

**STATE OF DELAWARE
SINGLE POINT OF CONTACT – SPOC
INTERGOVERNMENTAL REVIEW OF FEDERAL PROGRAMS**

Office of Management and Budget
Haslet Building, 3rd Floor, Dover, Delaware 19901
(302) 739-4206

1. STATE APPLICATION IDENTIFIER:

09-0312-08

SPOC use ONLY

Month

Reviewer

CC's

2. Applicant Project Title: Capitalization Grant--American Recovery and Reinvestment Act 2009

3. Applicant Department: Delaware Health and Social Services

4. Applicant Division/APU: Division of Public Health/05

5. Applicant Address: 1901 N DuPont Hwy., New Castle, DE 19720

6. Contact Person: Heather Warren

7. Contact Person's Phone Number: 302-741-8585

8. Signature of Secretary or Agency Head (for state agencies) or Chief Administrator (for all other applicants)

for
Henry Smith III Acting Director, DPH designee for Rita M. Landgraf, Secretary

Henry Smith III
03/12/08

9. Federal Grantor Department: US EPA

10. Federal Sub-Agency:

11. Federal Contact Person: Mary Brewster

12. Phone Number: 215-814-5456

13. Address: 1650 Arch St., Philadelphia, PA 19103-2079

14. Federal Program Title:

Drinking Water State Revolving Fund

15. FEDERAL CATALOG NO:
(CFDA)

93

917

16. Project Description:

The grant will be used to fund six identified municipal drinking water projects through low-interest loans and grant administration.

17. Will funds be utilized for any technology initiatives? Yes No If so, Business Case Number and brief project summary:

18. Measurable Objectives:

a. What were last year's objectives?

n/a

b. Were these objectives met? (If not, please explain why)

N/a

c. What are this year's objectives?

Wilmington, Greenwood, Smyrna, Millsboro, Seaford, and Bridgeville will receive funding for drinking water infrastructure improvements. The grant will also fund associated administrative FTEs and seasonal positions.

(If more space is needed, please attach a separate sheet of paper)

19. Grant Period:

n: 4/1/09

To: 9/30/10

20. How many years has this project been funded:

0

21. If the project was funded last year, how much federal money was awarded?

n/a

22. Source of funding for this application: US EPA	Dollars
a. Federal grant	19,500,000
b. Other federal funds (Specify source of funding)	0
c. Required state contribution (Specify source of funding)	0
d. Discretionary state contribution (Specify source of funding)	0
e. Required local contribution (Specify source of funding)	0
f. Other non- federal funds (Specify source of funding)	0
TOTAL	19,500,000

23. Budget by cost category and source:	Federal Funds	State Funds	Other Funds	Total Funds
Salaries & Fringe Benefits	\$594,553	\$0	\$0	\$594,553
Personal or Contractual Services	\$37,720	\$0	\$0	\$37,720
Travel	\$7,000	\$0	\$0	\$7,000
Supplies & Materials	\$721	\$0	\$0	\$721
Capital Expenditures	\$0	\$0	\$0	\$0
Audit Fees	\$39,000	\$0	\$0	\$39,000
Indirect Costs	\$42,868	\$0	\$0	\$42,868
Other (Projects)	\$18,778,138	\$0	\$0	\$18,778,138
TOTAL	\$19,500,000	\$0	\$0	\$19,500,000

24. How many positions are required for the project? (Exclude casual/seasonal employees)			
Breakdown of position(s)	Authorized in State Budget	New Positions	Total
Paid for out of federal funds	5.5	0	5.5
Paid for out of General Funds	0	0	0
aid for out of state special funds	0	0	0
Paid for out of bond/local/other funds	0	0	0

TOTAL

5.5

0

5.5

25. PLEASE NOTE: On a separate piece of paper, please give position number, grade, yearly salary and percent of funding (federal, state, local, other) and the full-time equivalent for all positions required. Please identify the new positions by placing an asterisk before the position title. If this grant funds positions within other departments, divisions and/or offices, please list them. If a position has been reallocated to or from another grant please indicate the grant source.

