



INTENDED USE PLAN
LOUISIANA DRINKING WATER
REVOLVING LOAN FUND PROGRAM

FEDERAL FISCAL YEAR
2008 CAPITALIZATION GRANT ALLOTMENT
STATE FISCAL YEAR 2009

Prepared by the
Louisiana Department of Health & Hospitals
Office of Public Health

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I. INTRODUCTION

A. State of Louisiana's Drinking Water Revolving Loan Fund

In 1996, Congress passed federal amendments to the Safe Drinking Water Act (SDWA) establishing the Drinking Water State Revolving Fund (DWSRF) program. The State of Louisiana is eligible for an \$11,540,000 grant for federal fiscal year (FFY) 2008.

This document is the State of Louisiana's Intended Use Plan (IUP) detailing how the State will utilize this allotment of funds available to its Drinking Water Revolving Loan Fund (DWRLF) Program as authorized under the Drinking Water Revolving Loan Fund Act (R.S. 40:2821 et seq). The IUP must describe the use of a state's capitalization grant, state match funds, principal and interest from loan repayments, other interest earnings of the DWRLF, bond proceeds, funds designated for set-aside activities, and any other monies deposited into the DWRLF.

Our IUP is the central component of our DWRLF grant application and communicates our plans to stakeholders who include: public water systems, the public, EPA, and other state departments. This IUP provides specific details on key aspects of the program including our state's short- and long-term goals, the priority setting process we use to rank projects and the list of projects eligible to receive funding from available DWRLF funding.

B. Program Overview

This IUP provides details on our plans for all funds available in the DWRLF. This plan is based on receiving a capitalization grant award totaling \$11,540,000 from EPA. This IUP also addresses the use of our required 20% state match of \$2,308,000. We have established the following primary objectives for the DWRLF:

- A.** Provide technical and financial assistance to eligible public water systems confronted with the most serious drinking water public health risks.
- B.** Ensure that the assistance provided will help systems come into or maintain compliance with the SDWA.
- C.** Operate the DWRLF as a permanent funding program to provide low-cost assistance to eligible systems into the foreseeable future.

To meet these objectives we will offer low-interest loans and other forms of financial aid, as described in IV.C and D. of this document, to public water systems for the construction of facilities that will provide affordable, safe drinking water to the public. We also intend to use part of the federal capitalization grant as "set-aside" funding, to address other non-infrastructure activities which have public health benefits and assist in compliance with the SDWA. The major facets of the DWRLF program are summarized below.

Low-Interest Loans

We will provide low-interest loans to public water systems in the order of priority determined by the DWRLF Project Priority System. The total funding available for loans from the FFY08 grant is \$11,848,000. (This includes \$11,540,000 Federal dollars minus \$2,000,000, for set asides leaving \$9,540,000 for loans plus \$2,308,000 State match) The DWRLF finance charge and administrative charge on loans for eligible projects is set by the Secretary of LDHH and results in below-market rate loans. The rates will be reviewed periodically by the DWRLF staff and if an adjustment is deemed appropriate, will be requested from the Secretary of LDHH. The DWRLF staff members are in contact with the responsible parties of water systems on a continual basis. They question them about the market rates that are available to them. Their responses have ranged from 4% to 12% with variables such as credit worthiness, corporate structure, size, existing debt, etc. as the reasons for the variations. DWRLF staff members also attend the monthly bond commission meetings at the state legislature to glean the market rates of bond issuances for similar type projects. And finally, the DWRLF is contracted with bond attorneys who advise them as to the current market rates and make recommendations therein. As a result, the rates are reviewed monthly by the staff and the date of the last review was June 2008. Loans are made for up to 100% of the eligible costs with long-term financing of up to twenty years.

Emergency Projects

We will provide financial aid to public water systems which qualify for the “emergency assistance”. This financial aid can be in the forms described in section IV.C and will be negotiated at the time of the approval of the project by the DHH. The DWRLF terms for the financial aid provided to emergency projects will be approved by the Assistant Secretary of OPH-LDHH.

Disadvantaged Community System Assistance

We will provide other forms of financial aid to public water systems which qualify for the “disadvantaged community system assistance” in order of priority determined by the DWRLF Priority System for these funds. The maximum funding available for this type of financial aid will be \$3,462,000 or 30% of \$11,540,000 (the amount of the 2008 DWRLF capitalization grant); to the extent that there is not adequate demand for the full 30%, monies not used for the disadvantaged community system assistance may be made available to eligible applicants on the Comprehensive/Fundable list in accordance with procedures in section VI. C of this document. The DWRLF finance charge and administrative charge on loans for these projects is negotiated individually and approved by the Assistant Secretary of LDHH.

Refinancing

Louisiana may buy or refinance local debt obligations of municipal, intermunicipal, or interstate agencies where the debt obligation was incurred and the project was initiated after July 1, 1993. Projects must have met the eligibility requirements under section 1452 of the Act and 40 CFR Part 35.3523 to be eligible for refinancing. Privately owned

systems are not eligible for refinancing. To date the DWRLF has refinanced one loan (Town of Slaughter) in the amount of \$1,355,000.

Set-Asides

The SDWA allows states to use part of the federal capitalization grant to support various drinking water programs commonly known as set-asides. Louisiana proposes to use \$1,815,600 this grant and use \$184,400 of unspecified funds from prior grants to pay for set-aside activities for a total of \$2,000,000 (17.33% of FFY 08 Capitalization Grant) to help ensure compliance with the SDWA regulations and to address public health priorities. Set-aside funded activities will include the following:

- ◆ DWRLF program administration
- ◆ Technical assistance to small systems
- ◆ Implementation of the state's capacity development strategy
- ◆ Strengthen and enhance the administering of the Public Water Supply Supervision (PWSS) program
- ◆ Assist OPH with implementing an operator certification program
- ◆ Assistance to individual systems in capacity development

Transfer Process

CFR Part 35.3530 (c) (6) states that Funds may not be transferred [between the Clean Water Revolving Loan Fund Program and the Drinking Water Revolving Loan Fund Program] or reserved after September 30, 2001. However, this date has been extended each year with each new appropriation bill. To date, Louisiana has not had the need to transfer funds between the programs.

Cross-Collateralization Process

The State of Louisiana has not used fund assets for either the Clean Water or Drinking Water programs as security for bond issues to enhance the lending capacity of either program. Consequently, no cross-collateralization process exists.

II. DWRLF LONG-TERM AND SHORT-TERM GOALS

In establishing the national Drinking Water State Revolving Fund program, Congress gave Louisiana and other states the flexibility to design a program that can be tailored to meet the needs of local public water systems. The long-and short-term goals developed for the DWRLF are presented below. They provide a framework that will guide the decisions Louisiana makes in the DWRLF program.

A. Long-Term Goals

1. Assist water systems throughout the State in achieving and maintaining the health and compliance objectives of the Safe Drinking Water Act by providing below-market rate loans to fund infrastructure needs in a prioritized manner.
2. Promote the efficient use of all funds, and ensure that the Fund corpus is available in perpetuity for providing financial assistance to public water systems.
3. Use the DWRLF set-aside funds strategically and in coordination with the program loans to maximize the DWRLF loan account's impact on achieving affordable compliance and public health protection.
4. Promote the development of the technical, managerial, and financial capability of all public water systems to maintain or come into compliance with state drinking water and federal SDWA requirements.
5. Install and implement computer software to track loan projects through the loan process.

B. Short-Term Goals

1. To provide financing to the water suppliers by making loan offers and entering into binding commitments with systems listed in Attachment 3. It is anticipated that approximately 11 binding commitments will be entered into by the end of State fiscal year (SFY) 2009.
2. Louisiana hopes to close 7 loans totaling approximately \$41,990,000 during SFY 2009. The population total for these projects is approximately 122,612.
3. Louisiana intends to increase the pace of our fund utilization rate.

4. To provide at least 15% of the available DWRLF loan funds in SFY 2009 to assist public water systems which regularly serve fewer than 10,000 persons to the extent that there are sufficient projects eligible and ready to receive such assistance.
5. To promote the benefits of the program to as many water systems as possible, in an attempt to assure equitable distribution of available financing resources. DWRLF anticipates 12 such opportunities during SFY 2009.
6. Apply for FFY09 capitalization grant before the close of state fiscal year 2009.
7. To provide expedited financial aid to those systems qualifying as emergency projects or disadvantaged community systems.
8. To explore ways to incorporate the Financial Alternative Comparison Tool (FACT) into our marketing strategy for promoting the program.
9. Enter into a consulting contract with Synergy, Inc. to develop and implement an extensive marketing campaign for the program.
10. Enter into a consulting contract with a national financial services firm to develop a framework for leveraging the DWRLF because of the pending increase in demand for program monies.
11. Develop an educational workshop to inform consulting engineers throughout the state on the benefits of the SRF program and how program monies can be accessed.
12. Continue to work on building a partnership with USDA by jointly funding projects to assist public water systems.

