

**NEW JERSEY DEPARTMENT OF  
ENVIRONMENTAL PROTECTION**

**DRINKING WATER  
STATE REVOLVING FUND**

**FINAL PRIORITY SYSTEM,  
INTENDED USE PLAN,  
PROJECT PRIORITY LIST  
AND RESPONSE DOCUMENT**

**FEDERAL FISCAL YEARS 1999/2000**

May 1999

Christine Todd Whitman  
Governor

Robert C. Shinn, Jr.  
Commissioner

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M E M O R A N D U M

TO: Community Water Supply Systems  
Nonprofit Noncommunity Water Supply Systems  
County and Municipal Health Authorities  
Environmental Groups  
Engineering Consultants

FROM: Shing-Fu Hsueh, Administrator  
Water Supply Administration

SUBJECT: Drinking Water State Revolving Fund Final Priority System,  
Intended Use Plan, Project Priority List and Response Document for Federal  
Fiscal Year 1999/2000

DATE: May 21, 1999

This "Drinking Water State Revolving Fund Final Priority System, Intended Use Plan, Project Priority List and Response Document for Federal Fiscal Year 1999/2000" (IUP) was initially proposed on November 17, 1998 with a public hearing held on January 12, 1999, and public comments received through February 1, 1999.

The Safe Drinking Water Act (SDWA) Amendments of 1996 authorized a Drinking Water State Revolving Fund (DWSRF) to assist publicly and privately owned community water systems and nonprofit noncommunity water systems to achieve or maintain compliance with SDWA requirements, and to further the public health objectives of the SDWA. The DWSRF is administered as a component of the Environmental Infrastructure Financing Program which also administers the state's Clean Water State Revolving Loan Fund.

States must file capitalization grant applications each year with the USEPA to secure an allotment of federal funds needed to initialize and to continue the DWSRF at the State level. The central component of the State's application to the USEPA is the attached IUP. The IUP describes how the State intends to spend the federal grant moneys, including both project and non-project set-aside expenditures. The non-project set-asides are allowed by the DWSRF for activities that are not construction related, e.g., administration, public water system supervision, technical assistance for small systems, operator certification, capacity development, source water assessment and wellhead protection programs. Project expenditures typically involve loans by the DWSRF to water systems for planning, design and construction of drinking water facilities.

Please note that the loan application submittal date for FFY2000/SFY2001 has been revised as shown on page 10 and Appendix A. In addition, the Department is reserving the authority for \$2,181,864 in set-aside monies for small system technical assistance and for state program management to be utilized under a future IUP. These funds will be used for construction projects. The Department is developing the various set-aside programs and will not need the funds for those set-asides until a later date. Also, deletions and revisions were made to the project priority list as read into record at the public hearing.

The final IUP contains revisions made in response to comments received from the USEPA, and includes the Department's response document. No comments were received from the public.

Should you have any questions regarding the IUP or the proposed DWSRF program, please contact Philip Royer, Josephine Craver, or Roger Tsao at the Bureau of Safe Drinking Water at (609) 292-5550, or fax (609) 292-1654.

#### Attachments

c: USEPA Region II, Bruce Kiselica, Chief, Drinking Water Section  
USEPA Region II, Robert Gill, SRF Coordinator  
Drinking Water Quality Institute, Richard Sullivan, Chairman  
USDA, Rural Development, Mike Kelsey, Director, Community and Business Programs  
NJAWWA, Frank Moritz, Section Chair  
NJ Rural Water Association, Rick Howlett, Program Manager  
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NJ Office of State Planning, Charles Newcomb, Assistant Director  
NJ Department of Community Affairs, Christine Zopicchi, Chief, Local Government Services  
Board of Public Utilities, Mike Gallagher, Director  
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Assistant Commissioner Ray Cantor, NJDEP, Land Use Management and Compliance  
Assistant Commissioner Robert Tudor, NJDEP, Environmental Planning and Science  
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Assistant Director Nicholas G. Binder, NJDEP, Municipal Finance and Construction Element  
Chief Barker Hamill, NJDEP, Bureau of Safe Drinking Water  
Executive Director Dirk C. Hofman, NJEIT

## OVERVIEW

The Safe Drinking Water Act (SDWA) Amendments of 1996 authorized a Drinking Water State

Revolving Fund (DWSRF) to assist publicly owned and privately owned community water systems and nonprofit noncommunity water systems to finance the costs of infrastructure needed to achieve or maintain compliance with SDWA requirements and to protect the public health in conformance with the objectives of the SDWA. The DWSRF is administered as a component of the Environmental Infrastructure Financing Program (EIFP) which also administers the state's Clean Water State Revolving Fund (CWSRF). The Clean Water component of New Jersey's EIFP provides low interest loans to publicly owned systems for planning, design and construction of wastewater treatment facilities and other water quality improvement projects under the federal Clean Water Act and state law. This successful program has financed projects with total loans of over \$1.46 billion since 1987. The SDWA authorized a total of \$9.6 billion nationally for the DWSRF through Federal Fiscal Year (FFY) 2003. Congress appropriated \$775 million for FFY1999 for the DWSRF; the United States Environmental Protection (USEPA) allotment is estimated at \$18.2 million to New Jersey for FFY1999. The results of the 1995 Drinking Water Infrastructure Needs Survey ultimately determined the FFY1999 allotment to New Jersey. Funds available to the State for FFY2000 appropriations and beyond will be allotted according to a formula that is reflected in the most recent Needs Survey conducted pursuant to Section 1452(h) of the SDWA. Therefore, the continued involvement of the water systems in New Jersey to participate in future Needs Surveys directly impacts future DWSRF allotments.

This document serves as the New Jersey Department of Environmental Protection's (NJDEP) Priority System, Intended Use Plan (IUP) and Project Priority List and has several purposes regarding the use of anticipated federal funds, including:

- 1- the establishment of the ranking criteria under which DWSRF projects will be ranked and placed on the Priority List;
- 2- the establishment of program requirements and document submittal deadlines for award of DWSRF loans in State Fiscal Year (SFY) 2000 (i.e., November 1999) using FFY1999 and funds from previous federal capitalization grant funds;
- 3- the establishment of program requirements and document submittal deadlines for award of DWSRF loans in SFY2001 (i.e., November 2000) using FFY2000 and funds from previous federal capitalization grant funds; and
- 4- the establishment of the proposed uses of the set-asides using FFY1999 and FFY2000 federal capitalization grant funds.

The Priority System includes the project ranking criteria. Section 1452 (b) of the SDWA requires each State to prepare an Intended Use Plan annually to identify the use of funds in the DWSRF and describe New Jersey's planned use of its allotment of federal moneys authorized by the SDWA Amendment. The IUP details how the State of New Jersey proposes to finance projects to be included in New Jersey's program and which are to be managed by NJDEP, with respect to the FFY1999 and FFY 2000 capitalization grants. The NJDEP intends to apply for the DWSRF grants including both project and nonproject set-aside expenditures. The nonproject set-asides provide for

DWSRF activities that are not construction related and include administration of the DWSRF, technical assistance for small systems, operator certification, capacity development and source water protection. Project expenditures involve loans made by the DWSRF to water systems for the planning, design and construction of drinking water facilities.

A major step for implementation of New Jersey's DWSRF program was NJDEP's adoption of rules (N.J.A.C. 7:22) on August 3, 1998 in accordance with the Drinking Water State Revolving Fund Program Guidelines by USEPA dated February 1997.

The DWSRF program will be jointly managed by the Bureau of Safe Drinking Water and other Water Supply programs, the Municipal Finance and Construction Element of the Division of Water Quality and the New Jersey Environmental Infrastructure Trust (the Trust, formerly known as the New Jersey Wastewater Treatment Trust).

With passage of S468 on June 23, 1997 by the Legislature and signed by Governor Whitman on August 20, 1997, which amended the 1985 New Jersey Wastewater Treatment Trust Act, the New Jersey Environmental Infrastructure Trust was authorized to finance not only wastewater, combined sewer and stormwater management projects but water supply systems as well. In addition, the legislation allows the Trust to provide financing not only to publicly owned drinking water systems but also to privately owned systems.

In addition to the amendments to the Trust Act, the Legislature also passed amendments to the 1981 Water Supply Bond Act and the 1989 Stormwater Management and Combined Sewer Overflow Abatement Bond Act. These amendments allow a portion of the already approved bond act funds to be made available to the Environmental Infrastructure Trust. Through leveraging by the Trust (that is, the sale of revenue bonds, the proceeds of which are loaned to project sponsors), the State is able to provide low interest loans to far more projects than if leveraging was not done. It should be noted that the 1981 Bond Act authorized financing only to publicly owned systems, and the amendments did not change this. Notwithstanding, this amendment allows the State to provide the 20 percent match to the federal capitalization grant funds, a condition under both the Clean Water and the Drinking Water SRF programs.

The initial legislative appropriation and authorization bills for the first funding cycle of the DWSRF program was introduced in the spring of 1998 and included funding to publicly and privately owned water systems. Legislative appropriation and authorization bills will be introduced each spring for each funding cycle. The DWSRF program closed on eight loans (\$39 million) for the initial funding cycle in escrow in September 1998, in tandem with the clean water component of the Environmental Infrastructure Treatment Financing Program, with loans being fully executed in November 1998.

NJDEP may move funds among set-aside activities or from the set-aside account(s) to the Fund after receiving an approved amendment to the capitalization grant where permissible.

