



Commonwealth of Massachusetts
Executive Office of Energy & Environmental Affairs

Department of Environmental Protection

One Winter Street Boston, MA 02108 • 617-292-5500

Charles D. Baker
Governor

Karyn E. Polito
Lieutenant Governor

Kathleen A. Theoharides
Secretary

Martin Suuberg
Commissioner

2020 Amended Final Drinking Water State Revolving Fund Intended Use Plan

September 14, 2020

Amendment

The Department of Environmental Protection is hereby amending the Final Intended Use Plan (IUP) for the Drinking Water State Revolving Fund, dated April 27, 2020, to effectuate the transfer of \$30 million from the Clean Water State Revolving Fund (CWSRF) to the Drinking Water State Revolving Fund (DWSRF). The funds may be used to provide additional subsidy in the form of loan forgiveness. Project activities eligible for this enhanced loan forgiveness include planning and construction for lead removal, corrosion control capital improvements, and full replacement of lead pipes and service lines.

The 2020 DWSRF IUP, Section V. Fiscal Management, subsection e. Transfer of Funds to the Drinking Water State Revolving Fund, is amended by the addition of the following:

On October 4, 2019, the Water Infrastructure Funding Transfer Act (WIFTA) was signed into law. This statute temporarily expands the CWSRF to DWSRF transfer authority specifically to address a threat to public health because of heightened exposure to lead in drinking water. This temporary authority allows the Commonwealth to transfer up to 5% of the cumulative CWSRF federal grants to the DWSRF. The transferred funds may be used to provide financial support in the form of forgiveness of loan principal, negative interest loans or grants (or any combination). This authority is in addition to the existing transfer authority under the Safe Drinking Water Act. The transfer must be completed by October 4, 2020.

Following a public comment processes on the proposed funds transfer that closed on August 6, 2020, and approval by the of Board of Trustees of the Massachusetts Clean Water Trust on September 2, 2020, \$30 million will be transferred from CWSRF to DWSRF. The Trust evaluated the financial impact that the transfer will

This information is available in alternate format. Contact Michelle Waters-Ekanem, Director of Diversity/Civil Rights at 617-292-5751.

TTY# MassRelay Service 1-800-439-2370

MassDEP Website: www.mass.gov/dep

Printed on Recycled Paper

have on the CWSRF and determined it will not adversely impact the Trust's ability to finance high priority CWSRF projects. This transfer of funds will not result in any changes to the 2020 list of projects. The transfer will be used to provide added subsidies for eligible projects in the 2021, 2022, and possibly the 2023 Drinking Water State Revolving Fund Intended Use Plans. WIFTA funds must be drawn down within 5 years of the date of the WIFTA transfer.

Maria E. Pinaud, Director
Division of Municipal Services



Department of Environmental Protection

One Winter Street Boston, MA 02108 • 617-292-5500

Charles D. Baker
Governor

Karyn E. Polito
Lieutenant Governor

Kathleen A. Theoharides
Secretary

Martin Suuberg
Commissioner

2020 Final Intended Use Plan for the Drinking Water State Revolving Fund

April 27, 2020

Executive Summary

The Massachusetts Department of Environmental Protection (MassDEP) is pleased to present the Calendar Year 2020 Intended Use Plan (IUP), which lists the projects, borrowers and amounts that will be financed through the Drinking Water State Revolving Fund (DWSRF) loan program. The DWSRF is a joint federal-state financing program that provides subsidized loans to protect public health by improving water supply infrastructure systems and protect drinking water in the Commonwealth.

Massachusetts is offering nearly \$166 million to finance drinking water projects across the Commonwealth. As noted in Table 1, approximately \$138 million will fund 21 new construction projects, an additional \$23 million will be allocated towards funding six previously approved multi-year projects, and \$1.7 million is allocated towards the five Planning Projects submitted. An additional \$3 million will fund an emergency set-aside account.

Nine proposals, totaling \$986,840, as noted in Table 2, have been selected to receive financial assistance for their **Asset Management** plans. Communities will receive 60% of the project cost, up to \$150,000, as a grant from the Massachusetts Clean Water (the Trust), totaling \$592,100. The balance of the cost can be made up of local contribution of cash, in kind services, or may be borrowed from the Trust at the standard 2% interest rate.

2020 Highlights

- During the 2020 calendar year, MassDEP is encouraging communities that have tested and identified per- and polyfluoroalkyl substances (PFAS) at concentrations at or above the proposed Maximum Contaminant Level of 20 ppt in their water systems to apply for emergency funding through the DWSRF. Requests for emergency PFAS mitigation project funding are subject to review and approval by MassDEP and the Trust. Emergency PFAS mitigation projects will be eligible to receive additional subsidy in the form of a 0% interest rate loan. Both the approval of project funding and additional subsidy are contingent on the availability of funds. Additional information can be found at the following web link at mass.gov: [PFAS Pilot Program](#)

This information is available in alternate format. Contact Michelle Waters-Ekanem, Director of Diversity/Civil Rights at 617-292-5751.

TTY# MassRelay Service 1-800-439-2370

MassDEP Website: www.mass.gov/dep

Printed on Recycled Paper

- Congress requires states to use 20% of the DWSRF grant towards additional subsidy. Massachusetts was awarded \$25.55 million in 2020 and will provide additional subsidy in the form of loan forgiveness for communities that might otherwise be unable to afford to undertake a project. Information about the Trust's Affordability Calculation may be found on the following website: <https://www.mass.gov/service-details/the-affordability-calculation>
- MassDEP is also offering additional subsidy for all projects with a renewable energy component.
- The United States Environmental Protection Agency (USEPA) requires that 15% of total IUP assistance is directed toward Small Systems, those serving populations less than 10,000. Fifteen percent of \$166 million equals \$24.9 million. Seven of the 2020 Small System applicants will receive financing offers totaling \$38.5 million. Massachusetts expects therefore to meet this requirement.

MassDEP appreciates the efforts that proponents have invested in the development of applications and recognizes proponents' efforts to enhance and protect the public health of the Commonwealth's citizens.

TABLE 1
DRINKING WATER STATE REVOLVING FUND
Calendar Year 2020 DWSRF Intended Use Plan

