STATE OF RHODE ISLAND

STATE FISCAL YEAR (SFY) 2025 INTENDED USE PLAN

in support of the

FEDERAL FISCAL YEAR (FFY) 2024 BASE, GENERAL SUPPLEMENTAL, LEAD SERVICE LINE REPLACEMENT AND EMERGING CONTAMINANTS CAPITALIZATION GRANTS

To be made available by the Safe Drinking Water Act Amendment of 1996 for the Drinking Water State Revolving Fund

Table of Contents

I. INTRODUCTION 3
II. THE RHODE ISLAND DWSRF PROGRAM 4
A. Administration 4
B. Planned Program Activities 4
C. EPA and State of Rhode Island Operating Agreement 5
III. DWSRF Intended Use Plan 6
A. Introduction 6
B. Revision to the IUP 7
C. Short and Long-Term Goals 8
D. Program Issues and Initiatives 10
IV. FINANCIAL PLAN AND STRUCTURE FOR THE DWSRF 12
A. Sources and Uses 12
B. Source of State Match 12
C. Loan Terms and Fees 12
D. Schedule of Payments into the Automated Standard Application (ASAP) 12
E. Federal Cash Draw Proportionality Ratio 13
F. Additional Subsidization 13
G. Investment Practices 13
H. Method of Distributing Funds 14
I. Transfer Authority between Clean Water and Drinking Water SRF's 14
J. Cross-Collateralization of the CWSRF and DWSRF Revenue Bond Structure 14
K. Cross-Collateralization of the CWSRF and DWSRF Revenue Bond Structure 15
V. PROJECT PRIORITY SYSTEM 19
VI. LIST OF PROJECTS TO BE FUNDED 20
A. Green Infrastructure 21
B. Emergency Power Generator Initiative 21
C. Small Systems Strategy 21
VII. DISADVANTAGED COMMUNITY PROGRAM 23
VIII. ASSURANCES AND SPECIFIC PROPOSALS 28
IX. EQUIVALENCY 28
X. REPORTING REQUIREMENTS 29
XI. SFY2025 PROGRAM CHANGES 31
XII. PUBLIC REVIEW AND COMMENT 31
XIII. PROGRAM EVALUATION REPORT (PER) AND AUDIT FINDINGS 32

XIV. ATTACHMENTS 33
A. Project Priority List and Ranking Worksheet 34
B. Sources and Uses Table 35
C. Anticipated Loan Commitments for SFY2025 36
D. Payment Schedule for ACH 37
E. Total Capital Grants in the RI Base and BIL Program 38
F. Allotment of Base and BIL Set-Aside Dollars Requested 39
G. Additional Subsidy Requirements 40
H. Attorney General Certification 41
I. RI Infrastructure Bank and RIDOH Memorandum of Understanding (MOU) 42
J. RI Infrastructure Bank Loan Policies and Procedures 43
K. RIDOH Rules and Regulations 44
L. Affordability Criteria 45

I. INTRODUCTION

The RI DWSRF is jointly administered by Rhode Island Infrastructure Bank (Bank) and Rhode Island Department of Health (RIDOH). The Bank manages the financial aspect of the program while the RIDOH prioritizes eligible projects and manages the technical and programmatic aspects of the program.

Consistent with EPA requirements, the DWSRF develops an annual Intended Use Plan (IUP) identifying the intended uses of the funds to support the goals of the program.

This Intended Use Plan (IUP) serves as the State of Rhode Island's application for the Environmental Protection Agency's (EPA) Federal Fiscal Year 2024 Drinking Water State Revolving Fund (DWSRF) Federal Capitalization Grant as authorized by §1452 of the Safe Drinking Water Act Amendments of 1996 (SDWA). The Bank and RIDOH have developed this IUP to describe how the state is intending to use the DWSRF funds for State Fiscal Year (SFY) 2025 (July 1, 2024, through June 30, 2025) provided by federal funds allocated to Rhode Island through the Base and Bipartisan Infrastructure Law (BIL) appropriations for Federal Fiscal Year (FFY) 2024.

The IUP also details how programmatic requirements will be met by the state. Before developing the IUP, RIDOH solicits projects for inclusion on the Project Priority List (PPL). The annual PPL and IUP are developed collaboratively by the Bank and RIDOH and are subject to public comment and review before being submitted to the EPA.

In addition to the FFY2024 Base Federal Capitalization Grant allotment of $4,661,000, the Bank is applying for $22,985,000 for the DWSRF General Supplemental Grant, and $7,640,000 for the

Emerging Contaminants Grant and $28,650,000 for the Lead Service Line Replacement Grant made available through the BIL. As required by the SDWA, the Bank agrees to provide, through methods available to it, the required 20% State Matching Funds in the amount of $932,000 for the Base Capitalization Grant and the required 20% State Matching Funds for the General Supplemental Grant in the amount of $4,597,000. No match is required for the Emerging Contaminants Grant. The required FFY2024 state match for both the Base and BIL capitalization grants was deposited into DWSRF program on May 8th, 2023.

BIL was signed on November 15, 2021, which provides significant investment for water and wastewater infrastructure improvements. The BIL is expected to provide additional General Supplemental, Emerging Contaminants and Lead Service Line Replacement funding to the Base DWSRF program allocations for a five (5) year period, ending in FY2026. This IUP reflects the third year of BIL funding.

II. THE RHODE ISLAND DWSRF PROGRAM

A. Administration

The entities involved in the application for these Federal Capitalization Grants are the Bank and RIDOH. The Bank is the designated lead agency with respect to the financial aspects of the DWSRF Program (the Program) and is empowered to enter into capitalization grant agreements with the Regional Administrator to accept capitalization grant awards, and to otherwise manage the fund in accordance with the requirements and objectives of the Act, as established by Chapter 46-12.8 of the General Laws of Rhode Island, as amended.

RIDOH is the designated lead agency responsible for establishing assistance priorities; assisting in development of the IUP; establishing project priority lists (PPL); determining project eligibility; performing technical project reviews; monitoring construction; approval or denial of payment; and determining and implementing the Technical Assistance, Local Assistance, and State Program Management set-aside programs as well as part of the Administration set-aside program.

B. Planned Program Activities

These Capitalization Grant Applications (the Applications) are for qualifying projects and set-aside dollars made available to the State of Rhode Island for Federal Fiscal Year 2024. The IUP, included as Section III B. to this document, outlines the anticipated use of all funding available in the Program and the methods of financing to be used to make construction loans to Rhode Island-based water suppliers.

The current financial structure of the Program is the culmination of extensive modeling and

analyses which provides the Program with the flexibility to achieve its short- and long-term goals (see Section III C.) within the changing financial, legal, and/or political environment.

The Program has a financing structure flexible enough to meet the needs of the varied types of water suppliers who seek financial assistance while ensuring the financial health of the Program, the Bank, its bond holders, and existing financial assistance programs. The financial structure attempts to maximize the number and volume of loans the Bank can responsibly make to the local communities and water supply authorities while complying with the Act and associated rules promulgated by EPA.

C. EPA and State of Rhode Island Operating Agreement

An Operating Agreement (OA), which establishes a mutual obligation between the EPA and the State of Rhode Island for the oversight of the Program, first implemented in December 1997, with the current OA being executed in 2018. The purpose of the OA is to define and integrate rules, regulations, guidelines, policies, procedures, and activities to be followed by EPA and the State of Rhode Island in administering the Program prescribed by §1452 of the SDWA. The OA will continue from year-to-year and will be incorporated by reference into the annual SRF Capitalization Grant Agreement (the Agreement).

The State of Rhode Island agrees that any modifications to this agreement that may be required by EPA regulations, policies, or program guidance, will be made, and implemented where applicable on such other schedule as negotiated with EPA. If feasible, such modifications may be discussed at the time of the annual review. EPA agrees that, unless mandated by Federal law, modifications will not apply retroactively, unless agreed to by the State of Rhode Island.

Detailed information concerning Rhode Island's SRF laws, rules, policies, and procedures are incorporated by reference in the OA. During or before the annual Application submittal process, changes to the OA will be considered and only the materials relevant to the proposed changes shall be submitted for EPA's consideration.

Information which changes from year-to-year is contained in the annual Application and IUP. Several specific assurances necessary for submittal of an application are included in the OA. These include an assurance that the State:

- Has the authority to establish the Program and operates it in accordance with the Act;
- Will use Generally Accepted Accounting Principles;
- Will have the Program fund and set-aside accounts audited annually in accordance with Generally Accepted Government Auditing Standards;
- Will commit and expend funds as efficiently as possible and in an expeditious and timely

manner;

- Will use funds in accordance with the IUP; and
- Will provide EPA with an annual or biennial report.