The Safe Drinking Water Act Amendments of 1996 offers NJDEP the flexibility to meet the funding needs for drinking water and wastewater facilities by transferring funds from one SRF program to

the other. An amount up to 33% of the Drinking Water Capitalization Grant may be transferred from the CWSRF program to the DWSRF program, or vice versa. Funds may be transferred after one year has elapsed from the first DWSRF Capitalization Grant award (September 11, 1998). No transfers may take place after October 1, 2001. The USEPA has issued guidance that would allow utilization of transfer credits and transfer of funds on a net basis (i.e., funds could be moved in both directions), provided that the final transferred amount does not exceed the authorized ceiling. NJDEP is proposing to transfer up to the maximum amount authorized from the CWSRF loan repayments to the DWSRF, as needed, as long as it doesn't jeopardize the ability to fund clean water projects. See Table 4 for the impacts of the transfer on program's available monies. Currently every eligible project under the CWSRF program that meets the program requirements and deadlines and is ready to proceed will be able to receive a CWSRF loan.

Under the current Environmental Infrastructure Financing Program structure, repayments of clean water loans that have been awarded in past years by the Trust and NJDEP are available for the repayment of the Trust's bonds. Given the significant amounts that are being annually repaid on these loans, as well as other features of the financing program, all three of the bond rating agencies (Fitch, Moody's, Standard and Poor's) have given the Trust's bonds the highest rating possible. The higher the bond rating, the lower the interest rate on the bonds and, therefore, the lower the cost to the loan recipients. For example, for the initial funding cycle of the DWSRF, the EIFP successfully sold bonds at 4.5% for the 1998A series and 4.7% for the 1998B series (AMT).

Final federal legislation has been passed to allow cross-collateralization between the federal clean water and drinking water programs. The Environmental Infrastructure Financing Program has received USEPA's approval (the first in the country to do so) to utilize this option in its financing structure for both the Drinking Water and Clean Water SRF Programs.

Under the cross-collateralization option, repayments of loans from either fund MAY be used to cover any default in loan repayments. The ability to use this feature between the clean water and drinking water programs will result in significant savings to the project sponsors, particularly the drinking water project sponsors since there is not a large pool of loan repayments available for this new program. However, the State's proposed cross-collateralization would involve only a temporary use of funds from the CWSRF and the DWSRF or vice versa if a default in loan repayment did occur (which, to date, has not occurred under the clean water program). Further, the Trust and NJDEP would take steps to collect the defaulted loan repayments, and the appropriate drinking water or clean water fund would be reimbursed.

## **PRIORITY SYSTEM**

### **I. Priority List - General**

Placement on the Project Priority List is a prerequisite to be considered eligible for financial assistance and **all eligible projects for FFY1999 must be on this year's project priority list.** In

accordance with the NJDEP's Call for Projects, mailed on June 8, 1998, to all community and nonprofit noncommunity water systems, the Project Ranking Forms were due to the NJDEP on or before August 28, 1998, in order for a project to be placed on the current Project Priority List for this funding cycle (November 1999 loans). The Call for Projects for future funding cycles will be continuous. The Project Priority List will be created using the Project Ranking Form (see Appendix A) submitted by potential applicants. The prospective applicant has the responsibility of submitting all the required application material in a timely manner. As indicated on page 10 the FFY1999 standard schedule projects were required to submit planning documents by April 24, 1998 and design documents by November 2, 1998. The "second chance" projects were required to submit all planning and design documents by February 1, 1999. The FFY1999 standard schedule and second chance projects were required to submit all loan applications by March 1, 1999, in order to be considered for funding in the SFY2000 funding cycle (November 1999 scheduled financing) of the DWSRF program.

Failure of a prospective applicant to submit complete planning, design and application documents within the time periods specified by this IUP will result in NJDEP bypassing the project in favor of other priority project(s) which are ready to proceed.

Presently there are 213 projects totaling \$428 million on the Project Priority List.

## II. Ranking Methodology

NJDEP will rank all eligible projects according to the total number of points each project receives and will subsequently place the projects on the Project Priority List according to their ranking. The projects with the higher number of points rank above those with lesser points. Due to annual addition of new projects to the Project Priority List, or to periodic revisions to the Priority System, individual project rankings may change annually. For projects which include multiple elements as listed in priority Category A below, projects will be separately listed by the elements involved, and priority points will be assigned for each element.

Priority points will be assigned only if the project scope includes actual repair, rehabilitation, correction of a problem or improvement clearly related to priority Category A. A project must be assigned points from Category A to be eligible for ranking, points assigned from the remaining categories are in addition to the points received in Category A.

The prospective applicant must notify NJDEP of any changes to project scope or any other circumstance which may affect the calculation of priority points. NJDEP shall then recalculate, if appropriate, the prospective applicant's ranking utilizing the new information submitted and revise the priority ranking accordingly.

The principal elements of the Priority System are: A) Compliance and Public Health Criteria, B) Approved Drinking Water Infrastructure Plan, C) Conformance with the New Jersey State Development and Redevelopment Plan, D) Affordability and E) Population. Points are assigned for



each of the five priority categories discussed below, as applicable:

A. Compliance with Safe Drinking Water Act (SDWA) and Protection of Public Health

DWSRF funds are to be utilized to address contamination problems and to ensure compliance with the SDWA requirements. Priority is given to water systems in non-compliance with the surface water treatment requirements and those incurring acute, primary or action level violations as defined in the SDWA, and the NJSDWA rules (N.J.A.C. 7:10). Table 1 describes the sixteen project elements that are eligible for DWSRF funds:

Table 1

- |   |         |
|---|---------|
| 1. Systems which utilize surface water, that are not in compliance with the surface water treatment requirements or have had any acute violations (either fecal coliform or nitrates) and have been issued an administrative order, directive or recommendation by NJDEP requiring the correction of any noncompliance of its treatment facilities to address an immediate public health threat   | 500 pts |
| 2. Systems which utilize groundwater under the direct influence of surface water, that are not in compliance with the surface water treatment requirements or have had any acute violations (either fecal coliform or nitrates) and have been issued an administrative order, directive or recommendation by NJDEP requiring the correction of any noncompliance of its treatment facilities to address an immediate public health threat | 350 pts |
| 3. Systems which utilize groundwater that have had any acute violation (either fecal coliform or nitrates)  | 300 pts |
| 4. Systems which have had any maximum contaminant level violations (except acute violations) or exceedance of action levels (lead and copper rule)  | 200 pts |
| 5. Systems that have lost well capacity due to cutbacks in Critical Area #1 or 2 or due to saltwater intrusion and a solution is needed to preserve the aquifer as a viable aquifer   | 175 pts |
| 6. Purchase of a water system to comply with the SDWA for capacity development  | 150 pts |
| 7. Extension of water mains to private wells that have had any maximum contaminant level violations or exceeded lead and copper action levels   | 125 pts |
| 8. Existing treatment facilities that need to be rehabilitated, replaced  |         |

- |   |         |
|---|---------|
| or repaired to ensure compliance with the SDWA  | 100 pts |
| 9. Existing transmission or distribution mains with appurtenances that need to be rehabilitated, replaced, repaired or looped to prevent contamination caused by leaks or breaks in the pipe or improve water pressures to maintain safe levels or to ensure compliance with the SDWA   | 75 pts  |
| 10. Existing pump stations or finished water storage facilities that need to be rehabilitated or replaced to maintain compliance with the SDWA  | 60 pts  |
| 11. New finished water storage facilities or pump stations that are needed to maintain pressure in the system and/or prevent contamination  | 50 pts  |
| 12. Systems which have had any exceedance of any secondary drinking water regulations that have received notification issued by NJDEP that exceedance of a secondary drinking water regulation causes adverse effects on the public welfare, and for which the system has received a directive issued by the NJDEP requiring correction of the exceedance | 45 pts  |
| 13. Construction of new or rehabilitation of existing interconnections between water systems to improve water pressures to maintain safe levels or to ensure compliance with the SDWA   | 30 pts  |
| 14. Replacement or installation of new water meters   | 25 pts  |
| 15. Redevelop wells or construct new wells to meet the New Jersey SDWA rules for required pumping capacity  | 15 pts  |
| 16. Other project elements, not including items 1 through 15 above, that ensure compliance with the SDWA and protect public health, as approved by NJDEP  | 1 pt    |

#### B. Approved Drinking Water Infrastructure Plan

Planning water system improvements that advance comprehensive water supply concepts can facilitate cost effective drinking water system improvements. To provide an incentive to plan in this way, priority points will be given to each project that implements the actual repair, rehabilitation, correction of a problem, or improvement clearly identified in a five year master plan or five year

capital improvement plan acceptable to NJDEP, or that is linked to a comprehensive water supply plan for a particular region or watershed acceptable to NJDEP. Points are assigned as follows:

1. 50 priority points will be assigned to a water system that connects to a regional solution that is contained in a comprehensive water supply plan for a particular region or watershed acceptable to NJDEP.
2. 25 priority points will be assigned to a water system that has a local five year master plan or five year capital improvement plan, or that is linked to a comprehensive water supply plan for a particular region or watershed acceptable to NJDEP. The plan should contain a description of the components of the system, population growth estimates, testing done, current deficiencies, immediate recommendations, recommendations for the next five years and a map of the distribution system.

### C. State Development and Redevelopment Plan

NJDEP seeks to coordinate and enhance the State Planning Commission’s (SPC) efforts to implement the State Development and Redevelopment Plan. NJDEP assigns points to projects in municipalities the SPC has approved under the Center Designation Process. Points are also given to distressed areas. Points are assigned as shown in Table 2.