NEW PROJECTS

| Rating | Applicant | SRF ID | Project | Project Cost | 2020 IUP Cost |
|------------------------------|---|--------|--|----------------------|----------------------|
| 538.0 * | WEST BOYLSTON WATER DISTRICT (PF) | 6654 | Manganese Removal Treatment at Oakdale Well | \$5,100,000 | \$5,100,000 |
| 535.0 | NEW BEDFORD (PF) | 6658 | Lead Service Line Replacement Program - Phase II | \$15,400,000 | \$7,500,000 |
| 530.0 * | AYER (H)(PF) | 6635 | Spectacle Pond Wellfield PFAS Treatment | \$5,734,000 | \$5,734,000 |
| 528.0 | LEOMINSTER (PF) | 6716 | Notown/Fallbrook WTP Upgrades | \$6,557,600 | \$6,557,600 |
| 525.0 * | BLACKSTONE (PF) | 6686 | Blackstone Groundwater Treatment | \$5,000,000 | \$5,000,000 |
| 524.0 * | EASTHAM (PF) | 6661 | Eastham Water System - Phase 2C | \$13,561,401 | \$13,561,401 |
| 517.0 | DRACUT WATER SUPPLY DISTRICT (H)(PF) | 6659 | Water System Improvements | \$17,152,000 | \$15,000,000 |
| 514.0 | LOWELL (H)(PF) | 6677 | Lead Service Replacement Project | \$3,930,929 | \$3,930,929 |
| 449.0 | NEW BEDFORD (PF) | 4613 | Water Treatment Plant Upgrades - Phase II | \$15,250,000 | \$7,500,000 |
| 441.0 | BROCKTON (H)(PF) | 6689 | Transmission Main Valve Replacement Project Ph. II | \$2,000,000 | \$2,000,000 |
| 439.0 | SPRINGFIELD WATER AND SEWER COMMISSION (PF) | 6649 | Clearwell and Backwash Pump Station Replacement | \$21,750,000 | \$15,000,000 |
| 423.0 | NEWBURYPORT | 6720 | Newburyport WTP Transmission Main | \$7,840,000 | \$7,840,000 |
| 421.0 | TRI TOWN WATER BOARD | 6705 | Tri-Town Regional Water Treatment Plant | \$70,100,000 | \$13,000,000 |
| 410.0 * | DUDLEY (PF) | 4604 | Dudley Drinking Water System Improvements Project | \$5,225,000 | \$5,225,000 |
| 405.0 * | EAST BROOKFIELD (PF) | 6717 | Water Main Replacement and Wellhouse Upgrades | \$2,790,000 | \$2,790,000 |
| 321.0 # | CENTERVILLE-OSTERVILLE-MARSTONS MILLS FIRE DISTRICT (H)(PF) | 6687 | Manganese and Iron Removal for Hayden Wells | \$0 | \$0 |
| 315.0 * | DEERFIELD FIRE DISTRICT (PF) | 4623 | Greenfield Rd. Water Main Replacement Project | \$940,000 | \$940,000 |
| 230.0 | LOWELL (H)(PF) | 6665 | Transmission Main Connection | \$4,927,500 | \$4,927,500 |
| 228.0 | LAWRENCE (H)(PF) | 6641 | Water Treatment Plant & Source Improvements | \$4,161,417 | \$4,161,417 |
| 228.0 | MASSACHUSETTS WATER RESOURCES AUTHORITY | 6691 | Northern Intermediate High Section 89 Replacement | \$16,000,000 | \$7,000,000 |
| 222.0 | FALL RIVER (H)(PF) | 6696 | Water Main Rehabilitation - Phase 20 | \$3,448,085 | \$3,448,085 |
| 222.0 | HOLYOKE (PF) | 6662 | Phase 1 Water Main Replacement Project | \$1,845,000 | \$1,845,000 |
| 214.0 ** | MEDWAY (H) | 6728 | Holliston and Brentwood Water Mains | \$0 | \$0 |
| TOTAL OF NEW PROJECTS | | | | \$228,712,932 | \$138,060,932 |

(Count: 21)

(Average Rating: 399.09)

* - Small System

(H) - Housing Choice Communities

(PF) - Disadvantaged Community

(RE) - Potential Renewable Energy Projects

- Dropped by Applicant

MassDEP PRIORITY PROJECTS

| Applicant | SRF ID | Project | Project Cost | 2020 IUP Cost |
|---|--------|---------|--------------------|--------------------|
| EMERGENCY SRF SET-A-SIDE | 2978 | | \$3,000,000 | \$3,000,000 |
| TOTAL OF MassDEP PRIORITY PROJECTS | | | \$3,000,000 | \$3,000,000 |

(Count: 1)

MULTI-YEAR CARRYOVER AND STATUTORY PROJECTS

| Applicant | SRF ID | Project | Project Cost | 2020 IUP Cost |
|---|--------|--|----------------------|---------------------|
| MASSACHUSETTS WATER RESOURCES AUTHORITY | 4406 | Commonwealth Ave Pump Station Redundancy | \$6,879,500 | \$1,000,000 |
| MASSACHUSETTS WATER RESOURCES AUTHORITY | 4564 | Weston Aqueduct Supply Main Rehabilitation | \$19,021,535 | \$1,000,000 |
| MASSACHUSETTS WATER RESOURCES AUTHORITY | 4408 | Connect Mains Rehab. of Sections 23, 24, and 47 | \$14,322,000 | \$1,000,000 |
| MASSACHUSETTS WATER RESOURCES AUTHORITY | 4119 | SEH Redundancy and Storage | \$49,297,289 | \$5,000,000 |
| PEABODY (PF) | 4592 | Peabody Water Transmission Main and Pump Station | \$9,285,570 | \$4,285,570 |
| PEABODY (PF) | 4593 | Winoma & Coolidge WTP Improvements | \$22,156,875 | \$10,714,430 |
| TOTAL OF MULTI-YEAR CARRYOVER AND STATUTORY PROJECTS | | | \$120,962,769 | \$23,000,000 |

(Count: 6)

PLANNING PROJECTS

| Applicant | SRF ID | Project | Project Cost | 2020 IUP Cost |
|-----------------------------------|--------|---|--------------------|--------------------|
| ANDOVER (H) | 6667 | Water System Master Plan | \$400,000 | \$400,000 |
| BARNSTABLE (H) | 6681 | Wells Treatment Pilots, Conceptual Plans, Layouts | \$650,000 | \$650,000 |
| BARNSTABLE (H) | 6680 | New Well Exploration Program | \$555,000 | \$555,000 |
| CANTON (H) | 6709 | Neponset WTF PFAS Treatment Study | \$50,000 | \$50,000 |
| CANTON (H) | 6734 | Pecunit WTF PFAS Treatment Planning and Design | \$75,000 | \$75,000 |
| TOTAL OF PLANNING PROJECTS | | | \$1,730,000 | \$1,730,000 |

(Count: 5)

| | | |
|-----------------------------------|----------------------|----------------------|
| TOTAL OF INTENDED USE PLAN | \$354,405,701 | \$165,790,932 |
|-----------------------------------|----------------------|----------------------|

TABLE 2
DRINKING WATER STATE REVOLVING FUND
Calendar Year 2020 DWSRF ASSET MANAGEMENT PLANNING PROJECTS

ASSET MANAGEMENT PLANNING PROJECTS

| Rating | Applicant | SRF ID | Project | Project Cost | Grant Amount |
|--|--------------------------------------|---------------|--|---------------------|---------------------|
| 90 | ACTON WATER SUPPLY DISTRICT | 6718 | Asset Management Planning | \$100,000 | \$60,000 |
| 87 | LANESBOROUGH FIRE AND WATER DISTRICT | 6706 | 2020 Drinking Water AMP Application | \$125,000 | \$75,000 |
| 85 | WEBSTER | 6724 | Asset Management Planning | \$75,000 | \$45,000 |
| 74 | DEDHAM-WESTWOOD WATER DISTRICT | 6733 | Water System Asset Management Grant | \$250,000 | \$150,000 |
| 71 | DRACUT WATER SUPPLY DISTRICT | 6670 | 2020 DWSD Water System Asset Management Plan | \$109,750 | \$65,850 |
| 69 | WALPOLE | 6723 | Asset Inventory and Planning | \$70,000 | \$42,000 |
| 66 | DALTON | 6701 | 2020 Dalton Fire District Drinking Water AMP | \$89,590 | \$53,750 |
| 58 | BUZZARDS BAY WATER DISTRICT | 6729 | Buzzards Bay Water District Asset Management Grant | \$90,500 | \$54,300 |
| 57 | WEST BRIDGEWATER | 6692 | West Bridgewater Water Department AM Planning | \$77,000 | \$46,200 |
| TOTAL OF ASSET MANAGEMENT PLANNING PROJECTS | | | | \$986,840 | \$592,100 |

(Count: 9)

| | | |
|---------------------------------------|------------------|------------------|
| TOTAL OF PROJECT PRIORITY LIST | \$986,840 | \$592,100 |
|---------------------------------------|------------------|------------------|

2020 Intended Use Plan and Project Priority List for the Drinking Water State Revolving Fund

I. Background

The Federal Safe Drinking Water Act Amendments of 1996 authorized the award of capitalization grants to the States in order to create individual Drinking Water State Revolving Fund (DWSRF) loan programs. These programs provide State-administered subsidized, below- market- rate, loans to finance community water supply projects, both publicly and privately owned. Under the DWSRF program, States provide a 20% match to the federal capitalization grant to create the loan fund. Projects to be financed are selected using a priority ranking system based upon protection of the public health and improved compliance together with affordability.

