frequency drive pumps, NEMA premium motors and aeration improvements, Business Case required)	Tertiary membrane filtration with solids recirculation.
8	City of Weiser	230	BRO	\$6,000,000	I	N/A	\$250,000 (Energy efficiency, methane cogeneration, Business Case required)	Refurbish, aeration basins, clarifiers, chlorine contact chamber, thickeners, digesters, and belt press.
9	City of Inkom	217	PRO	\$2,500,000	X, I	ID002024-9		Refurbish existing aerated treatment lagoons and construct a winter storage/summer land application system as the most economically feasible solution to addressing NPDES Permit compliance issues.
10	Caldwell Housing Authority	195	BRO	\$2,770,000	IV-A, IV-B	ID-002545-3		Connect to the city of Caldwell's wastewater system.
11	Kootenai School District #274	188	CRO	\$2,000,000	X, I	LA-000006-03	\$100,000 (variable frequency drive pumps, NEMA premium motors, Business Case required)	Upgrade lagoons and land application.
12	City of Cascade	187	BRO	\$4,450,000	III-B	ID-002316-7		Replace or rehabilitate sewer piping and manholes.
13	City of Emmett	187	BRO	\$10,000,000	II	ID-002031-1		Rebuild existing plant to achieve biological phosphorus removal and potentially tertiary phosphorus removal facilities.
14	Moore Water and Sewer Association Inc.	173	IFRO	\$1,625,000	I	N/A		The existing wastewater lagoons are not providing proper treatment and are leaking into the ground water and surface water of the Big Lost River. Additional Capacity is needed. The lagoons need to be rehabilitated with proper liners and new transfer structures.

ATTACHMENT II. (CONT.)

Rank	Project	Rating Points	Reg. Office	Est. Project Cost	Needs Category	NPDES or Land Application Permit #	Est. Cost of Green Infrastructure	Project Description
15	City of Jerome	152	TFRO	\$1,750,000	II	ID-002016-8		Collection system improvements, to resolve several issues related to noncompliance.
16	Cave Bay Community Services	140	CRO	\$1,250,000	X, I	N/A	\$200,000 (Leak detection system, improved lighting system, improved motors and pumps, Business Case required)	Upgrade current total containment lagoons with liners and construction of a reuse system.
17	City of Nampa	127	BRO	\$30,000,000	I	ID-002206-3	\$3,000,000 (Fine-pore diffusers for aeration, improved lighting and pumps, Business Case required)	Add aeration and selector basins, replacement of secondary effluent pump stations, construction of a new thickening facility, add a fourth primary digester, expansion of dewatering facilities, and demolition of trickling filters and secondary clarifiers.
18	Benewah County	124	CRO	\$1,853,000	III-B	ID-002279-9		Upgrade existing lift stations by slip lining, replacing pumps, piping and valves, and upgrading electrical controls.
19	City of Huetter	115	CRO	\$749,000	IV-A	N/A		Construct a conventional gravity sewer collector.
20	City of Newdale	114	IFRO	\$1,100,000	X, I	N/A	\$50,000 (Improved pumps and motors, Business Case required)	Provide aeration in two treatment cells, removing accumulated sludge and sealing leading ponds, land application, upgrading disinfection system, replacing the influent flow meter structure air release valves, slide gates.
21	West Bonner Water and Sewer District	85	CRO	\$1,315,000	IV-A, IV-B	WA-0022322		Construct large duplex sewage pump station, interconnect with existing wastewater through transmission pipeline via horizontal directional boring, and installation of a gravity sewer.
22	City of Parma	70	BRO	\$667,000	III-A	ID-002177-6	\$50,000 (Improved pumps and motors, Business Case required)	Upgrade on existing collection system to reduce inflow and infiltration.
23	Star Sewer and Water District	60	BRO	\$1,600,000	IV-B, IV-A	ID-002359-1		New force main with flow meter, and piping.
24	Montpelier Sewer	28	PRO	\$3,020,000	III-B	ID-002558-5		Replacement of deteriorated sewer line.
	Total =====>			\$148,764,000				

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 2013 Total Points 0

SECTION I. PROJECT IDENTIFICATION

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

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
<i>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)</i>	

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

Check one	Possible	Score
<input type="checkbox"/> 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	_____
<input type="checkbox"/> 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. Proceed to Section IV; do not complete Section III.	150	_____
Section II, Part A Subtotal (0 or 150 pts)		0

B. Regulatory Compliance Issues	0-100 points
<i>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.</i>	

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 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. The severity of legal actions varies depending on the impact or potential impact to water quality, the watershed or public health and how long attempts to resolve the problem(s) have been ongoing. 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