Table 2

1. Distressed areas that have an endorsed Strategic Revitalization Plan	20 pts
2. Urban Centers	10 pts
3. Regional Centers	5 pts
4. Towns	3 pts
5. Villages	2 pts
6. Hamlets	1 pt

Contact the N.J. Office of State Planning, Department of Community Affairs, 33 West State Street, 4th floor, P.O. Box 204, Trenton, N.J. 08625-0204 or call (609) 292-7156 for further information on the State Development and Redevelopment Plan.

Please note for water systems that service more than one municipality, the municipality that has the highest population will be counted for this category.

### D. Affordability

The purpose of the affordability criteria is to determine which project sponsors' water systems are eligible for additional points under the Affordability Category.

Affordability is the degree of need for financial assistance based upon the New Jersey median household income compared to the municipal median household income (MHI). Affordability is determined by the following formula:

$$\frac{\text{Municipal MHI}}{\text{Statewide MHI}} \times 100 = \text{Affordability Factor}$$

Points are assigned as follows:

- |  |        |
|--|--------|
| 1. Affordability factor of 100 or greater        | 0 pts  |
| 2. Affordability factor from 85 through 99       | 15 pts |
| 3. Affordability factor from 66 through 84       | 30 pts |
| 4. Affordability factor less than or equal to 65 | 80 pts |

The median household income of the municipality which the water system serves and the Statewide median household income will be determined from income data in the most recent United States census.

The NJDEP has determined that for the purposes of the DWSRF Program, a municipality whose median household income is 35% or more below the State's MHI, shall be considered a Disadvantaged Community, and will receive 80 priority points, which are proportionately greater than the other affordability factor points. (New Jersey's MHI is \$40,927 from the 1990 Census.)

A weighted MHI will be calculated for a project sponsor whose water system serves more than one municipality, as shown in the example below.

Example

Municipalities served	MHI	Population served	Fraction of total population served	Weighted municipal MHI
Lancaster	30,000	5,000	.167	5,000
Mayberry	20,000	10,000	.333	6,660

Holmeville	25,000	15,000	.500	12,500
Total		30,000	1.00	<b>24,160</b>

Population served for resort communities will be calculated by the following equation:

$$\frac{(2 \times \text{Winter Population}) + \text{Summer Population}}{3} = \text{Avg. Population}$$

Please note for water systems that service more than ten municipalities, the ten municipalities that have the highest populations served will be considered in the above table for the affordability factor.

The revisions to Categories C and D in this IUP will cause a recalculation of priority points assigned to the projects included on the comprehensive Project Priority List.

#### E. Population

As a tie breaker, projects will be assigned points based on the permanent population of the water system service area. In the instance of a resort community where the summer and winter populations vary greatly, the permanent population will be calculated by taking the sum of twice the winter population and once the summer population and dividing by three. For water systems that service more than one municipality, total all the permanent population served in the multiple service areas. Priority points will be calculated as the permanent population served by the water system divided by 100,000, expressed as a decimal. In the event that projects remain tied, the project which serves a greater proportionate population in the water system's area will be given higher priority.

### **INTENDED USE PLAN**

This IUP provides information on funds available through the Drinking Water SRF Program to provide financial assistance for projects using FFY1999 and FFY 2000 capitalization grants, state match and Trust bond proceeds. Placement on the Project Priority List is a prerequisite to be considered eligible for financial assistance. Projects will be certified for funding based on the Project Priority List rank, amount of available funds, and compliance with the Program's requirements and deadlines for completion of planning, design and loan application. Any projects that are not ready to proceed during the funding year will be bypassed, but will remain on the Project Priority List and thus be eligible to pursue loan awards in a future funding cycle. This IUP provides an opportunity for those interested to be on the FFY 2000 priority list and for second chance applicants for

FFY1999. Project sponsors must meet one of the three program schedules established below in order to be funded:

	<u>FFY1999</u> <u>Standard Schedule</u>	<u>FFY1999</u> <u>“Second Chance” Schedule</u>	<u>FFY2000</u> <u>Standard Schedule</u>
Commitment Letter	February 2, 1998	February 1, 1999	February 1, 1999
Planning Documents	April 24, 1998	February 1, 1999	June 7, 1999
Design Documents	November 2, 1998	February 1, 1999	February 7, 2000
Loan Application	March 1, 1999	March 1, 1999	March 13, 2000
Loan Award	November 1999	November 1999	November 2000

The FFY1999 Standard Schedule (i.e., for loan awards in November 1999) was previously published in the NJDEP’s initial IUP for the DWSRF Program proposed in November 1997.

Please note that the prospective applicants that are in compliance with the FFY1999 Standard Schedule will be given priority over the FY1999 “Second Chance” prospective applicants, except the NJDEP will first finance projects for the small systems up to 15% of the DWSRF funds, in accordance with Section III, Small Systems, of this IUP.

Beginning with the FFY1999 “Second Chance” and the FFY2000 Standard Schedules, all prospective applicants are required to attend a preplanning meeting with the NJDEP, Municipal Finance and Construction Element, prior to the prospective applicant’s submission of a Commitment Letter. The purpose of the preplanning meeting includes discussion of DWSRF Program requirements and schedules and the prospective applicant’s project(s) and schedules. After the preplanning meeting, those prospective applicants desiring to pursue project financing through the DWSRF Program may submit a Commitment Letter to the NJDEP and proceed according to the applicable schedule.

An acceptable planning documentation submittal must consist of a complete project report, the appropriate environmental planning documentation for the level of environmental review determined applicable by NJDEP, complete cultural resources survey documentation, documentation of completed public participation activities, and the results of preliminary coordination activities with lead agencies regarding environmental and permit reviews.

## I. Eligible Systems and Projects

### A. Eligible Systems

Drinking water systems that are eligible for DWSRF assistance are community water systems, both privately and publicly owned, and nonprofit noncommunity water systems. Federally owned systems and State owned systems (State agencies, such as state police, parks and forestry, corrections) are not eligible to receive DWSRF assistance. However, State authorized systems (water commissions, water supply authorities, water districts) are eligible to receive DWSRF

assistance.

## B. Eligible Projects

### 1. Compliance and public health

The DWSRF may provide assistance only for expenditures (not including monitoring, operation, and maintenance expenditures) which will facilitate compliance with national primary drinking water regulations applicable to the system or otherwise significantly further the health protection objectives of the SDWA.

Projects to address SDWA health standards that have been exceeded or to prevent future violations of the rules are eligible for funding. These include projects to maintain compliance with existing regulations for contaminants with acute health effects (e.g., the Surface Water Treatment Rule, the Total Coliform Rule, and nitrate standard) and regulations for contaminants with chronic health effects (e.g., Lead and Copper Rule, regulated inorganics, volatile organics and synthetic organics, total trihalomethanes and radiological contaminants).

Projects to replace aging infrastructure are also eligible if they are needed to maintain compliance or further the public health protection goals of the SDWA. Examples of these include projects to:

- rehabilitate or develop sources (excluding reservoirs, dams, dam rehabilitation and water rights) 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 drinking water standards;
- install or upgrade storage facilities, including finished water reservoirs, to prevent microbiological contaminants from entering the water system; and
- install or replace transmission and distribution pipes to prevent contamination caused by leaks or breaks in the pipe, or improve water pressure to safe levels.

Projects to consolidate water supplies as follows are eligible for DWSRF assistance: A) extension of water mains by a community water supply system to individual homes whose wells are contaminated; or B) purchase of a water system that is unable to maintain compliance for financial, managerial or technical reasons.

### 2. Restructuring of systems that are in noncompliance or that lack the technical, managerial or financial capability to maintain the system

The DWSRF may provide assistance to an eligible public water system to consolidate (i.e., restructure) with other public water system(s) only if the assistance will ensure that the system returns to and maintains compliance with SDWA requirements, and the owner or operator of the water system agrees to undertake feasible and appropriate changes in operations necessary to ensure the system has the technical, managerial and financial capability to comply with the SDWA requirements over the long term.

### 3. Allowable Costs

#### i. Land acquisition

Land is eligible only if it is integral to a project that is needed to meet or maintain compliance and further public health protection. In this instance, land that is integral to a project is only the land needed to locate eligible treatment or distribution projects. In addition, the acquisition has to be from a willing seller.

#### ii. Planning and design of a drinking water project

NJDEP has adopted rules at N.J.A.C. 7:22, entitled “Financial Assistance Programs for Environmental Infrastructure Facilities”. N.J.A.C. 7:22-5.12 establishes the eligible allowance to defray the cost of planning and design.

#### iii. Construction related cost of a drinking water project

The Financing Program rules (N.J.A.C. 7:22) applicable to the DWSRF provide eligible costs of 3% of the construction contract costs for administrative expenses, 5% of the construction contract costs for construction contingencies, and the actual cost of engineering/construction management services (NJDEP will use 12% to estimate the cost of engineering/construction management services for the purposes of developing the project priority list).

#### iv. Growth

Assistance may be provided to address population growth expected to occur by the date of initiation of operation of any improvements to be funded by DWSRF assistance, but not solely in anticipation of future population growth. In determining whether or not a project is eligible for assistance, NJDEP must determine the primary purpose of the project. If the primary purpose is to supply water to or to attract new population growth, the project is not eligible to receive DWSRF funds. If the primary purpose is to address a compliance or public health problem, the entire project, including the portion necessary to accommodate a reasonable amount of growth to the date of initiation of operation of any improvements to be funded by DWSRF assistance from the NJDEP is eligible. The remaining capacity related to growth may be funded by the Trust.