Other assurances specific to the award and acceptance of the capitalization grant are noted in the IUP.

As per the OA, EPA agrees to review the Application and take appropriate action within 45-days of receipt of a complete application (including, but not limited to, supporting documentation and certifications and any modifications to the OA, the annual IUP, and proposed payment schedule) in the Regional Office. EPA shall either approve the Application and award the capitalization grant or shall notify the State of Rhode Island in writing of issues requiring resolution. The State of Rhode Island and EPA agree to negotiate promptly, cooperatively, and in good faith to clarify or resolve questions which may arise during review of the Application. The Bank agrees to execute the Capitalization Grant offer within 30 days of EPA approval.

III. DWSRF Intended Use Plan

A. Introduction

The Bank and RIDOH submit to EPA the IUP for the SDWA §1452 funds available to the State of Rhode Island for Federal Fiscal Year 2024. This includes the Federal Fiscal Year 2024 Base Capitalization Grant allotment of $4,661,000; $22,985,000 of DWSRF General Supplemental grant; $28,650,000 of Lead Service Line Replacement Grant; and $7,640,000 of Emerging Contaminants Grant.

Consistent with the provisions of the SDWA and subsequent amendments to it, the Bank reserves the right to cross-collateralize between the DWSRF and Clean Water SRF (CWSRF). Similarly, the Bank reserves the right to transfer CWSRF funds to the DWSRF as permitted by SDWA in the upcoming Federal Fiscal Year. While the Bank has not initiated any such transfers in prior years, the Bank may propose making such a transfer in the near term if the need arises.

With the award of the Base Federal grant and BIL General Supplemental Funding Grants, it is the State's intention to continue a subsidized loan program for eligible publicly and privately organized drinking water suppliers in the State of Rhode Island.

- Lead Service Line Replacement
  The State will fund private and public lead service lines to minimize the adverse public health effects of lead. In addition to funding the lead service line replacement projects with principal forgiveness and/or grants, the Bank will also make zero-interest loans to borrowers. Loan fees will include a 1.0% loan origination fee and a 0.3% annual service fee on the outstanding balance of the loan.

- Emerging Contaminants
  For a project or activity to be eligible for funding under this appropriation, it must be otherwise DWSRF eligible, and the primary purpose must be to address emerging contaminants in drinking water. Given the clear Congressional intent that these funds focus on projects addressing perfluoroalkyl and polyfluoroalkyl substances (PFAS), the State has actively solicited and prioritized PFAS-focused projects. The State, however, can fund projects for any contaminant on any of EPA's Contaminant Candidate Lists.

To determine which projects are to be funded by the Program, RIDOH annually prepares a PPL. Projects are funded based on ranking and readiness to proceed.

Projects expecting to need funding in the next fiscal year are identified in priority order. RIDOH has developed a "tie-breaking" procedure, bypass provisions, bypass for small systems procedure, and emergency projects procedure as part of its Drinking Water State Revolving Fund regulations, 216-RICR-50-05-6. If projects identified for funding in the IUP/PPL are unable to proceed, funding assistance for these projects will be deferred and other projects from the PPL will be selected for funding. Selection is based on procedures in the priority ranking system, readiness to proceed, and availability of funds.

The PPL was formatted in accordance with EPA requirements for both Green Project Reserve (GPR) and the Base Program. Although the State chose to opt out of the GPR for FFY2024, the format will remain the same in the event the State does not have the option of opting out in the future or chooses to implement GPR.

B. Revision to the IUP

This IUP is based upon projects listed on the PPL. Throughout the course of the year, the need may arise to amend this IUP, including the PPL. Public notice, including the opportunity for public comment, will be provided similarly to notification of this IUP. If projects identified for funding in the IUP are unable to proceed, funding assistance for these projects will be deferred and other projects from the PPL will be selected for funding. The Rhode Island Drinking Water State Revolving Fund regulations, 216-RICR-50-05-6, list the changes to the PPL that do not require public solicitation of comments. Revised PPL versions, completed throughout the year, will not

necessitate a public notice of the IUP. Following a public comment period, the PPL will then be inserted into the existing IUP.

C. Short and Long-Term Goals

As required by the Act, the Program has identified the following goals. The IUP details the short- and long-term programmatic goals of ensuring public health protections, ensuring affordable drinking water, complying with the Act, and maintaining the long-term financial health of the Program.

Both entities will continue to administer all their respective proper rules, regulations, and policies to manage the Program. The goals described below are grouped according to short- and long-term objectives and are not listed in any order of Program priority:

Short Term Goals

#1: Endeavor to provide 15% of project funds for assistance to small systems on an annual basis. Continue outreach efforts to small systems to educate and better promote the Program and maintain a pipeline of projects eligible for funding.

#2: Develop work plans for use of set-aside dollars.

#3: Coordinate Program activities with other state and Federal activities relating to public drinking water.

#4: Continue to reduce Unliquidated Obligations (ULO) associated with Capitalization Grant awards and work towards achieving EPA's ULO objective. Continue ongoing collaboration with water systems, including rigorous monitoring of ULOs and exploration of opportunities to optimize funding timelines with borrowers, expediting liquidation of obligations.

#5: Promote climate resilience of water systems through coordination and funding of eligible water suppliers.

#6: Prepare an annual report which lists the State's accomplishments for the fiscal year and submit to EPA in a timely manner.

#7: Identify and prioritize additional subsidies for projects in the IUP that serve disadvantaged communities by providing targeted outreach and engagement.

#8: Modify Program scoring criteria to consider the Project's readiness to proceed when

ranking projects on the PPL.

#9: Train RIDOH Program Managers to oversee a Project's progress through the Program, including, but not limited to scoring and ranking, Certificate of Approval, and review of pay requests.

Long Term Goals

#1: To manage the Program in compliance with the SDWA of 1996 (§1452).

#2: Manage the Program to distribute funding to eligible public and privately- organized water suppliers in a timely and efficient manner.

#3: Maintain the Capacity Development Program as per §1420 of the Act.

#4: Maintain a Source Water Protection Program in accordance with § 1453 of the Act.

#5: Maintain a Disadvantaged Community Loan Program for those water suppliers meeting Program criteria.

#6: Ensure full compliance with §1452 of the Act and all Federal cross-cutting issues as required by the 1996 SDWA amendments.

#7: Provide a self-sustaining funding program that will assist public water systems in achieving compliance with public health objectives of the Act.

#8: Maintain the fiscal integrity of the Program and comply with generally accepted governmental accounting principles to assure continuance of loan funds for future generations.

#9: Provide financial assistance in the form of loans with principal forgiveness to mitigate the impacts from emerging contaminants on public water systems.

#10: Support BABA by ensuring that all products used in infrastructure projects as identified in the Act be produced in the US and assurance that required procurement language is used in contracts.

#11: Accelerate the identification and removal of lead service lines through technical and financial assistance.

#12: Fully enforce Civil Rights by promoting public engagement and program transparency.

D. Program Issues and Initiatives

As of April 30, 2024, and for the life of Program, the Bank has made 114 DWSRF loans totaling $705,629,171. Projects on the draft SFY 2025 PPL total $1,061,890,077 and the total amount of projects that can be funded this year totals $93,110,995 (See Attachment C, Sources and Uses Table); therefore, the Bank estimates its funding gap to be $968,779,082.

The sources, as shown in Attachment B, equal $191,480,269 and total uses equal $181,385,624. While the Bank's sources currently exceed its uses, the Bank will be reaching out to each PPL applicant directly to ensure that they are aware of the program benefits and application timing. The Bank will continue to market its program through social media efforts and will be hosting information sessions on how to apply to the program and the benefits of utilizing the DWSRF. Additionally, the Bank and RIDOH will be working with small systems technical assistance provider to reach out to small systems. It is the Bank's intention to utilize all capitalization grant funds. The Bank will prioritize its marketing efforts from September 2024 through January 2025 to move forward program applications for Board approval with the intent of closing loans in early Spring 2025.

The Bank anticipates closing on eleven loans ($93,110,995) in SFY2025. The list of anticipated loan commitments can be found in Attachment C.

