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Drinking Water State Revolving Fund (DWSRF)
List of Substantive Changes included in the
Draft 2021 Intended Use Plan (IUP)
January 22, 2021

The following information reflects substantive changes in the Draft 2021 DWSRF IUP from the previous 2020 IUP. Other minor changes have been made that are not included in this document. A complete version of the Draft 2021 DWSRF IUP can be found at <http://www.medwp.com>.

1. All appropriate sections have been updated to reflect the estimated 2021 Capitalization Grant which is expected to be approximately \$11,004,000. This amount will be adjusted to reflect the final approved Capitalization Grant amount after minor rescissions.
2. The total funds available for financial assistance as loans to Standard Projects and Disadvantaged Community PWS projects for the 2021 DWSRF Grant period is \$16,358,200. A detailed breakdown of these funds can be found in Attachments A, F, and G. The Maine Drinking Water Program reserves the right to obtain additional funds through bonds to offer blended bond packages to meet the demand for funds.
3. For each Capitalization Grant the State must provide documentation, at the time of the Capitalization Grant Application, that at least 20 percent of the total amount of that year's Grant is available as State Match. The required match for 2021 is estimated at \$2,200,800. The DWSRF State Match is expected to be available by June 30, 2021 from the Wholesale Liquor Contract.
4. Land Acquisition & Conservation Easements/ Source Protection Measures (\$109,600)

PWSs' ownership or legal control of the land around its source(s) is the most effective means of protecting the source(s) from contamination. For this reason, the Program intends to provide enough funds in this set-aside to meet the expected requests until the next Grant award. As of December 31, 2020, the program had \$1,830,602 available from prior year loan repayments grants. An additional sum of \$168,796 of repayments is scheduled before December 31, 2021 for a total of \$2,108,998 of available funds inclusive of the \$109,600 deposited this year.

Under this program, community and non-profit non-community public water systems (PWS) may apply for low-interest loans with 20% principal forgiveness of up to \$20,000 maximum for the purchase of land and/or conservation easement for drinking water source protection. Projects that demonstrate a commitment to the ongoing protection of a system's drinking water source through land acquisition and/or easement are eligible for these loans. Loans may be issued for an amount greater than \$100,000. However, principal forgiveness will not be applied to the portion of the loan exceeding \$100,000. Furthermore, principal forgiveness and low-interest loan rates will only be applied to the portion of the purchase price that represents the percentage of the purchased land located within the defined wellhead protection area (for wells) or contributing watershed (for surface water bodies).

5. As a part of the 15% set-aside the Program will use \$200,000 to fund Capacity Development Grants. Grants up to \$20,000, but no more than 50 percent of the actual cost, will be made available to eligible PWSs for the solicitation of professional services for the completion of documents that could assist the PWS in becoming more viable.
6. The Program will continue Limited population community PWSs serving a population of less than or equal to 100, may apply for grants up to \$5,000, but no more than 90 percent of the actual cost for capacity development activities as described above.
7. The Program will allocate \$200,000 for the Training Reimbursement Fund for PWS capacity training. This training will encompass technical, managerial and financial capacity strategies and target operators, managers and owner representatives of all sizes of PWSs. The Training Reimbursement Fund will reimburse training providers at a rate of \$20 per person per credit hour (a 33% increase).
8. A budget of \$25,000 has been included in this set-aside activity to fund Capacity Development Training for those PWSs that will be receiving principal forgiveness for at least 20% of the loan amount, based on qualifying as a Disadvantaged Community PWS. This Asset Management training will be provided by RCAP Solutions Inc. This training will be a one-on-one training with each PWS. This training is expected to consist of two three-hour sessions. PWS trustees or board members and lead operator(s) must attend this training seminar. Financing will not be approved until this training is completed.
9. The 2021 DWSRF appropriation is expected to include a proposal that requires a minimum 26% and a maximum 55% of the 2021 Capitalization Grant to be subsidies available for eligible recipient's, including Disadvantaged Community System's. Assistance subsidies in the form of principal forgiveness available to eligible Disadvantaged Communities will be distributed by a three (3) tier level system. The percentage of the Principal Forgiveness for Disadvantaged Communities may need to be adjusted from the baseline levels of 25, 50 and 75 percent based on the community's Medium Household Income and Residential Water User Rates as detailed in Section 8E. The 2021 DWSRF Draft Primary List includes 15 projects with 10 projects meeting the Disadvantaged Community criteria with a total subsidy amount of \$3,675,750 or 33.4% of the Capitalization Grant.
10. The 2013-2017 American Community Survey 5-Year Estimates prepared by the U.S. Census Bureau was used to obtain the State-wide Median Household Income (MHI) value which is \$53,024 to reflect the 2013-2017 data.
11. No change is expected from prior year DWSRF funding requirements. All construction project funding must adhere to various federal requirements including Davis-Bacon Wage Rates, MBE/WBE Reporting, and American Iron & Steel (AIS) Materials Requirements.
12. Limited Population PWS Compliance Loan Fund (LPSCF). This fund allows qualifying PWSs to receive up to \$60,000 loans for infrastructure projects that are needed to achieve compliance with a current or future standard of the SDWA excluding the Revised Total Coliform Rule. Individual loans will be awarded up to \$60,000. Of the \$60,000 awarded \$10,000 will be for services of a professional engineer. For a project estimate that exceeds \$60,000, the owner is responsible for paying costs in excess of \$60,000 first, before LPSCF funds are provided, ensuring the completion of the compliance related project. For projects that will exceed \$60,000 in total cost, if the final project cost is less than expected after the

owner has paid funds up-front, and as a result, LPSCL expenditures will total less than \$60,000, then initial costs payed by the owner may be reimbursable, enabling reimbursement of costs up to the full \$60,000 grant to be provided toward project costs.

13. Wellhead Protection, Source Water Protection & Water System Asset Security Grants (\$200,000)

The total cost of the grant programs in 2021 is \$200,000. The Grant Program will continue to implement the Wellhead Protection Planning Grant Program that provides grants up to \$10,000 per PWS to fund planning and/or implementation of source water protection activities for ground water sources. Activities include developing useful base maps, drafting an aquifer protection ordinance, developing public educational materials, purchasing signage to demarcate source protection areas, etc.

The ongoing Source Water Protection program was implemented in 2011 for Source Water Protection Planning activities to provide grants up to \$10,000 per PWS for planning and/or implementation of source water protection activities for surface water sources. Activities may include the development or updating of watershed management plans, buffer establishment and upkeep, road and storm water management and reconstruction activities, and developing public outreach and educational programs and materials.

This year we will begin a new Water System Asset Security Grant. This grant is for eligible PWS to plan and/or implement security measures to protect water system assets. Activities eligible for the security measures may include fencing, signs, cameras, alarm systems.

Eligible PWSs include all community public water systems, and non-profit non community, non-transient systems. Eligible PWSs may submit applications for funding by March 31, 2021. Projects will be ranked using the priority scoring system shown in Section 6F. II. c.

14. In Section 5A the following paragraphs remain:

- a. Beginning in FFY 2018, the DWSRF Program has set a maximum loan limit for any public water systems of 5 million dollars for any given year. Any public water system with a project or combination of projects that exceeds this limit must find alternative funding for the balance of the project cost. However, the Program reserves the right to exceed this limit when sufficient funds are available to meet all project needs.
- b. Multi-year projects may be funded over consecutive years if it is mutually agreed upon by the DWSRF Program and the applicant. The project will by-pass the consecutive year(s) ranking and receive funding on the Primary List.