The DWSRF is jointly administered by the Massachusetts Department of Environmental Protection (MassDEP) and the Massachusetts Clean Water Trust (the Trust). MassDEP manages the technical aspects of the project development while the Trust manages the disbursement of funds and the sale of bonds to provide capital to the program.

Pursuant to the applicable provisions of the Federal Safe Drinking Water Act Amendments of 1996, Chapter 78 of the Acts of 1998, and 310 CMR 45.00, MassDEP has developed its Calendar Year 2020 Intended Use Plan/Project Priority List (IUP/PPL), with its attendant ranking of drinking water projects, as noted in Table 3. In order for a project to receive financial assistance under the SRF Loan program, that project must appear on the PPL and the IUP Project Listing.

This IUP includes \$166 million in financing and describes Massachusetts' intended uses for all funds available in the DWSRF program for calendar year 2020. It includes the projects that Massachusetts expects to provide financial assistance to, and an overview of how the state will comply with federally mandated requirements.

Nine proposals, totaling \$986,840 have been selected to receive financial assistance for their **Asset Management** plans. Communities will receive 60% of the project cost, up to \$150,000, as a grant from the Trust, totaling \$592,100. The balance of the cost can be made up of local contribution of cash, in kind services, or may be borrowed from the Trust at the standard 2% interest rate.

All new projects receiving financial assistance from the DWSRF will be eligible for loans at 2% interest. The Commonwealth subsidizes these loans, funding the spread between market interest rates and the 2% loan. This subsidy, also called Contract Assistance, will continue to be allotted to the SRF programs in this and upcoming budget cycles.

To be considered for funding priority, communities must have appropriated the necessary local project funds or have committed to a schedule to obtain those funds by October 16, 2020. Completed applications must be submitted to MassDEP at the earliest possible time, but not later than October 16, 2020. A complete application must contain the local funding authorization and the required supporting documentation. Any project not meeting these deadlines will be removed from the IUP Project Listing. Projects offered financing that do not advance, may be replaced by the highest ranked project on the Project Priority List that is ready to proceed.

All SRF related documents including this IUP, the priority ranking system, loan application forms, etc. may be found on the MassDEP web site at <http://www.mass.gov/eea/agencies/massdep/water/grants/state-revolving-fund.html>.

II. Calendar Year 2020 Project Financing

In 2020, MassDEP expects to finance 21 new construction projects, six carryover projects, and five planning project, totaling \$166 million. Included in this amount is a \$3 million emergency reserve to finance unanticipated problems of acute public health concern that may arise during the year. Table 1 is the proposed funding list for 2020 and Table 3 is the extended PPL.

Massachusetts received \$25.55 million to fund the DWSRF for 2020. Following are some of the more notable requirements applicable to the DWSRF program:

a. Additional Subsidy

Massachusetts has established an Affordability Criteria to calculate and distribute loan forgiveness. The assignment of communities to affordability tier is based on an Adjusted Per Capita Income (APCI) calculation. Tiers ranking are calculated annually by comparing a communities APCI as a percentage of the Commonwealth's APCI. See the table below for the tier breakdown.

| Tier | Percent of state APCI | Minimum Loan Forgiveness |
|-------------|--------------------------------------|---------------------------------|
| 1 | Greater than 80%, but less-than 100% | 6.6% |
| 2 | Greater than 60%, but less than 80% | 13.2% |
| 3 | Less than 60% | 19.8% |

With the establishment of the Disadvantaged Communities program, all projects that are eligible for additional subsidy on the 2020 DWSRF IUP and PPL are now considered Disadvantaged Communities (DC) and will be reported as such. The establishment of a formal DWSRF DC program does not change the distribution of loan forgiveness and does not require any additional actions from eligible communities beyond the requirements already in place for loan forgiveness.

Eligible construction projects appearing on the 2020 IUP will receive additional subsidy, to the extent that funds are available, in the form of loan forgiveness based on the affordability tier system described above and provided as a set percentage based on the community's tier ranking.

Projects that have a renewable energy component will qualify as a Tier 1 community and receive loan forgiveness for the portion of the loan that is financing the renewable energy component. Additional subsidy will be disbursed over construction contracts that are executed by June 30, 2021. Planning projects are not eligible for loan forgiveness.

In addition to meeting the Affordability Criteria, under Chapter 259 of the Acts of 2014, An Act Improving Drinking Water and Wastewater Infrastructure, applicants for additional subsidy are required to (1) establish water enterprise funds (or equivalent separate restricted accounts) and (2) not have made any transfers from such enterprise fund since January 1, 2015 to fund the community's general operating budget.

b. Applicant Cap

The Massachusetts SRF regulations (310 CMR 45) place a limit on any one proponent receiving any more than 25% (twenty-five percent) of the available funding in a given year. Because of the shortfall of available funding relative to the number of worthwhile projects, and in order to extend financial assistance to as many highly ranked projects as possible, MassDEP is implementing *an applicant cap of \$15 million* for the 2020 funding period. MassDEP, however, reserves the right to waive the applicant cap limitation if MassDEP determines that one or more projects on the IUP Project Listing are not ready to proceed. If the applicant cap is waived, communities may see an increase in financing support for projects not fully funded on the IUP listing.

c. Small Systems

Congress requires that 15% (fifteen percent) of the total amount of DWSRF funds be dedicated towards "small system" projects, i.e., drinking water systems serving fewer than 10,000 customers. The total DWSRF funds expected to be available for 2020 is \$166 million. Fifteen percent of that amount is \$24.9 million. The IUP list contains seven small system projects totaling approximately \$38.5 million, which exceeds the 15%.

d. Set Aside Activities

Congress allows states to apply set asides from the DWSRF grant, to provide management of the program and technical assistance to Public Water Suppliers. MassDEP's objectives for DWSRF set-aside activities are included as Appendix A. For 2020, these set-aside activities include funds that will be earmarked for issues involving small water supply systems, local assistance for wellhead protection, capacity implementation, and program management and administration. Appendix A details how MassDEP intends to utilize these set-aside funds in FY 2020 to implement the federal Safe Drinking Water Act (SDWA).

e. Housing Choice

Communities that have earned the Housing Choice designation, at the time of the SRF project solicitation, are eligible to have their loan's interest rate reduced by 0.5% (for example from the standard 2% to 1.5% for a standard term loan). However, under no circumstance can the interest rate fall below 0%. For example, if a community qualifies for a 0% loan, it cannot receive an added discount through Housing Choice. Housing choice initiative communities must also certify to the enterprise account requirement noted above.

