



**NEW JERSEY DEPARTMENT OF
ENVIRONMENTAL PROTECTION**

**DRINKING WATER
STATE REVOLVING FUND**

**PROPOSED
SUPERSTORM SANDY FUNDING
PRIORITY SYSTEM
INTENDED USE PLAN
PROJECT PRIORITY LIST**

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Chris Christie
Governor



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Commissioner





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.

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Attachment 1. Sandy DWSRF List (Response to Call for Projects)

OVERVIEW OF SUPERSTORM SANDY PRIORITY SYSTEM, INTENDED USE PLAN AND PROJECT PRIORITY LIST

On October 29, 2012, Superstorm Sandy made landfall in New Jersey which resulted in extensive flooding, power outages and other adverse impacts to infrastructure systems (including wastewater and stormwater conveyance and treatment facilities) throughout the State. Superstorm Sandy was the largest storm to hit the northeast U.S. in recorded history, knocking out power to millions and causing \$70 billion in damage to eight states. In a continued effort to assist municipalities recover and rebuild, the Department of Environmental Protection (Department) in concert with the New Jersey Environmental Infrastructure Trust (Trust) have been working with other federal and State agencies to develop financial assistance programs to benefit those impacted by Superstorm Sandy and to finance other infrastructure improvements needed to help protect, maintain and improve water quality.

On January 23, 2013, the Disaster Relief Appropriations Act (DRAA) was approved by Congress and included in P.L. 113-2 which was signed by the President of the United States on January 29, 2013. The purpose of the DRAA was to provide additional funding to the State's Clean Water and Drinking Water State Revolving Fund Programs to provide financial assistance to communities impacted by the Superstorm Sandy and for projects whose purpose is to reduce flood damage risk and vulnerability or to enhance resiliency to rapid hydrologic change or a natural disaster.

On May 1, 2013, the United States Environmental Protection Agency (USEPA) issued guidance regarding the types of projects eligible to receive the funding authorized by the DRAA. This guidance is included in Section G of the Intended Use Plan (IUP) Chapter of this document.

This document serves as the Department's Drinking Water State Revolving Fund (DWSRF) Priority System, IUP, and Project Priority List and has several purposes regarding the use of the above anticipated federal funds, including:

- 1- the establishment of the ranking criteria under which projects will be ranked and placed on the Priority List;
- 2- the establishment of program requirements and document submittal deadlines for award of loans; and
- 3- the establishment of loan terms for projects financed through the Environmental Infrastructure Financing Program.

This IUP details how the State of New Jersey proposes to finance projects to be included in New Jersey's program and which projects are to be managed by the Department with respect to the capitalization grant.

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. The CWSRF program is covered under a separate IUP which includes the financing program for the DRRA. Prospective project sponsors must complete a ranking form for each program to be included in the respective Priority Lists and to be eligible for financing under each program. The Superstorm Sandy money will also be administered through the EIFP.

NJDEP's Bureau of Safe Drinking Water and the Municipal Finance and Construction Element jointly manage the DWSRF program along with the Trust. Through the sale of revenue bonds the Trust is able to leverage Federal grants and provide more capital, through low interest loans to more project sponsors. It should be noted that the 1981 Water Supply Bond Act authorized financing only to publicly owned systems, and the 1996 SDWA amendments did not change this. Federal funds can be used to fund both privately owned and publicly owned water systems. For the DRRA Program, the Department is coordinating with the Department of Community Affairs' Community Development Block Grant (CDBG) program to meet the match requirement. The Department is also evaluating alternative funding sources.

PRIORITY SYSTEM

I. Priority List - General

The New Jersey Department of Environmental Protection (Department) issued a Call for Projects dated May 15, 2013 as part of its efforts to develop this Sandy DWSRF Intended Use Plan. This Call for Projects helped us determine if a) the demand for financing is in line with the types and amount of funding available, b) a modified ranking methodology (potentially prioritizing flood-prone areas) is needed, c) if SRF-related funding set asides are appropriate, and d) other considerations are needed. This IUP Proposal includes a list of Hurricane-related projects based on responses to this Call for Projects. During the public comment period, sponsors will have the ability to submit a Letter of Intent and for either the Base DWSRF Program Funding (described in a separate IUP proposal) or Sandy DWSRF Program Funding.

