

IUP 2022
Attachment VI
CHECK LIST FOR PRIORITY RATING/PROJECT FACT SHEET
Revised August 2017-Hardship/Disadvantage
Revised May 2019, Americas Water Infrastructure Act of 2018 (AWIA)
Revised January 2023, Asset Management

CHECK LIST FOR PRIORITY RATING/PROJECT FACT SHEET

I. General Information must be provided:

1. The prospective applicant that may be applying for a loan.
2. Identify the appropriate contact person who will represent the drinking water system.
3. Describe the proposed project and the need for the proposed project.
4. Construction cost estimate.
5. Deficiency report and/or Comprehensive Performance Evaluation (CPE).
6. Preliminary Engineering Report.
7. Indicate the Median Family Income Level that is applicable to the service area of the water system.

II. System Criteria Information:

A. Compliance with Safe Drinking Water Act (SDWA) Indicate if:

- ___ 1. The project is related to systems and/or systems which utilize surface water or ground water under the direct influence of surface water that are not in compliance with the surface water treatment requirements.
- ___ 2. Or have had any acute violations (e.g., fecal coliform or nitrates) and have been issued an administrative order, directive or recommendation by DOH requiring the correction of any noncompliance of its treatment facilities to address an immediate public health threat for one or more of the following:

A. Maximum Contaminant Level (MCL) / Treatment Technique Violations (more than one item may apply:

1. Microbiological
 - a. Surface Water Treatment Rule
 - ___ i. Filtration and/or groundwater wells, interconnection and/or consolidation of water systems to comply with the SDWA
 - ___ ii. Filtration Performance (NTU compliance)
 - ___ iii. CT Disinfection
 - ___ b. E. Coli
 - ___ c. Total Coliform
 - ___ d. Cryptosporidium
2. Organics-
 - ___ a. Organics Chemical (SOC/VOC) and disinfection by-products
- ___ 3. Maximum Contaminant Level (MCL) violations (except acute violations) or exceedance of action levels Lead and Copper/Corrosion (mandated)
- ___ 4. Radiological
- ___ 5. Inorganic/Physical
 - ___ a. Nitrates
 - ___ b. Other health-related inorganic

B. Public Health Risk - indicate if :

- ___ 1. Projects which eliminate critical or chronic or potential health hazard
- ___ 2. Provide protection against significant health hazard (Documentation must be provided by the applicant to determine if the public health problem exist)

___ 3. Indicate if the appurtenance is a:

- ___ a. rehabilitation
- ___ b. replacement
- ___ c. repair

For:

- ___ 1. Inadequate Source Capacity
- ___ 2. Existing transmission or distribution mains to prevent contamination caused by leaks/breaks in the pipe
- ___ 3. Improve water measures to maintain safe levels
- ___ 4. Existing pump stations
- ___ 5. Finished water storage (uncovered if applicable)
- ___ 6. New finished water storage facilities needed to maintain pressure in the system and/or prevent contamination

C. Systems in needs (Reliability Dependability) – Indicate if the projects are related to the existing treatment facilities or systems components to meet the design standards sanitary code:

- 1. replacement
- 2. major rehabilitation

Indicate the action to be undertaken for:

- 1. Complete replacement
- 2. major rehabilitation of the existing surface water filtration facility that has exceeded design life and/or does not meet the design standards in the current edition of PRASA’s Design Standards.

In lieu of:

- ___ a. filtration
- ___ b. installation of groundwater wells
- ___ c. interconnection with, or purchase from adjacent water system

Indicate the action to be undertaken for components to meet the design standards in the current edition of PRASA’s Design Standards:

- 3. upgrade
- 4. replacement
- 5. installation for major vulnerable system

The following may apply:

- ___ a. A principal component integral to an existing filtration process such as sedimentation, flocculation, filtration, chemical feed, of backwashing (select one of the indicated above)
- ___ b. Pumps stations
- ___ c. Existing wells
- ___ d. Existing disinfection systems for a groundwater/surface water supply (select one of the indicated above)
- ___ e. Transmission main
- ___ f. Finished water or distribution storage
- ___ g. Other water treatment systems (or replacement of source instead of treatment)