To prevent the PPL from becoming a "wish list" and to accurately forecast the State's immediate funding requirements, RIDOH's annual solicitation letter instructs water systems to submit only those projects that are slated to begin construction within the next two years. As part of this effort, all systems are required to provide updated project information annually, including cost estimates, construction timelines, and project specifics, ensuring each project is appropriately ranked.

Starting in SFY25, the program is expected to place greater emphasis on a project's readiness to proceed, likely requiring certain milestones, like submittal of an Engineering Application or Certificate of Approval application, in order to appear on the PPL.

Resources will be allocated to long-term subsidized direct loans and/or leveraged loans to local governmental units and privately organized water suppliers in need of financing for identified capital projects.

Set-aside monies will be used according to the work plans prepared for each set-aside. With this

application, the State will be utilizing $186,440 of the Base Administrative Set-aside; $466,100 of the Base State Program Management Set-aside; $699,150 of the Base Local Assistance Set-aside and $93,220 for the Base Technical Assistance Set-aside. More detail regarding set-aside use is discussed in Section IV. Attachment F shows the historical base capital grants and set-aside amounts, including for BIL.

IV. FINANCIAL PLAN AND STRUCTURE FOR THE DWSRF

On a regular basis and an applicable basis, the Bank coordinates with RIDOH, borrowers, and our financial advisory firm to evaluate the borrowing needs of the State. The Bank evaluates the need to issue debt to augment other funding sources such as Capitalization Grant Funds, State Match Funds, Borrower Repayments – all to find the most economically efficient way to meet the needs of water systems and communities. Once an approach is settled upon, the Bank will execute its financial plan.

A. Sources and Uses

This IUP addresses the sources of funds expected to be available to the Program through State Fiscal Year 2025. The Sources and Uses table can be found in Attachment B. The use of these funds is expected to begin in SFY2025. The financing capability of this IUP is based upon the total Base, BIL General Supplemental, and Emerging Contaminant and Lead Service Line Replacement Grants, less the amounts designated for the set-aside programs, plus the FFY24 State Match, plus available State Match Funds (carried over from prior federal fiscal year state matches), plus available Capitalization Grant Funds. Principal and interest repayments to the fund, plus interest and equity earrings will be returned to the fund and recycled. The use of "recycled funds" may be used for Federal Direct loans.

B. Source of State Match

Based on the expected FFY2024 Base DWSRF Base Capitalization Grant of $4,661,000, the required 20% of state match equals $932,000. The Bank is also expecting to receive an additional $22,985,000 for the BIL General Supplemental Grant which has a state match requirement of 20%, equaling $4,597,000. The required FFY2024 state match for both the Base and BIL capitalization grants has been received and deposited into the DWSRF program on May 8th, 2023.

C. Loan Terms and Fees

The Program offers an economic benefit to its borrowers in the form of loan interest subsidization. The standard interest rate is ¼ off the individual borrower's market rate (as jointly determined by the Bank's financial advisor and the borrower's financial advisor). Loans can be up to twenty years in duration and can be structured to meet the repayment abilities unique to each borrower. Loan fees include a 1.0% loan origination fee and a 0.3% annual service fee on the outstanding balance of the loan. Interest is collected twice annually, and principal is collected once annually. The Bank uses fees collected to pay for administration costs and other operating expenses.

D. Schedule of Payments into the Automated Standard Application (ASAP)

The Program anticipates funding its ASAP account in a way the EPA and the Bank will agree on to allow for maximum Capitalization Grant draws. The Program anticipates deposits into the ASAP account for the FFY24 capitalization grant as per the following schedule for the Base DWSRF Capitalization

Grant; General Supplemental; LSR and Emerging Contaminants, as shown in Attachment D.

E. Federal Cash Draw Proportionality Ratio

On November 18, 2022, the Office of Grants and Debarment (OGD) approved a permanent regulatory exception to the State Revolving Fund cash draw rules. This exception eliminates the requirement for the states to draw SRF disbursement request at a proportional federal to state ratio. It also eliminates the cap on federal funds that can be drawn for refinance projects in the first eight quarters after EPA awards a capitalization grant to the State.

F. Additional Subsidization

Under the Congressional Additional Subsidy Authority, the Bank is required to use at least 14% of the Base Capitalization Grant ($652,540) to provide additional subsidy to eligible recipients in the form of principal forgiveness or grants. In addition, through BIL, the SDWA mandates that states use at least 12% (but no more than 35%) of the Base Capitalization Grant ($559,320) to provide additional subsidy to Disadvantaged Communities in the form of principal forgiveness or grants.

The BIL General Supplemental and Lead Service Line Replacement Grants each require 49% ($11,262,650) for BIL General Supplemental and ($14,038,5000) for BIL Lead Service Line Replacement) of the respective portions to be provided as additional subsidy to Disadvantaged Communities. The BIL Emerging Contaminants Grant requires 100% ($7,640,000) to be provided as additional subsidy, with 25% going to Disadvantaged Communities or public water systems serving fewer than 25,000 people.

Priority for principal forgiveness or grants will be given to small drinking water system projects that are on the PPL, have a Certificate of Approval, and are ready to proceed. “Emergency” water quality projects will be given priority regardless of PPL ranking. Each qualifying drinking water small system will be eligible to receive up to $100,000 in principal forgiveness, with the possibility of receiving additional principal forgiveness at the Bank’s discretion based on project needs and merits. Total principal forgiveness will not exceed the total project cost and is subject to the availability of funds. Should there not be enough small system demand, principal forgiveness may be allocated to other drinking water applicants.

Further, additional subsidization will be given to water systems deemed disadvantaged as per the State’s Disadvantaged Community Program, discussed later in this IUP. Attachment G shows the subsidy requirements for FFY24 Base and BIL capitalization grants.

G. Investment Practices

The Bank has an investment policy for “idle” funds, with most invested in short-term investments until the Bank can allocate those funds into the next pool of borrowing. The Bank, along with its financial advisors, closely monitors investment options. Loan demand can be met using direct loans or leveraged loans. The leveraging ratio for the program is approximately 2x which helps maximize its loan capability by issuing revenue bonds to meet the funding need.

H. Method of Distributing Funds

The Program will provide loans for up to 100% of eligible project and finance costs. This is consistent with Federal limitations on the use of Program funds. RIDOH shall determine the eligibility of project costs based on Federal eligibility guidelines. RIDOH has developed the project priority ranking system and has prepared the PPL for this fiscal year. The Bank will fund projects on the approved PPL based on the order in which they appear and readiness to proceed to the extent that the borrowers access the fund. Periodic mailings and notices of funding availability will be provided to all eligible borrowers.

Currently, the Bank and RIDOH are structuring loans and project approvals for several projects around the State.

The Bank and RIDOH will take several factors into consideration when determining which projects from the PPL will be funded by the Program. These factors include:

- Project will provide a necessary health benefit in accordance with the Act;
- Water supplier will make an application for financing;
- Water supplier has the financial, managerial and technical ability to apply for, receive and repay the loan; and
- Projects are ready to proceed at the time of financing availability.

I. Transfer Authority between Clean Water and Drinking Water SRF's

In accordance with the Safe Drinking Water Act (SDWA) and the SRF funds transfer provisions (Section 302), the State hereby reserves the authority to transfer an amount up to 33 percent of the DWSRF program capitalization grant(s) to the CWSRF program or an equivalent amount from the CWSRF program to the DWSRF program. In addition, the Bank may transfer funds between CWSRF and DWSRF General Supplemental grants and between the CWSRF and DWSRF BIL Emerging Contaminants capitalization grant. No transfer of funds is planned at this time; however, the Bank reserves the right to transfer funds in the future.

J. Cross-Collateralization of the CWSRF and DWSRF Revenue Bond Structure

The Master Trust Agreement dated May 1, 2021, provides for a bond structure that allows cross-collateralization of the CWSRF and the DWSRF to provide additional bond security and ratings enhancement for both programs. With cross-collateralization, excess CWSRF revenues (revenues pledged to repayment of CWSRF bonds over and above what is needed to make actual debt service payments) would be available to cure any DWSRF bond payment default or reserve fund deficiency. Likewise, excess DWSRF revenues would be available to cure any CWSRF bond payment default or reserve fund deficiency. Pursuant to federal regulations, cross-collateralization support cannot extend to debt issued to provide state matching funds. The Master Trust Documents provide adequate safeguards to ensure that future CWSRF or DWSRF bond issues will comply with this limitation. Revenues pledged to the repayment of CWSRF bonds include principal and interest payments received on loans, investment earnings on funds and

accounts within the bond indenture, including a reserve fund comprised of CWSRF program assets (cash). The Master Trust Documents and each series bond indenture require that revenues pledged are sufficient to cover the debt service requirement for each payment date at least 1.1 times. Accordingly, a cash flow surplus is anticipated for each period absent a borrower default on a loan. This surplus flows to the other series of the CWSRF and DWSRF bonds. Under the new Master Trust Indenture, all CWSRF loans are pledged to all CWSRF outstanding bonds, and all DWSRF loans are pledged to all DWSRF outstanding bonds.