	FTE	Current employee	Emplid	Current wage as of 2/19/09	Wages from 4/1/09 to 9/30/10 39 pays	Total wages times fte%	Health in fy09
BP # 89182 Engineer III	0.50	Milliken, W.	20621	\$2,146.10	\$83,698.05	\$41,849.02	3002 3004 3006
BP # 80094 P.H. Treat Prog Admin	0.50	Hallock, E.	25297	\$2,160.92	\$84,027.80	\$42,137.90	3002 3004 3006
BP # 80096 Fiscal Management Analyst	1.0	vacant		\$1,761.58	\$68,701.62	\$68,701.62	3002 3004 3006
BP # 92353 Accounting Specialist	0.50	Perry, L.	30575	\$1,160.68	\$45,266.57	\$22,633.29	3002 3004 3006
BP # 80095 Administrative Specialist II	1.00	Stayton, A.	74541	\$1,033.88	\$40,321.50	\$40,321.50	3002 3004 3006
BP # 85225 Engineer IV	1.00	Lodge, D.	55459	\$2,440.42	\$95,176.54	\$95,176.54	3002 3004 3006
BP # 80099 Environ. Hlth Spec. III	1.00	Warren, H.	31921	\$1,768.30	\$68,963.58	\$68,963.58	3002 3004 3006
Total FTE wages	5.50					379,783.45	2,418.74
Casual/ Seasonal Accounting Tech (PG 6) (29.75 hrs)		vacant		\$11.94	\$27,706.77	\$27,706.77	
Total FTE and C/S wages						\$407,490.22	
Fringe FTE		25.44%				\$96,616.91	
Fringe c/s		9.55%				\$2,646.00	
Health ins from 4/1/09 to 6/30/10 (30 pays)		\$2,418.74				\$72,562.20	
Health ins from 7/1/10 to 9/30/10 (6 pays) 5% inc.		\$2,539.68				\$15,238.06	
Total Wages and benefits						\$594,553.38	

As permitted under the ARRA, 5.5 FTE merit positions currently funded under the 2008 DWSRF grant will be paid from this capitalization grant for the time period 4/1/2009 – 9/30/2010, which is the grant project period. This will permit reallocation of the DWSRF grant funds to other DWSRF project areas.

**Director's Overview
DWSRF Capitalization Grant
American Recovery and Reinvestment Act (ARRA) 2009**

Program Narrative

The purpose of the American Recovery and Reinvestment Act 2009 grant application is

- o "To preserve and create jobs and promote economic recovery."
- o "To assist those most impacted by the recession."
- o "To provide investments needed to increase economic efficiency by spurring technological advances in science and health."
- o "To invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits."
- o "To stabilize State and local government budgets, in order to minimize and avoid reductions in essential services and counterproductive state and local tax increases."

Through this grant application, the State of Delaware will provide funding for public water systems to upgrade infrastructure to comply with state and federal regulations. Eligible systems are:

City of Wilmington	Population: 140,000
Water main replacement and Green Infrastructure project	
Town of Greenwood	Population: 915
Well house, chemical improvements, meters	
Town of Smyrna	Population: 8,800
Water main replacements throughout town	
Town of Millsboro	Population: 2,360
Well installation w/ treatment as needed	
City of Seaford	Population: 7,209
Main replacements throughout town	
Town of Bridgeville	Population: 1,676
Installation of back-up well	

As permitted under the ARRA, 5.5 FTE merit positions currently funded under the 2008 DWSRF grant will be paid from this capitalization grant for the time period 4/1/2009 – 9/30/2010, which is the grant project period. This will permit reallocation of the DWSRF grant funds to other DWSRF project areas.

Budget Comparison

ODW is applying for \$19,500,000, the allotted amount for drinking water projects for Delaware. This is a new grant and has no prior budgetary impact.

Relationship to State Budget

There is no state match required for this grant.

**Delaware Health and Social Services
Intended Use Plan
American Recovery and Reinvestment Act 2009
March 3, 2009**

Introduction

The Intended Use Plan (IUP) accompanies the State of Delaware's application for a \$19,500,000 capitalization grant for its DWSRF under the American Recovery and Reinvestment Act of 2009 (ARRA).

Delaware and DHSS are eligible for \$19,500,000 in federal ARRA funds. DHSS will allocate \$18,778,138 for drinking water infrastructure improvement projects. \$721,862 will be used for 4% Set-Aside (administrative) activities.

There is no state match required for the ARRA.

ARRA Goals

The State of Delaware is committed to using the capitalization grant for which it is applying to provide assistance to water systems for capital improvement projects which will quickly proceed to construction, creating jobs and furthering the public health protection objectives of the Safe Drinking Water Act. The State of Delaware's goal is to enter into binding commitments for projects which will proceed to construction or award of construction contracts by February 17, 2010. The State intends to award all assistance available under this capitalization grant in full conformance with the deadlines established under the ARRA and the terms and conditions of the capitalization grant award.

The State of Delaware recognizes that the goal of the ARRA is to expeditiously fund eligible projects that will simultaneously create jobs, promote economic recovery, and generate long-term benefits from infrastructure investment. In this grant, the State is being called upon to accomplish goals that may not previously been priorities in its base DWSRF program. Some priorities and activities in the State's base program that may not be attainable within the timeframes associated with the ARRA will be pursued using funds made available through the base DWSRF program.

Sources and Uses of Funds

Please see attached chart for further detail.