III. STRUCTURE OF THE DWRLF

The DWRLF consists of three accounts that will be used to provide assistance to accomplish its goals.

A. DWRLF Loan Fund Account

This account will provide assistance for the planning, design, and construction of improvements to publicly and privately owned community water systems and nonprofit, non-community water systems. Federally owned facilities are not eligible for funding. This account will consist of all federal funds used for infrastructure loan assistance, all state match funds transferred in, bond proceeds, loan repayments, and interest earnings of the Fund. The types of projects that can be funded under the loan account include the following:

- ◆ Construction or upgrade of treatment facilities
- ◆ Replacement of contaminated sources with new ground water sources
- ◆ Installation or upgrade of disinfection facilities

- ◆ Restructuring or acquisition and interconnection of systems to address technical, financial, and managerial capacity issues
- ◆ Planning and engineering associated with eligible projects
- ◆ Replacement of aging infrastructure
- ◆ Transmission lines and finished water storage
- ◆ Distribution system replacement/rehabilitation
- ◆ Acquisition of land that is integral to an SRF eligible project
- ◆ Refinancing eligible projects where debt was incurred after July 1, 1993
- ◆ Other projects necessary to address compliance and enforcement issues

Limitations of the DWRLF Loan Fund Account

The SDWA allows states to buy or refinance debt obligations of municipal, intermunicipal, or interstate agencies where the debt obligation was incurred and the project was initiated after July 1, 1993. We will only consider these applications after all projects addressing public health protection and compliance have been considered. Funds in the loan fund account will be invested in interest bearing accounts; however, funds will not remain in the account primarily to earn interest.

The federal DWRLF rules and regulations (CFR 40:35.3520) specifically lists the following projects that cannot be funded through the DWRLF:

- ◆ Dams, or rehabilitation of dams
- ◆ Water rights, except if the water rights are owned by a system that is being purchased through consolidation as a part of a capacity development strategy
- ◆ Reservoirs, except finished water reservoirs and those reservoirs that are part of the treatment process and are on the property where the treatment facility is located
- ◆ Laboratory fees for monitoring
- ◆ Operation and maintenance expenses
- ◆ Projects needed primarily for fire protection
- ◆ Projects for systems that lack adequate technical, financial, and managerial capacity, unless assistance will ensure compliance
- ◆ Projects for systems in significant noncompliance, unless funding will ensure compliance
- ◆ Projects primarily intended to serve future growth

B. DWRLF Set-Aside Account

This account will provide assistance for set-aside activities funded through the DWRLF. The types of projects to be funded by the DWRLF set-aside account include, for example, technical assistance to small systems, enhancement of the Administration of the Public Water Supply Supervision (PWSS) Program, implementation of the capacity development program, and enhancement of the operator certification program. A complete description of set-aside activities is provided in Section V.

Each set-aside activity will have a separate sub-account that will be tracked separately in the state accounting and financial reporting system. Sub-account reports will provide expenditures to date for tracking purposes and will be a source of reporting for the DWRLF annual report required by the SDWA. Sub-accounts have been established for the following set-asides:

- ◆ *Small system technical assistance*—for assistance to small systems through state personnel or agreements with third party assistance providers.
- ◆ *State Program Management*—for PWSS program support, capacity development strategy implementation, and operator certification program support
- ◆ *Administration*—for reasonable costs of administering the DWSRF program
- ◆ *Local Assistance and other state programs*—for providing assistance,

including technical and financial assistance, to public water systems as part of a capacity development strategy.

C. DWRLF Administrative Fee Fund Account

Fund resources from this account will be used to support the state operation and management of the DWRLF. This account will hold the 0.5% fee charged on the outstanding loan balances collected by the State of Louisiana from applicants. Funds in this account will be used to ensure the long-term operation and administration of the program.

IV. FINANCIAL STATUS OF THE DWRLF

This section reports on all sources of funding available to the DWRLF program and indicates their intended uses. This section also describes the financial assistance terms available through the program.

A. Sources and Uses of Funds

The total amount of funds in the DWRLF available and the intended allocation to each activity is presented in Attachment 4. It reflects the allotment of funds from the federal capitalization grant for FFY08 to the state of Louisiana and identifies Louisiana's total funding sources. \$183,388,085 in cumulative resources is estimated to be available to the State of Louisiana's DWRLF in SFY09, including capitalization grants for FFY 97 through FFY08, loan repayments, and state matching funds. The interest earnings on outstanding loans and investments are utilized to retire bonds issued for purpose of retiring bonds for state match. Of the cumulative available resources, \$16,269,608 (as amended) has been specified for set-aside activities and \$93,688,578.62 has been loaned to water systems. The result is \$63,179,899 available for new loans.

Attachment 3 demonstrates how the State of Louisiana will absorb these available funds. It depicts projects for the following systems which are working through the loan process toward closing a loan: City of Bossier City

FFY 08 Capitalization Grant breakdown is as follows:

Capitalization Grant	\$11,540,000
20% State Match	<u>\$ 2,308,000</u>
Total Funds	\$13,848,000
Set-Asides (Specified)	\$2,000,000
Total Funds for financial assistance	<u>\$11,848,000</u>

The EPA Administrator, or his duly authorized representative, and the State of Louisiana shall jointly establish a schedule of payments under which the EPA Administrator, or his duly authorized representative, will pay to the State of Louisiana the amount of each grant to be made to the State. This payment schedule is based on Louisiana's projection of binding commitments and use of set-aside funds as stated in this IUP. States must take all payments within the earlier of 8 quarters after grant award or 12 quarters of the allotment.

Louisiana reserves the right to request grant payment amounts on an accelerated basis; however, the total grant payment amounts will not exceed the amounts shown in the following schedule unless the following grant payment schedule is amended in accordance with EPA regulations.

The FFY 08 Capitalization Grant Payment Schedule is as follows:

<i>Federal Fiscal Year Quarter</i>	<i>Grant Payment Amount</i>
Fourth Quarter 2008	\$1,442,500
First Quarter 2009	\$1,442,500
Second Quarter 2009	\$1,442,500
Third Quarter 2009	\$1,442,500
Fourth Quarter 2009	\$1,442,500
First Quarter 2010	\$1,442,500
Second Quarter 2010	\$1,442,500
Third Quarter 2010	\$1,442,500

B. Financial Terms of Loans

The SDWA allows states to charge interest rates ranging from 0 percent to the market rate for DWRLF loans. The secretary of LDHH sets the interest rate for the DWRLF. The interest rate has been set at 3.45% with the ability to raise it or lower it as the market dictates. An administrative fee of 0.5% of the outstanding balance is charged on all loans.

The DWRLF provides interim construction financing to eligible recipients. Loan proceeds are disbursed to the recipient periodically as project expenses are incurred and after corresponding invoices are approved by LDHH. During the construction of the project, interest and administrative fees are due every six months. Once the project is complete, the loan is written down to the actual amount needed for the project and a

final amortization schedule is provided for the recipient. Interest and administrative fees are due every six months for the life of the loan. Principal payments are due annually for the life of the loan, not to exceed twenty years.

C. Financial Terms for Emergency and Disadvantaged Community System Financial Aid

Definitions:

Emergency Project:

An emergency project is one which is necessary to avoid or correct an imminent threat to public health as a result of a hurricane or other catastrophic event or casualty loss. This determination will be made by the Louisiana DHH utilizing standardized measures and readily available data such as:

Maps, aerial photographs, etc. depicting the catastrophic event or the casualty loss

Evidence that the system is or will be in violation of the SDWA or LAC 51:XII as a result of a hurricane or other catastrophic event or casualty loss. (standardized measure)

Evidence of an imminent threat to public health as declared by the State Health Office as a result of a hurricane or other catastrophic event or casualty loss.

State and/or Federal governmental documentation including but not limited to: declarations, executive orders, economic indicators, etc.

The construction of the project must be ready to proceed within 30 days of the signing of the loan commitment and must be completed in a timely manner in accordance with the construction schedule approved as a condition of the loan.

Pre award costs may be reimbursed with loan proceeds to the extent that such costs would be eligible for reimbursement from tax exempt bond proceeds under Reg. 1.150-2. (i.e., expense incurred by the system after the date of an official resolution or ordinance authorizing the loan.)

Disadvantaged community system

A disadvantaged community system is one which is experiencing or expects to experience fiscal stress as measured by its financial condition and competing demands for capital and operating expenditures, as a direct or indirect result of a hurricane or other catastrophic event or casualty loss, as determined by the Assistant Secretary of DHH.

Terms:

Financial aid provided for either emergency projects or disadvantaged community systems may be in the form of one or more or combination of the following forms:

Longer loan term – Louisiana may extend the loan term from 20 to 30 years after the date of project completion, provided that the repayment period does not exceed the design life of the project.