### C. Projects not Eligible for Funding

The DWSRF cannot provide funding assistance for the following projects and activities:

- Dams, or rehabilitation of dams;
- Water rights, except if the water rights are owned by a system that is being purchased through consolidation as part of a capacity development strategy;
- Reservoirs, except for finished water reservoirs and those reservoirs that are part of the



- treatment process and are located on the property where the treatment facility is located;
- Laboratory fees for monitoring;
  - Operation and maintenance expenses;
  - Projects needed mainly for fire protection;
  - Projects for systems that lack adequate technical, managerial and financial capability, unless assistance will ensure compliance;
  - Projects for systems in significant noncompliance, unless funding will ensure compliance;
  - Projects primarily intended to serve future growth.

#### 1. Lack of technical, managerial and financial capability

The DWSRF may not provide any type of assistance to a system that lacks the technical, managerial or financial capability to maintain SDWA compliance, unless the owner or operator of the system agrees to undertake feasible and appropriate changes in operation or if the use of the financial assistance from the DWSRF will ensure compliance over the long term. A capacity program was developed to evaluate each system to be funded to ensure each meets the capacity development requirements (see Appendix A).

#### 2. Significant noncompliance

The DWSRF may not provide assistance to any system that is in significant noncompliance with any national drinking water regulation or variance unless NJDEP determines that the project will enable the system to return to compliance and the system will maintain an adequate level of technical, managerial and financial capability to maintain compliance.

#### D. Compliance Without DWSRF Funding

The inability or failure of any public water system to receive assistance from the DWSRF or any other funding agency, shall not alter the obligation of a drinking water system to comply in a timely manner with all applicable drinking water standards.

### II. Description of DWSRF Financing Program

In addition to the USEPA's grant, funds are also available from two other sources, the New Jersey Water Supply Bond Fund created under the Water Supply Bond Act of 1981 and the Trust. The 1981 Bond Act authorized the creation of a general obligation debt in the amount of \$350,000,000 for the purpose of providing loans for State or local projects to rehabilitate, repair or consolidate antiquated, damaged or inadequately operating water supply facilities and to plan, design, acquire and construct various State water supply facilities. The Trust has the authority to issue bonds and to reserve any funds necessary to make loans to applicants for environmental infrastructure projects. NJDEP intends to provide loans through the capitalization grant in combination with leveraging state match funds by the Trust to maximize the Program's cash flow. The Fund provides loans at 0% interest for a maximum of 20 year repayment terms, not to exceed the useful life, for one half of the allowable project costs. The Trust offers market rate loans for the remaining allowable project costs,

also for a 20 year term. Table 4 illustrates the NJDEP's intended use of the FFY 1999/2000 funds. Table 5 outlines the distribution of FFY 1999/2000 nonproject set-aside funds. Nonproject set-aside funds identified in Table 5 will be used for the activities shown or reserved for use in future fiscal years use, in accordance with USEPA guidance. Funds not used for nonproject set-aside activities will be returned to the project fund for DWSRF use.

Table 4 - DWSRF Uses

	<u>FFY1999</u>	<u>FFY2000*</u>
<u>Funds Available</u>		
Federal Capitalization Grant	\$18,182,200	\$19,016,600
State Match	\$3,636,440	\$3,803,320
Funds Available	\$21,818,640	\$22,819,920
<u>Projected Expenditures</u>		
Nonproject Set-asides (see Table 5)	\$727,288	\$5,895,146
Funds Available for Projects	\$21,091,352	\$16,924,774
<u>Trust Reserve Fund</u>	\$1,898,222	\$1,523,230
NJDEP \$\$ Available	\$19,193,130	\$15,401,544
<u>Trust Bond Proceeds</u>	\$19,193,130	\$15,401,544
Funds Available for Projects (NJDEP & Trust)	\$38,386,260	\$30,803,088
Total Funds Available for Projects with transfer of funds from CWSRF to DWSRF, as needed. (NJDEP & Trust) **	\$76,000,000	\$42,000,000
Funds Available for Projects remaining From FFY1997&1998 (NJDEP & Trust)	\$38,000,000	

\*The federal funds are estimated at \$19,016,600 for FFY2000 for planning purposes, actual amounts will be proportionally equal.

\*\*Transfer amount minus Trust Reserve Fund and leveraged by the Trust and FFY99 funds

Table 5 - Non-Project Set-Aside Fund Uses

	<u>FFY1999</u>	<u>FFY2000*</u>
<u>Non-project Set-aside Amounts</u> (see Table 4)	\$727,288	\$5,895,146
<u>Program Administration of DWSRF Projects (4%)</u>	\$727,288	\$760,664
<u>Small System Technical Assistance (2%) **</u>	-0-	\$380,332
<u>State Program Management (10%)**</u>	-0-	\$1,901,660
Source Water Program Admin.	-0-	\$633,887
Capacity Development	-0-	\$633,886
Operator Certification	-0-	\$633,887
<u>Section 1452 (k) Activities (15%)**</u>	-0-	\$2,852,490

\*The federal funds are estimated at \$19,016,600 for FFY2000 for planning purposes.

\*\*These figures are approximate, and are subject to a workplan submittal to USEPA.

Currently NJDEP's IUP does not call for providing additional funds for disadvantaged communities. However, disadvantaged communities, as identified in the Project Priority System, Category D, Affordability Criteria will receive higher ranking points. Thus, disadvantaged communities will receive a higher priority to qualify for the low interest loans available under the DWSRF financing program.

Under the provisions of the SDWA of 1996, Section 1452(e), each State is required to deposit in the DWSRF an amount equal to at least 20% of the total amount of the capitalization grant. The funding source of the State Match is expected to be secured from the 1981 Water Supply Bond Fund.

Each State must also agree to deposit into the set-aside account where the Section 1452(g)(2) funds will be deposited, a dollar for dollar match, not to exceed an amount of 10% of the capitalization grant. Thus, the State Match for the State Program Management set-aside estimated for FFY2000 is \$1,901,660. Approximately half of the match is anticipated to be provided through the state's expenditures under the Public Water System Supervision not required for match purposes under the Performance Partnership Grant for that SFY and the balance from the SFY93 Public Water System Supervision expenditures not required for match purposes under the Performance Partnership Grant.

### III. Small Systems

A state must annually use at least 15% of all funds credited to the DWSRF project account to provide loan assistance to systems serving fewer than 10,000 persons, to the extent that there are a sufficient number of eligible projects to fund. Therefore, a reserve fund of 15% of the DWSRF fund will be reserved to provide financing for small systems serving fewer than 10,000 residents. However, if there are not enough small systems serving fewer than 10,000 that would be eligible for the 15% reserve fund, then the moneys would be utilized for eligible projects, in priority order, that have met program requirements.

For the initial funding cycle, less than 15% of the FFY1997 funds were utilized for small systems. Only those systems ready to proceed were issued loans in November 1998. With the help of the 2% set-asides for technical assistance to small systems, New Jersey will strive to reach the goal of 15% in future funding cycles.

### IV. Nonproject Set-asides

Section 1452 of the Federal Safe Drinking Water Act authorizes the states to provide funding for certain nonproject activities, so long as the amounts do not exceed ceilings specified in the statute. Required workplans will be submitted to the USEPA with the capitalization grant application for the nonproject set-aside activities. The workplans will provide a task, output and budget breakdown for the set-asides. Any costs that are not covered by the workplans will be used to finance construction projects; where allowed, the Department reserves the authority to apply for these set-aside funds for nonproject activities under future capitalization grant applications. The Department is reserving the authority for FFY1999 set-asides: \$363,644 for small systems technical assistance, state program management initiative including \$606,073 for source water program administration, \$606,073 for capacity development, and \$606,074 for operator certification. Therefore, \$2,181,864 will be used for construction projects and the NJDEP reserves the authority to utilize that amount under a future IUP.

The section 1452(k) activities will be estimated at 15% for FFY2000. The NJDEP included in its June 8, 1998 Call for Projects, a request for input regarding nonproject set-aside expenditures (see ranking form in Appendix A) to identify what interest the public constituents and water systems have under this section. A response was received (for FFY1997 & 1998 funds) for small system technical assistance and two responses received for source water protection delineation and assessments. The NJDEP anticipates the same procedure next June and will identify what projects fall under this section. Funds not used for nonproject set-aside activities will be returned to the project fund for DWSRF use.

#### A. Administration (4%)

These funds will be used to administer the DWSRF in New Jersey. These administrative costs may

include expenses such as development of the Project Priority System, the IUP and Project Priority List, the capitalization grant application and other program documents. In addition, NJDEP's costs for project management for planning, design, construction, loan payment/repayment, annual reporting activities, etc., are also eligible. If this entire amount is not obligated in one year, the NJDEP will retain these funds to cover administrative costs in subsequent years.

#### B. Program Management (10%)

NJDEP intends to use this set-aside to provide support for: source water protection program administration; development and implementation of a strategy to generate water system technical, financial, and managerial capacity; and the management of an operator certification program.