- 6. Aged mains and appurtenances
- 7. Redundancy of critical components (pumps, valves, chemical feed-systems) (select one of the indicated above)
- 8. Asbestos main replament
- 9. Control/automation for operational efficiency (computerization, control valves, metering, laboratory upgrading) (select one of the indicated above)
- 10. Inadequate source capacity which is not a public health hazard

D. Governmental Needs (more than one may apply)

Indicate if project is to service contaminated or insufficient yielding private wells at existing residential housing:

- 1. Development of a water systems
- 2. Extending existing system
- 3. Indicate if the systems is to:
 - a. Consolidation of water systems (can include improving technical, managerial and financial capacity development (name the system been consolidated)
- 4. System depends on a Sole Source aquifer for its source (These points can only be obtained if system scores points from Criterion A, B or C)
- 5. A project that has received written commitment of funding from another sources. Indicate type of source. Indicate type of source (eg co-funded with Clean Water SRF, Rural Development, HUD, etc.)
- 6. Purposes operational changes that improve and insure adequate technical, managerial and financial capacity of the system in order to insure compliance.

E. Other Factors

Indicate the population of the water system service area.

F. Special Priorities

Strategy _____
 Strategy _____
 CPE _____
 Consent Decree _____

Emergencies

- situations that result in the unavailability of potable drinking water for an extended period of time or
- evidence of a high incidence of water transmissible diseases
- evidence of presence of Regulated Contaminants in Drinking Water

G. Affordability

For those systems described or identified Systems as disadvantaged systems the following priority points will be awarded based on Median Household Income Levels (MHIL). Median Household Income Levels (MHIL) will be used to assign points for affordability.

| <u>Median Household Income (MHI)</u> | <u>Points</u> |
|--------------------------------------|---------------|
| — less than \$9,813 | — |
| — between \$9,813 and \$14,719 | — |
| — between \$14,720 and \$19,626 | — |
| — above \$19,626 | — |

Provide the information required for hardship determination including but not limited to:

- Existing population of the project service area.
- Number of Dwelling to be served, institutional users, and the basis on which they were calculated,
- Existing annual debt service of the system.
- Existing annual operation and maintenance (O&M) costs.
- Estimated project costs.
- Estimated O & M cost based upon completion of this project.
- Any other sources of funding anticipated for this project, including the amount, type of funding (loan and grant) and if a loan, its interest rate, term and annual debt payment.

Projects must meet the definition of hardship under this criteria. The determination will be made as follows:

- Projects may not be segmented in order to qualify for hardship assistance.
- Refinancing is eligible through the regular subsidized DWSRF program if qualified or eligible as required and stated in the DWSRF. However, hardship financial assistance is only available for new drinking water projects for which the notice for construction to proceed was given on or after July 1, 1993.
- The applicant for a DWSRF hardship loan must demonstrate that it can repay its debt obligation, has a satisfactory O&M procedure and can comply with DOH/DWSRF Capacity Development Program.
- Projects that are determined eligible for hardship assistance, will receive a written confirmation of eligibility.
- Confirmation of funding availability will be valid for two consecutive annual federal funding cycles, provided that the projected service charge does not change significantly.
- Confirmation of funding availability may be withdrawn if: the applicant fails to demonstrate satisfactory progress towards project implementation; the information on which the determination was made changes prior to loan closing; or the applicant fails to demonstrate that it can repay the loan.

For the application of this criterion, DOH will proceed as follows:

- The initial range will be established with a minimum of 12 per cent and a maximum of 35 per cent. For the corresponding fiscal year the minimum and the maximum dollar amounts will be established.
- The funds will be distributed among the projects that satisfies the hardship criteria. Funds will be distributed starting with the project with the highest priority and until funds or the corresponding per cent is totally assigned.
- The priority points under this criterion will be those awarded based on the Median Household Income (MHI) (i.e.: 30, 15, 5, 0 points awarded) to the qualifying projects.
- Additional points will be awarded the project based on population: to the points obtained based on the MHI,
 - ❖ **one (1) point will be added** to the priority obtained by project with the lowest population; and

- ❖ subsequently the number **will increase by one (1) point and added** to the project as they increase in population.