Check one	Possible	Score
<input type="checkbox"/> 1. In compliance (0 pts) - The system is in compliance with regulatory requirements. No points are awarded in this section. Enter 0 below and proceed to Part C.	0	_____
<input type="checkbox"/> 2. Low Level Noncompliance (0 pts) -- includes documented permit violations with DMRs, reuse inspections or the equivalent. For low level noncompliance, legal action has not yet been set in place and therefore no points are awarded in this section. Enter 0 below and proceed to Part C.	0	_____
<input type="checkbox"/> 3. Moderate Level Noncompliance (80 pts) -- Includes a 1st State or EPA Warning Letter, notice of violation, consent agreement or equivalent that are <u>directly related to the proposed project</u> and noncompliance will be resolved by the completion of the proposed project. Enter 80 below and proceed to Part C.	80	_____
<input type="checkbox"/> 4. High Level Noncompliance (90 pts) -- includes 2nd State or EPA Warning Letter, consent order, permit compliance schedule, or equivalent that are <u>directly related to the proposed project</u> and the noncompliance will be resolved by the completion of the proposed project. Enter 90 below and proceed to Part C.	90	_____
<input type="checkbox"/> 5. Noncompliance Consequences Imposed (100 pts) -- Penalties assessed (e.g., monetary fines or incarceration) that are <u>directly related to the proposed project</u> and noncompliance will be resolved by the completion of the proposed project. Enter 100 and proceed to Part	100	_____
Section II, Part B Subtotal (0-100 pts)		0

C. Watershed Restoration	0-100 points
<i>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.</i>	

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.

Check all that apply	Possible	Score
Surface Water		
<input type="checkbox"/> a. The proposed project is located on a 303(d) water body.	10	_____

<input type="checkbox"/> 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	_____
<input type="checkbox"/> c. The TMDL has been approved by EPA.	7	_____
<input type="checkbox"/> d. The proposed project is for a point source that is exceeding its Waste Load Allocation listed in the approved TMDL.	8	_____
<input type="checkbox"/> 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	_____
<input type="checkbox"/> f. The proposed project is expected to restore from impacts to a special resource water.	15	_____
<input type="checkbox"/> g. The proposed project will reduce two or more pollutants of concern for the 303(d)-listed water body.	5	_____
Ground Water		
<input type="checkbox"/> h. The proposed project is expected to reduce pollutant concentrations in a sole-source aquifer. Eastern Snake River Plain, Spokane-Rathdrum or Lewiston Basin	20	_____
<input type="checkbox"/> i. The proposed project is expected to reduce pollutant concentrations in a designated Nitrate Priority Area www.deq.idaho.gov/water-quality/ground-water/nitrate.aspx	5	_____
<input type="checkbox"/> j. The proposed project is expected to reduce pollutant concentrations in a designated Critical Ground Water Area www.idwr.idaho.gov/WaterInformation/GroundWaterManagement/	2	_____
Threatened and Endangered Species		
<input type="checkbox"/> k. The proposed project is expected to improve habitat for a threatened or endangered species	5	_____
Subtotal for Part C.1	(Subtotal C.1: limit to 50pt)	0

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)**.

Check one	Possible	Score
<input type="checkbox"/> a. The proposed project will not result in a load reduction or will not reduce impacts to surface water or ground water. Proceed to Part C.3.	0	_____
<input type="checkbox"/> b. The proposed project will result in an estimated 25% or less reduction in overall pollutant loading to the watershed. Proceed to Part C.3.	15	_____
<input type="checkbox"/> c. The proposed project will result in an estimated 26-75% reduction in overall pollutant loading to the watershed. Proceed to Part C.3.	30	_____
<input type="checkbox"/> d. The proposed project will result in an estimated greater than 75% reduction in overall pollutant loading to the watershed. Proceed to Part C.3.	50	_____
	(Subtotal C.2: limit to 50pt)	0

Subtotal. Add subtotals for Parts C.1 and C.2. **(Section II Part C subtotal) 0**

D. Watershed Protection from Impacts (conventional wastewater projects) 0-100 points <i>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.</i>
--

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 future impacts.