The order of priority for surplus CWSRF pledged revenues is:

- CWSRF bond issue debt service payment deficiencies;
- Any DWSRF bond issue debt service payment deficiencies (but not DWSRF state match bonds);
- CWSRF bond issue reserve fund deficiencies;
- Any DWSRF bond issue reserve fund deficiencies (but not DWSRF unrestricted reserve funds that secure DWSRF state match bonds);
- To replenish and repay the DWSRF for any surplus DWSRF pledged revenues that were previously utilized to cure a CWSRF bond issue debt service or reserve fund deficiency;
- All remaining funds are released back to the CWSRF Loan Account.

The order of priority for surplus DWSRF pledged revenues is similarly structured. Any surplus CWSRF pledged revenues utilized to cure a DWSRF bond issue debt service or reserve fund deficiency will ultimately be repaid to the CWSRF through operation of the Master Trust Documents.

K. Cross-Collateralization of the CWSRF and DWSRF Revenue Bond Structure

RIDOH administers the set-aside programs targeted at assisting water supply systems in meeting the Program's broad-based goals. Attachment F illustrates the dollars requested for the Base and BIL Federal Capitalization Grant set-aside programs. A discussion of each set-aside program follows:

1) Base Capitalization Grant

A) Base Administration

RIDOH and the Bank use the annual allotments of Base administrative set-aside funds to manage the Program. It is expected that the accumulation of annual administrative set-aside award will outlast the Federal capitalization period, thus assuring adequate revenue for perpetual program administration.

With this application, the State is utilizing $186,440 of the FFY24 Base capitalization grant request for administrative set-aside costs. The Bank will utilize $93,220 for various purposes in fulfilling its administrative oversight responsibilities for the financial aspects of the program. RIDOH will utilize $93,220 to cover expenses incurred in carrying out its programmatic responsibilities for the program.

B) Base Technical Assistance for Small Systems

The State plans to utilize $93,220 for technical assistance. Base technical assistance set-aside monies can be used for technical training of small public water systems operators and, specifically targeting operation and maintenance issues, including water quality improvement and compliance with the SDWA. In SFY24, the Base Technical Assistance set-aside funding will be used to fund a portion of one RIDOH staff to provide technical training and outreach. The Base technical assistance set-aside workplan describes planned sources and uses in more detail and includes a line-item budget.

C) Base State Program Management

A maximum of 10% of a Base Capitalization Grant can be allocated for State Program Management (SPM) activities. The State will be utilizing $466,100 of the grant request. RIDOH uses the Base SPM set-aside to fund various activities that are mandated by the Act:

- Maintain the Capacity Development Program to ensure that water systems have the technical, managerial, and financial capacity to meet existing and future SDWA regulations;
- Fund a portion of the Operator Certification Program;
- Fund a portion of the Drinking Water Laboratory Quality Control and Quality Assurance Officer within the Department of Health; and
- Fund existing drinking water programs including a portion of other Public Water Surveillance Program activities.

The SDWA requires that states meet specific mandates or risk losing a portion of their federal grant. Failure to implement a Capacity Development Program and/or Operator Certification Program that are at least as stringent as the federal guidelines will result in a state losing up to 20% of its Capitalization Grant each year. RIDOH will comply with the capacity development authority, capacity development strategy, and operator certification program provisions.

RIDOH will comply with the nine major program components of certification and recertification of operators of community and non-transient, non-community public water systems, and all requirements of the Capacity Development Program. The State continues to ensure that public health objectives are met through the Operator Certification and Capacity Development programs.

The Base state program management set-aside workplan describes planned sources and uses in more detail and includes a line-item budget.

D) Base Local Assistance

The State will be utilizing $699,150 of the Base Capitalization Grant for Local Assistance activities. Activities include public outreach and education to promote source protection and support water system capacity, water system technical assistance, continued development of a GIS-based groundwater quality database, and toxicology support for regulated and emerging contaminants.

In SFY25, RIDOH staff will deliver these services. The Base local assistance set-aside workplan describes planned sources and uses in more detail and includes a line-item budget.

2) General Supplemental Grant

A) General Supplemental Administration

RIDOH and the Bank will use $919,400 of General Supplemental administrative set-aside funds to manage the Program. With this application, RIDOH will be utilizing $459,700 and the Bank will be utilizing $459,700 for various purposes related to performing its administrative oversight responsibility of the financial aspects of the program. The administration and technical assistance set-aside workplans describe planned sources and uses in more detail and includes a line-item budget.

B) General Supplemental Technical Assistance for Small Systems

The State plans to utilize $324,141 of FFY2024 General Supplemental technical assistance set-aside funds and reserve $135,559 from a future capitalization grant. Supplemental technical assistance monies can be used to provide technical, managerial and financial assistance and training to small public water systems. This set-aside will be used to provide technical training, education and outreach to the operators of small public water systems. The training targets operation and maintenance issues and assists small public water systems in improving their water quality and maintaining compliance with the Safe Drinking Water Act. These funds are also used to provide compliance assistance to small water systems during or after violations or inspections, general operations assistance to small systems utilizing treatment, and circuit rider assistance and expertise. In SFY25, the General Supplemental technical assistance set-aside funding will be used to fund a portion of two RIDOH staff as well as contracts to provide engineering services, technical assistance, training and outreach. The General Supplemental technical assistance set-aside workplan describes planned sources and uses in more detail and includes a line-item budget.

C) General Supplemental State Program Management

A maximum of 10% of a General Supplemental Capitalization Grant can be allocated for State Program Management (SPM) activities. The State will be utilizing the full $2,298,500.

RIDOH will use the General Supplemental SPM set-aside to fund various activities that are mandated by the Act, including to:

- Maintain the Capacity Development Program to ensure that water systems have the technical, managerial, and financial capacity to meet existing and future SDWA regulations;
- Fund a portion of the Operator Certification Program;
- Fund a portion of the Drinking Water Laboratory Certification Officer within RIDOH; and
- Fund existing drinking water programs including a portion of other Public Water Surveillance Program activities.

The SDWA requires that states meet specific mandates or risk losing a portion of their federal grant. Failure to implement a Capacity Development Program and/or Operator Certification Program that are at least as stringent as the federal guidelines will result in a state losing up to 20% of its Capitalization Grant each year. RIDOH will comply with the capacity development authority, capacity development strategy, and operator certification program provisions.

RIDOH will comply with the nine major program components of certification and recertification of operators of community and non-transient, non-community public water systems, and all requirements of the Capacity Development Program. The State continues to ensure that public health objectives are met through the Operator Certification and Capacity Development programs.

The Supplemental SPM set-aside workplan describes planned sources and uses in more detail and includes a line-item budget.

D) General Supplemental Local Assistance

The State will be utilizing $ 1,549,083 of the grant request for General Supplemental Local Assistance activities. Activities include public outreach and education to promote source protection and support water system capacity, water system technical assistance, continued development of a GIS-based groundwater quality database, guidance for contract operators and facility improvement planning. Services and products will be delivered by office staff, contracted services, and laboratory equipment. The Supplemental Local Assistance set-aside workplan describes planned sources and uses in more detail and includes a line-item budget.

3) Lead Service Line Replacement Grant

A) Lead Service Line Replacement Administration

RIDOH and the Bank use the annual allotments of Lead Service Line Replacement administrative set-aside funds to manage the Program. With this application, RIDOH will be utilizing $220,311 and reserving $352,689 for various purposes related to performing its administrative oversight responsibility of the financial aspects of the program. The Bank will not be taking any administrative set-aside.

B) Lead Service Line Replacement Technical Assistance for Small Systems

The State is choosing not to take any of the Lead Service Line Replacement Technical Assistance set-aside and will reserve $286,500.