The State of Delaware is applying for a capitalization grant in the amount of \$19,500,000. This represents the amount that USEPA Region III informed the State is eligible to receive under the State's allocation from the supplemental appropriation enacted under the ARRA. Note that the ARRA has waived the State match that the State is normally required to provide in order to receive a capitalization grant.

The State of Delaware may transfer an as-yet-undetermined amount of funds from the CWSRF capitalization grant it will receive under the ARRA to the DWSRF grant. The State commits to manage and expend all funds thus transferred consistent with the requirement of the ARRA as outlined in USEPA guidance.

NOTE: Transfer shall not impair or impede the pace of DWSRF projects or expenditures.

Delaware intends to take a set-aside of 4% (\$721,862) for DWSRF program administration.

Criteria and Methods for Distribution of Funds—please refer to attached PPL for more details.

Assistance will be provided for the projects above the funding line. DHSS intends to forgive the principal of 50% of the total loan amount. All projects will be offered the same subsidation. In other words, all projects will be offered 50% loan forgiveness. This meets the 50% requirement of EPA guidance, and offers incentive for the projects to move forward in accordance of the project timeline, please see attached.

Loan Terms and Fees

DHSS proposes to use \$18,778,138 of federal ARRA funds to provide loans to public water systems for infrastructure improvements. Of that, the required 20% or \$3,900,000 will be used to fund green infrastructure projects (see below for details).

Interest Rate

- a) The affordability standard for annual water user charges is set at 2% of Median Household Income (MHI).
- b) Municipal Bond Yield for a 12-22 year AA rated General Obligation issue as reported in financial publications will be used as of ten business days prior to loan closings to establish the actual interest rate and administrative fee on all municipal loans provided by DWSRF.
- c) Corporate Bond Yield for a 10+ year High Quality issue as reported in financial publications will be used as of ten days prior to loan closings to establish the actual interest rate and administrative fee on all investor-owned and corporate-owned loans provided by DWSRF.
- d) A combined interest rate and equal administrative fee rate totaling a maximum of 62.5% of the corresponding Bond Yield will be charged on all loans provided by the DWSRF.
- e) Interest rates and administrative fee rates lower than the above criteria may be provided to projects in which the project costs increases water rates as a percentage of the MHI above limits established.
- f) DHSS charges an administrative fee on loans. The rate of the fee is equal to the rate of interest on each loan and is calculated in the same manner as interest

rates on loans. Interest is deposited into the DWSRF and the fee is deposited into a separate account to be used according to the DWSRF regulations.

Loan Terms

Terms are given up to 20 years for standard loans and up to 30 years for loans that qualify for the Disadvantaged Community program. The Town of Greenwood qualifies as a Disadvantaged Community. DHSS will offer the town a 30 year loan at 1.5% interest.

Project Selection and Loan Activities

ARRA funds were treated in the same manner as DWSRF funds with project selection and loan activities. DHSS alerted potential borrowers of the ARRA in January. Information was distributed to this group as details changed and regulations were finalized. As a result of this effort, over \$26.8M in eligible project applications were received by February 27, 2009.

Listed below are projects that are ready to proceed. Full applications were accepted by DHSS until 2/27/09. They were ranked on March 4, 2009.

1. City of Wilmington – main replacement and green infrastructure \$5,000,000 for mains, \$3,900,000 for green infrastructure
2. Town of Greenwood – treatment plant upgrades, meter installation \$528,230
3. Town of Smyrna – main and valve replacements, treatment plant upgrades \$3,768,000
4. Town of Millsboro – installation of new well and appropriate treatment to replace contaminated source \$2,602,500
5. City of Seaford – main replacement \$2,729,408
6. Town of Bridgeville – installation of back up well \$250,000

Please refer to Ready to Proceed PPL for more information.

Additional Subsidization

The ARRA requires that not less than 50% of assistance provided is in the form of additional subsidies. The State of Delaware, under the authority of Governor Jack Markell Executive Order _____, dated _____, has the authority to offer principal forgiveness and negative interest loans in an amount up to 100% loan value of a loan made by the State's DWSRF program.

NOTE: DHSS is still waiting on the Governor's certification as of March 9, 2009. It will be forwarded to EPA ASAP.

Green Infrastructure

The ARRA requires that, to the extent there are sufficient eligible project applications, not less than 20% of the funds provided for projects be used for water efficiency, energy efficiency, green infrastructure, or other environmentally innovative activities. The projects listed in the attached PPL includes one project

with a total assistance amount of \$8,900,000 that is designated on the PPL as meeting one or more of the specific objectives required by this provision.

One project listed on the PPL has been identified as qualifying as a green infrastructure project for purposes of this requirement, based on USEPA guidance. The State has determined that the components of this project that qualify towards the green project reserve totals \$3,900,000. As the 20% requirement for the State of Delaware amounts to a required total of \$3,900,000, the State has met this requirement of the ARRA.