III. Short- and Long-Term Goals

The following are the goals that Massachusetts has set for its DWSRF.

a. Short-Term Goals

- Providing a DWSRF reserve, not to exceed \$3.0 million of available funds, to finance at MassDEP's discretion unanticipated problems of acute public health concern that arise during the year. Such projects must constitute an imminent public health threat and otherwise meet MassDEP's applicable criteria;
- Replacement of lead service connections extending to the meter of the building;
- Financing mitigation of PFAS affecting water supplies
- Incorporating the recently developed affordability criteria into the additional subsidy distribution;
- Developing and funding innovative education, planning and compliance assistance programs for small systems to identify and reduce the number of small systems with compliance problems;
- Performing outreach efforts to Drinking Water SRF borrowers that identify the focus on and eligibility of energy efficiency/alternative energy projects;
- Upgrading failing distribution systems to ensure adequate pressure and flow, and to reduce the potential of bacterial contamination;
- Providing additional storage to ensure adequate water volume, system pressure and redundancy;
- Enhancing security of drinking water systems during the construction or rehabilitation of major facilities;
- Assisting communities in the identification and elimination of naturally occurring contamination (e.g. radionuclide, arsenic, etc.); and
- Executing Drinking Water set-aside work plans.

b. Long-Term Goals

- Support protection of public health by ensuring that all Massachusetts Public Water Suppliers have the necessary technical, financial and managerial capacity to maintain compliance with the current and foreseeable SDWA requirements and provide safe drinking water to their customers;

- Annually reexamine the balance between use of set-aside and project funds and adjust strategy as needed in subsequent years' applications for DWSRF funds;
- Promote the completion of cost-effective projects that maximize protection of public health;
- Effectively manage a drinking water program that facilitates compliance with the SDWA through the use of outreach efforts such as capacity assessments and technical assistance;
- Ensure that water treatment projects financed through the SRF fully consider cost effective energy efficiency measures and/or renewable energy strategies;
- Encourage strategies to ensure sufficient water supplies under drought conditions and the stresses of climate change;
- Support long-term water system planning efforts by reserving Drinking Water SRF funds for these types of planning studies; and
- Establish and efficiently manage a permanent source of financing for drinking water infrastructure in order to enhance and protect public health.

IV. Allocation of Funds

a. Criteria and Method for Distribution of Funds

Massachusetts rates projects using the Commonwealth's priority ranking system. The criteria used to rank potential projects can be found on the MassDEP web site at <http://www.mass.gov/eea/agencies/massdep/water/grants/state-revolving-fund.html>. The ranking system is reviewed annually to reflect changing priorities at MassDEP. The criteria emphasize the nature of the public health problem that the project will address, compliance with the Safe Drinking Water Act, project affordability, the extent to which the project is consistent with regional or watershed wide plans and the extent to which the project qualifies as a green project, a project that minimizes greenhouse gas (GHG) emissions and energy use.

Once all projects have been rated and ranked, the PPL is developed (Table 3). With input from the Trust, MassDEP identifies all of the sources of funds and spending limits and develops the IUP Project Listing (Table 1).

To be considered for funding, projects must meet State and Federal eligibility requirements, must be ready to proceed during the funding period, must have appropriated local funds necessary to finance the project, and must have a MassDEP-approved planning element. An approvable planning element can be a Project Evaluation Report, Integrated Water Resource Management Plan, or other MassDEP sanctioned planning document. Projects proposing to replace lead service lines must ensure that lines will be replaced to the meters in order to preserve priority ranking. Furthermore, no community can receive financial assistance unless it can demonstrate that it has adequate, technical, financial and managerial capacity, as approved by MassDEP. Eligibility includes consistency with the assurances described in this

document and the requirements contained within MassDEP's financial assistance regulations.

c. Project Bypass Procedure

A project on the IUP Project Listing may be bypassed if MassDEP determines that the bypassed project will not be ready to proceed during the Funding period. Project(s) bypassed will be replaced by the highest ranked priority project(s) on the PPL that are ready to proceed. Alternatively, at the Department's discretion, the funds from the bypassed projects may be used for cost increases to other projects previously approved or may flow to capacity in the 2021 IUP. If complete project applications are not received by MassDEP by October 16, 2020, the project will be considered for removal from the IUP.

c. Types of Projects to be Funded and Financing Rates

Any drinking water project of an eligible borrower is eligible to receive financial assistance from the Trust. Such eligible projects include, but are not limited to:

- Projects to address or prevent violation of public health standards, including projects to come into or maintain compliance.
- Projects to replace aging infrastructure, if such projects are needed to maintain compliance or further public health goals and requirements, including projects to rehabilitate or develop sources to replace contaminated sources, install or upgrade treatment or storage facilities, and install or replace transmission and distribution pipes to prevent contamination or improve water pressure to safe levels.
- Projects to consolidate and/or restructure a public water system.
- Planning and/or design of any eligible project.

Costs of construction that MassDEP determines are necessary for the completion of the project are eligible for financing in the loan and to receive a subsidy under the loan, subject to the applicant cap. Costs for planning projects are eligible for financing during the 2020 funding period. Although costs for design are eligible, they will not be financed during this funding period due to the high demand for construction funding.

All projects on the IUP are eligible for 2% interest rate loans.

V. Financial Management

a. Source of State Match

Based on the 2020 grant of \$25.55 million, the required 20% state match totals \$5.11 million. These funds are provided to the Trust from the Commonwealth's Capital Plan.

b. Fee Income

The Trust charges approximately \$5.50 per \$1,000 as a loan origination fee to offset the costs incurred during bond issuance. Recipients of SRF loans are charged an annual administrative fee of 0.15% against the outstanding loan principal to fund salaries and

expenses of the Trust and MassDEP related to SRF project development and loan management. As of June 30, 2019, the Trust has approximately \$53 million in administrative fees available.

c. Program Administration

The Commonwealth of Massachusetts intends to use the full 4 percent of the Federal capitalization grant funds for administrative support of activities related to the Federal Fund. Use of those funds is detailed in the DWSRF Grant Application that the Trust files each year with the USEPA and in the attached Set-Aside plan (Appendix A).

d. Anticipated Cash Draw Ratio

Massachusetts will draw 100 percent of the state match funds before drawing federal funds. This will ensure that Massachusetts remains in compliance with the required cash draw ratios.

e. Transfer of Funds between CWSRF and DWSRF

Section 302 of the 1996 Safe Drinking Water Act Amendments allows states the flexibility to move funds between the Clean and the Drinking Water SRF programs, to better address specific state priorities. The USEPA allows an equivalent of up to 33% of the Drinking Water grant to be transferred between the CWSRF and DWSRF.

The CWSRF IUP capacity frequently allows Massachusetts to finance all the requested projects in a given year. Generally, half to a third of requested DWSRF projects go unfunded. The level of federal grant funding of the DWSRF is insufficient to meet the need for project financing. Transferring a limited amount of funds from the CWSRF to the DWSRF this year and in the future will help increase the overall capacity of the DWSRF and reduce the number of unfunded projects without any impacts to the CWSRF IUP. Massachusetts will transfer funds from the CWSRF to the DWSRF program in the estimated amount of \$8.43 million (33% of the 2020 DWSRF grant amount of \$25.55 million). This transfer of funds will not result in any changes to the 2020 list of projects. The transfer will be used to increase the capacity of the 2020 DWSRF IUP.

f. Estimated Sources and Uses

The sources of funds available to the Massachusetts DWSRF include the federal capitalization grant, 20% state match and borrower free-ups (repaid loans). The Trust may leverage these funds up to 3 times. Under this authority, the Trust will finance approximately \$166 million of DWSRF-eligible projects.

g. Additional Subsidy and the Disadvantaged Communities Program

As required in federal law applicable to the 2020 DWSRF capitalization grant, a minimum of 14% additional subsidy shall be provided and no less than 6% of the federal grant and no more than 35% disadvantaged subsidy to state-defined Disadvantaged Communities, provided adequate applicants exist. In the 2020 DWSRF IUP, MassDEP and the Trust will ensure that the required level of additional subsidy is disbursed to eligible projects.

