

State of Alabama
Alabama Department of Environmental Management
Drinking Water State Revolving Fund (DWSRF) Loan Program



SRF and Operator Certification Section
Permits and Services Division
Alabama Department of Environmental Management
Post Office Box 301463
Montgomery, Alabama 36130-1463

(334) 271-7796
(334) 271-7950 FAX

DWSRF Intended Use Plan



Fiscal Year 2009

Final Version

Issued for public comment
April 29, 2009 through May 14, 2009

I. INTRODUCTION	3
II. PROGRAM GOALS	3
A. SHORT-TERM GOALS	3
B. LONG TERM GOALS.....	4
III. SOURCES AND USES OF FUNDS	4
A. LEVERAGING	5
B. ELIGIBLE PROJECTS TO BE FUNDED	5
C. FINANCIAL TERMS OF LOANS	5
D. TRANSFER OF FUNDS CWSRF TO DWSRF	6
IV. PROJECT SELECTION AND METHOD FOR DISTRIBUTION OF FUNDS	6
A. PRIORITY LIST.....	6
B. PREFERENCE FOR EXPEDITIOUS ACTIVITIES.....	6
C. ADDITIONAL SUBSIDIZATION.....	6
D. GREEN INFRASTRUCTURE.....	7
E. DISTRIBUTION OF FUNDS TO SET-ASIDE ACCOUNTS.....	7
F. SELECTION OF SYSTEMS TO RECEIVE ASSISTANCE	7
G. PROJECT BYPASS/REALLOTMENT	8
V. SET-ASIDE ACTIVITIES	8
A. ADMINISTRATIVE SET-ASIDE	9
B. 2% SMALL SYSTEMS TECHNICAL ASSISTANCE.....	9
C. 10% STATE PROGRAM MANAGEMENT.....	9
D. 15% LOCAL ASSISTANCE AND OTHER STATE PROGRAMS	9
VI. PROGRAM INCOME	9
VII. ESTIMATED DWSRF CAPITALIZATION GRANT SCHEDULES	10
A. ESTIMATED GRANT DRAW SCHEDULE	10
B. ESTIMATED GRANT DISPERSAL SCHEDULE	10
C. ESTIMATED GRANT DISPERSAL SCHEDULE.....	11
VII. PROJECT LIST	12
VIII. PROJECT DESCRIPTIONS	14

I. Introduction

The first draft of this document was placed on public notice March 9, 2009. In response to comments received on the draft, several significant changes were incorporated in this Intended Use Plan. As a result, this revised IUP is being issued again for public comment.

The most significant changes to the original Plan are the result of solicitation and acceptance of additional projects through April 1, 2009, with particular emphasis on green infrastructure. The overall project list was increased from 10 projects for \$31M to 26 projects for \$118M. We will continue to accept applications throughout the year on a standby basis should the projects we anticipate funding fail to meet the requirements of the SRF and the American Recovery and Reinvestment Act. Additional discussion on the green infrastructure program can be found at Part IV, D. of this document, and more detail on individual green infrastructure projects may be found in Part VIII.

The Safe Drinking Water Act (SDWA) Amendments of 1996 authorized a Drinking Water State Revolving Fund (DWSRF) for the purpose of assisting public water systems to finance the cost of potable water infrastructure. This Intended Use Plan (IUP) accompanies the State of Alabama's application for a \$19,500,000 capitalization grant for the Drinking Water State Revolving Fund (DWSRF) program under the American Recovery and Reinvestment Act (ARRA) of 2009. The U.S. Environmental Protection Agency (EPA) is authorized to award capitalization grants to the States, which in turn administer the DWSRF program. This Intended Use Plan (IUP) describes how the State intends to use available DWSRF program funds for the year to meet the objectives of the SDWA and further the goal of protecting public health.

The State of Alabama is projected to receive a total \$27,646,000 in EPA grant funding that will be used to provide low interest loans from the DWSRF program. A DWSRF Cap Grant of \$19,500,000 under the American Recovery and Reinvestment Act of 2009 (ARRA) legislation which will not require a State match and a projected EPA DWSF capitalization grant of \$8,146,000 for which a 20% State Match requirement applies. The 20% State matching fund requirement is \$1,629,200 and will be fulfilled by an overmatch from previous years' programs.