Project Description:

- Addition of low head, high flow, booster pumping for raw water reservoir connection to filter plant to increase reservoir volume availability to peak shifting
- Solar photovoltaic at the Porter Plant

Cooperation with CWSRF: Delaware's DWSRF and CWSRF programs have agreed to cooperate in regards to Green Infrastructure projects. Cooperation with Delaware's CWSRF shall not impair or impede the pace of DWSRF projects or expenditures.

Repayments

DHSS will deposit repayments of ARRA funds in the DWSRF accounts according to DWSRF guidelines.

Bypass Procedures

In accordance with federal guidance, projects will have to move quickly to ensure ARRA funding. Projects that are not ready to proceed according to the timeline issued by DHSS will be bypassed.

Timelines (please see attached)

DHSS issued a timeline based on federal legislation. It details project, state, and federal dates –or milestones- for each step of the project. Projects that cannot move along according to the timeline will be bypassed.

Priority for Projects Ready to Proceed to Construct in 12 Months/ Preference for Expeditious Activities (see pages 4 and 32 of ARRA guidance)

The State of Delaware has a priority system for its DWSRF program that ranks projects in accordance with criteria associated with public health, compliance, and economic need. However, the ARRA requires that priority be given to projects that will be ready to proceed to actual construction within 12 months of the date of enactment.

The State of Delaware solicited for new projects in January 2009 in anticipation of ARRA funding. The State of Delaware has also consulted with all potential assistance recipients with projects on the 2009 PPL in order to determine which projects are most likely to be able to proceed to actual construction within the next 12 months. These systems have been given priority, and that priority is reflected in the ranking the project receives on the ARRA PPL.

DHSS required that all applicants sign a certification page as part of their ARRA application that ensures that the work applied for therein will begin construction no later than January 1, 2010.

In addition, DHSS is working with bond counsel, Saul Ewing, to determine language that will be incorporated with Binding Commitments and Loan Documents that will require the January 1, 2010 construction start date.

Furthermore, DHSS announced the January 1, 2010 construction start date and its project timeline at the public workshop held on March 6, 2009. All ARRA applicants were required to attend. The project timeline is attached.

Avoidance of Reallotment/Relationship to Base Program (see page 32 of final ARRA guidance)

In order to meet the requirements and deadlines of the ARRA for the expeditious and timely commitment and expenditure of funds, the State of Delaware will regularly review the date reported to EPA on the progress of assistance recipients under the statutory deadlines specified in the IUP to identify any issues with the timeliness of this progress. If such issues are identified, the State of Delaware intends to work with EPA to resolve such issues. The State will include conditions in its assistance agreements to ensure that assistance recipients make timely progress with respect to entering into contracts and/or construction. If a recipient fails to maintain progress with these conditions, they will receive funding from other DWSRF monies so that ARRA funding can be provided for a project that is ready to proceed.

The State understands that the USEPA may deobligate grant funds from States that fail to meet requirements on use of ARRA funds. However, if the State is eligible for additional funds made available by a reallotment or ARRA funds, the State will provide EPA with a list of projects from its PPL that are immediately prepared to proceed to construction.

In addition to the aforementioned timeline, DWSRF bypass procedures will be utilized. Upon written notice, DHSS can bypass a project on the PPL based on the following:

- Project is withdrawn by applicant
- Project is not ready to proceed
- Municipality is unwilling to address Significant Non-Compliance issues

- System is lacking technical, managerial, or financial capacity

DHS will provide applicants written notice if their project(s) will be bypassed. DHSS will reinstate bypassed projects if funds become available and the project is ready to proceed. Funds that become available due to project bypass will become available to the next project on the PPL.

DBE Participation

Loans using the ARRA grant will conform to DBE steps as outlined by EPA. Borrowers must document and demonstrate good faith efforts consistent with federal regulations under 40CFR Part 31.36(e).

Tie Breaking Procedures

The project with the greatest number of points under the Quality Deficiencies section of the ranking criteria sheet will receive the higher ranking. If there is still a tie, the system with the greater population will receive the higher ranking.

Set-Asides

The ARRA allows states to use part of the grant to support Set-Aside activities. DHSS is applying for \$721,862 for 4% or program administration use. DHSS will administer the ARRA. The Department of Natural Resources and Environmental Control (DNREC) will provide administrative support through financial reviews and loan maintenance. DHSS may consider contracting some of the financial work with a private company to expedite the financial review process.

Public Review

A public workshop was held on March 6, 2009 to discuss this IUP and project selection. Please see attached presentation and list of attendees. Public comment was held open from March 6, 2009 to March 11, 2009. Comments received will be taken into consideration.

Assurances

DHSS agrees to comply with federal program requirements as attached as part of the ARRA grant application.