Loan interest may be reduced to up to 75% of the currently effective DWRLF loan rate.

Principal forgiveness – DHH may offer partial principal forgiveness to those systems that truly need this form of assistance to maintain affordable rates and financial capacity. The long-term impact of the fund must be considered prior to finalizing financial aid involving principal forgiveness.

D. Financial Terms for Refinancing Local Debt

Debt obligations of municipal, intermunicipal, or interstate agencies where the debt obligation was incurred and the project was initiated after July 1, 1993 may be refinanced by the DWRLF. The terms of the loans made to refinance debt will be the same as those of other loans made by the DWRLF as stipulated in section IV.B of this IUP.

V. SET-ASIDE ACTIVITIES

The SDWA allows each state to set-aside up to 31% of its federal capitalization grant to support various drinking water programs including administration, technical assistance, state program management, and special activities. The State of Louisiana is specifying \$1,815,600 of this grant to fund set-aside activities and using \$184,000 of previously unspecified funds from prior grant years to fund set-aside activities for a total of \$2,000,000 (17.33% of FFY08 Capitalization Grant) (Attachment 1). We will continue to operate under the existing detailed work plans and submit new ones this year to fund these activities which are further described in the next sections. Attachment #7 depicts those set-asides previously specified and those spent to date. We will report the progress of the set-aside activities to EPA in the annual report. There is \$38,400 in new unspecified funds from the FFY08 grant. We will retain the ability to take these and previously unspecified monies from a future capitalization grant to fund set-aside activities in the future. We will transfer any set-aside funding that is unused back to the DWRLF loan fund account.

A. DWRLF Administrative Expenses

(SDWA reference - 1452(g)(2), Max allowed: 4%; up to \$461,600 of FFY08 grant)

The loan program is administered by the Louisiana Department of Health and Hospitals—Office of Public Health (DHH-OPH). The administration set-aside will be used to pay salaries and associated expenses of new and existing personnel of DHH-OPH devoting time to the administration of the program. Administration set-aside funds can also be used to procure supplies and training necessary for the adequate performance of the staff.

The State reserves \$461,600 (4.0% of \$11,540,000) from the FFY08 cap grant to fund the administration set-aside. Louisiana specifies \$461,600 of the FFY08 cap grant for this set-aside. In addition, the State reclaims \$38,400 of previously unspecified dollars, to specify a total of \$500,000 for administrative activities. The cumulative remaining balance of unspecified funds of \$1,841,169 will be retained to take from a future capitalization grant to fund administrative activities in future years. (Attachment 1) The expenses associated with this set-aside for SFY '09 will be funded from this capitalization grant and any unexpended funds from previous years.

B. Small System Technical Assistance (SDWA reference - 1452(g) (2), Max allowed: 2%; up to \$230,800 of FFY08 grant)

These funds will be used to accomplish the goal of providing technical assistance to public water supplies serving fewer than 10,000 people. Louisiana uses this set-aside to fund personnel and assistance providers. Personnel and the contracted assistance providers provide specific activities such as the following:

- ◆ Assisting small systems in meeting SDWA compliance: The State of Louisiana's major SDWA compliance problem is bacteriological maximum contaminant level (MCL) violations occurring in small PWSs under the Total Coliform Rule. Louisiana is addressing the prevention of bacteriological MCL violations in two ways: (1) holding quarterly Safe Drinking Water Compliance Training Schools and (2) conducting on-site visits with the owners/operators of systems experiencing compliance problems.
- ◆ Review of source water problems and drinking water needs; identification and evaluation of technical options.
- ◆ Assisting small systems in preparing the applications for DWRLF assistance.
- ◆ Assisting small systems in complying with all cross cutting requirements of the DWRLF and other state requirements.
- ◆ Assisting small systems with locating and procuring sources of funding in addition to the DWRLF to meet their needs at the lowest possible cost.

The State reserves \$230,800 (2.0% of \$11,540,000) from the FFY08 cap grant to fund the small system technical assistance set-aside. Louisiana specifies \$200,000 of the FFY08 cap grant for this set-aside. The remaining \$30,800 is classified as unspecified. The cumulative remaining balance of unspecified funds of \$750,670 will be retained to take from a future capitalization grant to fund small system technical assistance

activities in future years. (Attachment 1) The expenses associated with this set-aside for SFY '09 will be funded from this capitalization grant and any unexpended funds from previous years.

C. State Program Management (SDWA reference - 1452(g)(2), Max allowed: 10%; up to \$1,154,000 of FFY08 grant)

These funds will be used to enhance the State's administration of its Public Water Supply Supervision (PWSS) program outlined by the SDWA, to implement the capacity development strategy, and to implement an operator certification program.

This set-aside requires a one to one state match beyond the 20 percent state match for federal capitalization grants. However, credit is given for the match and over-match funding provided by the state for the PWSS grant in SFY1993 and for the state over-match in the SFY08 PWSS funding. The calculation of this requirement is shown below:

	<u>FFY1993</u>	<u>FFY2008</u>
PWSS Grant	\$1,275,332	\$1,318,900
25% State Match Req.	318,833	329,750
State Match Provided	2,697,959	1,000,000
State Overmatch	2,379,126	670,250
DWSRF Grant		\$11,540,000
10% Set Aside Allowed (State Program Management)		\$1,540,090
1:1 State Match Required for Set Aside		\$1,540,000
1:1 State Match Required for 2008 DWSRF Set-Aside		\$1,540,000
FFY2008 PWSS Overmatch		\$670,250
FFY1993 PWSS Match & Overmatch		\$869,750

Utilizing the third example on page 21 of EPA's February 28, 1997 DWSRF Program Guidance, since the State provided an estimated \$670,250 overmatch for the FFY 2008 PWSS Grant, the State can use this \$670,250 as credit towards the 1:1 state match required for the State Program Management Set-Aside. The remainder of the 1:1 match \$869,750 will come from the FFY 1993 total state match funds of \$2,178,634 thus leaving \$1,308,884 of state overmatch for use as the 1:1 match in future Capitalization grants.

As described below the State is reserving the full 10% of the 2008 Capitalization Grant for the state program management set-aside. When the need arises and these funds are taken from some future capitalization grant, because they have been matched appropriately as described in the above paragraph, an additional 1:1 match will not be required.

The State reserves \$1,154,000 (10% of \$11,540,000) from the FFY08 cap grant to fund the state program management set-aside. Louisiana specifies \$1,154,000 from this grant and reclaims \$146,000 of previously unspecified dollars for a total of \$1,300,000

to fund these activities. The cumulative unspecified funds of \$4,092,906 will be retained to take from a future capitalization grant to fund state program activities in future years. (Attachment 1) The expenses associated with this set-aside for SFY '09 will be funded from this capitalization grant and any unexpended funds from previous years.

PWSS Program

Louisiana will use the state program management set-aside funds from previous grants to support PWSS activities. This activity provides funding to accomplish augmentation of the PWSS Grant for administration of the PWSS program activities. We will enhance the data management and reporting capabilities of the PWSS program by funding three staff positions. These positions are the Geologist position, the Data Management position, and the Enforcement position. The Geologist acts as the consultant for DHH for ground water source, quality, and availability. He/she is responsible for coordinating and implementing the statewide GIS project and acting as liaison with other state agencies, committees, and commissions for all matters related to ground water. The data management position is responsible for the maintenance of the SDWIS program in Louisiana as well as coordinating the UCMR program. The enforcement position assists with all enforcement activities currently being conducted. The set-aside funds will also pay for some new equipment for the instrumentation used in the Mississippi River Early Warning Organic Chemical Detection System.

Capacity Development Program

Louisiana will, use a portion of the State Program Management set-aside funds from previous grants to fund its capacity development program. Staff positions and outside contractors will be funded to provide public water systems with the tools and financial assistance they need to obtain and maintain the technical, financial, and managerial capacity needed to ensure a supply of safe drinking water for Louisiana citizens. The goal of the program is to identify the technical, financial, and managerial impediments confronted by water systems in their efforts to provide safe and sustainable drinking water. After identifying the impediments we will be able to more appropriately determine and accomplish solutions to capacity problems. Such solutions could include technical or financial assistance or encouragement of consolidation, collaboration, regionalization, and contract operations and maintenance cooperatives.

Operator Certification Program

Louisiana will not use any of the State Program Management set-aside funds to fund its operator certification program.

D. Local Assistance and Other State Programs (SDWA reference - 1452(g)(2), Max allowed: 10% for any one activity; up to \$1,154,000 of FFY08 grant)

Louisiana will not use any set-aside funds as shown in Attachment #7 to provide assistance, including technical, managerial, and financial assistance, to public water systems as part of its capacity development strategy in SFY '09. Louisiana will use \$0 of these set-aside funds from the FFY08 grant.