Alabama's DWSRF is designed to be a perpetual source of low cost financial assistance for the construction of public water supply facilities needed to meet compliance standards and public health requirements. Once ultimate capitalization has been achieved, the program may utilize the direct loan repayments, undedicated interest from the bond debt service reserve funds and construction funds and assets of the Master State Revolving Account as the source funds to fund direct loans.

II. Program Goals

A. Short-term goals

1. Commitment to use the capitalization grant funds to provide assistance to wastewater projects which will proceed quickly to construction, creating jobs and furthering the water quality objectives of the Clean Water Act.
2. To enter into binding commitments for projects, which will proceed to construction or award of construction contracts for 50% of ARRA Capitalization Grant by June 17, 2009.
3. To enter into binding commitments for projects funded by the ARRA Capitalization Grant, which will proceed to construction or award of construction contracts by February 17, 2010.
4. To provide DWSRF loans with principal forgiveness for 50% of ARRA Capitalization Grant for the construction of water treatment and distribution facilities on the DWSRF fundable list.

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

6. To provide low interest loans for the construction of public water supply facilities on the DWSRF Priority List.

7. To implement the State's DWSRF in compliance with the goals of the Safe Drinking Water Act and to ensure conformance with Federal crosscutting issues.

8. To protect the public health and the environment and promote the completion of cost-effective water treatment, storage, and distribution facilities.

B. Long term goals

1. To maintain the DWSRF program and the long-term fiscal integrity of the fund.

2. To provide a self-perpetuating source of low interest loans for the construction of public water treatment and distribution facilities needed to meet the public health goals of the Safe Drinking Water Act.

3. To fund projects which will have a positive impact on public health and ensure compliance with the Safe Drinking Water Act.

4. To assist systems in ensuring affordable water supply.

The Department shall comply with all of the requirements of the Operating Agreement made with EPA dated August 8, 1998, including the assurances contained therein. The Operating Agreement is incorporated by reference.

The Department is in compliance with the operator certification and capacity development regulations, along with the associated reporting requirements.

III. Sources and Uses of Funds:

The Department is expected to fund FY 2009 projects using a combination of interest earnings on the Fund, repayments from direct loans EPA Capitalization Grant and ARRA Capitalization Grant. Match for the EPA cap grant will be provided by excess match pledged in previous years. The estimated sources and uses of funds in the FY 2009 DWSRF program are as follows:

Projected Sources:

2009 EPA DWSRF Cap Grant (Projected):	\$8,146,000
2009 EPA DWSRF Cap Grant – ARRA (Economic Stimulus):	\$19,500,000
<u>Interest Earnings and Repayments:</u>	<u>\$4,425,265</u>
Total:	\$32,071,265

Projected Uses:

Direct Loan Project Fund:	\$15,981,570
Green Infrastructure Assistance:	\$5,233,855
Additional Subsidization (Principal Forgiveness)	\$9,750,000
4-% Administrative Set-Aside:	\$1,105,840
<hr/>	
Total:	\$32,071,265

A. Leveraging

The Department does not intend to issue DWSRF revenue bonds for new projects during FY 2009.

B. Eligible projects to be funded

Eligible projects include the planning, design, and construction of improvements to:

- Rehabilitate or develop water sources to replace contaminated sources;
- Install or upgrade treatment facilities if the project would improve the quality of drinking water to comply with primary or secondary standards;
- Install or upgrade water storage tanks to prevent microbiological contaminants from entering the water system;
- Install or replace distribution pipes to prevent contamination caused by leaks or breaks in the pipe;
- Consolidate water supplies when customers have an inadequate quantity of water, the water supply is contaminated, or the system is unable to maintain compliance for financial or managerial reasons; and
- Other projects meeting the priority objectives of the program.

C. Financial terms of loans

The Fund may offer loans for up to 100 percent of allowable project costs for the construction of water treatment and distribution facilities and may offer a range of options regarding the term, interest rate and level of loan funding. Such loans must be made at or below market interest rates as determined by the Department. Loan interest rates will usually be set approximately 1.5% less than the AAA rated tax exempt municipal bonds.