II. Ranking Methodology

The Department will assign points to each project using the Project Priority System and rank all eligible projects according to the total number of points each project receives. All projects will subsequently be placed on the Project Priority Comprehensive List according to their ranking. Projects with more points are ranked above those with fewer points.

The principal elements of the Priority System are: A) projects relating to Superstorm Sandy resiliency projects B) Approved Asset Management Plans/Water Supply Plans/Studies, C) Affordability, and D) Population. Points are assigned for each of the four priority categories and are discussed more in detail below.

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

Points are assigned for each of the four priority categories discussed below, as applicable:

Category A. Superstorm Sandy related project needs

Table 1 describes the project elements that are eligible for funds:

**Table1.
Project Elements Eligible for Project Priority Ranking in the Drinking Water State
Revolving Fund DRAA Program**

1. Projects for water supply systems, which the State classified as vulnerable , as a result of a 2007 NJDEP Interconnection Study	300 points
2. Projects for water supply systems that prevent floodwaters from entering a treatment plant or well house, including but not limited to relocating facilities to less flood prone areas and installation of physical barriers around a facility.	250 points
3. Projects for other interconnections that increase water systems resiliency during time of emergency	200 points
4. Projects for water supply systems with inadequate primary and secondary source capacity	150 points
5. Projects for water systems with auxiliary power projects or developing an asset management project	125 points
6. Projects for water supply systems with inadequate storage to meet those requirements of the New Jersey Water Supply Management Act (7:19-6.8).	100 points
7. Other projects elements, not including in the above items that can be Superstorm Sandy related	50 points

Category B. Approved Asset Management Plans/Water Supply Plans/Studies

Planning water system improvements that advance comprehensive water supply concepts can facilitate cost effective drinking water system rehabilitation. To provide an incentive for appropriate planning, 75 Points will be given to each project that implements the actual rehabilitation, correction of a problem, or water system improvement clearly identified in an asset management plan or 50 points will be given if the project is clearly identified in other appropriate plans (i.e. five year master plan, five year capital improvement plan, rate setting

study or comprehensive water supply plan for a particular region or watershed) approved by a municipal or State agency (such as the New Jersey Department of Environmental Protection, the New Jersey Department of Community Affairs or the New Jersey Board of Public Utilities) within the last five years.

At a minimum, the plan should contain an inventory of water system components (i.e. source, treatment, distribution, storage etc.) including a description of age, criticality and remaining useful life. Resources for your information and use on asset management can be found at: <http://water.epa.gov/type/drink/pws/smallsystems/managementhelp.cfm>

Thirty five (35) points will be given to each project that demonstrates that its water system structurally inspects its finished storage facilities every five (5) years. Also, twenty five (25) points will be given for a system that has a valve exercise program. Documentation must be provided to receive the above mentioned points.

Category C. 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:

$$(\text{Municipal MHI} / \text{Statewide MHI}) \times 100 = \text{Affordability Factor}$$

Points are assigned as shown in Table 2.

TABLE 2. Point values assigned based on Affordability Factor calculation

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

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, which is currently the 2010 census.

The Department has determined that for the purposes of the DWSRF Program, a municipality whose median household income is 35 percent or more below the State's MHI shall be considered a Disadvantaged Community, and will receive 80 priority points which is proportionately greater than the other affordability factor points. (New Jersey's MHI is \$68,444 from the 2010 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	Populations Served	Fraction of total population served	Weighted municipal MHI
Lancaster	30,000	5,000	0.167	5,000
Mayberry	20,000	10,000	0.333	6,660
Holmeville	25,000	15,000	0.500	12,500
Total		30,000	1.00	24,160

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.

Category D. Population

As a tiebreaker, projects will be assigned points based on the permanent population of the water system service area. For 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 (see below). 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.

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

$$[(2 \times \text{Winter Population}) + \text{Summer Population}] / 3 = \text{Weighted Permanent Population}$$

INTENDED USE PLAN

This IUP provides information on funds available through the Drinking Water SRF Program to provide financial assistance for projects using Superstorm Sandy funding, 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 DWSRF Program's requirements and deadlines for completion of planning, design, and loan application. If the total dollar amount of projects exceeds funds available and some projects are not within NJDEP's funding range, projects below the fundable limit may not receive a loan in the current funding cycle, but may go on the FFY14 DWSRF Base Program priority list and get legacy status.