Check all that apply	Possible	Score
<input type="checkbox"/> a. Aquatic Life	8	_____
<input type="checkbox"/> b. Recreation	8	_____

<input type="checkbox"/> c. Water Supply (domestic, agricultural or industrial)	8	_____
<input type="checkbox"/> d. Wildlife Habitats	8	_____
<input type="checkbox"/> 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 commitment of the municipality, governing agency or other eligible 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
<input type="checkbox"/> a. No support letters.	0	_____
<input type="checkbox"/> b. One or two support letters.	20	_____
<input type="checkbox"/> 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
<input type="checkbox"/> a. This project is a State Priority - The project reduces impacts to either:	10	_____
i. a State Park or State Recreation Area		
ii. a recognized blue ribbon fishery		
iii. a Special Resource Water designated in IDAPA 58.01.02		
iv. a designated Nitrate Priority Area		
www.deq.idaho.gov/water-quality/ground-water/nitrate.aspx		
v. an area of high ground water vulnerability (based on source water assessments)		
www.deq.idaho.gov/water-quality/drinking-water/drinking-water-protection/source-water-assessments.aspx		
vi. the project enhances the State's non-point source management program		
www.deq.idaho.gov/water-quality/surface-water/nonpoint-source-pollution/idaho%27s-nps-management-program.aspx		
<input type="checkbox"/> b. The project is a National Priority - A statewide initiative project is intended to positively impact either:	10	_____
i. a threatened or endangered species		
www.fws.gov/idaho/Species.htm		
map.streamnet.org/website/bluecriticalhabitat/viewer.htm		
ii. a wilderness area		
www.publiclands.org/explore/spec_agency.php?agency=Wilderness%20Areas&plicstate=ID		
iii. a wild and scenic river, or		
www.rivers.gov/wildriverslist.html		
iv. 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 (Non-Point Source Projects Only) 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: An applicant can receive points for both Parts D and E if it will directly implement both point source and non-point source aspects. Points for sponsoring a NPS project are assigned at F.1.

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
<input type="checkbox"/> a. Aquatic Life	7	_____
<input type="checkbox"/> b. Recreation	7	_____
<input type="checkbox"/> c. Water Supply (domestic, agricultural or industrial)	7	_____
<input type="checkbox"/> d. Wildlife Habitats	7	_____
<input type="checkbox"/> 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 commitment of the municipality, governing agency or other eligible 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
<input type="checkbox"/> a. No support letters.	0	_____
<input type="checkbox"/> b. One or two support letters.	20	_____
<input type="checkbox"/> 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
<input type="checkbox"/> a. This project is a State Priority - The project reduces impacts to either:	10	_____
i. a State Park or State Recreation Area		
ii. a recognized blue ribbon fishery		
iii. a Special Resource Water designated in IDAPA 58.01.02		
iv. a designated Nitrate Priority Area		
www.deq.idaho.gov/water-quality/ground-water/nitrate.aspx		
v. an area of high ground water vulnerability (based on source water assessments)		
www.deq.idaho.gov/water-quality/drinking-water/drinking-water-protection/source-water-assessments.aspx		
vi. the project enhances the State's non-point source management program		
www.deq.idaho.gov/water-quality/surface-water/nonpoint-source-pollution/idaho%27s-nps-management-program.aspx		
<input type="checkbox"/> b. The project is a National Priority - A non-point source or statewide initiative project is intended to positively impact either:	10	_____
i. a threatened or endangered species		
www.fws.gov/idaho/Species.htm		
map.streamnet.org/website/bluecriticalhabitat/viewer.htm		
ii. a wilderness area		
www.publiclands.org/explore/spec_agency.php?agency=Wilderness%20Areas&picstate=ID		
iii. a wild and scenic river, or		
www.rivers.gov/wildriverslist.html		
iv. 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)

- | | | | |
|--------------------------|---------------------------|--------------------------|-------|
| <input type="checkbox"/> | a. Less than 5 years | 1 | _____ |
| <input type="checkbox"/> | b. Between 5 and 10 years | 3 | _____ |
| <input type="checkbox"/> | 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.