The total term of the loans shall not exceed 20 years. Repayments shall commence after completion of construction for which such loan was made. Loan repayments shall be made in accordance with the repayment schedule indicated in the borrower's fund loan agreement. Principal and accrued interest with respect to a particular fund loan may be prepaid in accordance with the provisions of the relevant fund loan agreement. Interest shall accrue from the estimated date of the execution of the SRF loan agreement.

Fund loan payments will be disbursed to recipients at intervals as work progresses and expenses are incurred and approved.

The specific terms and conditions of the fund loan shall be incorporated in the fund loan agreement to be executed by the recipient and the Department.

Prevailing Wages

The Department's CWSRF program will require all loan recipients to include in their bidding documents "Supplemental General Conditions for ARRA/SRF Assisted Wastewater Facilities Contracts". The Supplemental Conditions include payment of wages consistent with a wage determination as described in the Davis Bacon Act. This practice fully implements Section 1606 of the ARRA, which prescribes that "all laborers and mechanics employed by contractors and sub contractors on projects funded directly by or assisted in whole or in part by and through the Federal Government pursuant to this Act" shall be paid prevailing wages.

Buy American

Section 1605 of the ARRA requires that none of the appropriated funds may be used for the construction, alteration, maintenance, or repair of a public building or public work unless all of the iron, steel, and manufactured goods used in the project is produced in the United States unless (a) a waiver is provided to the recipient by EPA or (b) compliance would be inconsistent with the United States obligations under international agreements. The Department will include conditions in its assistance agreements to ensure that loan recipients comply with Section 1605 of the ARRA. Procurement Requirements Consistent with the ARRA

D. Transfer of Funds from the CWSRF to DWSRF

The State of Alabama reserves the right to transfer from the Drinking Water State Revolving Fund (DWSRF) capitalization grant it will receive under the ARRA to the CWSRF grant, or from the CWSRF to the DWSRF. The maximum amount allowable for transfer is 33 percent of the DWSRF capitalization grant. This transfer will only occur if there is an insufficient number of fundable projects on the priority list to capture the full amount of ARRA funding.

The State acknowledges that the only transfer of funds that is permissible under the ARRA appropriation is between these two capitalization grants, and commits to manage and expend all funds thus transferred consistent with the requirements of the ARRA

The transfer for the FY 2009 funding cycle would take place before September 30, 2009.

IV. Project Selection and Method for Distribution of Funds

A. Priority List

In order to be considered for DWSRF assistance, projects must be on or added to the Priority List and have a proposed project schedule that coincides with the availability of DWSRF funds. The DWSRF priority list was developed by identifying the priority point rating for each proposed project. The funding of such projects is also subject to the availability of funds.

The State reserves the right to fund projects not on the priority list, on an emergency basis, if funds are available. Emergency projects would include those where some type of failure was unanticipated and requires immediate attention to protect public health. Additionally, supplemental loans may be made to previous recipients as needed to complete segmented projects or to cover cost overruns.

B. Preference for Expeditious Activities

The ARRA requires priority be given to projects that will be ready to proceed to actual construction within 12 months of the date of enactment. In addition, ARRA requires that recipients shall give preference to activities that can be started and completed expeditiously, including a goal of using at least 50 percent of the funds for activities that can be initiated not later than June 17, 2009.

After the Department adopts the DWSRF priority list, it may modify the list or redistribute the available funds to address changing schedules, bid amounts, or failure to meet all requirements of the DWSRF program and the ARRA. The Department may take this action only after providing notice to projects directly affected by the action.

C. Additional Subsidization:

The ARRA requires that not less than 50% of assistance provided is in the form of additional subsidies. The Department will meet this requirement by offering selected borrowers principal forgiveness. The attached project list demonstrates that at least 50% of the ARRA funding for projects will be provided via principal forgiveness. Principal forgiveness will be based on a percentage of each project in relation to total project assistance. Projects with eligible green infrastructure components are expected to receive additional principal

forgiveness as an incentive to incorporate these concepts in the scope of work. Any subsequent revision to this project list will likewise demonstrate that at least 50% of the available funding for projects will be to provide principal forgiveness. The Department has authority to provide additional subsidization to meet the requirements of ARRA by the Code of Alabama Section 22-23B-3.