VI. Program Management

a. Assurances and Special Conditions

MassDEP and the Trust have provided the required assurances and certifications as part of the Operating Agreement between Massachusetts and the USEPA. The Operating Agreement (OA) describes the mutual obligations among USEPA, MassDEP and the Trust. The purpose of the OA is to provide a framework of procedures to be followed in the management and administration of the DWSRF.

Title XIV of the Federal Safe Drinking Water Act amendments of 1996 and subsequent regulations and guidance require that the Commonwealth certify compliance with or acceptance of a number of conditions. These include compliance with the applicable provisions of s. 1452, State Revolving Loan Fund, as follows:

- **Environmental Reviews:** DWSRF borrowers are required to meet the standards of the National Environmental Policy Act (NEPA) or a State equivalent. Some projects, owing to their relatively minor environmental impacts, if any, do not trip the threshold of the Massachusetts Environmental Policy Act (MEPA) and are therefore not subject to the rigorous environmental review process set forth in MEPA. The Commonwealth reasons that these projects are categorically exempt from the NEPA review process as well. A planning level review of each of the eligible projects concludes that since these projects almost uniformly are the upgrade or rehabilitation of existing infrastructure, most will not usually require MEPA review. A final determination of project relevancy under MEPA cannot be made until the preliminary design phase of work is complete on each project.
- **Binding Commitments:** The DWSRF will enter into binding commitments for 120 percent of each quarterly grant payment within one year of receipt of the payment.
- **Expeditious and Timely Expenditures:** The DWSRF will expend all funds in the DWSRF in a timely manner.
- **Set Aside Programs.** The Commonwealth will conduct set aside activities consistent with the plan provided as Appendix A to this document.

b. Federal Requirements

A number of federal requirements apply in an amount equal to the capitalization grant including:

- Single Audit Act (2 CFR 200 Subpart F)
- Disadvantaged Business Enterprise compliance
- Federal environmental crosscutters
- Federal Funding Accountability and Transparency Act reporting

MassDEP and the Trust will identify the group of projects that must comply with these requirements in the grant application. Frequently, the group of projects changes as projects move towards construction, usually due to attrition. If changes are made to the group of projects, appropriate amendments to the grant application will be made.

c. Davis-Bacon Wage Rates

EPA's FY2020 Appropriations bill requires the application of Davis-Bacon prevailing wage rates to all drinking water projects funded in whole or in part by the DWSRF. MassDEP ensures that the required Davis Bacon language is included in contracts and conducts field verifications of project compliance with the wage rate requirements.

d. American Iron and Steel

The FY 2020 Appropriations bill required the use of American Iron and Steel (AIS) in all drinking water construction projects. MassDEP ensures that the required AIS language is included in contracts and conducts field verifications of project compliance. Appropriate AIS language has also been included on the Project Regulatory Agreement and the Loan Agreement.

e. Audits and Reporting

MassDEP and the Trust will comply with all of the auditing and reporting requirements of the USEPA. A single audit is conducted annually and reporting to the USEPA is done through the Drinking Water Project Benefits Reporting system, the National Information Management System, Biennial Report and FFATA reporting.

VII. Public Review and Comment

Notice of the availability of the Draft Calendar Year 2020 IUP/PPL was made on February 14, 2020. A public hearing on the Draft IUP was to take place on March 16, 2020 at the MassDEP office at One Winter Street, Boston, MA 02108. Due to protocols put in place by the state of Massachusetts in response to the COVID-19 emergency, the public hearing was canceled. The requirement to hold a public hearing was suspended on March 26, 2020, by the Governor's COVID-19 Order 17. MassDEP received written testimony during the comment period that closed at 5:00 PM on March 16, 2020. The final recommendation reflects the testimony received during the public review process. Records of testimony received are maintained in MassDEP's files.

TABLE 3
DRINKING WATER STATE REVOLVING FUND
Calendar Year 2020 DWSRF Project Priority List

NEW PROJECTS

| Rating | Applicant | PWSID | Pop. | SRF ID | Project | Project Cost |
|------------------------------|---|---------|---------|--------|--|----------------------|
| 538.0 * | WEST BOYLSTON WATER DISTRICT (PF) | 2321000 | 7450 | 6654 | Manganese Removal Treatment at Oakdale Well | \$5,100,000 |
| 535.0 | NEW BEDFORD (PF) | 4201000 | 95072 | 6658 | Lead Service Line Replacement Program - Phase II | \$15,400,000 |
| 530.0 * | AYER (H)(PF) | 2019000 | 7427 | 6635 | Spectacle Pond Wellfield PFAS Treatment | \$5,734,000 |
| 528.0 | LEOMINSTER (PF) | 2153000 | 40490 | 6716 | Notown/Fallbrook WTP Upgrades | \$6,557,600 |
| 525.0 * | BLACKSTONE (PF) | 2032000 | 8962 | 6686 | Blackstone Groundwater Treatment | \$5,000,000 |
| 524.0 * | EASTHAM (PF) | 4086095 | 2026 | 6661 | Eastham Water System - Phase 2C | \$13,561,401 |
| 517.0 | DRACUT WATER SUPPLY DISTRICT (H)(PF) | 3079000 | 25741 | 6659 | Water System Improvements | \$17,152,000 |
| 514.0 | LOWELL (H)(PF) | 3160000 | 106519 | 6677 | Lead Service Replacement Project | \$3,930,929 |
| 449.0 | NEW BEDFORD (PF) | 4201000 | 95072 | 4613 | Water Treatment Plant Upgrades - Phase II | \$15,250,000 |
| 441.0 | BROCKTON (H)(PF) | 4044000 | 93810 | 6689 | Transmission Main Valve Replacement Project Ph. II | \$2,000,000 |
| 439.0 | SPRINGFIELD WATER AND SEWER COMMISSION (PF) | 1281000 | 230331 | 6649 | Clearwell and Backwash Pump Station Replacement | \$21,750,000 |
| 423.0 | NEWBURYPORT | 3206000 | 20335 | 6720 | Newburyport WTP Transmission Main | \$7,840,000 |
| 421.0 | TRI TOWN WATER BOARD | 4040002 | 25 | 6705 | Tri-Town Regional Water Treatment Plant | \$70,100,000 |
| 410.0 * | DUDLEY (PF) | 2080000 | 7644 | 4604 | Dudley Drinking Water System Improvements Project | \$5,225,000 |
| 405.0 * | EAST BROOKFIELD (PF) | 2084000 | 1526 | 6717 | Water Main Replacement and Wellhouse Upgrades | \$2,790,000 |
| 321.0 # | CENTERVILLE-OSTERVILLE-MARSTONS MILLS FIRE DISTRICT (H)(PF) | 4020002 | 50000 | 6687 | Manganese and Iron Removal for Hayden Wells | \$0 |
| 315.0 * | DEERFIELD FIRE DISTRICT (PF) | 1074000 | 1300 | 4623 | Greenfield Rd. Water Main Replacement Project | \$940,000 |
| 230.0 | LOWELL (H)(PF) | 3160000 | 106519 | 6665 | Transmission Main Connection | \$4,927,500 |
| 228.0 | MASSACHUSETTS WATER RESOURCES AUTHORITY | 6000000 | 2550000 | 6691 | Northern Intermediate High Section 89 Replacement | \$16,000,000 |
| 228.0 | LAWRENCE (H)(PF) | 3149000 | 76377 | 6641 | Water Treatment Plant & Source Improvements | \$4,161,417 |
| 222.0 | HOLYOKE (PF) | 1137000 | 40124 | 6662 | Phase 1 Water Main Replacement Project | \$1,845,000 |
| 222.0 | FALL RIVER (H)(PF) | 4095000 | 88857 | 6696 | Water Main Rehabilitation - Phase 20 | \$3,448,085 |
| 219.0 | HAVERHILL (H)(PF) | 3128000 | 57311 | 4622 | Phase 3 - Transmission Main Improvements | \$9,447,900 |
| 216.0 | ANDOVER (H) | 3009000 | 33201 | 6636 | Water Main Improvements - Columbia Gas Recovery | \$15,349,242 |
| 215.0 | BARNSTABLE (H)(PF) | 4020004 | 35000 | 6682 | Pipe replacement and Upgrade Program | \$1,000,000 |
| 214.0 ** | MEDWAY (H) | 2177000 | 9654 | 6728 | Holliston and Brentwood Water Mains | \$0 |
| TOTAL OF NEW PROJECTS | | | | | | \$254,510,074 |