C) Lead Service Line Replacement State Program Management

A maximum of 10% of the Lead Service Line Replacement Capitalization Grant can be allocated for State Program Management (SPM) activities. The State will be utilizing $120,409 of the grant request and will reserve $573,000, leaving the rest for projects. RIDOH will use the Lead Service Line Replacement SPM set-aside to fund 50% of a RIDOH Environmental Scientist dedicated to

tasks related to lead service line replacements.

D) Lead Service Line Replacement Local Assistance

The State will be utilizing $567,648 of the grant request for Lead Service Line Replacement Local Assistance activities. RIDOH will use the Lead Service Line Replacement Local Assistance set-aside to fund 40% of a RIDOH Environmental Scientist dedicated to work on water system assistance related to lead service line replacements. RIDOH is also funding a technical assistance contract for lead service line inventories. The contract started in Spring 2024.

4) Emerging Contaminants Grant

A) Emerging Contaminants Administration

RIDOH will use the annual allotment of BIL Emerging Contaminants administrative set-aside funds to manage the Program. With this application, RIDOH will be utilizing $127,365 for various purposes related to performing its administrative oversight responsibility of the financial aspects of the program, including contractors and RIDOH staff, and will reserve $178,235.

B) Emerging Contaminant Technical Assistance for Small Systems

The State is choosing not to take any of the Emerging Contaminant Technical Assistance set-aside but will reserve $152,800 for future use.

C) Emerging Contaminant State Program Management

A maximum of 10% of the Emerging Contaminant Capitalization Grant can be allocated for State Program Management (SPM) activities. The State will be utilizing $271,928 of the grant request and will reserve $492,072. RIDOH will use the Emerging Contaminant SPM set-aside to fund 60% of a RIDOH Senior Environmental Scientist dedicated to tasks related to PFAS and 10% of certain environmental engineers.

D) Emerging Contaminant Local Assistance

The State will be utilizing $73,093 of the grant request for Emerging Contaminant Local Assistance activities. RIDOH will use the Emerging Contaminant Local Assistance set-aside to fund 40% of a RIDOH Environmental Scientist dedicated to provide water system assistance related to PFAS.

V. PROJECT PRIORITY SYSTEM

RIDOH utilizes a point system to rank eligible drinking water projects to receive funding from the Program. Projects that address acute public health issues will receive the highest priority with projects that address chronic and long-term public health issues receiving the next highest number of priority points. The ranking criteria also consider issues related to compliance with the Act, infrastructure upgrades and replacement, and the need for assistance based on affordability.

Beginning in SFY25, communities will receive additional priority points for projects considered "ready to proceed." RI has defined readiness to proceed as follows:

- Having a consultant (for planning/design projects) under contract during the current fiscal year;
- Submitting an Engineering application to RIDOH;
- Submitting an Application for Certification of Approval to RIDOH;
- Submitting a Request for Environmental Review/Categorical Exclusion;
- Submitting a Loan Application to the Bank; or
- Other parameters, as requested by RIDOH and/or the Bank.

Note that readiness to proceed parameters are considered individually for scoring purposes.

In addition to readiness to proceed criteria, RIDOH added priority points for the following Program priorities:

- Emerging Contaminants, including:
    - PFAS
    - Harmful Algal Blooms (HABs)
    - Manganese
    - Other
- Lead Service Line Inventory submission

Provided in Attachment A of this IUP is a copy of the Project Priority Ranking Worksheet that RIDOH developed and utilized for ranking projects on the SFY 2025 PPL.

Each year, all eligible public drinking water systems will be asked to submit information about projects for which they are requesting funding for the next state fiscal year. The information will be reviewed by RIDOH and then given a priority ranking score. Eligible projects and their respective information will be listed in priority order on the PPL. The PPL will include the following information: name of system, Public Water System (PWS) ID number, population served, anticipated project start date, estimated dollar amount to be funded by the Program, project priority ranking score, and brief project description.

VI. LIST OF PROJECTS TO BE FUNDED

RIDOH, in preparation of its SFY2025 PPL,[1] surveyed water suppliers around the State to gauge interest and readiness to proceed for projects needing funding provided by the FFY2024 Capitalization Grant. A list of potential borrowers, the projects to be funded, the project's ranking score, and estimated dollar amount of the project is provided as Attachment A to the IUP. The PPL was noticed for public review on June 24, 2024, along with the draft SFY2025 IUP, and can be

[1] RIDOH seeks to clarify some confusion with the naming of prior PPLs. The PPL associated with the SFY2024 IUP indicates it is for fiscal year 2023. In its February 2024 solicitation for the PPL to be included with the SFY2025 IUP, RIDOH clarified that the list is for the upcoming state fiscal year, which is SFY2025.

found on RIDOH's Program webpage.[2]

All eligible projects that receive a Certificate of Approval from RIDOH and are ready to proceed may be funded.

The Bank and the RIDOH are committed to providing a targeted approach that includes education, outreach, and technical and financial assistance to streamline the Program's processes for enhanced service to Rhode Island's small drinking water systems.

RIDOH contracts with industry partners and vendors to provide services to prepare small public water systems for infrastructure upgrades, solicit funding, complete projects, and sustain strong financial and managerial practices. As a condition of eligibility, all small systems must have a Facilities Improvement Plan (FIP) completed either independently or by the vendor with which RIDOH contracts. The requirement for a FIP can be waived if the Program determines that one is not necessary. This document serves as a planning tool for both short- and long-term capital project needs. Additionally, RIDOH contracts with an industry vendor to provide engineering services to small public water systems, which range from completion of engineering plans and specifications to bidding assistance, project oversight, and compliance with federal requirements. RIDOH also has a contract in place with a vendor that will provide financial and managerial training to small public water systems. Both the Facilities Improvement Plan and financial and managerial training may be required of any small public water systems receiving principal forgiveness; a determination will be made by RIDOH and the Bank.

A. Green Infrastructure

The PPL was formatted in accordance with EPA requirements of GPR and the base Program. Although the State chose to opt out of the GPR commencing with FY 2012, the format will remain the same in the event the State does not have the option of opting out in the future or chooses to implement GPR again.

B. Emergency Power Generator Initiative

Included in the small water systems comprehensive strategy will be a focus on accelerating improvements, including the installation of emergency generators or renewable energy systems, that will increase the resiliency of small water systems to impacts of extreme weather events. Funding for emergency generators will be available to all eligible systems. The level of financial assistance, including principal forgiveness, will be consistent with Section VIII in the IUP.

C. Small Systems Strategy

Per the Federal requirement, the State intends to use a portion of the DWSRF capitalization grant as principal forgiveness or grants as discussed in Section IV. F: Additional Subsidization.

Small systems, serving 10,000 users or fewer, will be eligible to receive up to $100,000 in principal

[2] https://health.ri.gov/programs/detail.php?pgm_id=127.

forgiveness, with the possibility of receiving additional principal forgiveness at the Bank's discretion based on project needs and merits. Total principal forgiveness will not exceed the total project cost and is subject to the availability of funds. Funding decisions will be made by considering the system's ranking on the PPL combined with its readiness to proceed.

a) Education and Outreach

The DWSRF program views customer engagement as a critical step in cultivating and maintaining relationships with its customers. Below are steps that the Bank and RIDOH are undertaking to achieve the small drinking water system requirement:

- The Bank and RIDOH will make an effort to meet with every small drinking water system that has a project on the PPL;
- The Bank will compile a small drinking water system client list and, on an annual basis, host informational sessions about the Program in partnership with RIDOH;
- RIDOH and the Bank will routinely distribute DWSRF fact sheets to small water systems and their contract operators as needed;
- RIDOH and the Bank will attend small drinking water system association meetings such as the Rhode Island Rural Water Association and the Rhode Island Water Works Association;
- RIDOH will proactively market the DWSRF program during sanitary surveys and with systems that are not in compliance with State Drinking Water Regulations; and
- RIDOH, in partnership with the Bank, will proactively contact small systems that need improvements throughout the year to assist with potential project evaluations.

b) Technical Assistance

- The Bank, in partnership with RIDOH, will hold an annual information session for small drinking water systems to understand the project financing process and to ensure that they understand required Federal reporting requirements and processes for participating in the Program;
- The Bank will design marketing materials explicitly targeting small drinking water systems;
- The Bank will assist with income surveys for very small disadvantaged systems to support with the affordability analysis needed when considering additional principal forgiveness commitments greater than $100,000;
- The Bank and RIDOH will identify other funding and financing programs that have the potential to co-fund projects;
- The Bank will assist small drinking water systems with energy efficiency technical assistance, such as energy audits through partnership with RI Energy's energy efficiency team;
- RIDOH and the Bank will develop a small drinking water system technical assistance guide, including additional grant and financing options; and
- RIDOH will provide direct technical assistance to assist PWSs in completing the Certificate of Approval application process.

c) Streamline and Improve the Process for Small Systems

- RIDOH and the Bank will create a packet of materials, templates, and guidance documents for the Certificate of Approval and loan approval process;
- RIDOH will refer systems to FIP and capacity development services once the PPL is finalized.

d) Financing Incentives

- Small drinking water systems will receive preference to principal forgiveness funds over other applicants. To be eligible to receive principal forgiveness, projects must be on the PPL and have a Certificate of Approval. Those projects that are ready to proceed will be given priority. Readiness to proceed criteria include an RFP for engineering services to design the project, final bids in hand for engineering or construction services, or a signed engineering or construction contract.
- Small drinking water systems will be eligible to receive up to $100,000 in principal forgiveness, with the possibility of receiving additional principal forgiveness at the Bank's discretion based on project needs and merits. Total principal forgiveness will not exceed the total project cost and is subject to the availability of funds.
- Should there not be enough small system demand, Base principal forgiveness may be allocated amongst other drinking water applicants.