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 may be eligible to pursue loan awards in the FFY14 funding cycle if the project meets the FFY14 DWSRF Base Program eligibility requirements. Project sponsors must submit a new Letter of Intent – Drinking Water to confirm interest in any future funding cycle. Additionally, project sponsors may elect to bypass their project until a future cycle. These projects will receive a letter stating that the project is bypassed for this funding cycle but the project is still eligible under future funding cycles. In general, failure of a prospective applicant to submit complete planning, design and application documents within the time periods specified by this IUP will result in Department bypassing the project in favor of other priority project(s) which are ready to proceed. Please see N.J.A.C. 7:22-3.9 for a general description of the bypass process. (Again, paragraph relevancy is subject to further revision or deletion depending on the Federal guidance for fund utilization and the associated potential restrictive timeframe for fund disbursement).

The proposed IUP provides an opportunity for those interested in being considered for the Superstorm Sandy priority list to review the ranking criteria and other DWSRF loan information prior to submitting a Letter of Intent and associated documents.

I. Eligible Systems and Projects

A. Eligible Systems

Public community water systems (as defined by the National Primary Drinking Water Regulations), both privately and publicly owned, and nonprofit noncommunity water systems are eligible for DWSRF assistance. Eligibility is limited to these types of water systems that are required to comply with the New Jersey State primary drinking water regulations. Facilities that are defined as water systems but are exempt from regulation under the SDWA are not eligible. Federally owned systems and State owned systems (State agencies, such as state police, parks and forestry, and corrections) are not eligible to receive DWSRF assistance. However, State

authorized systems (water commissions, water supply authorities, and water districts) are eligible to receive DWSRF assistance.

B. Eligible Projects and Program Schedule

The Sandy DWSRF assistance must be provided to facilities that were impacted by the Superstorm (including physical damage, loss of power, loss/interruption of mission essential services, etc.) for projects that:

- Reduce the likelihood of physical damage to a treatment works or drinking water system;
- Reduce a treatment works’ or water system’s susceptibility to physical damage or ancillary impacts caused by floods;
- Facilitate preparation for, adaptation to, or recovery from a sudden, unplanned change in the amount of and movement of water in proximity to a treatment works or water system; or,
- Facilitate preparation for, adaptation to, or recovery from climate change or any other type of natural disaster.

A complete list of projects eligible for DWSRF Sandy financing is included in Section G of the IUP Chapter of this document.

Project sponsors are encouraged to make complete submittals before October 2013 so that project ranking can begin as soon as possible. The Superstorm Sandy project document submittal schedule for DWSRF funding is identified below is identical to the SFY15/FFY14 DWSRF Base Program schedule and can be found in Table 3:

Table 3.

Sandy DWSRF Program Schedule (FFY14/SFY15)	
Activity	Deadline
Commitment Letter (Letter of Intent) and Planning Documents	October 7, 2013
Design Documents and Loan Application	March 3, 2014

C. DWSRF Loan Terms and Set-Asides

The Department and Trust are considering various Sandy DWSRF financing program options to offer the most attractive financing package to prospective borrowers. While the DRAA and USEPA allow up to 30% of the grant to be used for principal forgiveness loans, that percentage is diluted when the 20% State Match is added and when the Trust's 25% market-rate share is included.

For the vast majority of the projects expected to be financed through the Sandy DWSRF program, it is anticipated that the Trust will provide a 25% share of the loan amount and that the Department will provide financing for 75% of the allowable project cost, of which **18% will be in the form of the principal forgiveness loan.**

The Department is proposing to establish the following set-asides for the Sandy DWSRF Program:

1. Asset Management: \$5 million

The Department will reserve a maximum of \$5M to provide financial assistance for Asset Management Plan projects. The minimum requirements for eligibility will require an inventory and condition assessment within 2 years of scope approval and acceptance of a loan condition that the planning activities are reasonably expected to result in a capital project as per USEPA requirements. The financing package for asset management plan projects will include **a principal forgiveness loan for 30% of the allowable costs**, an interest-free loan for 45% of the costs and a Trust market-rate loan for 25%. Project priority would be offered to publicly owned community water systems starting from smallest to largest systems. If more projects are received than can be funded through this set-aside, the additional projects will be ranked using the criteria defined in this IUP and will be subject to the following loan terms: 25% market rate loan and a loan from the Department for 75% of the allowable project costs, **of which approximately 18% will be in the form of a principal forgiveness loan.**

2. Auxiliary Power: \$10 million

The Department will reserve a maximum of \$10M to provide financial assistance to projects that provide auxiliary power to a facility that was impacted by Superstorm Sandy. Financing will be in the form of a 25% market rate loan and a loan from the Department for 75% of the allowable project costs, **of which approximately 18% will be in the form of a principal forgiveness loan.** Project priority would be offered to publicly owned community water systems starting from smallest to largest systems.

3. If there are insufficient applications to utilize the funds allocated to these DWSRF Sandy set-asides above, the leftover funds may be reallocated to other reserves or for other eligible Sandy DWSRF projects as determined by the Department.

D. Statewide Assistance Infrastructure Loan Program

State Legislation has been passed under the designations S2815 and A4185 that will authorize the establishment of a Statewide Assistance Infrastructure Loan Program (SAIL) if signed by the Governor. SAIL would be capitalized with Trust funds and be financed through bank lines-of-credit or similar short-term financial instruments to make financing available to eligible borrowers.

Projects eligible for financing through SAIL are envisioned to include a wide variety of water treatment, wastewater treatment, stormwater management and nonpoint source pollution abatement projects that were impacted by Superstorm Sandy and seek short-term cash flow assistance for a substantial portion of the overall project costs. SAIL is designed to be a short-term bridge loan program to help facilitate the cash flow needs of municipalities and authorities for their project local match requirement and/or in anticipation of reimbursement through federal grant programs including but not limited to FEMA 406 and 404 grant programs, HUD-CDBG and NJEIFP to pay for construction costs related to the repair of infrastructure damaged during Sandy and projects to improve infrastructure resiliency in future disasters.

Eligible applicants include local government units, including municipalities, counties, sewerage authorities, municipal utilities authorities, county improvement authorities and other subdivisions of government.

If enacted into law, SAIL will significantly broaden the options available for financing such projects by providing funding opportunities to projects otherwise unable to secure financing and expanding funding sources through low interest loans for terms up to 3 fiscal years.

Projects will be financed through SAIL on a first-approved, first-funded basis provided the project satisfies the requirements to be classified as a SAIL project under the legislation and the Trust Board Resolution approved June 13, 2013, which include:

1. The Commissioner of the Department of Environmental Protection has determined and certified in writing that the Project is necessary and appropriate to (a) repair damage to a wastewater treatment system or water supply facility directly arising from an act of terrorism, seismic activity or weather conditions that occurred within the prior three State Fiscal Years and that gave rise to a declaration by the Governor of the State (the "Governor") of a state of emergency, provided that such wastewater treatment system or water supply facility is located in a county included in the Governor's state of emergency declaration, or (b) mitigate the risk of future damage to a wastewater treatment system or water supply facility from an act of terrorism, seismic activity or weather conditions comparable in scope and severity to an act of terrorism, seismic activity or weather conditions that occurred within the prior three State Fiscal Years and that gave rise to a declaration by the Governor of a state of emergency, provided that such wastewater

treatment system or water supply facility is located in a county included in the Governor's state of emergency declaration;

2. The Project is listed on the SAIL Disaster Relief Emergency Financing Program Eligibility List for funding in the forthcoming State Fiscal Year submitted to the Legislature in a form provided by the Commissioner of the NJDEP;
3. The proposed Borrower has submitted a complete application for the Project to the Trust; and
4. The Board of Directors of the Trust has certified the Project.

E. Financial Relationship between DWSRF and CWSRF

The Safe Drinking Water Act Amendments of 1996 offer states the flexibility to meet the funding needs for drinking water and wastewater facilities by transferring funds from one SRF program to the other. Annually, an amount up to 33% of the Drinking Water SRF Capitalization Grant may be transferred from the CWSRF program to the DWSRF program, or vice versa. 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.