(Count: 24)

(Average Rating: 378.04)

* - Small System
(H) - Housing Choice Communities
(PF) - Disadvantaged Community
(RE) - Potential Renewable Energy Projects
- Dropped by Applicant

MassDEP PRIORITY PROJECTS

| Applicant | SRF ID | Project | Project Cost |
|---|--------|---------|--------------------|
| EMERGENCY SRF SET-A-SIDE | 2978 | | \$3,000,000 |
| TOTAL OF MassDEP PRIORITY PROJECTS | | | \$3,000,000 |

(Count: 1)

MULTI-YEAR CARRYOVER AND STATUTORY PROJECTS

| Applicant | PWSID | Pop. | SRF ID | Project | Project Cost |
|---|---------|---------|--------|--|----------------------|
| MASSACHUSETTS WATER RESOURCES AUTHORITY | 6000000 | 2550000 | 4406 | Commonwealth Ave Pump Station Redundancy | \$6,879,500 |
| MASSACHUSETTS WATER RESOURCES AUTHORITY | 6000000 | 2550000 | 4564 | Weston Aqueduct Supply Main Rehabilitation | \$19,021,535 |
| MASSACHUSETTS WATER RESOURCES AUTHORITY | 6000000 | 2550000 | 4408 | Connect Mains Rehab. of Sections 23, 24, and 47 | \$14,322,000 |
| MASSACHUSETTS WATER RESOURCES AUTHORITY | 6000000 | 2550000 | 4119 | SEH Redundancy and Storage | \$49,297,289 |
| PEABODY (PF) | 3229000 | 52474 | 4592 | Peabody Water Transmission Main and Pump Station | \$9,285,570 |
| PEABODY (PF) | 3229000 | 51263 | 4593 | Winoma & Coolidge WTP Improvements | \$22,156,875 |
| TOTAL OF MULTI-YEAR CARRYOVER AND STATUTORY PROJECTS | | | | | \$120,962,769 |

(Count: 6)

PLANNING PROJECTS

| Applicant | SRF ID | Project | Project Cost |
|-----------------------------------|--------|---|--------------------|
| ANDOVER (H) | 6667 | Water System Master Plan | \$400,000 |
| BARNSTABLE (H) | 6681 | Wells Treatment Pilots, Conceptual Plans, Layouts | \$650,000 |
| BARNSTABLE (H) | 6680 | New Well Exploration Program | \$555,000 |
| CANTON (H) | 6709 | Neponset WTF PFAS Treatment Study | \$50,000 |
| CANTON (H) | 6734 | Pecunit WTF PFAS Treatment Planning and Design | \$75,000 |
| TOTAL OF PLANNING PROJECTS | | | \$1,730,000 |

(Count: 5)

TOTAL OF PROJECT PRIORITY LIST **\$380,202,843**

MassDEP PRIORITY PROJECTS

| Applicant | SRF ID | Project | Project Cost |
|---|--------|---------|--------------------|
| EMERGENCY SRF SET-A-SIDE | 2978 | | \$3,000,000 |
| TOTAL OF MassDEP PRIORITY PROJECTS | | | \$3,000,000 |

(Count: 1)

MULTI-YEAR CARRYOVER AND STATUTORY PROJECTS

| Applicant | PWSID | Pop. | SRF ID | Project | Project Cost |
|---|---------|---------|--------|--|---------------------|
| MASSACHUSETTS WATER RESOURCES AUTHORITY | 6000000 | 2550000 | 4408 | Connect Mains Rehab. of Sections 23, 24, and 47 | \$14,322,000 |
| MASSACHUSETTS WATER RESOURCES AUTHORITY | 6000000 | 2550000 | 4119 | SEH Redundancy and Storage | \$49,297,289 |
| PEABODY (PF) | 3229000 | 52474 | 4592 | Peabody Water Transmission Main and Pump Station | \$9,285,570 |
| PEABODY (PF) | 3229000 | 51263 | 4593 | Winoma & Coolidge WTP Improvements | \$22,156,875 |
| TOTAL OF MULTI-YEAR CARRYOVER AND STATUTORY PROJECTS | | | | | \$95,061,734 |

(Count: 4)

PLANNING PROJECTS

| Applicant | SRF ID | Project | Project Cost |
|-----------------------------------|--------|---|--------------------|
| ANDOVER (H) | 6667 | Water System Master Plan | \$400,000 |
| BARNSTABLE (H) | 6681 | Wells Treatment Pilots, Conceptual Plans, Layouts | \$650,000 |
| BARNSTABLE (H) | 6680 | New Well Exploration Program | \$555,000 |
| CANTON (H) | 6709 | Neponset WTF PFAS Treatment Study | \$50,000 |
| CANTON (H) | 6734 | Pecunit WTF PFAS Treatment Planning and Design | \$75,000 |
| TOTAL OF PLANNING PROJECTS | | | \$1,730,000 |

(Count: 5)