D. 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 must be used for water or energy efficiency, green infrastructure, or other environmentally innovative activities. The fundable portion of the priority list demonstrates that this percentage is expected to be met by funding projects primarily on the basis of water or energy efficiency. All applicants on the fundable list will be requested by the Department to consider green infrastructure alternatives and will be encouraged to incorporate such practices when determined by the applicant to be feasible. As an added incentive, the Department expects to allocate principal forgiveness in an amount equal to 20% of the ARRA exclusively to green infrastructure projects.

Applications continue to be accepted for funding under the ARRA in the event that any of the identified green infrastructure projects fail to be approved by EPA, resulting in fewer than 20% of the total ARRA funding. Upon review of the application packages, should the Department determine there is an insufficient number of green infrastructure projects on the fundable list, projects will be bypassed in order to pick up projects below the funding line that do incorporate approved green infrastructure components. If there are no projects that meet the definition of green infrastructure on the fundable and non-fundable portions of the priority list, the Department will revise this Intended Use Plan after soliciting a new round of applications. The Department will identify additional qualifying projects and amend its IUP, if changes within this list fall below the 20% objective no later than August 17, 2009.

E. Distribution of Funds to Set-Aside Accounts

EPA provisions allow funds to be set aside from the State Revolving Fund Capitalization Grant for activities such as administration of the SRF Program, operator training and technical assistance, special drinking water projects, and source water assessment. These activities are discussed in "Set-Aside Activities" below.

F. Selection of Systems to Receive Assistance

To the maximum extent possible, the DWSRF gives priority for the use of funds to projects that address the most serious risk to human health and are necessary to ensure compliance with the Safe Drinking Water Act.

The criteria for ranking projects gives priority to projects that:

1. Provide the highest nature of benefit;
2. Benefit the most people per dollar expended;
3. Assist systems most in need on a per household affordability basis as required by the Safe Drinking Water Act; and,
4. Use consolidation with other systems to correct existing deficiencies and improve management.

These considerations are addressed by the Priority Ranking Criteria found in ADEM Administrative Code R. 335-7-13-.10.

Following completion of the ranking process, the priority list will be reviewed to determine if at least 15% of amount projected to be funded is for public water systems which regularly serve fewer than 10,000 people, as required by the SDWA. If this is not the case, the priority list will be adjusted by exchanging the lowest ranking projects above the funding line that serve 10,000 or more with the highest ranking projects below the funding line that serve fewer than 10,000, until the 15% requirement is satisfied.

When two or more projects score equally under the Project Priority System a tie breaking procedure will be utilized. The project with the smallest number of existing customers served will receive the higher ranking.

A project on the fundable portion of the list may be bypassed and the next eligible project funded if it is determined that the project will not be ready to proceed during the funding year. The Department will give the applicant whose project is to be bypassed written notice. Projects that have been bypassed may be funded at a later date when the project is ready to proceed. Should a system on the funded list decline the loan, the next ranked project shall be offered access to all or a portion of these funds.

G. Project Bypass/Reallotment:

The Department may bypass any project on the DWSRF priority list that is not, in the Department's opinion, making satisfactory progress in satisfying requirements for DWSRF assistance. Bypassed projects will be removed from the priority list. In determining whether or not a project is making satisfactory progress in satisfying the requirements for DWSRF assistance, the Department shall use the criteria contained in subparagraphs 1-6) of this paragraph. Funds released through project bypass will be considered as uncommitted and available for redistribution in accordance with this section.

- 1). Any project on the DWSRF Priority List may be bypassed if the applicant fails to submit a complete CWSRF application.
- 2). The Department may use individual project schedules developed by the Department to determine whether or not the project is making satisfactory progress during the fiscal year.
- 3). In order to comply with EPA certification restrictions related to equivalency requirements, it may be necessary to bypass projects which have not complied with Title II requirements and other federal authorities.
- 4). Any project on the DWSRF Priority List may be bypassed if the applicant fails to demonstrate the ability to repay the loan.
- 5). To maintain the fiscal integrity of a leveraged loan program or provide funds for new construction, the Department may choose to bypass projects which involve refinancing of existing debt.
- 6): Projects may be removed from the priority list at the request of the applicant or if the Department finds that the project is ineligible for DWSRF assistance.