For the DWSRF Base Program, the DWSRF program evaluates funds available to determine if adequate monies are available to be utilized for drinking water projects in the current fiscal year. In addition, the type and number of CWSRF projects are reviewed and a determination is made on the need of the funds to be transferred from the DWSRF loan repayments to the CWSRF accounts or vice-versa. In addition, the DRRA allows for the transfer of funds between DWSRF and CWSRF programs, and this option will be evaluated after projects are ranked.

The Department fully supports efforts to enact legislation to continue to allow the transfer of funds and the transfer provision has been extended by the USEPA. If approved, the Department reserves the right to transfer funds from the CWSRF to the DWSRF (or vice-versa) each fiscal year to the extent allowed by law. The Department will annually evaluate the monies available in each SRF program and whether there is a need to transfer funds. While all projects that meet the program requirements and are ready to proceed have been able to receive a CWSRF or DWSRF loan in the past, the ability of the programs to finance all qualifying projects in the future is uncertain because of reduced funding.

In addition to the potential transfer of funds between the CWSRF and DWSRF, the Department is continuing its policy to cross-collateralize the DWSRF with the CWSRF. This feature results in significant savings to project sponsors and, in particular, the drinking water project sponsors since there is a large source of revenue available to cover possible loan defaults. Under the EPA-approved procedures associated with cross-collateralization, a temporary transfer of funds between the two SRFs may occur as may be necessary to cover the default of a loan repayment or other financial obligation. The Department and the Trust would take steps to collect any

obligations resulting from a loan default and reimburse the appropriate drinking water or clean water account.

F. DRAA and USEPA Requirements

The DRAA and the USEPA Guidance dated May 1, 2013 contains the following provisions that will impact the development of Sandy SRF Programs in New Jersey:

1. USEPA allotted \$191,105,958 to New Jersey's Clean Water SRF and \$38,221,192 to the Drinking Water SRF.
2. The State must provide a 20% match to the Sandy SRF monies. The Department is coordinating with the Department of Community Affairs' Community Development Block Grant (CDBG) program to meet this requirement. We are also evaluating alternative funding sources.
3. A minimum of 20%, and no more than 30%, of the SRF grant can be used for additional subsidization (or principal forgiveness loans (PFLs)).
4. The Sandy SRF monies must be expended within 24 months of obligation to the State (i.e, the award of the SRF capitalization grant) unless a waiver is granted by the federal Office of Management and Budget (OMB). USEPA is working with the states to seek a waiver from the 24-month spending limit and expects to have more information by the end of the Summer 2013.
5. The Sandy SRF assistance must be provided to facilities that were impacted by the Hurricane (including physical damage, loss of power, loss of mission-essential services, etc.) and for projects that are otherwise SRF eligible and serve at least one of the following purposes:
 - Reduces the likelihood of physical damage to a treatment works or drinking water system;
 - Reduces a treatment works' or water system's susceptibility to physical damage or ancillary impacts caused by floods;
 - Facilitates preparation for, adaptation to, or recovery from a sudden, unplanned change in the amount of and movement of water in proximity to a treatment works or water system; or,
 - Facilitates preparation for, adaptation to, or recovery from climate change or any other type of natural disaster.

In addition, Executive Order 11988 on floodplain management requires that federal agencies use the best available flood data to determine the location of projects and activities. Project sponsors will be required to use the best available flood hazard data identified by the Federal Emergency Management Agency (FEMA), where applicable, to guide decision-making.

G. SCHEDULE FOR SANDY PRIORITY SYSTEM & PROJECTS

May 1, 2013	USEPA issues draft guidance on key issues: 2-year expenditure limit; eligible projects, State match options (including CDBG)
May 15, 2013	Department issues a Call for Projects identifying Sandy SRF requirements and preliminary funding package(s)
May 30, 2013	Deadline for Project Sponsors to submit Preliminary Project Info
July 2, 2013	Post Sandy IUP on Department website/notice mailed
July 24, 2013	Sandy IUP Public Hearing
August 2, 2013	Close of Comment Period
October 7, 2013	Deadline for FFY2014 DWSRF Base Program and Superstorm Sandy applicants to send in commitment letter, all planning documents (i.e. project reports) to Department
March 3, 2014	Design Documents & Loan Application Submission Deadline
March 2015	Department/Trust loan closings with project sponsors.