VII. DISADVANTAGED COMMUNITY PROGRAM

To assess affordability needs in the DWSRF, Rhode Island has established an Affordability Criteria for its municipalities and drinking water utilities. Entities with an Affordability Index, described below, less than the statewide average, may qualify for additional subsidization in the form of principal forgiveness. Indexed entities are grouped into tiers, with tiers further below the statewide average qualifying for increased levels of subsidization.

Once every two years, prior to the release of the Intended Use Plan for the state fiscal year, the Bank shall use current data, funding availability and expected loan volume to update the calculation, tiers and thresholds; the Bank may also establish additional eligibility provisions at its discretion. All RI municipalities and selected drinking water entities shall be indexed along with selected drinking water and wastewater entities. Additional entities can be indexed on an as-needed basis.

The Affordability Index is calculated using the following formula:

Affordability Index = Median Household Income * Employment Rate * Population Ratio

- **Median Household Income**[3] is a widely accepted metric of resident's ability to afford the cost of infrastructure projects. A community with higher median household income suggests greater ability to afford the cost of infrastructure.
- **Employment Rate**[4] represents the resident employment size divided by the size of the total labor force in the community. Higher employment rates suggest that a community has more residents able to afford the cost of infrastructure than a community with lower rates.
- **Population Ratio**[5] is the ratio of the current US Census Bureau Decennial Census population to the previous Decennial Census population expressed as a percentage. A percentage greater than 100% indicates communities with a growing population, and a percentage less than 100% indicates a shrinking population. A growing population indicates an increasing ratepayer base to absorb infrastructure costs.

Large drinking water systems serving over 10,000 users shall be tiered based on the tier of the community they serve. Large systems serving multiple communities shall be tiered based on an index set to be a weighted average of each community served. Weighting shall be based on population served or flow data and come from publicly available sources or data provided by the system.

---

[3] Median Household Income data
Municipalities and drinking water/wastewater systems serving over 10,000: Data source: Census Bureau, 2016-2020 American Tables S1903 Median Income in the Past 12 Months (2020 Inflation-Adjusted Dollars). Accessed August 2022. Link: https://data.census.gov/cedsci/table?q=median%20household%20income&g=0400000US44,44%240600000&tid=ACSST5Y2020.S1903&tp=true
Water systems entirely in one census tract such as University of Rhode Island are treated as small systems and use census tract level data (S1901 data source link below).
Drinking water and wastewater systems serving 10,000 or less; or in one census tract: Data is from a) an income survey of the entire water system or b) census tract level Census Bureau data. If a system serves multiple census tracts, the census tract with the lowest income is used. Census Bureau, 2016-2020 American Tables S1901 Median Income in the Past 12 Months (2020 Inflation-Adjusted Dollars). Accessed August 2022. Link: https://data.census.gov/cedsci/map?q=S1901%3A%20INCOME%20IN%20THE%20PAST%2012%20MONTHS%20%28IN%202019%20INFLATION-ADJUSTED%20DOLLARS%29&g=0400000US44,44%241400000&tid=ACSST5Y2020.S1901&cid=S1901_C01_012E&layer=VT_2020_140_00_PY_D1&mode=thematic&loc=41.6571,-71.4863,z8.8156

[4] Employment data is from the RI DLT 2021 Annual Average Labor Force Statistics. Accessed August 2022. Link: https://dlt.ri.gov/labor-market-information/data-center/unemployment-ratelabor-force-statistics-laus. Data source: RI DLT, Labor Market Information, updated 3/2022.
Water systems entirely in one census tract such as University of Rhode Island use census tract level data from the 2020 American Community Survey 5-Year Estimates. Link: https://data.census.gov/map?t=Employment+and+Labor+Force+Status&g=0400000US44$1400000_1400000US44009051400&tid=ACSDP5Y2020.DP03&cid=DP03_0004PE&layer=VT_2020_140_00_PY_D1&mode=thematic&loc=41.5616,-71.2036,z9.6129

[5] Population data is from RI Division of Statewide Planning. Accessed August 2022. Link: https://planning.ri.gov/ri-census-2020. Source: US Census Bureau, 2020 Census and 2010 Census.

Small drinking water systems serving 10,000 users or less shall be tiered based on median household income from either an income survey or census tract data. If a system serves multiple census tracts, the census tract with the lowest income is used.

Eligible systems with an Affordability Index of 75% or less of the statewide average shall be designated a Tier 1 entity; systems with an Affordability Index between 76% and 89% shall be designated a Tier 2 entity; systems with an Affordability Index between 90% and 100% of the statewide average shall be designated a Tier 3 entity. Domestic limited liability companies and domestic profit corporations, excepting cooperatives, are not eligible for Tiers 1 through 3. Additionally, to qualify for drinking water tiering, entities must be a Public Community Water System or a non-transient, non-community (NTNC) school.

The Affordability Index results are shown in the Appendix. All thirty-nine RI municipalities and selected drinking water entities have been indexed. Additional entities can be indexed on an as-needed basis.

The table below describes the SFY25 and SFY26 Tiers with eligible communities listed. Entities not listed are either not eligible or have not been indexed.

Table 1: SFY25 and SFY26 Tiers with eligible communities
(% = Community Index as Percentage of State Index)

Tier 1 Affordability Index **75% or less**	**Tier 2** Affordability Index **76 - 89%**	**Tier 3** Affordability Index **90% - 100%**
City of Central Falls 59% Smithfield Water Supply Board 66% Woonsocket Water 68% City of Woonsocket 67%	City of Providence 77% City of Pawtucket 78% Pawtucket Water Supply Board 78% City of East Providence 85% Providence Water Supply Board 87%	Town of West Warwick 90% City of Warwick 96% Town of North Providence 97% City of Newport 98% Town of Narragansett 99% Note: Funding only available in this tier if no ready-to-proceed projects remain in Tier 1 and Tier 2

a) Allocating Principal Forgiveness

Amounts shall be determined by considering the amount of funding available, the pool of projects with applications submitted by the priority financial application date (if applicable), and any other relevant factors. For projects closing loans in SFY25, the Bank anticipates allocating principal forgiveness according to the guidelines in the following table; however, the Bank may deviate from

the guidelines detailed in the table depending on various factors. Prospective borrowers are encouraged to contact the Bank to discuss the applicability of the guidelines to them and their proposed project.

Table 2: SFY25 and SFY26 Tiers with thresholds and anticipated principal forgiveness

Tier	Index Threshold	Anticipated DW SRF Principal Forgiveness
Tier 1	**0-75%** of state average	40% of project cost for projects meeting priority dates
Tier 2	**76-89%** of state average	20% of project cost for projects meeting priority dates
Tier 3	**90-100%** of state average	Funding possible in this tier if no ready-to-proceed projects remain in Tier 1 and Tier 2
All projects		Up to $100,000 for systems serving less than 10,000 users; Up to $200,000 for systems serving school districts; Emergency generators may receive principal forgiveness for a portion or the entirety of the project cost.

Principal forgiveness amounts to be determined based on pool of ready-to-proceed projects and funding availability. Ready-to-proceed status requires projects to have been bid and to have obtained borrowing authority.