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

The Department understands that the U.S. Environmental Protection Agency may deobligate grant funds from states that fail to meet requirements on use of ARRA funds. However, if the State of Alabama is eligible for additional funds made available by a reallotment of ARRA funds, the Department will provide EPA with a list of projects from its project priority list that are immediately prepared to proceed to construction.

V. Set-Aside Activities

In addition to authorizing the infrastructure fund, the SDWA Amendments also emphasize prevention of contamination problems through source water protection and enhanced water systems management. Central to this emphasis is the development of State prevention programs, including source water assessment, protection of drinking water sources through UIC program activities, capacity development and operator training. Alabama will use a portion of its capitalization grant set aside funds for eligible activities.

The department has established specific accounts to allow tracking of expenditures for these activities. The accounts are identified as below:

- 1) 4-% SRF Administrative Set-Aside (fund 245)
- 2) 10-% State Program Management (fund 247)
- 3) Program Management for State Match (funds 955 & 215)
- 4) 2-% Small Systems Technical Assistance (fund 246)
- 5) 15-% Local Assistance and Other State Programs (248)

A. Administrative Set-Aside

SRF Guidelines allow states to set aside 4% of the grant for SRF administrative costs. Administrative funds estimated to be \$1,105,840 will be used to pay costs for personnel, travel and training, equipment, supplies, audit fees, and indirect costs associated with implementing the SRF Program.

B. 2% Small Systems Technical Assistance

The Department will not reserve additional funds from this set-aside for FY 2009.

C. 10% State Program Management

The Department will not reserve additional funds from this set-aside for FY 2009.

D. 15% Local Assistance and Other State Programs

The Department will not reserve additional funds from this set-aside for FY 2009.

VI. Program Income

The Alabama Drinking Water Finance Authority, with ADEM as its agent, assesses a 0.75% fee annually based on outstanding principal. These fees are collected twice a year, when the recipient initiates repayment of the loan. In accordance with EPA regulations, fees collected from loans sourced from outstanding grants will be used for administration of the SRF fund only. All other fees will be used for activities eligible of the DWSRF grant only. The Department expects to receive fees during FY 2009 as follows:

Date	Total Program Income	Program Income Collected During Grant Period	Program Income Collected After Grant Period
2/15/09	\$824,332.09	\$112,363.02	\$729,969.07
8/15/09	\$854,694.76	\$114,823.84	\$739,870.92
Total	\$1,697,026.85	\$227,186.86	\$1,469,839.99

Program income collected after the grant period will be used for administration of the PWSS program, small system technical assistance, Class V UIC program, development of the drinking water operator certification program, capacity development, and wellhead protection programs. The budget for the program income collected after the grant period is as follows:

Personnel	\$594,521.30
Fringe Benefits	\$190,213.30
Travel	\$14,000.00
Equipment	\$0.00
Supplies	\$0.00
Contractual	\$349,200.00
Other	\$73,266.50
Total Direct	\$1,147,934.60
Indirect	\$248,638.89
Total	\$1,469,839.99

VII: Estimated DWSRF Capitalization Grant Schedules

A. Estimated Grant Draw Schedule:

Fiscal Year	Quarter		ARRA Cap Grant	2009 SRF Cap Grant	Total Payment
2009	4th	7/1/09 - 9/30/09	\$2,000,000	\$500,000	\$2,500,000
2010	1st	10/1/09 - 12/31/09	\$3,500,000	\$1,000,000	\$4,500,000
2010	2nd	1/1/10 - 3/31/10	\$3,500,000	\$1,000,000	\$4,500,000
2010	3rd	4/1/10 - 6/30/10	\$3,500,000	\$1,000,000	\$4,500,000
2010	4th	7/1/10 - 9/30/10	\$3,500,000	\$1,000,000	\$4,500,000
2011	1st	10/1/10 - 12/31/10	\$3,500,000	\$1,000,000	\$4,500,000
2011	2nd	1/1/11 - 3/31/11		\$1,500,000	\$1,500,000
2011	3rd	4/1/11 - 6/30/11		\$1,146,000	\$1,146,000
Total			\$19,500,000	\$8,146,000	\$27,646,000