- | | |
|--|----------|
| 1. Nonpoint source project sponsorship | Points |
| <input type="checkbox"/> Applicant is willing to sponsor NPS project (rated by State Office for FY2013) | 20 _____ |
| 2. Management-based (select all that apply) | |
| Applicant proposes to implement or has implemented: | Points |
| <input type="checkbox"/> a. capital budget that is funded and is supported by capital improvement plan | 20 _____ |
| <input type="checkbox"/> b. usage-based, full-cost pricing for wastewater systems | 20 _____ |
| <input type="checkbox"/> c. formal asset management system (using a tool such as EPA's CUPSS) | 20 _____ |
| <input type="checkbox"/> d. sustainable design principles, including energy efficiency and design for disassembly | 20 _____ |
| <input type="checkbox"/> e. formal environmental management system (exemplified by ISO 14001 certification) | 20 _____ |
| <input type="checkbox"/> f. SI benchmarking program | 20 _____ |
| <input type="checkbox"/> g. actions to become an EPA GreenPower Partner | 20 _____ |
| <input type="checkbox"/> h. proposed project is a consolidated system (i.e., public/private, small/large, shared resource) | 20 _____ |
| <input type="checkbox"/> i. implement "green" building management (based on LEED O&M criteria) | 20 _____ |
| <input type="checkbox"/> j. conduct professional energy audit and intend to substantially implement its recommendations | 20 _____ |
| <input type="checkbox"/> k. Other (consult with Grant and Loan Program Office) | 20 _____ |
| 3. Technology-Based (select all that apply) | |
| As part of this project, the applicant proposes to implement: | |
| <input type="checkbox"/> a. installation of water meters and employ other water conservation measures that result in a net 20% water use savings (e.g., use of WaterSense plumbing/irrigation) | 20 _____ |
| <input type="checkbox"/> b. use/installation of energy-efficient lighting systems and other practices that result in a net 20% energy reduction: | 20 _____ |
| 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 NEMA Premium® specification | |
| Green roofs | |
| On-site energy generation: Methane clean combustion, Fuel cells, Solar, 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. "green" building designs (derived from LEED criteria) 20 _____
 - d. Other (consult with Grant and Loan Program Office) 20 _____
4. Construction practices (select all that apply)
- a. A brownfield site is being used for the facility 10 _____
 - b. Recycled materials are specified for facility construction 10 _____
 - c. Other (consult with Grant and Loan Program Office) 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).

1. 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 _____ 1999
- NOTE: Demographic Profiles from the 2010 Census will not be available until May 2011
2. Adjust the MHI to January 2012 dollars using the Bureau of Labor Statistics CPI-U price index
<http://data.bls.gov/cgi-bin/cpicalc.pl> 2012 MHI (annual) _____
monthly user charge _____
- a. Not affordable 10
 - b. Affordable 0
- Subtotal (Part A) 0**

FINAL SCORE

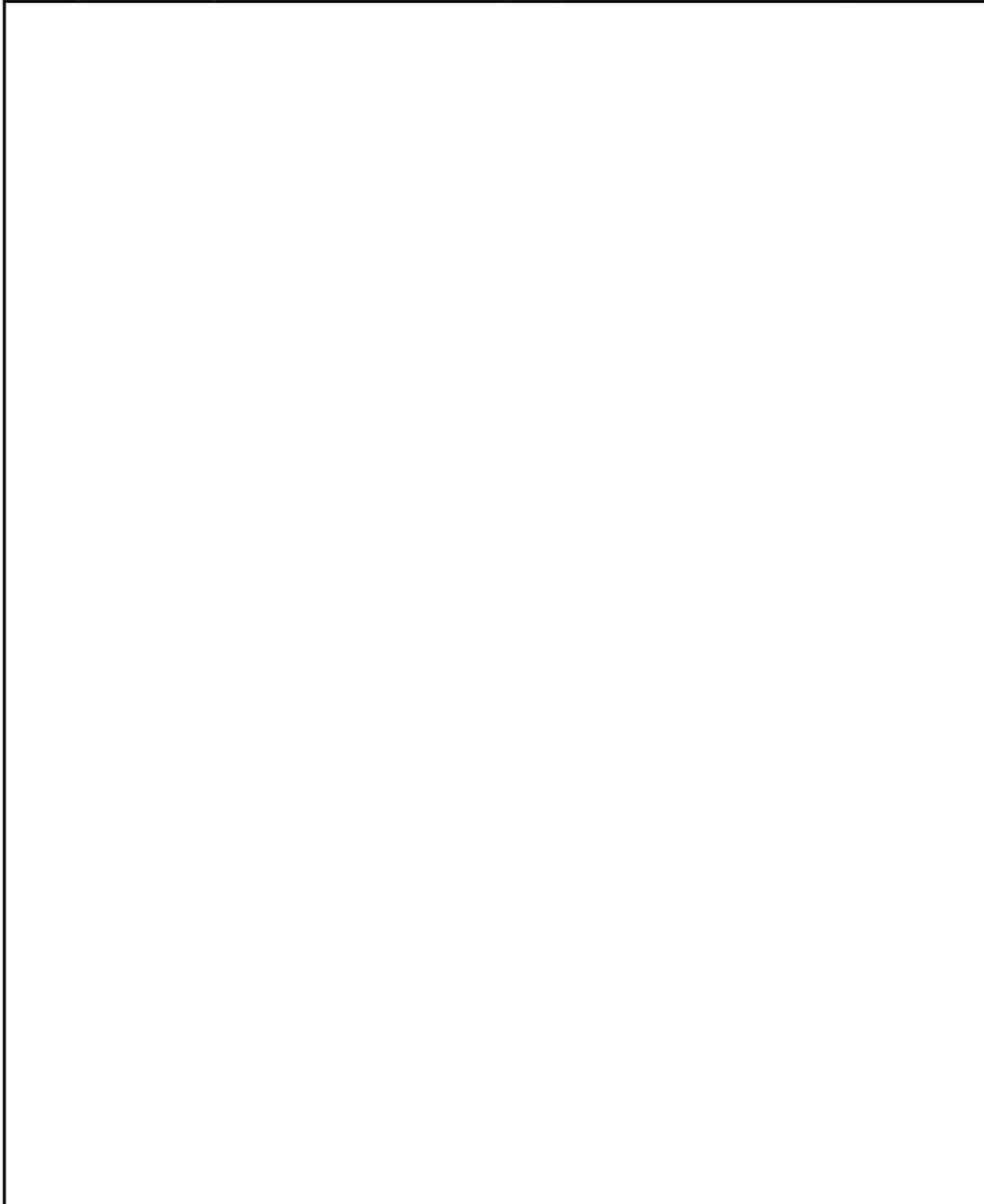
Subtotal Section II Part A - Public Health Emergency or Public Health Hazard (0-150)	0
Subtotal II Part B - Regulatory Compliance Status (0-100)	0
Subtotal Section II Part C - Watershed Restoration (0-100)	0
Subtotal Section II Part D - Watershed Protection from Impacts (Conventional WW Projects) (0-100)	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>