I. Source Water Protection Program Management - The 1996 Safe Drinking Water Act Amendments require States to develop a source water assessment program. States are required to have a public participation program to assist in the development of this plan. Public participation consists of public advisory and technical advisory committees that will advise NJDEP on a statewide source water assessment plan. NJDEP initiated the public participation program in 1998. New Jersey submitted a source water assessment plan to USEPA. In response to the NJDEP's Call for Projects issued on June 8, 1998, NJDEP received two proposals, one from North Jersey District Water Supply Commission and one from Agra Environmental Services to delineate and assess surface water sources under the delineation and assessment set-aside from the FFY1997 capitalization grant. The proposals are currently being evaluated. NJDEP intends to use funding from this section to administer or provide technical assistance for the source water protection program.

DWSRF source water protection set-aside funds will help manage the source water protection program plan and coordinate efforts to implement that plan. Public participation efforts will be included. Concurrently, the water supply program will coordinate with State programs responsible for surface and ground water quality standards, areawide and watershed planning as well as wellhead and aquifer recharge programs.

New Jersey is the most densely populated state in the nation. The public water supply (PWS) of more than 1.0 bgd for more than 7 million residents is from water sources within New Jersey close to those populated areas. For these reasons, water resource planning has always required an evaluation of water quality and quantity interactions and competing uses within the framework of local, State and Federal laws. During the past 100 years New Jersey has assessed and implemented many source water protection strategies that the 1996 SDWA is recommending. New Jersey has a Municipal Land Use Law that provides for land use and zoning procedures for all municipalities, in addition to comprehensive water quality and quantity statutes that address most facets of source water protection and water resource management.

II. System Capacity Development - Section 1420 of the SDWA contains the following deadlines which the State must meet to be eligible to receive set-aside for capacity development and not to jeopardize the State's allocation of DWSRF funds:

1. By August 1997, the State must submit a list of Significant Non-Complying (SNC) systems to EPA. (On July 30, 1997 New Jersey submitted such a list containing 55 community and 92 noncommunity water systems);
2. New Jersey is seeking to reaffirm the legal authority to assure that all new water systems demonstrate adequate capacity;
3. By October 1, 1999, the State must have a capacity development program in place;
4. By August 2000, the State must establish a capacity development strategy for all public water systems;
5. By August 2000, the State must identify factors that encourage or impair capacity development;
6. By August 2002, the State's program (NJDEP) has to prepare a report to the Governor which reviews the efficacy of the strategy and progress made toward improving the capacity of public water systems; and
7. After August 2002, the NJDEP is to prepare updates to the strategy and prepare a progress report for the Governor every three years thereafter.

Under Section 1420(g) of the SDWA, New Jersey is required to have a capacity development program and a Capacity Development Strategy. If a State fails to comply with the above-mentioned Capacity Development Strategy, it is subject to lose up to 10% of the DWSRF funds in FFY 2001, 15% in FFY 2002, and 20% in each fiscal year thereafter. The goals of the NJDEP's Capacity Development Strategy are to prevent the formation and approval of new nonviable public water systems and to assist and encourage consolidation of existing nonviable water systems through a well thought out process which is rational and implementable. New Jersey will review the Small Water Utility Take Over Act (N.J.S.A. 58:11-59) and companion regulation (N.J.A.C. 7:19-5) and seek to modify each, if necessary, to address existing nonviable water systems.

The recently revised Standards for the Construction of Public Community Water Systems (N.J.A.C. 7:10-11) and Standards for the Construction of Public Non-Community Water Systems (N.J.A.C. 7:10-12) will be reviewed and adjusted, if necessary, in order to assure that only viable new systems will be approved. In addition and perhaps more importantly the New Jersey Board of Public Utilities' (BPU) current regulations in effect which establish rates for public utilities will be evaluated by the BPU to assure the formation of nonviable public water system will not take place in the future.

In order to meet the federal SDWA requirements for capacity development, the State intends to accomplish the following tasks:

- a. Identify all the public water systems with a history of Significant

## Non-Compliance <sup>1</sup>

1. List identified public water systems as of July 30, 1997 (55 community and 92 noncommunity water systems).
  2. Update status of identified systems every 3 months until the water system returns to compliance and remains in compliance for a specified period.
  3. Revise list yearly.
- b. With assistance from the Division of Law within the Department of Law and Public Safety and the New Jersey Board of Public Utilities, make a legal determination whether the existing statutes and regulations governing the approval of new water systems apply to all public water systems subject to the SDWA's system capacity requirements and whether adequate economic determination is made as to viability of the proposed system.
  - c. Inventory and provide a description of the institutional, regulatory, financial, tax and legal factors at all levels of government (local, State & federal) which encourage capacity development.
  - d. Identify agencies (local & State) that would have an interest in and be involved in the development and implementation of a capacity development program.
  - e. Develop a list of hardship areas and water systems which would likely benefit from private/public partnership or regionalization efforts to make them viable.
  - f. Conduct roundtable discussions with local entities (CEHA agencies, and other local health departments) to explain capacity development and seek their input and/or help to implement a capacity development strategy.

### III. Operator Certification

In 1918 New Jersey became the first state to mandate operator certification for water works personnel. Presently in New Jersey, operators can obtain licenses for water distribution or treatment systems. Certification prerequisites include operating experience, direct responsible charge experience and educational criteria. Each license category has four levels of classification based on system size and/or treatment complexity. Licenses are renewed annually without any continuing

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<sup>1</sup> PWS w/ History of Non-Compliance means a PWS which has been in SNC status for 3 or more quarters during the past three years.



education Unit (CEU) requirements.

We now have over 1,000 certified operators to serve 613 public community water systems.

Approximately 77 small systems, which do not treat their water, are not required to have licensed operators. New Jersey does not currently require licensed operators for our 1,022 nontransient noncommunity water systems.

The Federal Safe Drinking Water Act requires, that state's operator certification programs include both community and nontransient noncommunity water systems. In addition, EPA's proposed guidelines require that state programs have CEU's for license renewal. Therefore, through administrative development and increased training capability, New Jersey must anticipate the need for more licensed personnel with continuing educational requirements for license renewal.

In order to implement these changes, the New Jersey Department of Environmental Protection, Bureau of Safe Drinking Water plans the following:

1. evaluate and recommend changes to existing legislation to allow for required changes to our regulations for the licensing of operators.
2. amend existing regulations to require licensed operators for nontransient noncommunity water systems and cover CEU requirements for operator license renewal.
3. develop a training plan to meet the needs for certifying additional operators to cover small public community water systems and nontransient noncommunity water systems.
4. coordinate with Rutgers University and the N.J. Section AWWA to develop CEU programs for continuous operator training.
5. develop the administrative procedure and data processing capability to track CEUs for license renewal.
6. improve testing methods to assure proper evaluations for operator certification.
7. develop a plan for the distribution of training funds to small water system operators and unsalaried operators.

#### C. Small System Technical Assistance (2%)

Systems serving a population of 10,000 or less are eligible to receive technical assistance under this set-aside. The Bureau of Safe Drinking Water will coordinate with the N.J. Rural Water Association and any other interested and qualified entities to provide technical assistance to systems serving 10,000 or fewer persons. Such assistance should include, but is not limited to, an outreach program to explain the DWSRF program and to provide assistance in completing funding applications; assessment and treatment of ground water under the influence of surface water; appropriate

treatment for lead and copper action level exceedances; and purchase and maintenance of global positioning equipment for use by outside organizations. NJDEP intends to contract with any interested parties for a multi-year contract under this set-aside.

#### D. Local Source Water Protection (15%)

Under the DWSRF Guidelines promulgated by the USEPA, loans are available for: acquisition of land or conservation easements; implementation of source water protection measures and related activities; development of a source water quality protection partnership petition; and wellhead protection programs. The Call for Projects issued by NJDEP on June 8, 1998 did not result in any response for the above items under this set-aside.

The Department will transmit a Call for Projects that will identify these set-aside activities next June. This, in addition to the source water protection plan, will promote projects for interested entities under this section.

The NJDEP proposes to leverage these loans in conjunction with the New Jersey Environmental Infrastructure Trust, similar to the construction project loans; comments are requested on this proposal. Workplans will be submitted for this set-aside and the capitalization grant application amended to include a description of what activities will be requested. If there is not sufficient interest in section 1452(k) activities, the remaining funds will be used to finance construction projects.

#### V. Short and Long-Term Goal Statements

Providing a minimum of 15% of project funds to help finance improvements to small water systems and providing assistance to the highest priority projects on the Project Priority List are the most imminent short-term goals. Other short-term goals include securing NJDEP's FFY 1999/2000 drinking water capitalization grant so that funds will be available for water supply systems to comply with the SDWA.

The primary long-term goal is to continue to use funds to assist water systems to achieve and maintain drinking water quality to eliminate any violations of the SDWA. In addition, NJDEP desires to maintain the fiscal integrity of the DWSRF, and to assure a self-sustaining loan fund for future generations.

### **SUMMARY OF OUTREACH EFFORTS**

An inherent component of the implementation of the State's DWSRF program includes the conduct of public participation activities. NJDEP mailed on June 8, 1998 a preliminary Project Priority

System to all community and nonprofit noncommunity water systems, county and local health authorities, selected environmental groups, selected engineering concerns, water associations and assorted State agencies, with a Call for Projects to be included in the comprehensive DWSRF Project Priority List and nonproject set-aside expenditures. Stakeholder meetings were held on July 16, 1998 at the Passaic Valley Water Commission in Little Falls, on July 23, 1998 at the NJ American Water Co. in Delran and a public hearing held at the N.J. Environmental Infrastructure Trust on January 12, 1999 for the purpose of soliciting public comments. The State has developed its program to make low-interest loans to community (both publicly and privately owned) and nonprofit noncommunity water systems. The Call for Projects for this funding cycle (November 1999 loans) closed on August 28, 1998, while the Call for Projects for future funding cycles will be continuous. The summary of the comments received at the two stakeholder meetings, public hearing and the summary of written comments, as well as the NJDEP's responses is listed in Appendix A.