B. Estimated Grant Disbursal Schedule:

Fiscal Year	Quarter		ARRA Cap Grant	2009 SRF Cap Grant	Total Disbursal
2009	4th	7/1/09 - 9/30/09	\$2,000,000	\$500,000	\$2,500,000
2010	1st	10/1/09 - 12/31/09	\$3,500,000	\$1,000,000	\$4,500,000
2010	2nd	1/1/10 - 3/31/10	\$3,500,000	\$1,000,000	\$4,500,000
2010	3rd	4/1/10 - 6/30/10	\$3,500,000	\$1,000,000	\$4,500,000
2010	4th	7/1/10 - 9/30/10	\$3,500,000	\$1,000,000	\$4,500,000
2011	1st	10/1/10 - 12/31/10	\$3,500,000	\$1,000,000	\$4,500,000
2011	2nd	1/1/11 - 3/31/11		\$1,500,000	\$1,500,000
2011	3rd	4/1/11 - 6/30/11		\$1,146,000	\$1,146,000
Total			\$19,500,000	\$8,146,000	\$27,646,000

Payments are defined as increases to the amount of funds available from the federal SRF capitalization grant. This draft payment schedule is based on the State's projection of binding commitments and disbursements from the SRF to the members of the SRF project list. As most of the capitalization grant is expected to be used for direct loans, the disbursement schedule is essentially the same as the grant payment schedule.

The disbursement of funds will be in proportion to the amount of state and federal funds provided by the grant and state match. This will be ensured by disbursing all state match funds prior to drawing capitalization grant funds for project disbursements.

C. Capitalization Grant Budget Periods:

2009 EPA CWSRF Capitalization Grant

July 1, 2009 through June 30, 2013

2009 EPA CWSRF ARRA Capitalization Grant

July 1, 2009 through December 31, 2012

VII. Project Fundable List

Community Served	Project Name	Population Served	Priority Point Rank	Type of Assistance	Assistance Amount	ARRA Assistance Amount	Subsidization Amount (Principal forgiveness)	Green Infrastructure Amount	Estimated Contract Date	Estimated Project Completion
Weaver	Well and Storage Tank	2,619	121	DWSRF Loan/Principal Forgiveness	\$1,281,000	\$832,204	\$433,440		12/1/2009	6/30/10
Birmingham	Shades Mountain Water Treatment Plant Improvements	600,000	107	DWSRF Loan/Principal Forgiveness	\$10,000,000	\$6,496,521	\$3,383,604		7/1/2009	4/10/11
Millport	Millport Drinking Water Well	1,160	93	DWSRF Loan/Principal Forgiveness	\$290,000	\$188,399	\$98,125		6/1/2009	12/31/09
Dothan	West Side Water Tank and Connecting Main	70,000	91	DWSRF Loan/Principal Forgiveness	\$4,176,000	\$2,712,947	\$1,412,993	\$680,000	5/1/2009	6/1/10
Decatur	Water System Improvements	55,000	89	DWSRF Loan/Principal Forgiveness	\$6,000,000	\$3,897,912	\$2,030,163	\$550,000	9/1/2009	2/28/11
Hanceville	Walter Water Authority Water Line Upgrade	1,116	85	DWSRF Loan/Principal Forgiveness	\$466,000	\$302,738	\$157,676		8/15/2009	1/15/10
Troy	Utility Complex Elevated Storage Tank Painting	16,000	80	DWSRF Loan/Principal Forgiveness	\$325,000	\$211,137	\$109,967		12/8/2009	4/26/10
Dauphin Island	Reverse Osmosis Treatment Facility, Deep Well and 1 MG Storage Tank	6,860	79	DWSRF Loan/Principal Forgiveness	\$6,277,425	\$4,078,142	\$2,124,032	\$4,003,855	7/15/2009	7/1/10
Albertville	Water Treatment & Distribution Improvements			DWSRF Loan/Supplemental	\$2,150,000					
10 Projects					\$30,965,425	\$18,720,000	\$9,750,000	\$5,233,855		
					Percentage %	60.5%	*50%	*26.8%		

* Full ARRA Cap Grant

** Based on even distribution of principal forgiveness.

Actual Distribution will differ based on Green Infrastructure (See Part IV. D.)