VI. CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS

A. Distribution of Funds

The SDWA provides each state with flexibility to determine how much of their grant should be used for infrastructure loans, disadvantaged assistance, and set-aside activities. However, with this flexibility comes responsibility to determine how to best direct funds to address the problems in our state. We believe it is critical to evaluate and understand the impact of our decisions in order to ensure that assistance will be available in the future. There is a direct relationship between set-aside funding and the long-term loan capacity of the DWRLF. This impact is significant and might suggest that we should limit our set-aside use. After consultation with the stakeholders, we determined to use 17.33 percent of the FFY08 funds for set-aside activities. Many of the activities conducted under the set-asides can have a direct impact on preventing future problems in the public water systems. Ensuring that operators are properly trained and enhancing the technical, financial and managerial capacity of small water systems can also reduce the need for costly infrastructure improvements. We will reevaluate our use of set-asides on an annual basis as we develop the IUP to determine whether set-asides levels should be reduced or increased in the future.

Section 1452 authorizes the establishment of a drinking water revolving loan fund to provide financial assistance to eligible water systems. The Federal allotment for FFY08, including the state match, is \$13,848,000. Louisiana reserved 16% or \$1,846,400 of the grant for set-aside activities, specified \$1,815,600 and reclaimed \$184,400 from previously unspecified set-asides, resulting in \$2,000,000 specified for the set-aside activities described previously. This results in \$11,848,000 available for loans through the drinking water revolving loan fund program, for this funding cycle.

B. Capacity Assessment 1452 (a) (3) (A)

The SDWA requires that a public water system applying for a DWRLF loan must show that it has the technical, financial, and managerial capacity to ensure compliance. If a system does not have adequate capacity, assistance may only be provided if it will help the system to achieve capacity. The goal of this requirement is to ensure that DWRLF assistance is not used to create or support non-viable systems. The Business Plan and the System Improvement Plan are completed as part of the DWRLF loan application process.

Technical Capacity

To demonstrate technical capacity, DWRLF loan applicants must show that drinking water sources are adequate, that the system's source, treatment, distribution and storage infrastructure are adequate and that personnel have the technical knowledge to efficiently operate and maintain the system. As part of reviewing a loan applicant's System Improvement Plan, Louisiana reviews the system's records to assure that the system is being properly operated and maintained. The water system must not have outstanding water compliance problems unless the DWRLF project is intended to correct those problems. The engineering reports, plans, and specifications for the

proposed DWRLF-funded project and the system's System Improvement Plan will all be evaluated during the loan application process for technical capacity compliance.

Financial Capacity

To demonstrate financial capacity, the applicant must show that the system has sufficient and dedicated revenues to cover necessary costs and demonstrate credit worthiness and adequate fiscal controls. Louisiana reviews the applicant's business plan, which includes 5-year projections, the project budget, the three (3) most recent annual financial reports, and/or audits, and other financial information to ensure adequate financial capacity of the applicant.

Managerial Capacity

To demonstrate managerial capacity, the water system must have personnel with expertise to manage the entire water system operation. Louisiana reviews the applicant's managerial capacity via the Business Plan and supporting documentation to assure that management is involved in the day to day supervision of the water system, is responsive to all required regulations, is available to respond to emergencies, and is capable of identifying and addressing all necessary capital improvements and assuring financial viability. The water system must have a qualified water operator in accordance with the state's operator certification program. The management personnel of the water system are strongly encouraged to attend a state approved 4-hour management training session.

Long-Term Capacity

Louisiana will assess whether each water system has a long-term plan to undertake feasible and appropriate changes in operations necessary to develop adequate capacity. In making these assessments, Louisiana will consult with local public health units and review any available Water Resource Management Strategies, Comprehensive Studies, the Drinking Water Needs Survey and other available engineering reports in an effort to improve the overall capacity of systems requesting assistance. Louisiana will encourage consolidation efforts when two or more systems can benefit and also encourage other options, such as contract management or partnerships with other communities in their area. The priority-ranking criterion provides additional points to encourage this objective.

C. Establishing Project Priority

The Project Priority System developed and utilized by Louisiana meets the requirements of the SDWA (Attachment 7). Projects will be ranked against all other projects competing for funds. Single projects will be limited to a total of 30% of the capitalization grants available unless adequate projects are not available to commit all available funds. The LDHH may waive this maximum amount depending upon the number of applications. The principal elements addressed by the project priority system are:

- ◆ Elimination of adverse public health effects

- ◆ Unacceptable/undesirable physical conditions
- ◆ Environmental criteria
- ◆ Affordability criteria

The first step in developing the Comprehensive Project Priority List is a determination of project eligibility. Systems eligible for assistance are community water systems, both publicly and privately owned and non-profit non-community water systems. Once projects are determined to be eligible, they will be rated in six (6) categories to determine their project priority ranking for funding under the DWRLF. These specific categories are:

- ◆ *Compliance History* - This is evaluated by reviewing the SDWA MCL violations assessed in the last eight (8) quarterly reports
- ◆ *System Consolidation* - This area examines the population that is proposed to be absorbed into the subject system from other public water systems.
- ◆ *Affordability* - If the service area lies within a census tract where the Median Household Income is 25% or more below the State average the system is awarded priority points.
- ◆ *Other Considerations* - Additional priority points (or penalty points) may be awarded (or subtracted) for a variety of other factors. They are:
 - Additional points if the proposal represents part of a new multi-year, multi-phase project or a project that has received prior DWRLF funding and is a loan in good standing.
 - Additional points if the project has also secured a partial project funding commitment from another source (e.g., Rural Development Grant, a grant and/or loan from the Rural Utilities Service, Community Development Block Grant, etc.)
 - The system's priority rating may be reduced by points if the proposal addresses problems which could be resolved by normal repair and maintenance.
 - The system's priority rating may also be reduced by points if the proposal includes work that is not necessary to address the stated public health problem.
- ◆ *Physical Conditions* - Priority points will be awarded for certain specific, existing physical conditions **IF** the proposal would correct the identified condition.
- ◆ *Sanitary Code Violations* - priority points may be awarded to the system for violations of each of the Sanitary Code sections, which would be, corrected by/under the proposal.

Amendments to the Project Priority System will be considered, as appropriate, to reflect the changing character of the program.

Projects are identified through a solicitation of all eligible water systems. Once the systems have submitted pre-applications, the projects are rated. They are ranked based on assigned priority points and two lists are compiled. Those two lists are referred to as the Comprehensive Priority List and the Fundable List. These lists are as follows:

1. The Comprehensive Priority List includes all the public water systems, which have submitted a completed DWRLF Pre-Application Form, letter of intent, resolution, and the Louisiana DWRLF Project Priority Worksheet by the appropriate deadline date. The proposed projects are listed and ranked on this list in priority order based upon the priority ranking system. (Attachment 2)
2. The Fundable List is a subset of the Comprehensive Priority List. The Fundable List is prepared as follows: Beginning at the first project (the one with highest priority ranking) at the top of the Comprehensive Priority List and working down the list, a funding line is drawn at the point where the total amount of available DWRLF funds (Attachment 4) is reached. Those projects that are above the funding line are placed on the Fundable List since these are the projects that are expected to be funded from DWRLF monies available. (Attachment 3) The summary is as follows:

Funds Available for Loans	\$63,179,899
Needs of Systems	<u>\$ 238,280,515</u>
Excess (Shortage) Loan Fund	<u>(\$175,100,616)</u>

The systems on either of the lists described above will be given six months to submit a complete loan application package. The basic components of the complete loan application package include a loan application form, approved environmental review checklist, resolution, site certificate for easement or title to project site(s), agreements for professional services, approved business plan, and an approved System Improvement Plan (SIP) (including an Environmental Impact Document). A project on the Fundable List may be bypassed and removed from consideration of funding during the current funding year because of:

- ◆ Failure to submit a complete loan application package within the 6 month period allowed
- ◆ Failure to correct and resubmit application forms returned due to incompleteness within 30 days of the receipt of the returned application
- ◆ It is determined that the project will not be ready to proceed during the funding year
- ◆ System was found not to be credit worthy
- ◆ System did not meet the OPH technical, managerial and financial capacity requirements

Once one or more systems on the Fundable List have been bypassed, the agency will then turn its attention to those projects existing on the Comprehensive Priority List below the previously drawn funding line. Any system(s) existing on the Comprehensive Priority List below the previously drawn funding line which have submitted a complete

loan application will then be advanced up into the Fundable List based upon their priority order until the available funding is consumed.

Information for listing projects will be accepted by OPH on a continuous basis. However, deadlines for projects in a particular FFY IUP will be established each year. New projects will be ranked and added to the Comprehensive Priority List as they are identified by applicants interested in DWRLF Financing.

Any project that has had no written communication with the Drinking Water Revolving Loan Fund staff for a period of three (3) years and has presented no other evidence of progress toward completion of items that are prerequisites to funding during the three-year period shall be deemed to be a dormant project and may be removed from the DWRLF Comprehensive Priority List. Any project on the Comprehensive List failing to submit an updated Pre-Application Package annually as requested during the solicitation process may also be removed from the list.