Table 4 contains an outline of the estimated funds available for the Sandy IUP Program.

Table 4. Intended Use of Superstorm Sandy funds

<u>Funds Available</u>	
Federal Capitalization Grant	\$38,221,192*
Administrative Fees (4%)	(1,528,848)
State Match (20%)	7,644,238
Transfers from CWSRF to DWSRF	0
Subtotal	44,336,583
Trust Share at 25%	14,778,861
Estimated Funds Available for Projects	\$59,115,444

*NJ portion of DRAA

H. USEPA's Drinking Water SRF List of Eligible Projects (from USEPA Memorandum, May 1, 2013)

If a project is not specifically listed below, an explanation of how the project addresses the purposes outlined in Section IV.2.d. of the Guidance must be included in the State's Intended Use Plan.

I. Projects that prevent interruption of water distribution system operation in the event of a flood or natural disaster, including but not limited to:

- a. Physical "hardening" or waterproofing of pumps and electrical equipment at pump stations and other components of distribution systems (including storage facilities and associated equipment) through upgrade or replacement including:
 - Waterproofing electrical components (e.g. pump motors)
 - Waterproofing circuitry
 - Dry floodproofing/sealing of structure to prevent floodwater penetration
 - Installation/construction of wind resistant features (e.g. wind resistant roofing materials, wind-damage-resistant windows, storm shutters)
- b. Relocation of pump stations or other distribution system facilities to less flood prone areas
- c. Installation of physical barriers around pump stations or other distribution system facilities (e.g. levies or dykes)
- d. Installation of back-up generators or alternative energy sources (including switch boxes) that service pump stations or other distribution system facilities
- e. Installation/construction of redundant distribution system components and equipment
- f. Construction of interconnections with neighboring water systems which could provide an emergency water supply
- g. SCADA system projects to allow remote or multiple system operation locations
- h. Replacement of damaged equipment with more energy efficient equipment
- i. Construction or installation of flood attenuation, diversion, and retention infrastructure associated with an otherwise eligible drinking water project that protects the distribution system
 - Green infrastructure that reduces the risk of flooding by reducing stormwater runoff including permeable pavement, green roofs and walls, bioretention infrastructure (e.g. constructed wetlands, detention basins, riparian buffers, or stormwater tree trenches/pits/boxes), stream daylighting, and downspout disconnection
 - Natural systems, and features thereof, capable of mitigating a storm surge, such as barrier beach and dune systems, tidal wetlands, living shorelines, and natural berms/ levees
 - Floodwater pumping systems
 - Flood water channels/culverts, physical barriers, and retention infrastructure

II. Projects that prevent floodwaters from entering a treatment plant or well house, including but not limited to:

- a. Installation of physical barriers around a facility (e.g. levies or dykes around the facility to prevent flooding)
- b. Relocation of facilities to less flood prone areas
- c. Construction or installation of flood attenuation, diversion, and retention infrastructure associated with an otherwise eligible drinking water project that protects the treatment plant
 - Green infrastructure that reduces the risk of flooding by reducing stormwater runoff, including permeable pavement, green roofs and walls, bioretention infrastructure (e.g. constructed wetlands, detention basins, riparian buffers, or stormwater tree trenches/pits/boxes), stream daylighting, and downspout disconnection
 - Natural systems, and features thereof, capable of mitigating a storm surge, such as barrier beach and dune systems, tidal wetlands, living shorelines, and natural berms/levees
 - Floodwater pumping systems
 - Flood water channels/culverts, physical barriers, and retention infrastructure

III. Projects that maintain the operation of a drinking water treatment plant, intake or well in the event of a flood or natural disaster, including but not limited to:

- a. Physical "hardening" or waterproofing of pumps and electrical equipment at pump stations and other components of distribution systems (including storage facilities and associated equipment) through upgrade or replacement, including:
 - Waterproofing electrical components (e.g. pump motors)
 - Waterproofing circuitry
 - Dry floodproofing/sealing of structure to prevent floodwater penetration
 - Installation/construction of wind resistant features (e.g. wind resistant roofing materials, wind-damage-resistant windows/storm shutters)
- b. Relocation of critical equipment to less flood prone areas of a facility and/or elevation of critical structures
- c. Installation of physical barriers around individual treatment processes
 - Flood walls around treatment tanks
 - Elevated walls or capping of treatment tanks (e.g. tanks, vaults)
- d. Installation of larger capacity storage tanks
 - Installation of larger capacity chemical storage tanks for continued treatment in absence of delivery service
 - Installation of larger capacity fuel storage tanks for back-up generators
 - Installation of larger capacity water storage facilities (e.g. raw water reservoirs, backwash tanks, contact basins)

- e. Installation of back-up energy supply or alternative energy sources and/or hardening of existing connections to the power grid
- f. Installation/construction of redundant distribution system components and equipment
- g. Replacement of damaged equipment with more energy efficient equipment
- h. SCADA system projects to allow remote or multiple system operation locations

IV. Projects that preserve and protect water system equipment in the event of a flood or natural disaster, including but not limited to:

- a. Relocation of critical equipment to less flood prone areas of a facility and/or elevation of critical structure
- b. Prevention of saltwater damage to materials and equipment
 - Installation of salt water resistant chemical storage tanks
 - Installation of salt water resistant fuel storage tanks
 - Installation of salt water resistant equipment and appurtenances

V. Planning projects that assess a treatment works' vulnerability to flood damage or that analyze the best approach to integrate system and community sustainability/resiliency priorities in the face of a variety of uncertain futures including natural disasters and more frequent and intense extreme weather events, provided the planning work is reasonably expected to result in a capital project, including but not limited to:

- a. Risk/vulnerability assessments considering recent floodplain maps and projected sea level rise
- b. Alternatives analysis
- c. Asset Management Plans
- d. Emergency Preparedness, Response, and Recovery Plans

**Attachment 1.
Sandy DWSRF List (Response to Call for Projects)**

PID	Program	Sponsor	Project Name	Estimated Cost
130	Drinking Water	Avon By The Sea Borough	Water Resiliency Upgrade	50,000
133	Drinking Water	Barnegat Township	Portable back up generator	192,000
182	Drinking Water	Beach Haven Borough	Reconstruction of Water Pumping Facilities	1,000,000
193	Drinking Water	Bloomfield Township	Bloomfield Direct Water Supply Connection	26,543,256
264	Drinking Water	Brick Township Municipal Utilities Authority	Flood Proofing of the Raw Water Pump Station Located on the Metedeconk River	150,000
273	Drinking Water	Brick Township Municipal Utilities Authority	Alternate Fuel Supply for the Emergency Generators at the William Miller Water Treatment Plant	1,300,000
293	Drinking Water	Brick Township Municipal Utilities Authority	Installation of Emergency Generators at the Mantoloking Road, Morris Avenue and Ridge Road Water Booster Stations	300,000
183	Drinking Water	Bridgeton City	New Emergency Power Generator Sets for Wells and Facilities	640,000
296	Drinking Water	Brigantine City	REPLACE WELL #4	1,500,000
169	Drinking Water	Camden City	Well House Elevation & Installation Of Five (5) Replacement Wells At Morris Delair Water Treatment Plant	2,500,000
306	Drinking Water	East Brunswick Township	Replacement of Pump #3	175,000
140	Drinking Water	Garfield City	Garfield Water Works Well Field Emergency Generator	314,000
260	Drinking Water	Lakewood Township Municipal Utilities Authority	Emergency Preparedness	3,290,000