Principal forgiveness amounts are contingent upon funding availability and readiness to proceed. The Bank strives to accommodate all borrowers and, for financial applications not received by the priority date or not ready-to-proceed, shall allocate principal forgiveness in the order in which ready-to-proceed financial applications are received.

The Bank strives to accommodate all borrowers. Projects meeting priority dates shall be allocated principal forgiveness first; any remaining principal forgiveness shall be allocated in the order in which ready-to-proceed financial applications are received. Principal forgiveness amounts are contingent upon funding availability and readiness to proceed. Final determinations on principal forgiveness will be made in connection with closing a loan. The affordability criteria is included below (Attachment L).

b) Lead Service Line Replacement – Principal Forgiveness Allocation

Principal forgiveness allocations for lead service line replacements will utilize the Affordability Index to determine eligibility. Entities classified as Tier 1 or Tier 2 will qualify for an allocation of principal forgiveness. If the entity does not qualify but has qualifying census tracts located within the service area, they will be provided a prorated principal forgiveness amount based on the percentage of work to be performed in those areas.

The amount of principal forgiveness for each project is determined by the total amount of subsidy to be awarded (49% of lead service line capitalization grant). All eligible projects will receive the same percentage of principal forgiveness. This will be determined by calculating what percentage of subsidy can be provided across all projects to arrive at the total principal forgiveness to be awarded.

To access the principal forgiveness, entities must borrow for the remaining project balance. This will ensure that full projects are completed.

Lead service line projects expected to close in SFY25 with affordability-based principal forgiveness include:

- Providence Water $26,300,000

c) Emerging Contaminants-Principal Forgiveness Allocation

The State will provide 100% of the Emerging Contaminants Grant, $6,344,507 ($7,640,000 minus $1,295,493 in set-aside) as additional subsidization in the form of principal forgiveness or grants. At least 25% of these funds will be provided to DWSRF borrowers that meet the State's Affordability Criteria or to a public water system serving fewer than 25,000 persons. Funds can be used for addressing contaminants with a focus on PFAS.

Emerging Contaminant projects expected to close in SFY25 with principal forgiveness include:

- Kingston Water District
- Prudence Island Water District
- North Kingstown

d) Emergency Construction Program

The emergency construction fund will provide loans to PWS that have experienced a recent unexpected event that poses a serious threat to public health, welfare, or water supply. Projects must meet the eligibility criteria, but do not need to be on the PPL and are eligible for principal forgiveness. RIDOH has the discretion to determine what constitutes an emergency and can also waive provisions of the standard approval process.

VIII. ASSURANCES AND SPECIFIC PROPOSALS

The Bank provides the necessary assurances and certifications for the Program as part of the OA between the State of Rhode Island and the EPA. Refer to Rhode Island's OA for specific assurances regarding the State Environmental Review Process that is to be completed by the Rhode Island Department of Environmental Management (DEM), agreement to comply with federal crosscutters, agreement to enter into binding commitments, and agreement to the timely expenditure of funds.

Schedule of Binding Commitments

In accordance with §1452(g)(3)(A) of the Act, the State of Rhode Island agrees to enter into binding commitments to provide financial assistance to eligible water suppliers. A binding commitment for the Program is defined as that point in time when both a Certificate of Approval for the project has been issued by RIDOH and a loan agreement with the Bank is in place. The State of Rhode Island agrees to make binding commitments in an amount equal to or greater than the sum of the amount of each grant payment and State Match that is deposited into the Program within one year after the grant payment.

IX. EQUIVALENCY

By statute, certain Federal requirements apply to assistance provided "in an amount made directly available by" the Federal capitalization grant. A state can choose a project or (group of projects) equaling the amount of the Federal Capitalization Grant to comply with these requirements. These projects are "equivalency projects". The selected equivalency project(s) must complete certain Federal requirements. Federal Funding Accountability and Transparency Act (FFATA) compliance requires that one single set of projects is selected to satisfy all Federal equivalency requirements. Project(s) selected for equivalency will contain documentation verifying compliance with all the following Federal requirements:

- Single Audit Act - documented in the assistance agreement.
- Disadvantaged Business Enterprise - MBE/WBE – documented in the assistance agreement, bid documents & DBE 5700-52A Reports (MBE/WBE Report to EPA).
- Signage - documented in the assistance agreement – documented in the assistance agreement.
- Federal Crosscutters -documented in the assistance agreement.
- FFATA – Federal Financial Accountability and Transparency Act - Documented by reporting to FSRS.gov.
- Telecommunications Equipment and Services Prohibition – documented in the assistance agreement.
- Federal Flood Risk Management Executive Order -documented in the assistance agreement.
- BABA (starting with FFY 2022 Capitalization Grants) - documented in the assistance agreement.

Projects may have additional applicable federal requirements not listed here.

Rhode Island currently applies equivalency for reporting purposes to the following federal requirements:

- Federal Financial Accountability and Transparency Act (FFATA)
- Build American Buy America (BABA) Act

All other equivalency requirements including federal cross-cutters, the Disadvantaged Business Enterprise (DBE), Signage (for all capital projects), Telecom Equipment & Services 2 CFR 200.216 and Executive Order Flood Mitigation are applied to all DWSRF projects, regardless of source of funding.

On a regular basis, the Bank and RIDOH continuously collaborate to assess the loan pipeline, pinpointing projects that satisfy the specified equivalency criteria. These selected projects will be documented in the Annual Report by both the Bank and RIDOH

The Bank and RIDOH can combine both the Base and BIL General Supplemental funds to comply with the equivalency requirements and designate a project(s) equal to the amount of the capitalization grants as federal projects.

Equivalency cannot be applied to the BIL Emerging Contaminants and Lead Service Line Replacement capitalization grants. Projects funded by these grants must meet all federal requirements.

In SFY 2024, the Bank reported the City of East Providence's projects that met the equivalency requirements. The bank also reported Providence Water Supply Board's projects and the City of East Providence's projects that met the LSL equivalency requirements.

X. REPORTING REQUIREMENTS

The Bank and RIDOH are committed to ensuring that all reports and electronic data are submitted by their deadlines.

1) **Federal Funding Accountability & Transparency Act (FFATA)** – The Bank is committed to transparency and accountability under FFATA (reporting requirements may be obtained at their website https://fsrs.gov/). At the time of loan closing, the Bank will designate a borrower(s) for FFATA reporting.

2) **EPA SRF Database** -This system was updated, consolidating multiple reporting databases, including the former Project Benefits Reporting (PBR) and National Information Management System (NIMS). Project milestones and other pertinent information are reported through EPA's SRF Data System. The Bank and RIDOH are committed to entering data into the EPA SRF Data System to evaluate the benefits of the RI DWSRF Program. The Bank and RIDOH will continue its quarterly reporting in the OWSRF EPA Database.

3) **Utilization of Small, Minority and Women's Business Enterprise (aka federal DBE requirement) –** The Bank and RIDOH agree to comply with the requirements of EPA's

program for DBE in procurement under assistance agreements contained in 40 CFR, Part 33.

a. On June 29, 2023, the U.S. Environmental Protection Agency's (EPA) Office of Grants and Debarment published RAIN-2023-G02[6]: Reinstatement of the Requirement for Recipients to Negotiate Fair Share Objectives (FSOs) for MBE and WBE Participation.
b. Effective October 1, 2023, EPA financial assistance recipients are required to submit proposed MBE and WBE FSOs and supporting documentation to EPA within 120 days after acceptance of a financial assistance award in accordance with 40 CFR Part 33, Subpart D. The national term and condition relating to compliance with 40 CFR Part 33 will be updated and placed on all new awards made on or after October 1, 2023 to reflect this change in policy.

4) EPA is partially rescinding RAIN-2019-G10[7] and reinstating the requirement for recipients to negotiate FSOs for minority business enterprise (MBE) and women's business enterprise (WBE) participation in procurement under assistance agreements.

4) Single Audit Act – In accordance with OMP Circular A-133, which implements the Single Audit Act, the Bank hereby agrees to obtain a single audit from an independent auditor if it expends $750,000 in total Federal funds in any fiscal year. Within nine months after the end of a recipient's fiscal year or 30 days after receiving the report from the auditor, the Bank shall submit a copy of the SF-SAC and a Single Audit Report Package to the Federal Audit Clearing House. All projects that receive federal dollars are notified of the single audit regardless of the amount. If they expend over $750,000 in federal funds, the sub-recipient will be required to obtain a Single Audit.