Emergency Projects and Disadvantaged Community System Procedure

Projects which meet the definition of emergency projects or disadvantaged community systems may be added to the priority list at any time, and if all applicable requirements have been met, they may be funded at any time. To the extent possible, the Louisiana DHH will make financing available from the DWRLF funds which become available through the bypass procedure during the year so that qualifying emergency projects or disadvantaged community systems may receive immediate assistance. Emergency projects or disadvantaged community systems will be funded prior to any projects which have not yet received DWRLF written loan commitments. If funding for multiple emergency projects or disadvantaged community systems is requested, funding shall be awarded to the smallest requests first, in order that the greatest number of projects/systems may receive assistance.

In accordance with 40 CFR 35.3555(c)(2)(iii) Louisiana DHH will identify any emergency projects funded during the year in its Annual Report and during the annual review.

In accordance with 40 CFR 35.3555(c) (2) Louisiana DHH will notify EPA and the public via an amended IUP when a disadvantaged community system will be funded and DHH will collaborate with EPA staff to obtain approval at that time.

D. Small System Funding

Louisiana will review the Fundable and Comprehensive Lists to determine if at least 15 percent of the projected funding amount will be for public water systems that regularly serve fewer than 10,000 people, as required by the SDWA. Due to various non-controllable time lags, some projects proceed toward loan closing faster than others. Additionally, large projects are usually phased in resulting in multiple loans over multiple years. LDHH can also limit the amount borrowed by systems exceeding the population requirements when necessary to meet the requirements of the Act. Consequently, these lists will not be adjusted at this time, but constant monitoring of projects proceeding

through the loan process will be accomplished to maintain the required 15 percent funding for small systems.

E. Tie Breaking Procedure

When two or more projects other than emergency projects and disadvantaged community system projects score equally under the project priority systems a tie breaking procedure will be used. The project with the smallest number of existing customers served will receive higher ranking.

F. Bypass Procedure/Readiness to Proceed

The LDHH reserves the right to allow lower priority projects to bypass higher priority projects for funding if, in the opinion of the DWRLF Program Manager, a higher priority project has not taken the necessary steps to expeditiously prepare for funding and is not ready to proceed with construction within six months of being placed on the Fundable List of the current funding year. Where it becomes evident to the OPH-DWRLF Program Manager that a project on the Fundable List will not be able to receive loan assistance within the specified time during the current funding year, he may remove the project from the Fundable List and return it to the Comprehensive Priority List. Specific reasons for such removal from the Fundable Priority List include, but are not limited to:

- ◆ LDHH has not received an approvable System Improvement Plan (SIP);
- ◆ LDHH has not received an approvable financial application;
- ◆ The project is not ready to proceed to construction (i.e. plans and specifications are not finalized and ready for bidding);
- ◆ The water system voluntarily withdraws its project from consideration.
- ◆ The project has received FULL funding from another source.
- ◆ The applicant does not meet the criteria for technical, managerial and financial capacity and the project does not assure the system will achieve capacity.

If a project must be by-passed because it has been delayed, this may affect the project's priority ranking in the following year. The LDHH may also, in cases of a public health or environmental emergency, (e.g., source contamination, flood, hurricane, etc.) raise the priority of a project currently on the Comprehensive Priority List above that of a project on the Fundable List.

Before a project is bypassed the following procedures will be instituted:

- ◆ The DWRLF Manager shall send written notice to the applicant of his determination that the project will not be able to receive loan assistance during the funding period.

- ◆ Within 15 days after notice is mailed to the applicant, the applicant may request in writing reconsideration of the bypass in a meeting with the Manager. Within 15 days, the Manager shall consider any relevant evidence presented by the applicant during the meeting.

- ◆ A bypassed project shall be reinstated on the Fundable Priority List when the Manager determines that the project will become ready for funding during the funding year and unobligated funds are available to fully fund the project; otherwise, it shall be considered for future funding in accordance with these rules.

G. Refinancing Existing Loans

The DWRLF may be used to buy or refinance debt obligations for DWRLF projects. The long-term debt must have been incurred after July 1, 1993 to be eligible for refinancing. Consideration for these applications will be entertained only after projects addressing public health protection and compliance have been considered.

VII. INTENDED USE PLAN AMENDMENT PROCEDURES

Revisions to this Intended Use Plan (IUP) that are determined material will require public notice and EPA notification and approval. Revisions to this IUP that are determined not to be material shall be made by DWRLF with notification to EPA or through EPA's required annual reporting.

GRANT YEAR	GRANT NUMBER	GRANT AMOUNT	SET-ASIDES RESERVED						SPECIFIED FUNDS				FROM AVAILABLE UNSPECIFIED			
			4% ADMIN.	2% TECH	10% STATE	15% LOCAL	TOTAL Grant Yr.	% Reserved	4% ADMIN.	2% TECH	10% STATE	15% LOCAL	4% ADMIN.	2% TECH	10% STATE	15% LOCAL
1997	FS99698-01	20,420,300	\$816,812	408,406	2,042,030	2,042,030	\$5,309,278	26.00%	700,403	168,100	1,396,523	2,042,030	-	-	-	-
1998	02	9,949,200	\$397,968	198,984	994,920	-	1,591,872	16.00%	397,968	161,100	994,920	-	-	-	-	-
1999	03	10,427,700	\$417,108	208,554	1,042,770	97,684	1,766,116	16.94%	415,737	161,100	968,406	97,684	-	-	-	-
2000	04	10,837,400	\$433,496	216,748	1,083,740	-	1,733,984	16.00%	425,511	161,100	1,083,740	-	-	-	-	-
2001	05	18,934,800	\$757,392	378,696	1,893,480	-	3,029,568	16.00%	-	-	-	-	-	-	-	-
2003	06	8,004,100	\$320,164	160,082	800,410	11,487	1,292,143	16.14%	290,000	160,082	800,410	11,487	-	9,918	39,590	-
2004	07	8,303,100	\$332,124	166,062	830,310	-	1,328,496	16.00%	332,124	166,062	830,310	-	67,876	3,938	69,690	-
2005	08	8,285,500	\$331,420	165,710	828,550	-	1,325,680	16.00%	230,000	165,710	750,000	-	-	19,290	-	-
2006	09	11,658,600	\$466,344	233,172	1,165,860	-	1,865,376	16.00%	-	233,172	1,165,860	-	-	3,490	109,140	-
2007	10	11,659,000	\$466,360	233,180	1,165,900	-	1,865,440	16.00%	-	233,180	-	-	-	3,482	-	-
2008	11	11,540,000	\$461,600	230,800	1,154,000	-	\$1,846,400	16.00%	461,600	200,000	1,154,000	-	38,400	-	146,000	-
Totals		130,019,700	\$5,200,788	2,600,394	13,001,970	2,151,201	22,954,353									

GRANT YEAR	GRANT NUMBER	GRANT AMOUNT	TOTAL SET-ASIDES SPECIFIED						NEW UNSPECIFIED FUNDS*				CUMULATIVE AVAILABLE UNSPECIFIED				
			4% ADMIN.	2% TECH	10% STATE	15% LOCAL	TOTAL FOR YR	% Specified	4% ADMIN.	2% TECH	10% STATE	15% LOCAL	4% ADMIN.	2% TECH	10% STATE	15% LOCAL	TOTAL
1997	FS99698-01	20,420,300	700,403	168,100	1,396,523	2,042,030	4,307,056	21.09%	116,409	240,306	645,507	-	116,409	240,306	645,507	-	1,002,222
1998	02	9,949,200	397,968	161,100	994,920	-	1,553,988	15.62%	-	37,884	-	-	116,409	278,190	645,507	-	1,040,106
1999	03	10,427,700	415,737	161,100	968,406	97,684	1,642,927	15.76%	1,371	47,454	74,364	-	117,780	325,644	719,871	-	1,163,295
2000	04	10,837,400	425,511	161,100	484,215	-	1,070,826	9.88%	7,985	55,648	599,525	-	125,765	381,292	1,319,396	-	1,826,453
2001	05	18,934,800	-	-	-	-	-	0.00%	757,392	378,696	1,893,480	-	883,157	759,988	3,212,876	-	4,856,021
2003	06	8,004,100	290,000	170,000	840,000	11,487	1,311,487	16.39%	30,164	-	-	-	913,321	750,070	3,173,286	-	4,836,677
2004	07	8,303,100	400,000	170,000	900,000	-	1,470,000	17.70%	-	-	-	-	845,445	746,132	3,103,596	-	4,695,173
2005	08	8,285,500	230,000	185,000	750,000	-	1,165,000	14.06%	101,420	-	78,550	-	946,865	726,842	3,182,146	-	4,855,853
2006	09	11,658,600	-	236,662	1,275,000	-	1,511,662	12.97%	466,344	-	-	-	1,413,209	723,352	3,073,006	-	5,209,567
2007	10	11,659,000	-	236,662	-	-	236,662	2.03%	466,360	-	1,165,900	-	1,879,569	719,870	4,238,906	-	6,838,345
2008	11	11,540,000	500,000	200,000	1,300,000	-	2,000,000	17.33%	-	30,800	-	-	1,841,169	750,670	4,092,906	-	6,684,745
Totals		130,019,700	3,359,619	1,849,724	8,909,064	2,151,201	16,269,608										