**Delaware Health and Social Services
Intended Use Plan
American Recovery and Reinvestment Act 2009
March 3, 2009**

List of Attachments

- 1- Project Priority List—Ready to Proceed
- 2- Project Priority List—Comprehensive
- 3- Required Grant Conditions

SCHEDULE A: EQUIPMENT TO BE INSTALLED BY ESCO

The Technical Energy Audit (hereafter "TEA-1") dated January 21, 2009; prepared by Honeywell Building Solutions SES (hereafter "ESCO") will serve as the basis for the Energy Conservation Measures (hereafter "ECMs"). The following summary of ECMs represent an implementation of the phasing of the City-Wide project to be completed by the ESCO as directed by OWNER. The approved ECMs are described in detail in the Technical Energy Audit.

Upon completing the installation of the Equipment (hereafter "Construction Period") required to accomplish all scope of work for the ECMs, the ESCO agrees to furnish to the OWNER documentation (including reproducible record drawings such as AutoCAD disks when applicable) of all modified or newly installed Equipment including but not limited to: ESCO installed piping, wiring, air ducts, controls, major HVAC equipment, etc., as well as performance test reports, manufactures' operating and repair manuals and parts lists.

The ESCO is responsible for the accuracy of the calculations within the Technical Energy Audit.

ECM No.	ECM Description	Location
1	Lighting Upgrades & Controls	Public Safety Fire Station #2, #3, #4, #6 Emergency Operation Center Porter Filter Plant Public Works Yard DMV Repair Garage Public Works Yard Brandywine Water Treatment Plant Brandywine Pump Station
2	Solar Photovoltaic	Porter/DPW Yard
3	Add low head, high flow, booster pumping for raw water reservoir connection to filter plant to increase reservoir volume availability to peak shifting (see note 1)	Elevated Finished Water Storage
4	4th Street Bridge Water Leak	4th Street Bridge
5	Traffic Light LED Replacement	City-wide
6	Controls (add thermostatic valves to steam radiators & office setback)	Brandywine Pumping Station
7	Steam Trap Replacement	Brandywine Pumping Station
8	Steam Trap Replacement	Porter Pumping Station
9	Add VFD to Makeup Air and Exhaust Fans	Public Safety
10	Controls (3 qty. setback T-stat's)	Emergency Operation Center

SCHEDULE D: COMPENSATION TO ESCO

The following initial project cost breakdown will be used to generate applications for progress payments to ESCO from the OWNER or the OWNER's Lessor referenced in the Installment Purchase Agreement and payment schedule based upon the percentage of completion of the ECMs. Prior to commencement of the Construction Period, ESCO will provide the OWNER with a detailed schedule of values for each ECM to account for the cost of the preliminary and comprehensive energy audits, mobilization, engineering and various stages of the construction period coordinated with the detailed critical path type schedule of the construction progress. Applications for payment shall be made in a format similar to Form AIA 101. OWNER shall pay ESCO, or instruct OWNER's Lessor to release payment to ESCO, within thirty (30) days of receipt of ESCO's invoice.

ECM No.	ECM Description	Location	ECM Cost \$
1	Lighting Upgrades & Controls	Public Safety Fire Station #2, #3, #4, #6 Emergency Operation Center Porter Filter Plant Public Works Yard DMV Repair Garage Public Works Yard Brandywine Water Treatment Plant Brandywine Pump Station	\$477,673
2	Solar Photovoltaic	Porter/DPW Yard	\$8,654,953
3	Add low head, high flow booster pumping for raw water reservoir connection to filter plant to increase reservoir volume availability to peak shifting (see note 1)	Elevated Finished Water Storage	\$2,884,479
4	4th Street Bridge Water Leak	4th Street Bridge	\$9,243
5	Traffic Light LED Replacement	City-wide	\$2,165,787
6	Controls (add thermostatic valves to steam radiators & office setback)	Brandywine Pumping Station	\$15,040
7	Steam Trap Replacement	Brandywine Pumping Station	\$22,081
8	Steam Trap Replacement	Porter Pumping Station	\$18,810
9	Add VFD to Makeup Air and Exhaust Fans	Public Safety	\$75,284
10	Controls (3 qty. setback T-stat's)	Emergency Operation Center	\$37,955
	Subtotal		\$14,361,305
	Bond		\$64,626
	Total		\$14,425,931

In the event the OWNER increases or decreases the scope of work as described in the SCHEDULE OF VALUES the cost for each ECM will be adjusted to appropriately prorate the cost of the comprehensive energy audit, mobilization and engineering within the cost of each remaining or revised ECM.