TOTAL OF PROJECT PRIORITY LIST **\$370,226,808**

TABLE 4
DRINKING WATER STATE REVOLVING FUND
Calendar Year 2020 DWSRF ASSET MANAGEMENT PLANNING PROJECTS

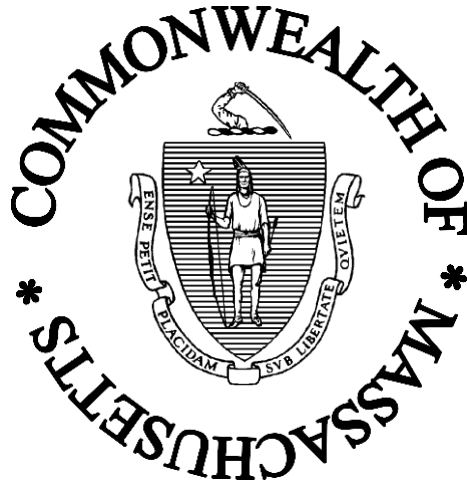
ASSET MANAGEMENT PLANNING PROJECTS

| Rating | Applicant | SRF ID | Project | Project Cost |
|--|--------------------------------------|---------------|--|---------------------|
| 90 | ACTON WATER SUPPLY DISTRICT | 6718 | Asset Management Planning | \$100,000 |
| 87 | LANESBOROUGH FIRE AND WATER DISTRICT | 6706 | 2020 Drinking Water AMP Application | \$125,000 |
| 85 | WEBSTER | 6724 | Asset Management Planning | \$75,000 |
| 74 | DEDHAM-WESTWOOD WATER DISTRICT | 6733 | Water System Asset Management Grant | \$250,000 |
| 71 | DRACUT WATER SUPPLY DISTRICT | 6670 | 2020 DWSD Water System Asset Management Plan | \$109,750 |
| 69 | WALPOLE | 6723 | Asset Inventory and Planning | \$70,000 |
| 66 | DALTON | 6701 | 2020 Dalton Fire District Drinking Water AMP | \$89,590 |
| 58 | BUZZARDS BAY WATER DISTRICT | 6729 | Buzzards Bay Water District Asset Management Grant | \$90,500 |
| 57 | WEST BRIDGEWATER | 6692 | West Bridgewater Water Department AM Planning | \$77,000 |
| TOTAL OF ASSET MANAGEMENT PLANNING PROJECTS | | | | \$986,840 |

(Count: 9)

TOTAL OF PROJECT PRIORITY LIST **\$986,840**

APPENDIX A



DRINKING WATER STATE REVOLVING FUND (DWSRF)

*Intended Use Plan For
Fiscal Year 2020 Set-aside*
Funds Authorized Under the Federal
Safe Drinking Water Act

Information on Set-asides

The State of Massachusetts plans to set aside \$7,920,500 (31% of \$25,550,000 (Note: FY2020 Amended Amount) of the Capitalization Grant for various non-construction related activities that are authorized in the Safe Drinking Water Act Amendments of 1996. These activities are often vital to water systems so that they can develop and maintain the financial, technical, and managerial capacity to run their system effectively. A portion of the set-aside money will be used to develop and implement programs within state government necessary to implement the DWSRF and the SDWA Amendments of 1996.

The SDWA provides guidance for a variety of uses of the set-aside money. The set-aside money will be placed in separate accounts outside the Project Fund. The SDWA allows for transfers between the set-aside accounts and are the current best estimates of the funds required to complete the programs and projects described in the IUP. Transfers of funds between accounts and projects in accordance with EPA requirements will be made as necessary to accomplish the programs and projects described and efficiently and effectively use the available funds. The SDWA limits the percentage of the capitalization grant that can be used in each of these set-asides and whether the set-aside funds can be “banked” or reserved for future use.

I. 4% DWSRF ADMINISTRATION – 8 FTEs

MassDEP anticipates applying for the full 4% (\$1,022,000) from FY 2020 SRF Capitalization Grant for DWSRF Program Administration. These funds will be combined with any remaining prior year funds in order to provide comprehensive DWSRF program assistance. Duties may include (but not be limited to):

A. MANAGE DWSRF COORDINATION of projects and liaison with the Massachusetts Water Pollution Abatement Trust.

B. OVERSEE ADMINISTRATION AND MANAGEMENT of the DWSRF Priority List/Intended Use Plan process and fiscal administrative aspects of the set-asides, such as grant application and fiscal reporting, and coordinate with the Drinking Water Program in regard to the set-asides.

C. SUPPORT, CONDUCT, AND ANALYZE SRF PROJECT APPLICATIONS AND PROJECT REVIEWS

4% Set-Aside Deliverables

Coordination of all DWP Source Protection and Technical Services Activities
Set-Aside IUP and Work Plan Sections that Reflect Drinking Water Program Needs and Priorities
Oversight of DWSRF Loans and Grants

4% Set-Aside Measures of Success

Drinking Water Source Protection and Technical Services Section activities that support Drinking Water Program goals and priorities and are coordinated with the DWSRF
Set-Aside activities achieve stated deliverables and measures of success that are consonant with Drinking Water Program objectives.
Award of loans and grants in a timely manner

II. 2% FOR SMALL SYSTEMS SET-ASIDE- (3FTEs)

MassDEP anticipates applying for the full 2% (\$511,000) from FY 2020 SRF Capitalization Grant for small systems technical assistance. These funds will be combined with any remaining prior year funds in order to provide comprehensive technical assistance to small public water systems. Duties may include (but not be limited to):

A. STAFFING TO SUPPORT SAFE DRINKING WATER ACT COMPLIANCE (3 FTEs) - in providing technical assistance in support of Small System Capacity Development. FTEs will continue to be provided in the region to follow up with individual small systems on specific compliance issues and other system operation issues.

2% Set-Aside Deliverables:

- On-site training and support to Public Water Suppliers.
- Perform TNC compliance assistance sanitary surveys and provide Groundwater Under the Influence evaluations.
- Technical assistance given to targeted systems that have specific SDWA treatment compliance issues
- Technical assistance to public water systems on GWR.
- Reviews of technical reports related to water supply technology and analysis.
- Technical reviews of state initiatives such as disinfection byproduct treatment or groundwater disinfection.
- Supervision of technical staff and training programs for suppliers.
- Technical reviews of major water quality projects and public health data.
- Information for the public and for water suppliers on major water quality problems.
- Seminars on SDWA Topics.
- Establishment and operation of mentoring groups.
- Training sessions (with credits) providing Certified Operator Training.

2% Set-Aside Measures of Success:

- Compliance issues are successfully addressed in the targeted systems.
- Completion of planned capacity sanitary survey visits.
- Effective technical assistance given as scheduled.
- Each group seminar will be followed by an evaluation form to be filled out by participants to assess the efficacy of the seminar. Evaluation of the results will be considered as part of the contract assistance, and provided to the MassDEP staff responsible for implementing training initiatives and reporting on Capacity Development, for their assessment and future planning. Evaluation of all training and assistance will consider the success of recruiting recalcitrant and high-priority systems.
- Reports reviewed as scheduled.

III. 10% FOR STATE PROGRAM MANAGEMENT – 13.00 FTEs

MassDEP anticipates applying for the full 10% (\$2,555,000) from FY 2020 SRF Capitalization Grant for Program Management. The State Program Management Set-aside is used to fund: A) Administrative assistance to the PWSS program; B) Technical assistance for source water protection activities; C)

Assistance for capacity development initiatives; D) support for state operator certification program; E) Public Water System data management; F) Technical assistance for emerging contaminants and Rules. G. Indirect charges

A. PWSS SUPPORT – 9 FTEs

The money will provide funding for approximately 9 FTEs and their associated operating costs. Duties of the FTEs include capacity development, consumer confidence report assistance, adoption and implementation of new regulations, implementation of new and existing federal rules, source water assessments and protection, planning, outreach, data management, engineering and construction supervision, compliance supervision and other drinking water program activities.

B. SOURCE PROTECTION SUPPORT – 1 FTEs

The Source Protection function has been integrated into the general drinking water program activities. MassDEP is still funding 3 FTEs worth of this work from the 10% set-aside, but the source protection tasks are now distributed among more individuals and reaching more PWS. It also includes implementing the chemical monitoring waiver program which provides incentive to do source protection as well as promoting preparedness and sustainability.