* Difference between the "new set-asides reserved" and the "specified funds"

ATTACHMENT #1 SET-ASIDE TRACKING

System Name	PWSID #	Est. Loan Amount	Priority Points	Priority Rank	Population Served	Description of Project	Region	Org Structure	Estimated Funding Period
Bossier City Water System	1015004	\$ 80,000,000	37	1	58,496	New Surface Water Membrane Treatment Plant- The City of Bossier City needs to upgrade its water treatment plant to meet growing demand, comply with water quality regulations and provide clean, reliable and safe water for its customers. The plant and water	7	S	SFY09
Lafayette Parish Waterworks District North	1055171	\$ 5,720,000	35	2	41,196	Improvements will address low pressure areas in the distribution area; will incorporate existing small water systems into the Water District; will provide public water supply & distribution to areas currently served by individual wells; and will eliminat	4	G	SFY09
Colyell Community Water System Loan #2	1063003	\$ 417,515	33	3	750	Upgrades and expansion of distribution system to serve available customers in the service area.	9	NP	SFY09
Blanchard Water System	1017006	\$ 9,500,000	33	4	12,000	Expansion and improvement of the treatment facility and distribution system in order to address low pressure areas and to consolidate and/or serve as a supplemental supply to 5 nearby water systems.	7	G	SFY11
WWD #1 of Caddo Parish	1017026	\$ 9,920,000	30	5	3,000	New Water treatment system, new 500,000 gallon ground storage tank, new booster pumps, high service pump, 130,000 linear feet of 8" PVC piping, new water meters, and 2 emergency generators; all to meet stage 1 D/DBP rule for TTHMs and HAAS.	7	G	SFY11
Fourth Ward WWKS-Livingston Parish	1063005	\$ 1,500,000	30	6	3,100	Construction of a new 500 gpm water well, pipeline improvements, and a new .25 MG storage tank.	9	G	SFY09
5th Ward-Avoynes Parish	1009002	\$ 3,768,000	30	7	3,870	Construction of a new water production well, a water transmission main, and distribution system improvements. The well is required to meet the system's max daily demand with largest well out of service. The transmission main is required to increase the s	6	G	SFY09
Cheniére Drew Water System	1073100	\$ 6,000,000	30	8	7,500	Waterline replacement, extensions and improvements, intended to replace old and deteriorated mains and increase flow and pressure to the entire system. The project will also include Granular Activated Carbon (GAC) Treatment of the system's water wells t	8	G	SFY09
Rapides Island Water Association	1079020	\$ 2,188,000	24	9	5,838	New ground storage tank and pump system @ hot wells and replacement of water main along Hwy 28 W (approx. 6 miles)	6	NP	SFY09
Livingston Ward 2 WWD - Loan #3	1063039	\$ 28,000,000	22	10	41,000	Installation of new water wells and elevated storage tanks, back-up power for existing and proposed wells, an automatic meter reading system, installation of flushing devices on dead end mains, and approximately 55 miles of new mains which includes replac	9	G	SFY11
City of Monroe	1703031	\$ 53,500,000	21	11	69,800	Upgrade and rehab the Water Treatment Plant, Raw Water Pump Stations, booster pump stations, and distribution system improvements.	8	G	SFY09
West Winnsboro #2	1041009	\$ 500,000	19	12	2,481	Waterline extensions and improvements, intended to increase flow and pressure to the entire system and eliminate the north system treatment plant. The project will also provide better pressure and flow to a purchase water system (Village of Gilbert) that	9	G	SFY09
West Baton Rouge Parish #2	1121018	\$ 6,000,000	18	13	7,976	Install 4 new water wells (each with backup power supply), install 44,000 linear feet of additional water distribution mains, and construct a major crossing of the Intracoastal canal in order to resolve inadequate pressure problems in the distribution sys	2	G	SFY12
United Water System	1099009	\$ 400,000	17	14	4,880	Replace approximately 1200 customer meters with Sensus Metering System. Existing meters are 30 years old, inaccurate and time consuming to read by hand. Data transfer is also slow, and it has become dangerous for meter readers to be along the highways on	4	G	SFY09
Springhill, City of	1119028	\$ 18,011,000	17	15	10,300	Complete project consists of 283,670 LF PVC piping replaced, 675 PVC valves replaced, 557 flush hydrants replaced, one new 500,000 gallon elevate storage tank, rehab two existing elevated storage tanks, replacement of 2,575 water meters.	7	G	SFY09
Buckeye WWD #50	1079004	\$ 500,000	15	16	7,800	Project includes Ground Storage Tank with Triplex Booster Pumps, 83000 Gallon steel tank with duplex booster pumps, aeration, chlorination, 8" and 10 " transmissoin mains; fencing and sitework, 2 emergency generators, 500 gpm water well, refurbish 4 exist	2	G	SFY08
Town of Slaughter	1037008	\$ 1,000,000	14	17	1,568	Drill a new water well to replace current well that is approximately 60 years old.	2	G	SFY09
Greenwood, Town of	1017014	\$ 3,610,000	13	18	4,020	Construction of new water mains, addition of emergency power supplies at the raw water intake and surface water treatment plant, a settling basin, raw water intake improvements, settling basin influent pumping at the treatment plant, and miscellaneous sit	7	G	SFY09
City of Franklin	1101003	\$ 2,500,000	13	19	8,354	Construct a new raw water pump station, renovate claiifiers, renovate ground storage tank, repair valves outside plant building, renovate & update electrical system & motor control, demolish old, unused equipment and install roof over clarifiers to minimi	3	G	SFY09
City of Ruston	1061017	\$ 4,000,000	10	20	21,600	Construct additional water storage facilities.	8	G	SFY09
Gardner WWKS	1079010	\$ 1,246,000	2	21	4,155	Addition of one (1) new water well, one (1) new 150,000 gallon elevated storage tank, miscellaneous piping and a water system office. Improvements to help alleviate pressure problems in the distribution system and improve services to customers.	8	NP	SFY09

Total Needs of Systems applying to DWRLF \$ 238,280,515

Legend	
NP	Denotes Private Non-Profit Water S
P	Denotes Private for Profit Water Sys
G	Denotes Governmental Entity