For the purpose of this Agreement, Total implementation cost for the Construction Period shall include equipment and subcontractor costs, design, engineering, project management and supervision, and other associated expenses such as payment and performance bonds and ESCO overhead and profit. The cost for

2008/ARRA DWSRF Project Ranking Form

Project Priority Criteria		Points	Notes
I. Quality Deficiencies			
<i>Acute</i>	E. coli	70	
	Nitrate	70	
	Nitrite	70	
	Total		
<i>Non-Acute</i>	Total coliform bacteria	50	
	Volatile Organic Chemicals (VOCs) (+MTBE)	50	
	Total Trihalomethanes (TTHMs)	50	
	Synthetic Organic Chemicals (SOCs)	50	
	Trace Metals	50	
	Unregulated VOCs	50	
	Unregulated SOCs	50	
	Turbidity	50	
	Radiologicals	50	
	Lead/Copper	50	
	Total		
<i>Secondary Standards</i>	Iron	20	
	Trace Metals (Manganese, Silver, Copper)	20	
	pH	20	
	Chloride	20	
	Total Dissolved Solids	20	
	Sulfate	20	
	Taste	20	
	Odor	20	
	Color	20	
	Total		
			Max = 100
II. Quantity Deficiencies			
<i>Acute</i>	Water pressure <25 psi	45	
	Lack of adequate water supply	45	
	Total		
<i>Chronic</i>	Lack of adequate water storage	25	
	Water pressure >100 psi	25	
	Water shortages (during peak demand)	25	
	Total		

Project Priority Criteria		Points	Notes
III. Treatment/Design			
<i>Infrastructure</i>	Degraded treatment facility	30	
	Inadequate source-intake structure	30	
	Faulty pumping station	30	
	Inaccurate controls/instrumentation, lack of SCADA system	30	
	Unsatisfactory storage	30	
	Aging or corroded transmission mains	30	
	Aging or corroded distribution mains	30	
	Lack of meters/broken meters	30	
	Replacement of contaminated source with uncontaminated source	30	
	Lack of disinfection treatment	30	
	Lack of corrosion control treatment	30	
	Lack of nitrate removal treatment	30	
	Lack of other proper treatment	30	
	Inadequate filtration	30	
	Nonfunctioning backflow prevention device	30	
Lack of critical component redundancy	30		
Unreliable emergency power source	30		
Total			
IV. Security Measures			
	Treatment plant	25	
	Storage site	25	
	Distribution system	25	
	Source	25	
	Electronic	25	
Total			
V. Financial Need			
<i>Economic Indicator</i>	SMHI is less than 51% CMHI	400	
	SMHI is 51%–60% of CMHI	300	
	SMHI is 61%–70% of CMHI	200	
	SMHI is 71%–75% of CMHI	150	
	SMHI is 76%–80% of CMHI	100	
	SMHI is 81%–85% of CMHI	80	
	SMHI is 86%–90% of CMHI	60	
	SMHI is 91%–95% of CMHI	40	
	SMHI is 96%–100% of CMHI	20	
	SMHI greater than 100% of CMHI	0	
Total			

Priority Criteria		Points	Notes
VI. Regulations & Compliance			
<i>Compliance With Regulations</i>	Lead/Copper Rule	40	
	Surface Water Treatment Rule	40	
	Stage 1 Disinfectants/Disinfection Byproducts	40	
	Phase I, II, or V	40	
	Total Coliform Rule	40	
	Interim Enhanced Surface Water Treatment Rule	40	
	Radon	40	
	Radionuclides	40	
	Long-Term I Enhanced Surf. Water Treat. Rule	40	
	Filter Backwash Rule	40	
MTBE primary standard	40		
Total			
<i>Compliance/ Enforcement Status</i>	In Significant Non-Compliance	15	Max = 30
	Active Bilateral Compliance Agreement	15	
	Alternate Contaminant Level	15	
	Active Administrative Compliance Order	15	
Total			
<i>Compliance With Future Regulations</i>	Groundwater Rule	5	
	Arsenic	5	
	Sulfate	5	
	Long-Term II Enhanced Surf. Water Treat. Rule	5	
	Stage II Disinfectants/Disinfection Byprod. Rule	5	
Total			
VII. Regionalization			
<i>Project to Result In</i>	Consolidation of multiple non-complying water systems	25	
	Consolidation with 1 non-complying water system	20	
	Consolidation of complying water systems	15	
	Service to areas of existing private wells with water quality deficiencies	20	
	Service to areas with existing private wells	15	
	Emergency interconnection with another Public Water System	15	
	Total		

Project Priority Criteria		Points	Notes
VIII. System Description			
<i>Population Served</i>	25 to 1,000	10	
	1,001 to 10,000	15	
	≥ 10,000	5	
	Total		
<i>Public Water System Type</i>	Municipally Owned Community	10	
	Other Community	5	
	Non-Transient Non-Community (non-profit)	3	
	Transient Non-Community (non-profit)	1	
	Total		
IX. Bonus Points			
<i>Fiscal DWSRF Requests; On Previous IUP Fundable List</i>	Multiyear project partially funded	15	Max = 15
	Bypassed	15	
	Below funding line	10	
	Comprehensive list, only	5	
	Total		
<i>Positive Practices</i>	Rate structure promotes conservation	2	
	Metered at service connections	2	
	Unaccounted water loss of 10% or less	2	
	Certified operator	2	
	Document maintenance schedule review	2	
	Cross connection control program	2	
	Evaluation by Capacity Development for existing systems	2	
	Total		