DWSRF Projects Below Funding Line

Community Served	Project Name	Population Served	Priority Point Rank	Assistance Amount	Estimated Contract Date
Birmingham	Fairview Community Project	735	78	\$973,000	10/1/2009
Birmingham	Inglenook Community Project Phase I	600,000	78	\$845,000	10/1/2009
Childersburg	Water System Improvements	10,200	69	\$2,282,404	9/1/2009
Guntersville	Sunset Water Treatment Plant Improvements	8,300	65	\$9,400,000	9/1/2009
Bay Minette	White House Water System Improvements	6,000	65	\$988,000	9/1/2009
Moulton	Hwy 157 Water Line Improvements	3,265	61	\$1,092,246	4/1/2009
Clay County	Clay County Water Authority Water Treatment Plant Upgrade	5,500	60	\$1,908,871	1/1/2010
Grant	North Marshall Utilities Water System Improvements	4,000	60	\$8,000,000	4/1/2009
Oneonta	Water Treatment Plant Improvements	10,500	59	\$12,170,000	8/1/2009
Remlap	Remlap-Pine Mountain Water Wells and Filters	2,340	55	\$1,280,074	6/1/2009
Fort Payne	John Raines Filter Plant Wastewater Treatment Improvements	19,500	50	\$1,823,744	8/15/2009
Boaz	Water System Upgrades	4,700	39	\$1,156,900	9/1/2009
Russellville	H.E. Nell, III Water Treatment Plant Auxiliary Power	24,631	37	\$1,450,000	6/26/2009
Russellville	Infrastructure Upgrade Phase I	24,631	37	\$3,550,000	7/8/2009
Russellville	Adams Street Booster Pump Station Modifications	24,631	37	\$197,000	7/26/2009
Russellville	Pilgrim's Pride Water Line Upgrade	24,631	37	\$3,388,000	5/26/2009
Hartselle	Bethel Road Water Main and Water Storage Tank	14,800	23	\$3,150,000	7/6/2009
				\$53,655,239	

VIII Project Descriptions

Dauphin Island Reverse Osmosis Treatment Facility, Deep Well and Storage Tank: The Dauphin Island Water and Sewer Authority is proposing the construction of infrastructure improvements to their potable water system to address water quality treatment issues and to meet the increased production demands of the system. The proposed construction consists of the development of a new raw water groundwater source and the completion of a new production well, a Reverse Osmosis treatment facility, SCADA system, laboratory and office building, a raw water transmission main, a distribution water main, and stand-by emergency generators. Additional construction will consist of a one million gallon water storage tank with necessary appurtenances. The planned system improvements are vital to allow the water system to continue to provide safe and reliable potable water to the resident of Dauphin Island.

Green Infrastructure Reserve Descriptions

- Energy Efficiency and Environmentally Innovative Project - The Reverse Osmosis Treatment building will be designed using EPA Energy Performance Building Guidelines for Commercial Buildings. A Building Energy Performance Specification with estimated energy use target and compliance schedule will be included in the construction documents. Components of the design:
 - Passive solar design technology for heating, cooling and lighting
 - Solar water heating
 - Energy efficient and environmentally friendly insulation.
 - Photovoltaic technology for converting sunlight into electricity to provide power for lighting and appliances.
 - Energy efficient Variable Frequency Drive (VFD) Pumps.
- Energy Efficiency – SCADA System

Green Infrastructure Costs \$4,003,855

Weaver Well and Storage Tank: The City of Weaver is proposing to develop and construct a new groundwater well source to supplement the production of the two existing well sources. The construction of this project will consist of the completion of a new production well, associated water treatment facility and a new emergency power generator at the treatment plant site. One existing well source is experiencing turbidity problems and the second well source has limited production due to slow aquifer recharge. In addition, the scheduled potable water system improvements will include a new 350,000 gallon ground storage tank to provide adequate water storage to comply with the current ADEM Drinking Water Branch guidelines.

Shades Mountain Water Treatment Plant Improvements: The Birmingham Water Works Board is proposing to implement Phase II construction of scheduled improvements to the Shades Mountain water filter plant. The Birmingham Water Works Board has undertaken continued necessary improvement to the Shades Mountain WTP to achieve enhanced potable water treatment and to improve the reliability of the facility by replacing aged equipment. Proposed construction will include upgrades to two clearwells, finished water pump station, transfer pump station, yard and site piping, plant security, electrical and landscaping. The scheduled plant improvements are viewed as essential to ensure compliance with existing and future anticipated USEPA/ADEM Safe Drinking Water Program regulations.