### **PROJECT PRIORITY LISTS AND NONPROJECT SET-ASIDE LIST**

NJDEP developed a proposed Project Priority System which was sent to community and nonprofit noncommunity water supply systems, county and municipal health authorities, selected environmental groups, selected engineering consultants, water associations and assorted State agencies, requesting their input on the drinking water financing program. A Construction Project Ranking and Nonproject Set-aside Expenditure Input Form, included in the proposed Project Priority System, was used to solicit interested project sponsors to place proposed infrastructure projects on the Project Priority List and to solicit interested sponsors to provide input on nonproject set-aside expenditures. The NJDEP conducted two stakeholder meetings on July 16 and July 23, 1998 to inform prospective applicants of the impact of the SDWA on their water systems and to describe financing options available through the DWSRF. Also, these meetings were used to receive input and discussion of the proposed use of the DWSRF. Appendix B lists all construction projects on the current project list (comprehensive list), projects expected to be funded in November 1999 under the fundable list, and projects already funded in November 1998. Appendix C identifies the possible nonproject set-aside categories. At present, there are no sponsors included on this list.

## **APPENDIX A**

- 1) Sample Commitment Letters
- 2) FFY1999/SFY2000 Drinking Water Financing Program Schedule
- 3) FFY 2000/SFY 2001 Drinking Water Financing Program Schedule
- 4) Construction Project Ranking and Nonproject Set-Aside Expenditure Input Form
- 5) Summary of Comments of DWSRF Stakeholder Meetings
- 6) Summary of Comments of Public Hearing
- 7) Summary of Responses to Written Comments on Call for Projects
- 8) Capacity Development Evaluation Procedure for DWSRF Project Sponsors

**Sample Commitment Letter  
FFY 1999/SFY 2000 Funding Cycle  
“Second Chance” Schedule**

This letter, on official stationary, must be received or postmarked by February 1, 1999 to be given consideration by the New Jersey Department of Environmental Protection (NJDEP) and the New Jersey Environmental Infrastructure Trust (Trust) for inclusion as a “second chance” project in the 1999 Financing Program (for loan awards scheduled to be made in November 1999).

Dr. Shing-Fu Hsueh, Administrator  
Water Supply Element  
New Jersey Department of Environmental Protection  
PO Box 426  
Trenton, New Jersey 08625-0426

Dear Dr. Hsueh:

Subject: Project No.  
(Project Name)  
(Project Sponsor)  
(County)

This is to advise you that the \_\_\_\_\_ has the project noted  
(Project Sponsor)  
above which will be ready for expedited processing and inclusion in the SFY2000 funding cycle  
(November 1999 scheduled financing). In accordance with the provisions of the Priority System,  
Intended Use Plan and Project Priority List for FFY1999, I, \_\_\_\_\_, as  
(Project Representative)  
authorized representative for the above-referenced project do hereby commit to meet the project  
document submittal deadlines established by the Trust and the NJDEP for participation in the SFY  
2000 funding cycle (November 1999 scheduled financing):

Planning Documents	February 1, 1999
Design Documents	February 1, 1999
Loan Application	March 1, 1999

Please note that a representative of the \_\_\_\_\_ has attended a  
(Project Sponsor)  
preplanning meeting with NJDEP, Municipal Finance and Construction Element, on  
\_\_\_\_\_,  
(date)

prior to submitting this Commitment Letter. I acknowledge that failure to attend a preplanning

meeting prior to submitting this Commitment Letter may make this commitment null and void, unless the preplanning meeting has been waived by NJDEP.

I understand that failure to submit this commitment letter by February 1, 1999 will be interpreted as a decision not to pursue funding in the SFY2000 funding cycle. Failure to meet the submittal requirements and deadlines will result in the bypassing of the project for this funding cycle. I also recognize, with submittal of the planning and design documents by the deadline, that if the project is bypassed for this funding cycle, it would automatically remain on the Project Priority List and remain eligible for the SFY2001 funding cycle (November 2000 scheduled financing) based upon that particular year's Priority System and Financing Program.

Very truly yours,

(Authorized Representative)

Enclosure

c: Dirk Hofman, Executive Director  
New Jersey Environmental Infrastructure Trust (w/enclosure)  
P.O. Box 440  
Trenton, New Jersey 08625-0440

Assistant Director, Nicholas Binder (w/enclosure)  
Municipal Finance and Construction Element  
P.O.Box 425, 401 East State Street  
Trenton, New Jersey 08625-0425

**Sample Commitment Letter**  
**FFY2000/SFY2001 Funding Cycle**  
**Standard Schedule**

This letter, on official stationary, must be received or postmarked by February 1, 1999 to be given consideration by the New Jersey Department of Environmental Protection (NJDEP) and the New Jersey Environmental Infrastructure Trust (Trust) for inclusion in the 2000 Financing Program (for loan awards scheduled to be made in November 2000).

Dr. Shing-Fu Hsueh, Administrator  
Water Supply Element  
New Jersey Department of Environmental Protection  
PO Box 426  
Trenton, New Jersey 08625-0426

Dear Dr. Hsueh:

Subject:       Project No.  
                  (Project Name)  
                  (Project Sponsor)  
                  (County)

This is to advise you that the \_\_\_\_\_ has the project noted  
(Project Sponsor)  
above which will be ready for the SFY 2001 funding cycle (November 2000 scheduled financing). I,  
\_\_\_\_\_, as authorized representative for the above-referenced  
(Project Representative)  
project do hereby commit to meet the project document submittal deadlines identified below and those financial application deadlines to be established by the Trust and the NJDEP for participation in the SFY2001 funding cycle (November 2000 scheduled financing):

Planning Documents	June 7, 1999
Design Documents	February 7, 2000
Loan Application	March 13, 2000

Please note that a representative of the \_\_\_\_\_ has attended a  
(Project Sponsor)  
preplanning meeting with NJDEP, Municipal Finance and Construction Element, on  
\_\_\_\_\_,  
(date)

prior to submitting this Commitment Letter. I acknowledge that failure to attend a preplanning meeting prior to submitting this Commitment Letter may make this commitment null and void, unless the preplanning meeting has been waived by NJDEP.

I understand that failure to submit this commitment letter by February 1, 1999 or to meet the submittal requirements and deadlines will result in the being deemed ineligible for the SFY 2001 funding cycle at this time. I also recognize that failure to submit this commitment letter will result in the project remaining on the Project Priority List and eligible for future funding based upon that particular year's Priority System and Financing Program.

Very truly yours,

(Authorized Representative)

Enclosure

c: Dirk Hofman, Executive Director  
New Jersey Environmental Infrastructure Trust (w/enclosure)  
P.O. Box 440  
Trenton, New Jersey 08625-0440

Assistant Director, Nicholas Binder (w/enclosure)  
Municipal Finance and Construction Element  
P.O.Box 425, 401 East State Street  
Trenton, New Jersey 08625-0425



**FFY1999/SFY 2000 Drinking Water Financing Program Schedule**  
**“Second Chance” Schedule**

(Using FFY1999 and Other Available Federal Monies)

<b><u>DATE</u></b>	<b><u>ACTION</u></b>
August 28, 1998	-Project ranking forms due from prospective project sponsors, in accordance with Call for Projects issued June 8, 1998 for projects not already on Priority List
January 12, 1999	-Public hearing on FFY1999/2000 Priority System, Intended Use Plan and Project Priority List proposal
Before February 1, 1999	-Prospective project sponsors attend preplanning meeting with NJDEP prior to submitting Commitment Letter
February 1, 1999	-Close of comment period
February 1, 1999	-Project Commitment Letters due, “Second Chance” applicants submit all planning and design documents to NJDEP (FFY1999 standard schedule applicants were required to submit planning documents on April 24, 1998 and design documents on November 2, 1998)
March 1, 1999	-Applicants submit complete loan application to NJDEP/Trust
on or before May 15, 1999	-Financial Plan for forthcoming State Fiscal Year submitted by NJDEP/Trust to Legislature
July 1, 1999	-Legislature acts on Financial Plan, -NJDEP/Trust transmit draft loan agreements to qualifying applicants
on or about September 15, 1999	-Trust financial transactions completed -Execute NJDEP/Trust loan agreements in escrow
November 1999	-Loan award

**FFY2000/SFY 2001 Drinking Water Financing Program Schedule**  
**Standard Schedule Applicants**

(Using FFY 2000 and Other Available Federal Monies)

<b><u>DATE</u></b>	<b><u>ACTION</u></b>
August 28, 1998	-Project ranking forms due from prospective project sponsors, in accordance with Call for Projects issued June 8, 1998 for projects not already on Project List
January 12, 1999	-Public hearing on FFY1999/2000 Priority System, Intended Use Plan and Project Priority List proposal
Before February 1, 1999	-Prospective project sponsors attend preplanning meeting with NJDEP prior to submitting Commitment Letter
February 1, 1999	-Close of comment period
February 1, 1999	-Project Commitment Letters due
June 7, 1999	-Applicants submit all planning documents to NJDEP
on or before January 15, 2000	-NJDEP/Trust submit list of projects (based on Priority System ranking methodology) to Legislature for forthcoming State Fiscal Year
February 7, 2000	-Applicants submit all design documents to NJDEP
March 13, 2000	-Applicants submit complete loan application to NJDEP/Trust
on or before May 15, 2000	-Financial Plan for forthcoming State Fiscal Year submitted by NJDEP/Trust to Legislature
July 1, 2000	-Legislature acts on Financial Plan -NJDEP/Trust transmit draft loan agreements to qualifying applicants
on or about September 15, 2000	-Trust financial transactions completed -Execute NJDEP/Trust loan agreements in escrow
November 2000	-Loan award