Date Completed: _____

Completed By: _____

Reviewed By: _____

Grand Total
Point Score

ARRA Project MSP Milestones
FINAL
 2/27/09

	Completed 2/27	Completed 2/24	Completed 3/4	Completed 3/5	Completed 3/6	Completed 3/6	Completed 3/6	Mar 12/13												
Project Applications submitted to ODW	Completed 2/27	Completed 2/24	Completed 3/4	Completed 3/5	Completed 3/6	Completed 3/6	Completed 3/6													
Project Ranking																				
Preliminary project approval from CCSP1																				
Public Workshop																				
Resolution of Fiscal Office position details																				
Project coordination meeting w/ DNREC																				
Application due to EPA																				
Project Financial, Environmental, and Capacity Development reviews complete																				
Final approvals from CCSP1																				
Secretary of Finance Resolution signed																				
Resolution of DHSS rep to sign binding																				

DHSS

SS

DNREC
 DHSS

Support Services

ARRA Comprehensive Project Priority List

Rank	Project Name	Score	County	PWSID#	Pop.	Project Description	Project Cost	Subsidized Amount	Green Infrastructure Amount
1	Wilmington main replacement	577	NC	663	140,000	main replacement and Gi project	\$8,900,000		\$3,900,000
2	Town of Greenwood	526	S	558	915	well house, chem feed, meters	\$528,230		
3	Smryna	475	K	657	8,800	mains, valves, plant upgrades	\$3,768,000		
4	Town of Millsboro	407	S	622	2,360	well installation w/ treatment as needed	\$2,602,500		
5	City of Seaford	343	S	246	7,209	main replacement and private well replacement	\$2,729,408		
6	Town of Bridgeville	328	S	559	1,676	back up well	\$250,000		
7	Town of Delmar	323	S	567	3,300	mains, mapping, well, dist improvements	\$1,210,000		
8	Milford	298	K/S	616	8,288	storage tank rehab, treatment plant upgrade	\$3,018,194		
9	Dover	252	K	571	36,359	main replacements	\$2,896,817		
10	Georgetown	202	S	592	5,000	treatment plant upgrades	\$1,510,500		
11	Clayton	134	K	565	1,782	well rehab, arsenic removal on unused well	\$375,000		
Total							\$27,788,649		\$3,900,000

- 1- Subsidized amount needed to meet federal requirements: \$9,750,000
- 2- Green Infrastructure amount needed to meet federal requirements: \$3,900,000
- 3- Total project amount - \$721,862 for 4% set-aside=\$18,778,138

ARRA Ready to Proceed Project Priority List DRAFT

Rank	Project Name	Score	County	PWSID#	Pop.	Project Description	Project Cost	Subsidized Amount	Green Infrastructure Amount
1	Wilmington main replacement	577	NC	663	140,000	main replacement and Gi project	\$8,900,000	\$4,510,155	\$3,900,000
2	Town of Greenwood	526	S	558	915	well house, chem feed, meters	\$528,230	\$324,271	
3	Smryna	475	K	667	8,800	mains, valves, plant upgrades	\$3,768,000	\$1,944,155	
4	Town of Millsboro	407	S	622	2,360	well installation w/ treatment as needed	\$2,602,500	\$1,361,405	
5	City of Seaford	343	S	246	7,209	main replacement	\$2,729,408	\$1,424,859	
6	Town of Bridgeville	328	S	559	1,676	back up well	\$250,000	\$185,155	
Total							\$18,778,138	\$9,750,000	\$3,900,000
7	Town of Delmar	323	S	567	3,300	mains, mapping, well, dist improvements	\$1,210,000		
8	Milford	298	K/S	616	8,288	storage tank rehab, treatment plant upgrade	\$3,018,194		
9	Dover	252	K	571	36,359	main replacements	\$2,896,817		
10	Georgetown	202	S	592	5,000	treatment plant upgrades	\$1,510,500		
11	Clayton	134	K	565	1,782	well rehab, arsenic removal on unused well	\$375,000		
Total							\$9,010,511		\$3,900,000

- 1- Subsidized amount needed to meet federal requirements: \$9,750,000
- 2- Green Infrastructure amount needed to meet federal requirements: \$3,900,000
- 3- Total project amount - \$721,862 for 4% set-aside=\$18,778,138

DHSS ARRA Sources and Uses

Source of Funds:

US EPA ARRA \$19,500,000

Uses of Funds:

Projects (loans)