A large, empty rectangular box with a thin black border, intended for recording notes. It occupies the central portion of the page below the instructions.

ATTACHMENT IV.

EPA Payment Schedule

FFY2011 <u>Quarter Ending</u>	<u>Payments</u>	<u>Total</u>	<u>Source</u>
09/30/2012	\$408,000	\$408,000	FFY12 Cap Grant
12/31/2012	\$6,500,000	\$6,908,000	FFY12 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 Federal fiscal year 2012 award will occur after July 1st, 2012.

ATTACHMENT V.

Public Notification and Involvement Strategy

FOR STATE FISCAL YEAR 2013

WATER QUALITY AND DRINKING WATER PRIORITY LISTS

The public will be involved in the State fiscal year 2013 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 State fiscal year 2013 Priority Lists are available for public review was given in Idaho's six major (regional) newspapers for approximately four weeks. Notices will be 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 web site from March 19- April 18, 2012.

Approval packages related to the four lists will be sent to the Board of Environmental Quality prior to their meeting on May 3, 2012. Copies of the issue analyses for the CWSRF loan/extended term financing lists and the Board agenda will be included as attachments upon Board action. DEQ staff will make presentations at the Board meeting on May 3, 2012 and answer questions about the lists. The Board will be asked to approve all lists on May 3, 2012.

ATTACHMENT VI.

Description of Disadvantaged Loans

In conjunction with the standard loans/extended term financing, the Department shall award loans/extended term financing to applicants deemed disadvantaged using the following criteria, to the extent required by the most recent federal capitalization grant. In order to qualify for a disadvantaged loan or extended term financing, an applicant must have an annual cost of waste water service for residential customers which 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, 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).

In order to set financing terms that reduce obligations below 1.5% of median household income the repayment term will first be extended to 30 years. If at a 2.50% interest rate and with 30 year repayment extended term financing terms the annual user charge continues to exceed 1.5% of median household income, then the interest rate may be reduced.

Second the interest rate will be reduced from the rate established by the Director for to a rate that results in an annual charge equal to 1.5% of median household income. The interest rate reduction may result in an interest rate of as low as 1.25%.

Third, if at a 1.25% and a 30 year repayment extended term financing terms and conditions results in the annual user charge exceeding 1.5% of median household income, then the principal which causes the user charge to exceed 1.5% may be reduced. The amount of principal reduction for all projects will be capped at the maximum allowed by the capitalization grant, approximately \$575,882. The principal reduction will be based on the pool of qualifying disadvantaged communities (projects) receiving an equal share in 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 1.5% 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. Therefore, 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 same ratio of principal forgiveness to dollars loaned will remain consistent).

ATTACHMENT VII.

**Decision Making Strategy for Fundable vs. Non-Fundable Portions
of the Priority List**

FOR STATE FISCAL YEAR 2013

WATER QUALITY AND DRINKING WATER PRIORITY LISTS

In order 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 PM12-01 gives the Department's Director the ability to set interest rates for the CWSRF program. As noted in the memorandum, "there could be some 'disadvantaged loans' where the interest rate will be below 1.00%..." This determination is made on a case by case basis.