**New Jersey Department of Environmental Protection  
Drinking Water State Revolving Fund Program  
Bureau of Safe Drinking Water  
P.O. Box 426, Trenton, N.J. 08625-0426  
Tel. No.: (609) 292-5550  
Fax No.: (609) 292-1654**

**CONSTRUCTION PROJECT RANKING AND  
NONPROJECT SET-ASIDE EXPENDITURE INPUT FORM**

*June 8, 1998*

Please complete this form for each construction project or nonproject set-aside activity to be included in the proposed DWSRF program. Provide the basic information **for each project element** so the project can be given priority points and ranked on the proposed priority list, or **for each set-aside activity** so the activity may be considered for inclusion in the nonproject set-aside expenditures, as applicable. (Refer to the attached Guidance)

1. Project or Activity Sponsor: \_\_\_\_\_
2. Contact Person: \_\_\_\_\_
3. PWS ID# (as applicable) : \_\_\_\_\_
4. Mailing Address: \_\_\_\_\_  
Municipality: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
County: \_\_\_\_\_
5. Telephone No.: (\_\_\_\_) \_\_\_\_\_ Fax No.: (\_\_\_\_) \_\_\_\_\_
6. Engineering Consultant (as applicable): \_\_\_\_\_
7. Mailing Address: \_\_\_\_\_  
Municipality : \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
County: \_\_\_\_\_
8. Telephone No.: (\_\_\_\_) \_\_\_\_\_ Fax No.: (\_\_\_\_) \_\_\_\_\_

Please check one or more of the following to indicate your areas of interest in the DWSRF program:

\_\_\_ DWSRF Construction Projects (Please also complete Page 2)

When are you interested in receiving construction project financing?

\_\_\_ November 1999; \_\_\_ November 2000; \_\_\_ Beyond 2000

\_\_\_ DWSRF Nonproject Set-Aside Expenditures (Please also complete Page 3)

When are you interested in receiving nonproject set-aside activity funding?

\_\_\_ November 1999; \_\_\_ November 2000; \_\_\_ Beyond 2000

**Page 2 of 3**

**DWSRF CONSTRUCTION PROJECTS**

9. Project Description: (attach additional sheets, if necessary) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

10. Need for Project (List by project element): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- 11. Estimated construction contract cost: \$ \_\_\_\_\_
- 12. Copy of acceptable drinking water infrastructure plan or comprehensive regional water plan attached: \_\_\_\_yes \_\_\_\_no
- 13. Median Household Income (1990 Census): \$ \_\_\_\_\_
- 14. Applicable State Planning Commission center designation: \_\_\_\_\_
- 15. Population served by drinking water system: \_\_\_\_\_

16. Activity Description: (attach additional sheets, if necessary) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

17. Estimated Cost for the proposed activity: \$ \_\_\_\_\_

18. The NJDEP may approve expenditures for the following activities in accordance with Section 1452 (k) of the SDWA. Please check one or more of the following categories in which you are interested, and provide a description to support your needs:

LOANS:

\_\_\_\_\_ for water systems to acquire land or a conservation easement from a willing seller or grantor, for source water protection purposes and to ensure compliance with national primary drinking water regulations.

\_\_\_\_\_ for community water systems to implement local voluntary, incentive based source water protection measures delineated under a source water protection program.

\_\_\_\_\_ for community water systems to provide funding for the development of a source water quality protection partnership petition (optional program under consideration by NJDEP).

TECHNICAL AND FINANCIAL ASSISTANCE:

\_\_\_\_\_ for water systems as part of a capacity development strategy developed and implemented under Section 1420 (c) of the SDWA.

STATE EXPENDITURES:

\_\_\_\_\_ for the State to make expenditures for the establishment and implementation of wellhead protection programs under Section 1428 of the SDWA.

19. The NJDEP may approve expenditures for providing technical assistance to water systems serving 10,000 or fewer persons. Please indicate your interest in participating, and provide a description to support your proposal.

\_\_\_\_\_ Small System Technical Assistance.

**DWSRF Stakeholder Meetings on July 16 and July 23, 1998**  
**Summary of Comments**

Question: Regarding the Project Priority Ranking System, which category of points is weighed the most?

Response: The highest points are assigned for projects involving surface water treatment, acute or MCL violations under Category A of the Project Priority Ranking System.

Question: Are the different categories cumulative under the Project Priority Ranking System?

Response: Yes, first calculate points for Category A, then add the remaining sum of points for Categories B through E, and total. Please note that a project must be assigned points from Category A to be eligible for ranking.

Question: Are the amounts established for the various set-asides specific amounts or is NJDEP allowed to utilize any amount up to the specified percentage?

Response: The amounts specified in the Intended Use Plan are the estimated amounts that can be allowed by USEPA. They will be revised in accordance with workplans submitted to USEPA with the capitalization grant application. For any funds not utilized here, the authority to apply for the funds in future capitalization grants will be reserved and the funds used to finance construction projects as allowed by federal law.

Question: Does the NJDEP have the necessary statutory authority to implement capacity development strategies ?

Response: New Jersey has such authority with regard to the technical and managerial capacity development requirements. The NJDEP has sought to have legislation introduced to clarify that New Jersey has the statutory authority for technical, managerial and financial capacity development requirements for new systems. The NJDEP has adequate authority to develop a strategy for existing systems.

Comment: The purchase of watershed land appears to be an excellent means of protecting the quality of raw water sources. It is hoped that this will be a significant component of the set-aside funds received by NJDEP under the DWSRF program.

Response: Some of the factors determining the amount of funding devoted to land purchase are the availability of land, the willingness of seller, the practicality of watershed land purchase and the interest and commitment of the water purveyors to make such a purchase with loan funds. The Call for Projects dated June 8, 1998 included a request for suggestions for nonproject set-aside expenditure to identify the level of interest and to determine what programs should be utilized under the set-aside loan portion of the DWSRF program. However, no responses were received.

**DWSRF Public Hearing on January 12, 1999**  
**Summary of Comments**

No oral or written comments were received.

The hearing officer, Maureen McAndrew, stated for the record at the hearing that the ranking of some projects would change due to non-submittal of additional information needed to finish ranking the projects. Minor changes were made to the IUP as per guidance from USEPA. The Department revised the loan application submittal deadline from March 6, 2000 to March 13, 2000 for FFY2000/SFY2001. Also, the Department utilized the authority to reserve the set-aside funds for FFY1999 small system technical assistance and the state program management (source water protection administration, capacity development, operator certification) in the amount of \$2,181,864 under a future IUP. The funds will be utilized for construction projects at this time. The estimated FFY2000 capitalization grant amount changed from \$23,000,000 to \$19,016,600 as per further guidance from USEPA.

## **Summary of Responses to Written Comments on Preliminary Project Priority System and Call for Projects**

Two written comments were received, written responses were sent and are summarized below:

Letter from Charles P. Newcomb, Assistant Director, Office of State Planning:

Please revise Category C of the project priority system to give more points to regional centers (5 pts) than towns (3 pts) and note OSP's new address. Mr. Newcomb requested to meet to discuss how the NJDEP implements the State Plan through the EIFP.

Response: The requested changes were made to Category C of the project priority system. The NJDEP met with Mr. Newcomb and discussed his concerns on July 20, 1998. The NJDEP coordinates with the Office of State Planning on projects for which financing is being pursued and N.J.A.C. 7:22-10 was amended to specify the State Development and Redevelopment Plan as an environmental coordination issue to be addressed by sponsors of environmental infrastructure projects.

Letter from Barbara L. Lawrence, New Jersey Future:

Ms. Lawrence had a concern with the lack of impact of the State Plan to influence financing decisions, implementation of the State Plan with the funding program and the insignificant number of points assigned to State Plan criteria and requested that the State Plan be a prerequisite for project financing.

Response: The primary goal of the DWSRF is to assist water systems to finance the cost of infrastructure needed to maintain compliance with the SDWA and to protect public health, the ranking methodology of the priority system reflects that in accordance with the federal guidelines. The NJDEP believes that financial assistance is an important tool in encouraging implementation of the State Plan which is why the NJDEP coordinates with the Office of State Planning on projects for which financing is being pursued and N.J.A.C. 7:22-10 was amended to specify the State Development and Redevelopment Plan as an environmental coordination issue to be addressed by sponsors of environmental infrastructure projects. Also, the SDWA states that growth should NOT be a primary purpose of the DWSRF and a project is not to be funded if the primary purpose is growth.

**New Jersey Capacity Development Program for Projects Financed through the**



## Drinking Water State Revolving Fund

March 26, 1999

### Background

The Safe Drinking Water Act (SDWA) Amendments of 1996 (Pub. L. 104-182) authorize a Drinking Water State Revolving Fund (DWSRF). The DWSRF is designed to assist publicly owned and privately owned community water systems and nonprofit noncommunity water systems in financing the costs of infrastructure needed to achieve or maintain compliance with SDWA requirements, and to meet the public health objectives of the SDWA.