System Name	PWSID #	Est. Loan Amount	Loan Funds Available- \$63,323,932	Priority Points	Priority Rank	Population Served	Description of Project	Region	Org Structure	Estimated Funding Period
Bossier City Water System	1015004	\$ 80,000,000	\$ (16,676,077)	37	1	58,496	New Surface Water Membrane Treatment Plant- The City of Bossier City needs to upgrade its water treatment plant to meet growing demand, comply with water quality regulations and provide clean, reliable and safe water for its customers. The plant and water	7	S	SFY09
Lafayette Parish Waterworks District North	1055171	\$ 5,720,000		35	2	41,196	Improvements will address low pressure areas in the distribution area; will incorporate existing small water systems into the Water District; will provide public water supply & distribution to areas currently served by individual wells; and will eliminat	4	G	SFY09
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WWD #1 of Caddo Parish	1017026	\$ 9,920,000		30	5	3,000	New Water treatment system, new 500,000 gallon ground storage tank, new booster pumps, high service pump, 130,000 linear feet of 8" PVC piping, new water meters, and 2 emergency generators; all to meet stage 1 D/DBP rule for TTHMs and HAA5.	7	G	SFY11
Fourth Ward WWKS-Livingston Parish	1063005	\$ 1,500,000		30	6	3,100	Construction of a new 500 gpm water well, pipeline improvements, and a new .25 MG storage tank.	9	G	SFY09
5th Ward-Avoyelles Parish	1009002	\$ 3,768,000		30	7	3,870	Construction of a new water production well, a water transmission main, and distribution system improvements. The well is required to meet the system's max daily demand with largest well out of service. The transmission main is required to increase the s	6	G	SFY09
Cheniere Drew Water System	1073100	\$ 6,000,000		30	8	7,500	Waterline replacement, extensions and improvements, intended to replace old and deteriorated mains and increase flow and pressure to the entire system. The project will also include Granular Activated Carbon (GAC) Treatment of the system's water wells t	8	G	SFY09
Rapides Island Water Association	1079020	\$ 2,188,000		24	9	5,838	New ground storage tank and pump system @ hot wells and replacement of water main along Hwy 28 W (approx. 6 miles)	6	NP	SFY09
Livingston Ward 2 WWD - Loan #3	1063039	\$ 28,000,000		22	10	41,000	Installation of new water wells and elevated storage tanks, back-up power for existing and proposed wells, an automatic meter reading system, installation of flushing devices on dead end mains, and approximately 55 miles of new mains which includes replac	9	G	SFY11
City of Monroe	1703031	\$ 53,500,000		21	11	69,800	Upgrade and rehab the Water Treatment Plant, Raw Water Pump Stations, booster pump stations, and distribution system improvements.	8	G	SFY09
West Winnsboro #2	1041009	\$ 500,000		19	12	2,481	Waterline extensions and improvements, intended to increase flow and pressure to the entire system and eliminate the north system treatment plant. The project will also provide better pressure and flow to a purchase water system (Village of Gilbert) that	9	G	SFY09
West Baton Rouge Parish #2	1121018	\$ 6,000,000		18	13	7,976	Install 4 new water wells (each with backup power supply), Install 44,000 linear feet of additional water distribution mains, and construct a major crossing of the Intracoastal canal in order to resolve inadequate pressure problems in the distribution sys	2	G	SFY12
United Water System	1099009	\$ 400,000		17	14	4,880	Replace approximately 1200 customer meters with Sensus Metering System. Existing meters are 30 years old, inaccurate and time consuming to read by hand. Data transfer is also slow, and it has become dangerous for meter readers to be along the highways on	4	G	SFY09
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Buckeye WWD #50	1079004	\$ 500,000		15	16	7,800	Project includes Ground Storage Tank with Triplex Booster Pumps, 83000 Gallon steel tank with duplex booster pumps, aeration, chlorination, 8" and 10" transmissoin mains; fencing and sitework, 2 emergency generators, 500 gpm water well, refurbish 4 exist	2	G	SFY08
Town of Slaughter	1037008	\$ 1,000,000		14	17	1,568	Drill a new water well to replace current well that is approximately 60 years old.	2	G	SFY09
Greenwood, Town of	1017014	\$ 3,610,000		13	18	4,020	Construction of new water mains, addition of emergency power supplies at the raw water intake and surface water treatment plant, a settling basin, raw water intake improvements, settling basin influent pumping at the treatment plant, and miscellaneous sit	7	G	SFY09
City of Franklin	1101003	\$ 2,500,000		13	19	8,354	Construct a new raw water pump station, renovate clarifiers, renovate ground storage tank, repair valves outside plant building, renovate & update electrical system & motor control, demolish old, unused equipment and install roof over clarifiers to minimi	3	G	SFY09
City of Ruston	1061017	\$ 4,000,000		10	20	21,600	Construct additional water storage facilities.	8	G	SFY09
Gardner WWKS	1079010	\$ 1,246,000		2	21	4,155	Addition of one (1) new water well, one (1) new 150,000 gallon elevated storage tank, miscellaneous piping and a water system office. Improvements to help alleviate pressure problems in the distribution system and improve services to customers.	8	NP	SFY09

Legend	
NP	Denotes Private Non-Profit Water S
P	Denotes Private for Profit Water Sys
G	Denotes Governmental Entity

ATTACHMENT #4 LOAN ASSISTANCE AVAILABLE

SOURCES OF FUNDS AVAILABLE @ 06/30/08*

Federal Grants	\$118,479,700	
State Matching Funds	\$23,695,940	
Repayments-principal	\$12,517,245	
Repayments-interest	\$9,000,000 **	
Interest on Investments	\$1,030,000	
	<u> </u>	
Total		\$164,722,885

ANTICIPATED SFY 09 REVENUES

FFY08 Federal Grant	\$11,540,000	
Associated State Match	\$2,308,000	
Repayments-Principal	\$3,217,200	
Repayments-Interest	\$1,500,000 **	
Interest Earnings	\$100,000	
	<u> </u>	
Total		\$18,665,200

TOTAL SOURCES \$183,388,085

LESS COMMITMENTS:

Set- Asides:(specified)		
Administration	\$3,359,619	
Technical Assistance	\$1,849,724	
State Programs	\$8,909,064	
Local Programs	\$2,151,201	
Total Set-Asides		\$16,269,608
Retire Bonds		\$10,250,000 **
Loans closed to date net of write-downs		\$93,688,579 ¹
		<u> </u>
TOTAL USES		<u>\$120,208,187</u>

AVAILABLE FOR ADDITIONAL LOANS \$63,179,899

*As estimated in May 08

**All interest on outstanding loans is being utilized to retire state match bonds

¹ See attached worksheet

Note: \$63,179,899 is the cumulative amount available for loans.

Attachment 2 depicts the needs of those systems applying for funding to be \$238,280,515

<u>System Name</u>	<u>Date Loan Closed</u>	<u>Amount Committed</u>	<u>Amount Loaned</u>	<u>Date of Write-down</u>
Town of Church Point	08/17/99	\$2,500,000	\$2,500,000.00	Jul-02
City of Oakdale	01/21/00	\$1,500,000	\$1,500,000.00	Sep-02
Ward 2, Water Dist., Livingston Parish	06/15/00	\$9,000,000	\$9,000,000.00	Dec-02
Town of Many #1	12/19/00	\$1,000,000	\$998,521.68	Jan-08
Town of Many #2	12/19/00	\$1,100,000	\$1,075,319.77	Jan-08
Town of Many #3	12/19/00	\$1,500,000	\$1,470,191.67	Jan-08
City of Shreveport #1	11/08/01	\$7,000,000	\$7,000,000.00	May-07
City of Shreveport #2	11/08/01	\$7,000,000	\$7,000,000.00	May-07
City of Shreveport #3	12/28/01	\$5,540,000	\$5,540,000.00	May-07
Town of Baldwin	08/28/01	\$1,250,000	\$1,249,626.75	Aug-03
West Winnsboro	09/28/01	\$747,100	\$648,093.00	Mar-04
DeSoto Parish WWD #1	02/19/02	\$2,350,000	\$2,350,000.00	Sep-06
Village of Quitman	05/23/02	\$480,000	\$480,000.00	Dec-06
Colyell Community Water System	06/27/02	\$948,600	\$948,600.00	Jun-05
Culbertson Water System, Inc.	06/27/02	\$669,000	\$598,225.75	Jan-05
City of Natchitoches	08/15/02	\$3,500,000	\$3,500,000.00	Dec-06
Ascension Water Co., Inc.	12/22/03	\$6,000,000	\$6,000,000.00	Dec-06
City of Westlake	03/27/03	\$3,750,000	\$3,750,000.00	
Lafayette Waterworks Dist. North	06/03/04	\$2,800,000	\$2,800,000.00	
New Iberia - Louisiana Water Co.	11/30/04	\$6,000,000	\$6,000,000.00	
Ward 2, Water Dist., Livingston Parish	07/12/05	\$6,000,000	\$6,000,000.00	
City of Monroe	06/28/06	\$3,000,000	\$3,000,000.00	
Ascension Water Co., Inc. #2	12/19/06	\$5,000,000	\$5,000,000.00	
New Iberia - Louisiana Water Co. #2	12/19/06	\$3,500,000	\$3,500,000.00	
Savoy Swords Water System, Inc.	12/19/06	\$1,000,000	\$1,000,000.00	
French Settlement	05/01/07	\$1,000,000	\$1,000,000.00	
City of Springhill	06/15/07	\$7,500,000	\$7,500,000.00	
Town of Slaughter	11/28/2007	\$1,355,000	\$ 1,355,000.00	
Point Wilhite	2/18/2008	\$925,000	\$ 925,000.00	
		\$93,914,700	\$93,688,578.62	

WORKSHEET
LOANS CLOSED

ATTACHMENT #6
Project Priority System Worksheet

LOUISIANA DWRLF PROJECT PRIORITY CRITERIA WORKSHEET

Water System: _____	PWSID: _____	
Owner Name: _____	Parish: _____	
Person Completing Worksheet: _____	Date: _____	
Water Supply Source:	Water Supply Type:	Organizational Structure:
<input type="radio"/> Ground	<input type="radio"/> Community	<input type="radio"/> Governmental Entity
<input type="radio"/> Surface	<input type="radio"/> Non-Community	<input type="radio"/> Private for Profit
<input type="radio"/> Purchased	<input type="radio"/> Non-Transient	<input type="radio"/> Private Non-Profit
<input type="radio"/> Combination	Non-Community	
Describe: _____		Population Served: _____

ADMINISTRATIVE CRITERIA

Violations (SDWA Violations in Last 8 Quarters)

Number of Total Coliform MCL Violations	_____	x 2 pt each =	[]
Number of Acute Coliform MCL Violations	_____	x 6 pt each =	[]
Number of IESWTR Violations (Turbidity, C.T.)	_____	x 6 pt each =	[]
Number of Chemical MCL Violations (i.e. THM, HAA5)	_____	x 2 pt each =	[]
Number of Acute Chemical MCL Violations (i.e. nitrates, nitrites)	_____	x 6 pt each =	[]
Number of Secondary MCL Exceedances (i.e. iron, taste, odor)	_____	x 1 pt each =	[]