Millport Drinking Water Well: The Town of Millport is proposing to develop a new groundwater source to provide citizens with drinking water to meet the current and future demands of the potable water system. The project consists of the construction of a new well source and associated treatment equipment to ensure that Millport will be able to sustain the needed water production to satisfy the demands placed on the water system.

Dothan West Side Water Tank and Connecting Main: The City of Dothan is proposing the construction of a new elevated water storage tank and related appurtenances on the West Side of the Dothan service area. The proposed construction will consist of a 1.5 million gallon elevated potable water storage facility intended to resolve low operating pressures in the distribution system during periods of peak demands on the water system. The West Side portion of the Dothan water system is also experiencing inadequate fire flows and pressure requirements. A 16-inch connecting water main will be constructed to connect the new water tank to the existing distribution system. This project is essential to providing the required storage capacity to meet the daily system demands and to address low residential service pressures during peak consumption demands.

Green Infrastructure Reserve Descriptions

- Energy Efficiency
 - Increase sizing of water transmission main to reduce water pumping usage reducing energy costs in delivery of water to tank.
 - Solar panels to operate SCADA system and tank lights.
 - Xeriscape landscaping at tank site will eliminate maintenance of grass.

- Green Infrastructure
 - Stormwater retention pond to prevent runoff.
 - Access road constructed with porous materials.

Green Infrastructure Costs \$680,000

Decatur Water System Improvements: Decatur Utilities is proposing various improvements to the Decatur Water Treatment Plant (WTP) to ensure that the WTP facility will maintain compliance with all current and future safe drinking water regulations. The scheduled improvements consist of: replacement of wash water piping for filters 1-4, purchase and install new back-up generator, lead paint abatement in the filter gallery, SCADA system for the WTP and to perform an Optimization Study for the WTP. Additionally, this project will provide for the installation of SCADA/Telemetry equipment for all the water storage tanks in the Decatur water system.

Green Infrastructure Reserve Descriptions

- Energy Efficiency
 - Natural gas generator.
 - Solar battery for miscellaneous controls and lighting.
 - SCADA/Telemetry system for WTP and distribution water tanks for operational efficiencies and reduce carbon emissions.
- Energy Efficiency/Environmentally Innovative
 - Sludge reduction through alternative technology.
 - Chemical use through alternative technology.

Green Infrastructure Costs \$550,000

Walter Water Line Upgrades: The Walter Water Authority is proposing a project to relocate a pressure reducing valve (PRV) to a new upstream location. Additional construction will consist of upgrading 1,000 L.F. of existing 6-inch water main to 8-inch CL 350 ductile iron and 15,000 L.F. of existing water main to 8-inch CL 200 PVC water main to handle the additional pressure and flow in the water mains as a result of relocating the PRV. The PRV valve relocation will also transfer 60 customers to the new water main.

Troy Elevated Storage Tank Painting: The City of Troy is proposing a project to refurbish and recoat the Troy Utility Complex elevated water storage tank. The proposed project will consist of the interior and exterior preparation and recoating of the 500,000 gallon elevated storage facility. Due to the presence of lead in the exterior paint, lead abatement procedures will be implemented. A new interior recoating will be necessary to maintain the quality of the potable water prior to distribution to the public for consumption. In addition, several needed maintenance deficiencies will be addressed in this recoating project.

Albertville Water Treatment Plant and Distribution Improvements: The project includes improvements to address raw water transmission deficiencies, hydraulic restrictions at the treatment plant, aging treatment facilities and equipment, lack of sufficient clearwell storage, finished water pumping deficiencies and hydraulic restrictions in the distribution system that limit the system's ability to comply with water quality standards and meet current peak demands. Improvements include: installation of a new 30-inch raw water transmission main, additional plates or tubes installed for increased pre-treatment, and filter rehabilitation. Also proposed is the construction of a new 2-MG clearwell, finished water wet well and pump station and chlorine scrubber to serve both WTPs. Four (4) miles of new finished water transmission main will also be constructed between the WTP and US Highway 431 to improve transmission to the far southern side of the water system..