Program loans	14,878,138
Green	
Infrastructure	
project	3,900,000
Sub Total	<u>18,778,138</u>

Program Administration (4%)

Salaries, etc.	688,463
Supplies	721
Travel	7,000
Contractual	25,678
Sub Total	<u>721,862</u>

Grand Total 19,500,000



Delaware Health & Social Services

Division of Public Health



To: Public Water Systems

From: Heather Warren, Program Manager, Drinking Water State Revolving Fund

Date: February 19, 2009

Re: Economic Recovery Public Workshop

As required by EPA regulations, we are conducting a public workshop on drinking water projects that will be funded from the American Recovery and Reinvestment Act (ARRA). The workshop will be held on March 6, 2009 from 10 am to 11 am, at the Office of Drinking Water. An overview of the program, requirements, and anticipated expenditures will be presented.

Attendance is mandatory for all applicants and one representative of the project engineering firm.

Thank you.

BLUE HEN CORPORATE CENTER, SUITE 203
655 BAY ROAD, DOVER DELAWARE 19901
302-741-8630 FAX: 302-741-8631

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	ARRA Public Workshop
	March 6, 2009

	Official Title:
	American Recover and Reinvestment Act of 2009
	<i>Information is current as of 3:20 on March 5, 2009</i>

	Questions
	Please hold questions until end of presentation

	<p>General Info</p> <hr/> <p>Planned activities based on final guidance that was released on 3/3/09 and draft guidance prior to that date.</p> <p>DWSRF program guidelines were followed to determine project eligibility</p> <p><i>Best available information was used</i></p>
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	<p>General Info</p> <hr/> <p>Intended Uses have not been approved by the governor, are 'intended', and not finalized at this time</p>
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	<p>Background Info</p> <hr/> <ul style="list-style-type: none"> • <u>January 2009</u> Stimulus becomes #1 priority for EPA Drinking Water Branch and DWSRF program • <u>Feb 17, 2009</u> President signs ARRA • <u>March 12, 2009</u> DHSS submits grant application to EPA
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Background Info

2/17 to 3/12 = 16 working days!

- August 2008
Pre-applications mailed to public water systems for DWSRF funds
- January 2009
Full-applications due for DWSRF funds

Most recent loan closed at 3%

Project Selection

- ARRA list includes Jan 2009 DWSRF projects and applications that were received prior to 2/27/09
- Of the 6 projects above the funding line, Wilmington, Greenwood, Millsboro, and Bridgeville, and Delmar had already submitted applications and were ranked

Project Selection

- Smyrna, Seaford, Dover, and Clayton contacted ODW about stimulus funds
- All other projects on the list submitted applications with the help of an engineering firm

Project Selection

- 15 applications were received
- 11 were eligible and complete project applications
- 3 were ineligible projects – growth
- 1 project is still working with ODW towards a complete application

Project Selection

- All projects were ranked based on the DWSRF score sheet
- Based on early federal guidance, DHSS targeted municipalities
- Projects received preliminary approval from the Cabinet Committee for State Planning Issues on March 5, 2009

Project Selection

- Projects that have been or are below the funding line will be placed on the project list for the DWSRF program unless the applicant chooses to withdraw
- Projects below the funding line will be integrated on the DWSRF list with private utility projects that submitted applications in January 2009

	<p>Projected Fund Distribution</p>
	<ul style="list-style-type: none"> • DHSS is eligible for \$19,500,000 • \$26,854,251 was requested from applicants for eligible projects

	<p>Projected Fund Distribution</p>
	<p><u>\$19,500,000 total:</u></p> <p>50% (\$9,750,000) must be loaned out using either principal forgiveness or negative interest loans</p> <p>20% (\$3,900,000) must fund a green infrastructure project</p>

	<p>Projected Fund Distribution</p>
	<ul style="list-style-type: none"> • DHSS is allowed to use 4% (\$780,000) for program administration • DHSS reduced \$780,000 to \$721,862 to completely fund the Bridgeville project

Projected Fund Distribution

Please refer to handout titled
ARRA Ready to Proceed Project Priority List DRAFT

ARRA Requirements

- 1/1/10 construction start date--
see handout
- Coordinate work (example: roadwork w/
main replacements)
not a requirement
- Borrowing limits, charter bylaws,
referendums must occur by June
see handout

ARRA Requirements

- Direct deposit for faster
reimbursement
- Monthly progress meetings w/ ODW
representative
- Interim financing—ARRA funds are
reimbursement based

ARRA Requirements

- Disadvantaged Business Enterprises
- Davis Bacon wage rates
- US Iron and Steel

Questions

Contact Info:

Doug Lodge, P.E. 302-741-8588
doug.lodge@state.de.us

Heather Warren, DWSRF Program Manager
302-741-8585
heather.warren@state.de.us

Comments will be received until COB
3/11/09 via email or writing