Consolidation (population absorbed from other PWSs)

Identify the size & number of other community and non community systems to be tied into this system

Population greater than 10,000	No. of Systems	_____	x 4 pt each =	[]
Population of 3,301 to 10,000	No. of Systems	_____	x 3 pt each =	[]
Population of 100 to 3,300	No. of Systems	_____	x 2 pt each =	[]
Population less than 100	No. of Systems	_____	x 1 pt each =	[]

Affordability

Service area lies within a census tract where the Median Household Income is 25% or more below the State average.	<input type="radio"/> Yes <input type="radio"/> No	If Yes, 4 pts	[]
---	---	---------------	-----

Other

New multi-year, multi-phase project or project has received prior DWRLF funding	10 pt	[]
Project has funding commitment from another source	5 pt	[]
Proposal includes work to address pending federal/state rules and regulations (i.e. Arsenic rule, LT1ESWT rule, Filter Backwash Recycling rule)	5 pt	[]
Identified problems may be resolved by routine maintenance	-5 pt	[]

Total Points on this Page = []

Total Points from Page #2 = []

TOTAL PRIORITY POINTS = []

LOUISIANA DWRLF PROJECT PRIORITY CRITERIA WORKSHEET

Page 2

Water System: _____	PWSID: _____
Owner Name: _____	Parish: _____
Person Completing Worksheet: _____	Date: _____

PHYSICAL CRITERIA

For each YES answer to the questions below, provide the appropriate number of points in the blank.

Physical Conditions

System Condition	Condition to be Addressed	Pts	
Pressure less than 35 psi (but greater than 15 psi)	O Yes O No	1	
Leaks/Water Loss of 15% to 25% of production	O Yes O No	1	
Leaks/Water Loss greater than 25% of production	O Yes O No	2	
Dead Ends will be eliminated	O Yes O No	2	
Asbestos Cement Pipe or Lead Pipe (replacement)	O Yes O No	2	
No disinfection-PWS has a variance from mandatory disinfection	O Yes O No	3	
Production less than 85% of potable (non-fire) demand	O Yes O No	3	
Storage less than 2 day potable demand	O Yes O No	2	
No meters or non-functioning meters	O Yes O No	5	
Source capacity inadequate	O Yes O No	2	
Industrial activity, Agricultural activity, Oil/Gas Spills, etc. are within source recharge area	O Yes O No	3	
Directly impacted by point source discharge	O Yes O No	2	
Unprotected Watershed	O Yes O No	2	
Will serve area not on community sewerage	O Yes O No	2	
Proposed system will replace private wells	O Yes O No	2	
Project includes system redundancy	O Yes O No	2	
Components exceeding design life to be replaced	O Yes O No	4	

NOTE: None of the above physical conditions are violations of the Louisiana Administrative Code, Title 51, Chapter XXII shown below.

Sanitary Code Violations

Louisiana Administrative Code Section Violated (Formerly Chapter 12 of the LA State Sanitary Code)	Violation to be Corrected	Pts	
LAC 51:XII.309 (formerly 12:003-2) Plant Supervision and Control	O Yes O No	1	
LAC 51:XII.327 (formerly 12:008-1 thru -17) Ground Water Supplies	O Yes O No	1	
LAC 51:XII.331 (formerly 12:010) Well Abandonment	O Yes O No	1	
LAC 51:XII.333 (formerly 12:011-1 thru -5) Reservoir Sanitation	O Yes O No	1	
LAC 51:XII.335 (formerly 12:012-1 thru -4) Distribution	O Yes O No	1	
LAC 51:XII.337 (formerly 12:013-1 thru -4) Storage	O Yes O No	1	
LAC 51:XII.355 (formerly 12:021-1) Mandatory Disinfection	O Yes O No	1	

Total Points on this Page =

ATTACHMENT 7

SET-ASIDES SPENT TO DATE (04/30/08 unaudited)

Administration Set-Aside						
Grant Year	Grant #	Reserved	Specified	Unspecified (cumulative)	Expended	Specified Available
1997	FS-9969801	\$816,812	\$700,403	\$116,409	\$700,403	\$0
1998	FS-9969802	\$397,968	\$397,968	\$116,409	\$397,968	\$0
1999	FS-9969803	\$417,108	\$415,737	\$117,780	\$415,737	\$0
2000	FS-9969804	\$433,496	\$425,511	\$125,765	\$425,511	\$0
2001 & 2002	FS-9969805	\$757,392	\$0	\$883,157	\$0	\$0
2003	FS-9969806	\$320,164	\$290,000	\$913,321	\$290,000	\$0
2004	FS-9969807	\$332,124	\$400,000	\$845,445	\$400,000	\$0
2005	FS-9969808	\$331,420	\$230,000	\$946,865	\$230,000	\$0
2006	FS-9969809	\$466,344	\$0	\$1,413,209	\$0	\$0
2007	FS-9969810	\$466,360	\$0	\$1,879,569	\$0	\$0
2008	APPLIED FOR	\$461,600	\$500,000	\$1,841,169	\$0	\$500,000
Totals		\$5,200,788	\$3,359,619		\$2,859,619	\$500,000

Small System Technical Assistance Set-Aside (SSTAS)

Grant Year	Grant #	Reserved	Specified	Unspecified (cumulative)	Expended	Specified Available
1997	FS-9969801	\$408,406	\$168,100	\$240,306	\$168,100	\$0
1998	FS-9969802	\$198,984	\$161,100	\$278,190	\$161,100	\$0
1999	FS-9969803	\$208,554	\$161,100	\$325,644	\$161,100	\$0
2000	FS-9969804	\$216,748	\$161,100	\$381,292	\$161,100	\$0
2001 & 2002	FS-9969805	\$378,696	\$0	\$759,988	\$0	\$0
2003	FS-9969806	\$160,082	\$170,000	\$750,070	\$170,000	\$0
2004	FS-9969807	\$166,062	\$170,000	\$746,132	\$170,000	\$0
2005	FS-9969808	\$165,710	\$185,000	\$726,842	\$185,000	\$0
2006	FS-9969809	\$233,172	\$236,662	\$723,352	\$236,662	\$0
2007	FS-9969810	\$233,180	\$236,662	\$719,870	\$193,005	\$43,657
2008	APPLIED FOR	\$230,800	\$200,000	\$750,670	0	\$200,000
Totals		\$2,600,394	\$1,849,724		\$1,606,067	\$243,657

State Programs Set-Aside

Grant Year	Grant #	Reserved	Specified	Unspecified (cumulative)	Expended	Specified Available
1997	FS-9969801	\$2,042,030	\$1,396,523	\$645,507	\$1,396,523	\$0
1998	FS-9969802	\$994,920	\$994,920	\$645,507	\$994,920	\$0
1999	FS-9969803	\$1,042,770	\$968,406	\$719,871	\$968,406	\$0
2000	FS-9969804	\$1,083,740	\$484,215	\$1,319,396	\$484,215	\$0
2001 & 2002	FS-9969805	\$1,893,480	\$0	\$3,212,876	\$0	\$0
2003	FS-9969806	\$800,410	\$840,000	\$3,173,286	\$840,000	\$0
2004	FS-9969807	\$830,310	\$900,000	\$3,103,596	\$900,000	\$0
2005	FS-9969808	\$828,550	\$750,000	\$3,182,146	\$446,813	\$303,187
2006	FS-9969809	\$1,165,860	\$1,275,000	\$3,073,006	\$1,275,000	\$1,275,000
2007	FS-9969810	\$1,165,900	\$0	\$4,238,906	\$0	\$0
2008	APPLIED FOR	\$1,154,000	\$1,300,000	\$4,292,906	\$0	\$1,300,000
Totals		\$13,001,970	\$8,909,064		\$7,305,877	\$2,878,187

Local Programs Set-Aside

Grant Year	Grant #	Reserved	Specified	Unspecified (cumulative)	Expended	Specified Available
1997	FS-9969801	\$2,042,030	\$2,042,030	N/A	\$2,042,030	\$0
1998	FS-9969802	\$0	\$0	N/A	\$0	\$0
1999	FS-9969803	\$97,684	\$97,684	N/A	\$97,684	\$0
2000	FS-9969804	\$0	\$0	N/A	\$0	\$0
2001 & 2002	FS-9969805	\$0	\$0	N/A	\$0	\$0
2003	FS-9969806	\$11,487	\$11,487	N/A	\$11,487	\$0
2004	FS-9969807	\$0	\$0	N/A	\$0	\$0
2005	FS-9969808	\$0	\$0	N/A	\$0	\$0
2006	FS-9969809	\$0	\$0	N/A	\$0	\$0
Totals		\$2,151,201	\$2,151,201		\$2,151,201	\$0