Section 1452(a)(3) of the SDWA prohibits a state from providing DWSRF assistance to a system that lacks technical, managerial, and financial capacity or is in significant noncompliance with any requirement of a national primary drinking water regulation or variance, unless: 1) the use of the financial assistance will ensure SDWA compliance, or 2) the owner or operator of the system agrees to undertake feasible and appropriate changes to assure that adequate capabilities will be put in place, and agrees to implement such changes.

The following is a screening process that will be used to assess the technical, managerial, and financial capacity of any DWSRF project sponsors.

### I. Technical Capacity

Technical capacity refers to the adequacy, operation and maintenance of a water system's infrastructure. To assure adequate technical capacity, a project sponsor must demonstrate that its water system has adequate source water and adequate infrastructure, and must demonstrate that its water system is operated by personnel with technical knowledge about applicable standards. The project sponsor must demonstrate adequate technical capacity as follows:

1. The project sponsor and its water system are not in significant noncompliance as defined by the United States Environmental Protection Agency;
2. The project sponsor and its water system has no continuing violations of New Jersey's SDWA rules (N.J.A.C. 7:10) and Water Supply Allocation Permit rules (N.J.A.C. 7:19); and
3. The project sponsor is operating its water system under a licensed operator, of the appropriate license pursuant to N.J.A.C. 7:10A, 'Licensing of Water Supply and Wastewater Treatment System Operators.'

In addition to the above, the New Jersey Department of Environmental Protection may review any of the following items for technical capacity:

1. *SDWA Compliance data and inspection reports (Sanitary Surveys)* to identify actual and potential problems that might lead to noncompliance or degradation of drinking water quality.

2. *Operator Certification* to evaluate if the water system is being operated by an operator licensed by the State of New Jersey, with the appropriate license classifications.
3. *Vulnerability assessments* to determine potential source water contamination.
4. *Enforcement actions, administrative consent orders, or directives* issued to the water system, requiring corrective actions to ensure compliance with the SDWA.
5. *Comprehensive Performance Evaluations (CPE's)* to analyze a surface water treatment plant's performance.
6. *Consumer Complaint Records* to identify technical problems with the water system (e.g., odor, taste, or low pressure).
7. *Engineering reports, design plans, project and long-term planning documents, for improvements* to ensure compliance with Federal and New Jersey's SDWA regulations, rules, and statutes.

Note: Significant noncompliance refers to long term repeated violations that constitute a threat to public health. A detailed summary of significant noncompliance is attached to this document.

## **II. Managerial Capacity**

Managerial capacity refers to the personnel expertise required to administer the overall water system operations. To assure adequate managerial capacity, the project sponsor must demonstrate that relative to its water system it has clear ownership, proper and organized staffing, and effective interaction with regulators and customers. In assessing the managerial capacity of the water system, the New Jersey Department of Environmental Protection or the New Jersey Environmental Infrastructure Trust, shall consult with the Board of Public Utilities (in regards to investor-owned BPU-regulated water systems) or the Department of Community Affairs, Division of Local Government Services, as appropriate. The project sponsor must demonstrate adequate managerial capacity as follows:

1. A project sponsor or its water system is not in receivership;
2. The project sponsor demonstrates to the Department's satisfaction that it has clear ownership of the water system or that other arrangements are in place to satisfy the Federal Safe Drinking Water Act managerial capacity requirements; and
3. The project sponsor and its water system do not have any continuing violations of requirements, rules or statutes of the New Jersey Department of Environmental Protection, the Board of Public Utilities, or the Department of Community Affairs, Division of Local Government Services, as applicable.

In addition to the above, the NJDEP may review any of the following items for managerial capacity especially when the project sponsor's water system is not regulated by the Board of Public Utilities or the Department of Community Affairs, Division of Local Government Services:

1. *A summary of biographies, resumes, and other related material from the previous five years to determine the training, expertise and education of personnel.*
2. *Business or Water System Plan to evaluate management's overall practices and ownership accountabilities to assist in evaluating the owner's understanding of current New Jersey's SDWA regulations and professional practice.*
3. *A summary of billing and collection procedures used for the water system from the previous five years.*
4. *A summary of consumer complaint records within the previous five years to identify the water system's responses to customer complaints.*

### **III. Financial Capacity**

Financial capacity refers to the monetary resources available to a project sponsor for its water system to support the cost of operating, maintaining, and improving the water system. To assure adequate financial capacity, the project sponsor must demonstrate that relative to its water system it has sufficient revenues, fiscal controls and credit worthiness. In assessing the financial capacity of the water system, the New Jersey Department of Environmental Protection or the New Jersey Environmental Infrastructure Trust, shall consult with the Department of Treasury, the Department of Community Affairs, Division of Local Government Services, or the Board of Public Utilities (in regards to investor-owned BPU-regulated water systems), as appropriate, or may use the services of a financial consultant, to evaluate the financial capacity of the project sponsor. The project sponsor's water system meets the minimum standards for adequate financial capacity if the following is met:

1. A project sponsor regulated by the Board of Public Utilities (BPU) has obtained BPU approval of a financing petition for the project(s) to be financed through the DWSRF.
2. A project sponsor regulated by the Department of Community Affairs, Division of Local Government Services (DLGS), has obtained approval by the Local Finance Board in the DLGS for the project(s) to be financed through the DWSRF.

The NJDEP in consultation with the New Jersey Environmental Infrastructure Trust shall use the services of a financial consultant for a project sponsor or water system not regulated by the Board of Public Utilities or the Department of Community Affairs, Division of Local Government Services, to evaluate any financial information, including, where available, but not limited to the following:

1. Financial statements or annual audit reports for the previous three years.
2. Current and proposed rate schedules, as applicable; or if rate schedules are unavailable, then documents indicating the project sponsor's access to credit for operations and contingencies to demonstrate the project sponsor's capability to repay debt.
3. A summary of any pending litigation regarding current or proposed rates.
4. Federal and state income tax returns of the project sponsor for the previous three years.
5. Current operating budget and projected budget, for a five year period, including debt service on the loan and any rate schedule adjustments:
  - a. Revenue projections including any assumptions on which the projections are based. Total annual percentage of budgetary increases, annual percentage increases to meet loan repayment and other non-loan project costs, and time when same shall take effect should be identified and included.
  - b. Expense projections including a copy of the Capital Budget and assumptions on which the projections are based.
  - c. Plans for rate increases.
6. Composition of customer base.

#### **IV. Long Term Capacity**

The NJDEP, where appropriate, will assess whether a project sponsor and its water system has a long term plan to undertake feasible and appropriate changes in operations necessary to develop adequate capacity. Information such as engineering reports, inspection reports, and other available information will be used in making these assessments. The NJDEP will encourage consolidation of water systems in an effort to improve capacity. The Small Water Utility Take Over Act (N.J.S.A. 58:11-59) and companion regulation (N.J.A.C. 7:19-5) may need to be reviewed and modified if necessary to address existing systems in significant noncompliance.

#### **V. Systems with Inadequate Capacity**

A water system that requires improvements to obtain adequate capacity can apply to the DWSRF provided that the improvements will ensure SDWA compliance. The NJDEP in consultation with the New Jersey Board of Public Utilities and the Department of Community Affairs, as applicable, will

make this assessment on a case-by-case basis, with emphasis on compliance with all applicable requirements, rules or statutes of the respective agencies. The project sponsor must agree and demonstrate to the agencies' satisfaction the implementation of any required technical, managerial or financial changes necessary to obtain approval by the agencies.

## **VI. Systems in Significant Noncompliance**

The SDWA prohibits a state from providing DWSRF assistance to a system in significant noncompliance with any requirement of a national primary drinking water regulation or variance, unless: 1) the use of the financial assistance will ensure SDWA compliance, or 2) the owner or operator of the system agrees to undertake feasible and appropriate changes to assure that adequate capabilities will be put in place, and agrees to implement such changes.

The following are procedures to evaluate systems in significant noncompliance;

1. Evaluate the project(s) in significant noncompliance;
2. Evaluate the reasons for significant noncompliance; and
3. Evaluate if the project sponsor's request for DWSRF assistance will resolve the significant noncompliance issue to the NJDEP'S satisfaction.

**Appendix B**  
**Construction Project Priority Lists**

**Appendix C**  
**Nonproject Set-aside List**

The NJDEP may approve expenditures for the following activities in accordance with Section 1452(k) of the SDWA.

**LOANS:**

\_\_\_\_\_ for water systems to acquire land or a conservation easement from a willing seller or grantor, for source water protection purposes and to ensure compliance with national primary drinking water regulations.

\_\_\_\_\_ for community water systems to implement local voluntary, incentive based source water protection measures delineated under a source water protection program.

\_\_\_\_\_ for community water systems to provide funding for the development of a source water quality protection partnership petition (optional program under consideration by NJDEP).

**TECHNICAL AND FINANCIAL ASSISTANCE:**

\_\_\_\_\_ for water systems as part of a capacity development strategy developed and implemented under Section 1420 (c) of the SDWA.

**STATE EXPENDITURES:**

\_\_\_\_\_ for the State to make expenditures for the establishment and implementation of wellhead protection programs under Section 1428 of the SDWA.

**The NJDEP received no responses indicating any interest in these items  
at this time**





Although the information in this document will be funded wholly or in part by the United States Environmental Protection Agency under an assistance agreement to NJDEP's DWSRF program, it may not necessarily reflect the views of the Agency and no official endorsement should be inferred.