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Drinking Water State Revolving Fund (DWSRF)
List of Substantive Changes included in the
Draft 2023 Intended Use Plan (IUP)
May 8, 2023

The following information reflects substantive changes in the Draft 2023 DWSRF IUP from the previous 2022 IUP. Other minor changes have been made that are not included in this document. A complete version of the Draft 2023 DWSRF IUP can be found at <http://www.medwp.com>.

- All appropriate sections have been updated to reflect the estimated 2023 Capitalization Grants which are as follows:
 - 2023 Base DWSRF Capitalization Grant: \$4,938,000
 - 2023 Supplemental DWSRF (BIL) Capitalization Grant: \$21,055,000
 - 2020 Wyoming Base Reallotment DWSRF Cap. Grant: \$99,000
 - 2023 ARPA/MJRP: \$8,900,000
 - 2023 Emerging Contaminants (BIL) Capitalization Grant: \$7,640,000
 - 2023 Lead Service Line Removal (BIL) Capitalization Grant: \$20,000,000
- The total funds available for financial assistance as loans to Standard Projects and Disadvantaged Community PWS projects for the 2023 DWSRF Grant period are as follows:
 - 2023 Base, Supplemental, Reallotment & ARPA/MJRP: \$43,565,200
 - 2023 Emerging Contaminants (BIL) Capitalization Grant: \$6,118,440
 - 2023 Lead Service Line Removal (BIL) Capitalization Grant: \$18,305,000
- For each Base and Supplemental Capitalization Grant the State must provide documentation, at the time of the Capitalization Grant Application, that at least 20 % of the Base Capitalization Grant and 10% of the Supplemental Capitalization Grant amount is available as State Match. The required match for 2023 is \$3,112,900. The DWSRF State Match is expected to be available by June 30, 2023, from the State General Fund. Legislative changes have been made to the State Wholesale Liquor Contract Cascade Fund eliminating this source for State Match.
- For both the Emerging Contaminants (EC) and the Lead Service Line Removal (LSL) Capitalization Grants, the set-aside activities are budgeted as described in this IUP and the remaining funds from the Capitalization Grants will be available for projects which are placed on their respective Primary Project Lists. The Primary Projects lists for the EC & LSL funds will accept applications on a rolling basis as projects are developed.
- The Lead Service Line Removal Primary Project List was developed by offering a PWS which has water main replacement project on the Primary Project List for the Base & Supplemental BIL funds a separate funding source for:

- Developing a lead service line inventory. For each service line where the service material is unknown. The LSLR Funds may be used to pay for the excavation of the trench and the restoration. This may be reasonably estimated by the Owner and the DWSRF Project Manager.
- Removing and replacing lead services, lead goose necks, small diameter (less than 3-inch) lead pipes, and galvanized service pipes (when the upstream historical existence of lead is unknown.) When the LSLR funding is used to replace the service pipe, the entire service (public and private) will be replaced at the PWS's expense using LSLR funds unless the property owner denies access to the Private Property.

Maine has also approved requests to purchase equipment to self-perform vacuum excavation for developing a service line material inventory required by the Revised Lead & Copper Rule. All LSLR Funds are offered for eligible projects at 55% Principal Forgiveness and 0% interest loans for a maximum 20-year term.

- Definition of Disadvantaged Community PWS. A Financially Disadvantaged Community PWS is defined as any PWS that serves a community and can demonstrate that its year-round residential water consumers have a median household income (MHI) of \$58,924 per year or less or when the ratio of average annual water bill to median household income is 0.8 or greater.
 - An Environmentally Disadvantaged Community Public Water System is a non-transient or community PWS that is: affected by environmental pollution, naturally occurring contaminant(s) and/or has lead contamination in the water supply or lead materials in the service line materials; and is at risk for negative health effects due to contamination and/or there is water supply or lead service lines containing lead. DWSRF Disadvantaged Community PWS Assistance will only be allowed where the disadvantaged water consumers will directly benefit from the assistance.
- As a part of the 15% set-aside the Program will use \$800,000 to fund Capacity Development Grants. Grants up to \$30,000, but no more than 75 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.
- The Program will continue Limited population community PWSs serving a population of approximately 100, may apply for grants up to \$9,000, but no more than 90 percent of the actual cost for capacity development activities as described above.
- The Program will allocate \$280,000 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.
- A budget of \$30,000 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.

- Short-Term Financing Fee Fund (\$200,000). The Program plans to set up a set-aside fund to pay for unforeseen short-term interest expenses for projects co-funded with DWSRF funds. Due to the extreme volume of funds, certain revenue streams will not meet the contractual obligations of the recipient. Short term financing may be used to meet the payment terms of the contact.
- Grant Project Management Assistance (\$200,000). The Program plans to set up a set-aside account to fund contracted assistance from pre-qualified Professionals to augment the DWP existing staff. The tasks which may contracted may include anything the DWSRF Manager considers essential to the duties to administer the fund.
- Utility Association Annual Conferences Support (\$80,000). There are two large annual Tradeshows & Conferences which take place in Maine each year. The Maine Rural Water Association has hosted a Conference and Training in December and Maine Water Utilities has historically hosted in February. The Maine Drinking Water Utility Industry benefits immensely from these events. During the last several years, the annual conferences have been more of a financial risk for the hosting organization due to cost inflation and the pandemic. This set-aside fund is available for the Association host of the Annual Conference to request for “value added” purposes including, but not limited to the following:
 - Keynote Speakers,
 - Offsetting the Fees for Small and Disadvantaged PWS,
 - Waiving fees for Regulators & Funding Agencies,
 - Trainers, or
 - Facility Rent.

Each Association may request \$40,000 in letter describing how the funds will be used. Approval is at the discretion of the DWSRF management team.

- Limited Population PWS Compliance Loan Fund (LPSCCL). 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 LPSCCL 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, LPSCCL expenditures will total less than \$60,000, then initial costs paid by the owner may be reimbursable, enabling reimbursement of costs up to the full \$60,000 grant to be provided toward project costs.
- Wellhead Protection, Source Water Protection & Water System Asset Security Grants (\$500,000). The total cost of the grant programs in 2023 is \$500,000. 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 at any time and eligible projects will be funded when funding is available.

- For Community Public Water Systems and Schools and Childcare Facilities with water being sent to the distribution system containing PFAS compounds PFOS/PFOA at levels above detection (Above EPA Health Advisory) will qualify for 100% EC Funds (100% PF) up to \$500,000 cap on EC Funds per year. DWSRF Funds for needs greater than \$500,000 with PF for Disadvantaged Communities. These projects will be funded on the annual cycle described above.
- In Section 5A the following paragraphs remain:
 - 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.