To the extent that there are sufficient applications for loans to disadvantage communities this per cent will be no less than 12 but not greater than 35. If there are no loan applications for disadvantage communities, the minimum 6 per cent will not be established.

H. Green Portion (only for Green Projects)

The fiscal year (FY) 2010 Appropriation Law (P.L. 111-88) includes specific goals and eligibilities for green infrastructure, water and energy efficient improvements, and environmentally innovative activities. Green projects could enable utilities to take savings derived from reducing water losses and energy consumption and use them for public health and environmental enhancement projects. Additionally, green projects will help the water sector improve the quality of water services without putting additional strain on the energy grid, and by reducing the volume of water loss every year.

The following process was established for the selection for funding of those eligible GPR projects based on the technical aspects of the DWSRF green projects:

1. Water efficiency

- ___ a. Replacement or rehabilitation of distribution lines to reduce water loss and prevent water main breaks (Business Case (BC) required)
- ___ b. Retrofit, replace, purchase and/or install water efficient fixtures, fittings, equipment
- ___ c. Purchase or install water meters, automatic meter reading equipment and systems, and pipe
- ___ d. Storage tank replacement/rehabilitation to reduce water loss (Business Case (BC) required)
- ___ e. Installing Pressure Reduced Valves (PRV)

2. Energy efficiency

- ___ a. Replacement or rehabilitation of distribution lines (Business Case (BC) required)
- ___ b. Energy efficient retrofits, upgrades or new pumping systems and treatment processes (including variable frequency drives (Business Case (BC) required)
- ___ c. Works that cost effectively eliminate pumps, pump stations, filtrations plants, well. (Business Case (Business Case (BC) required)
- ___ d. Producing clean power for treatment systems on site (wind, solar, hydroelectric, geothermal, biogas power)
- ___ e. Automated and remote-control systems (SCADA) that achieve substantial energy savings (Business Case (BC) required)

3. Environmental Innovative Activities

- ___ a. Enables utility to adapt to impacts of global climate change
- ___ b. Total Water Management project where life cycle costs are minimized

4. Green Infrastructure - to manage water resources in a sustainable way

- ___ a. Implementation of wet weather management systems for utilities building and parking areas (porous pavement, bio-retention, trees, green roofs, other practices that mimic natural hydrology)

I. Eligibility Criteria for “Mandatory Congressional” Additional Subsidy

There are two additional subsidies that DOH will be considering/establishing: “Mandatory Congressional” and “Limited 35% Subsidy/Disadvantaged Community”. Under this criterion only the projects that comply with the requirements of the Mandatory Congressional Subsidy will receive points.

The recipient of the grant must identify projects within at least one of the following **qualifying** categories in order to receive points under the additional **mandatory congressional** subsidy criterion:

- _____ a) projects that will eliminate or consolidate small system,
- _____ b) projects that support sustainable systems and help build or maintain the technical, financial and managerial capacity of the recipient,
- _____ c) systems related to communities or serving directly a community that could not otherwise afford the DWSRF loan including Disadvantaged communities as defined by the Commonwealth.

When applicable, if the Act provides for a range in the per cent to be established, and if there are more projects that could be identified under one or more of the above mentioned categories, for each additional remaining category the percent will increase by 5%.

Please note that, notwithstanding the distributed amount by the above priorities the subsidized amount could be re-awarded due to unforeseen circumstances (i.e. projects delayed, among others).

The re-award may be in any of the following manners and until the subsidized amount **is used**.

Please indicate the project(s):

- _____ a) priority order and the qualifying category,
- _____ b) identified within the qualifying categories
- _____ c) first received and ready to go,
- _____ d) most expensive

J. Asset management considerations to improve the systems general performance

1. What is the current state of the system assets?
 - a. (less than ten years) New _____
 - b. (more than 10) old _____
 - c. (More than 20) very old _____
 - d. More than 40 obsolete _____

2. Does the system have an inventory of assets?
 - a. Yes _____
 - b. No _____

7. Does the system have an asset management plan?
 - a. Yes _____
 - b. No _____

| What and where are your assets (infrastructure particularly) define | | | | |
|--|-----------|--------------------------------------|-----------------------|------------|
| How many they are? | name them | which are critical for the operation | rank them (a,b,c,d,e) | Value them |
| | | | | |
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