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PID	Program	Sponsor	Project Name	Estimated Cost
189	Drinking Water	Little Egg Harbor Municipal Utilities Authority	Radio Road Water Treatment Plant Improvements	450,000
129	Drinking Water	Long Beach Township	Beach Haven Terrace Water Plant	1,500,000
192	Drinking Water	Long Beach Township	Brant Beach Water Plant	1,000,000
222	Drinking Water	Long Beach Township	Holgate Water Plant	500,000
149	Drinking Water	Middlesex Water Company	Relocation of the Companies Eborn Pump Station and 5 MG tank	20,000,000
151	Drinking Water	Middlesex Water Company	Installation of a Generator at the Companys Randolph Avenue NJAWC interconnection	125,000
152	Drinking Water	Middlesex Water Company	Replacement of backup Power Generator at the Companys Intake Station	1,000,000
156	Drinking Water	Middlesex Water Company	addition of backup power generation to the Companys NJAWC interconnection at North Tingley Lane in Edison	125,000
157	Drinking Water	Middlesex Water Company	Addition of a Standby Power generator at tje Companys CJO Treatment Plant	1,250,000
196	Drinking Water	New Brunswick City	D&R Canal Raw Water Pump Station Emergency Generator	1,162,012
210	Drinking Water	New Brunswick City	Weston's Mill Raw Water Pump Station Emergency Generator	1,162,012
212	Drinking Water	New Brunswick City	New Brunswick WTP Secondary Emergency Generator	1,162,012
216	Drinking	New Brunswick City	Landing Lane Interconnection Rehabilitation	

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PID	Program	Sponsor	Project Name	Estimated Cost
	Water			1,200,000
225	Drinking Water	NJ American Water Company, Incorporated	RM WTP Flood Wall	30,000,000
256	Drinking Water	NJ American Water Company, Incorporated	RM WTP Auxiliary Power Project	12,000,000
263	Drinking Water	NJ American Water Company, Incorporated	RM WTP Direct Electric Drives	1,500,000
269	Drinking Water	NJ American Water Company, Incorporated	Swimming River WTP Auxiliary Power	11,000,000
276	Drinking Water	NJ American Water Company, Incorporated	Oak Glen WTP Auxiliary Power	2,000,000
294	Drinking Water	NJ American Water Company, Incorporated	Canoe Brook WTP Auxiliary Power	5,000,000
177	Drinking Water	North Jersey District Water Supply Commission	Low Lift Natural Gas Pump Project	9,142,875
201	Drinking Water	Perth Amboy City	Installation of a New Stand-by Generator for the Runyon Water Treatment Plant	1,855,000
165	Drinking Water	Pinelands Wastewater Company	addition og Backup Power at the Companys Well # 4	65,000
167	Drinking Water	Pinelands Wastewater Company	Addition of Backup Power Generation at the Companys NJAWC interconnection at Menlo Park	125,000
164	Drinking Water	Pinelands Water Company	Addition of Backup Poer Generator at the companys high lift pump station	25,000
267	Drinking Water	Regency at Sussex LLC	Regency Water	2,700,000

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PID	Program	Sponsor	Project Name	Estimated Cost
204	Drinking Water	Southeast Morris County Municipal Utilities Authority	Black Brook Wells and WTP	3,000,000
231	Drinking Water	Southeast Morris County Municipal Utilities Authority	Park Ave Booster Pumping Station	275,000
240	Drinking Water	Southeast Morris County Municipal Utilities Authority	Wing Well	525,000
125	Drinking Water	St George Church LLC	Generators	20,500
272	Drinking Water	Utilities Incorporate	Armstrong phase II main extension	95,000
195	Drinking Water	Vineland City	Vineland Water & Sewer Utility New Emergency Power Generator Sets at Wells 4,6,7,8,10 and 11	1,743,220
265	Drinking Water	West Milford Township Municipal Utilities Authority	Birch Hill Emergency Power Generator	19,000
271	Drinking Water	West Milford Township Municipal Utilities Authority	Greenbrook Emergency Power Generators	72,000
275	Drinking Water	West Milford Township Municipal Utilities Authority	Crescent Park Emergency Power Generators	59,000
277	Drinking Water	West Milford Township Municipal Utilities Authority	Awosting Emergency Power Generators	59,000
279	Drinking Water	West Milford Township Municipal Utilities Authority	Olde Milford Emergency Power Generators	59,000
280	Drinking Water	West Milford Township Municipal Utilities Authority	Bald Eagle Emergency Power Generators	45,000

**Attachment 1.
Sandy DWSRF List (Response to Call for Projects)**

PID	Program	Sponsor	Project Name	Estimated Cost
281	Drinking Water	West Milford Township Municipal Utilities Authority	Parkway Emergency Power Generator	19,000
131	Drinking Water	Willingboro Municipal Utilities Authority	Resiliency Improvements to Drinking Water Infrastructue	3,780,000
TOTAL				153,773,887