C. CAPACITY DEVELOPMENT SUPPORT – 2.0 FTEs

MassDEP has designated specific regional staff as capacity development specialists. The Drinking Water Program has discerned that it is more productive to train all staff that do Sanitary Surveys in the elements of Capacity Development. The Drinking Water Program will focus on promoting the following four elements during the coming year;

1. Asset Management
2. Water System Collaboration
3. Water Quality
4. Funding Options

D. OPERATOR CERTIFICATION SUPPORT – 1 FTEs

The MassDEP has a very active operator certification program. The program activities have been integrated into daily activities of staff. Program activities range from chairing the Board of Certification of Drinking Water Operators to providing general and specialized training of and guidance for drinking water operators at all levels.

E. CONTRACT SERVICES- PUBLIC WATER SYSTEM INFORMATION MANAGEMENT

MassDEP will fund Information Technology (IT) staff to assist with data management support for programs related to public water systems and implementation of the Safe Drinking Water Act. Key activities include reporting and database maintenance and improvement. All activities are dependent upon the availability of funding.

G. MASSDEP INDIRECT CHARGES ON MATCH FOR 10% PROGRAM MANAGEMENT ACTIVITIES

The Commonwealth intends to completely meet the one-to-one match required through in-kind services incurred by MassDEP through the administration costs that were incurred during the periods of fiscal years 1993 and 2018. Detailed documentation will be provided upon request.

IV. 15% -SOURCE WATER PROTECTION AND CAPACITY DEVELOPMENT - 21 FTEs

MassDEP anticipates applying for the full 15% (\$3,866,100) from FY 2019 SRF Capitalization Grant for Source Water Protection and Capacity Development. The authorized activities under this set-aside can include; land acquisition and conservation easement program, source water protection, wellhead protection and technical and financial capacity implementation. (21) FTE's and contracted services.

A. WELLHEAD PROTECTION AND CAPACTIY IMPLEMENTATION-21 FTEs

1. Assist with source protection program activities related to groundwater sources, as well as operation of the UIC program (a.k.a. "Underground Source Water Protection Program"). Ensure consistency of this work among regions; coordinate with GIS and Internet programs; coordinate with other MassDEP programs; investigate available data for usefulness to groundwater protection; and develop relevant policies and procedures.
2. Develop and maintain spatial data related to public water sources and potential contamination threats. Work with regional staff and resources to locate regulated facilities including locating information in files and making site visits to collect location information. Assist with GIS management.
3. Assist in Zone II delineation (and re-delineation as needed) and other wellhead protection-related work.
4. Provide technical assistance on source protection to public water suppliers and local officials, and assist with the source water assessment program and with protection of groundwater sources from contamination by septic systems. This includes providing system-specific protection recommendations.
5. In accordance with the Capacity Strategy, provide technical assistance in implementing capacity development, including the ability to provide adequate quantities of source water. Provide Capacity Outreach.
6. Provide assistance, primarily with protection of groundwater sources.

B. CONTRACTED SERVICES - TRAINING AND TECHNICAL ASSISTANCE:

Capacity Development - MassDEP proposes to fund third-party contractor to complete some of the following Capacity Development activities:

Provide support and review of (quality assurance/quality control) of Water Quality Assurance database. Provide general administrative assistance to Drinking Water Program. Provide assistance in implementation and coordination of the Wellhead Protection Program, Surface Water Treatment Rule (SWTR), Ground Water Rule, Lead and Copper Rule, POU/POE, new technology evaluations, Arsenic Rule and Stage II Disinfectants Rule, Well Drillers Program, Coordinate Comprehensive Performance Evaluations (CPE) with DEP Staff. Review variances and exemptions. Maintain and enhance water quality testing system as it relates to SDWIS database. Development of applications for the purpose of processing well data compiled by the Well Driller Program. A portion of this contract also includes funding from 2% set-aside.

All activities are subject to change and are dependent upon the availability of funding.

15% Set-Aside Deliverables

- UIC program operating under State Primacy
- Spatial data, maps.
- Zone II Reviews
- On-Site training and support to water suppliers
- UIC tracking and reports
- Outreach materials, technical assistance meetings, training for regions, and bylaw reviews.
- Implementation of water conservation capacity improvement grant program.
- Implementation of Capacity Development program.
- Implementation of the Source Water Protection program.
- Plan for implementation of the Revised Total Coliform Rule

15% Set-Aside Measures of Success:

- Improved source protection for ground water sources at state and local levels
- GIS databases are properly reviewed and maintained
- Reviews are conducted in a timely manner
- Contract oversight is effective
- Technical Assistance is appropriate and timely and leads to improved source and aquifer protection in the systems visited
- Methods to assure capacity to deliver adequate quantities of drinking water are developed
- Program goals meet MassDEP objectives
- Improved protection at the local level

IUP SET-ASIDE BUDGET BASED ON FFY 2020 FUNDING LEVEL
This Budget equals 31 % of the Cap Grant and
100 % of all allowable Set-Asides.

Administration Set-Aside – 4%

Total Available: \$1,022,000

| PURPOSE | AMOUNT REQUESTED |
|--|------------------|
| Staff | \$1,309,387 |
| Support | \$ 1,000 |
| TOTAL PROJECTED EXPENSES | \$1,310,387 |
| TOTAL UNEXPENDED PRIOR YEAR FUNDS TO BE USED | \$ 288,387. |
| TOTAL 2020 FUNDS REQUESTED (100% of available Set-Aside) | \$1,022,000 |

Small Systems Set-Aside - 2%

Total Available: \$511,000

| PURPOSE | AMOUNTS REQUESTED |
|--|-------------------|
| Staff | \$ 508,260 |
| Support | \$ 2,740 |
| TOTAL PROJECTED EXPENSES | \$ 511,000 |
| TOTAL UNEXPENDED PRIOR YEAR FUNDS TO BE USED | \$ - |
| TOTAL 2020 FUNDS REQUESTED (100% of available Set-Aside) | \$ 511,000. |

State Program Management Set-Aside – 10%

Total Available: \$ 2,555,000

| PURPOSE | AMOUNTS REQUESTED |
|--|-------------------|
| Staff | \$1,920,178. |
| Support | \$ 3,500 |
| Contract – (IT) | \$ 150,000 |
| TOTAL PROJECTED EXPENSES | \$2,073,678 |
| TOTAL UNEXPENDED PRIOR YEAR FUNDS TO BE USED | \$ - |
| TOTAL 2020 FUNDS REQUESTED (100% of available Set-Aside) | \$2,555,000 |

Local Assistance Set-Aside – 15%

Total Available: \$3,832,500

| PURPOSE | AMOUNTS REQUESTED |
|--|--------------------|
| Staff | \$3,318,753 |
| Support | \$ - |
| Contracts – Training/Technical Assistance – SDWA | \$ 195,414 |
| TOTAL PROJECTED EXPENSES | \$ 3,514,167 |
| TOTAL UNEXPENDED PRIOR YEAR FUNDS TO BE USED | \$ - |
| TOTAL 2020 FUNDS REQUESTED (100% of available Set-Aside) | \$3,832,500 |
| TOTAL REQUESTED FOR ALL FFY 2020 SET-ASIDES | \$7,920,500 |
| TOTAL REQUESTED FROM PRIOR YEAR UNEXPENDED FUNDS | \$ 288,387 |
| TOTAL OF FFY 2020 DW SRF SET-ASIDES PLUS PRIOR FUNDS | \$8,208,887 |