5) EPA Annual Report – The Bank and RIDOH agree to provide an Annual Report to EPA by September 30, the first fiscal year after it receives payments under title VI. The Bank will submit this report to EPA according to the schedule established in the grant agreement.

6) American Iron and Steel (AIS) – On January 17, 2014, Federal Public Law 113-76 was enacted, which added a new federal use of American Iron and Steel (AIS) requirement in Section 436. Subsequent annual appropriations have continued this requirement in all drinking water construction projects. On November 15, 2021, President Biden signed the Bipartisan Infrastructure Law (BIL) making the American Iron and Steel (AIS) procurement requirement permanent for DWSRF construction projects going forward. To assure compliance, all loan agreements contain language requiring compliance with the AIS. In addition, RIDOH ensures that the required AIS language is included in all Request for Proposals, and contracts and conducts field verifications for project compliance with AIS.

7) Build America Buy America (BABA) – BIL added the Build America, Buy America Act of 2021 (BABA) as a new equivalency requirement to the DWSRF program. BABA expands existing American Iron and Steel (AIS) requirements to include construction materials and

[6] https://www.epa.gov/grants/rain-2023-g02
[7] https://www.epa.gov/grants/rain-2019-g10

manufactured goods. The effective date of BABA is May 14, 2022, which means any grants awarded on or after that date must be fully compliant with BABA unless they qualify for the waivers. The Federal Office of Management and Budget (OMB) released program guidance to agencies on April 18, 2022.[8] There are currently three approved BABA waivers:

1) Amended Public Interest Waiver of Section 70914(a) of P.L. 117-58, Build America, Buy America Act, 2021 for SRF and Water Infrastructure Projects that initiated Design Planning Prior to May 14, 2022[9]
2) De Minimis General Applicability Waiver of Section 70914(a) of P.L.117-58, Build America, Buy America Act, 2021 for U.S. Environmental Protection Agency Financial Assistance Awards and Procurements[10]
3) Small Project General Applicability Waiver of Section 70914(a) of P.L. 117-58, Build America, Buy America Act, 2021 for U.S. Environmental Protection Agency Financial Assistance Awards.[11]

XI. SFY2025 PROGRAM CHANGES

A. Project Priority List Applications

To ensure the Program can continue to uphold its obligation to utilize the annual Base and BIL Federal Capitalization Grants, RIDOH and the Bank must accurately assess the number and value of drinking water infrastructure projects expecting to access Program funding within the following state fiscal year. For this reason, all applicants applying for placement on the SFY25 PPL were asked to submit a new PPL application. By applying to the Program annually, staff can ensure the PPL remains accurate, including readiness assessment and funding estimates.

B. Project Priority Ranking

As only bona fide drinking water projects should appear on the PPL, the Program has added priority points to assess a project's readiness to proceed – an evaluation of a community's ability to move to loan closing in the near-term.

In addition, priority points were added for projects that will address Emerging Contaminants and Lead Service Line Replacement projects for entities that submitted a lead service line inventory.

XII. PUBLIC REVIEW AND COMMENT

The IUP is subject to review and comment by the public prior to its incorporation into the State of Rhode Island's Capitalization Grant agreement with EPA. A notice alerting the public about the draft SFY2025 IUP and PPL and the public's opportunity to submit public comment was published

[8] https://www.whitehouse.gov/wp-content/uploads/2022/04/M-22-11.pdf
[9] https://www.epa.gov/system/files/documents/2023-11/epa-amend-srf-design-planning-waiver.pdf
[10] https://www.epa.gov/system/files/documents/2022-10/EPA%20BABA%20De%20Minimis%20Waiver%20Final%20Oct%202022.pdf

[11] https://www.epa.gov/system/files/documents/2022-09/Small%20Proj%20Gen%20App%20Waiver%20BABA%20EPA.pdf

in the Providence Journal on June 24, 2024. On the same date, the same notice and a copy of the draft IUP, including the draft PPL, were sent to all interested parties by request and were posted on the Bank and RIDOH's respective websites. The public notice provided a thirty (30)-day public comment period. Any public comments received will have been reviewed by the Bank and RIDOH collectively and included within the final IUP for submission to EPA.

On February 16, 2024, RIDOH sent solicitation letters to all water systems encouraging them to consider funding opportunities through the DWSRF and to apply for the SFY 2025 PPL. As noted above, the SFY 2025 PPL was placed on the RIDOH webpage for public comment on June 24, 2024. Throughout the year, as utilities show interest in utilizing the Program, RIDOH will periodically review and revise the PPL so that the utilities may access funds. The revised PPL versions will not necessitate a public notice of the IUP. Following a public comment period, the PPL will then be inserted into the existing IUP.

XIII. PROGRAM EVALUATION REPORT (PER) AND AUDIT FINDINGS

The below action items and recommendations were listed in the PER for SFY 2023 (July 1, 2022 – June 30, 2023). There has been a significant amount of turnover in the DWSRF program at the state level and there is a concern that there is not adequate staffing to continue to run a strong DWSRF program. EPA Region 1 is encouraged that there has been new staff that has come on board over the past 6-12 months but wants to continue to emphasize the importance of this funding and the need for strong oversight of the infrastructure projects that are being funded.

1. Provide Region 1 with an updated organization chart for both RIIB and RIDOH with responsibilities associated with the DWSRF program included.

2. Davis Bacon wage rates must be paid to any volunteers who provided construction assistance for the pump station work for the Hog Island South project. RIDOH must provide documentation to the EPA Project Officer that the individuals were paid for the work by September 1, 2024.

3. Recommendation - Incorporate checking for all five required elements of an AIS certification: (1) reference to AIS; (2) name of the project; (3) name of the covered product(s); (4) location of the manufacturing (town, state); and (5) signature by a representative of the manufacturer into the state's oversight process.

4. The 2024 Annual Report must contain an explanation of the reasons for the delay in the 2020, 2021, and 2022 additional subsidy commitment into loan executions and provide a plan that identifies the project(s) that will use the remaining subsidy funds, along with milestones for each project showing the path to an executed agreement. If the subsidy commitment is met prior to 9/30/24, please notify the EPA Region 1 at that time. The IUP for the 2024 capitalization grant should indicate any additional subsidy from previous years that still must be committed to projects.

5. Send the EPA Region 1 Financial Analyst future updates on the Foster-Glocester Regional School District sub-recipient single audit and unresolved findings as well as their final audit report for FY24.

XIV. ATTACHMENTS

A. Project Priority List and Ranking Worksheet
B. Sources and Uses Table
C. Anticipated Loan Commitments
D. Payment Schedule for ACH
E. Total Capital Grants in the RI Base and BIL Program
F. Allotment of Base and BIL Set-Aside Dollars Requested
G. Additional Subsidy Requirements
H. Attorney General Certification
I. RI Infrastructure Bank and RIDOH Memorandum of Understanding (MOU)
J. RI Infrastructure Bank Loan Policies and Procedures
K. RIDOH Rules and Regulations
L. Affordability Criteria

A. Project Priority List and Ranking Worksheet

Attachment A

SFY25 Project Priority List

System Name	PWS ID	Pop. Served	Funds Requested	Est. Start Date	A	B	C	D	E	F	G	H	TOTAL	Project description	Affordability Tier (1,2,3, -)	LSLR	EC	Small System (<10,000)	School
Central Beach Fire District	RI 1647512	500	$1,555,000	10/1/2024	##	0	0	0	5	5	##	0	88	Comprehensive pumphouse improvements and expansion	-			✓	
Providence, City of	RI 1592024	600,000	$180,000,000	1/1/2024	##	4	0	1	5	5	##	0	82	Replacement of lead service lines in the system.	2	✓		-	
Rockland Oaks	RI 1000020	26	$800,000	6/1/2024	##	0	5	0	5	0	##	0	80	Interconnection with Scituate High School Public Water System	1			✓	
Newport, City of	RI 1592010	42,155	$1,500,000	9/1/2024	##	4	0	1	5	5	5	0	70	Installation of custom mixers, aerators, and ventilators for efficient treatment of medium and high service zones.	3			-	
Quonochontaug East Beach Water Associati	RI 1647511	300	$250,000	3/15/2026	##	0	0	1	5	5	5	0	69	Engineering, design, construction, and installation of nitrate treatment	-			✓	
Kent County Water Authority	RI 1559511	88,780	$25,000,000	4/1/2025	##	2	0	1	5	5	5	0	68	Design and construction of new water treatment plant	-			-	
Kingston Water District	RI 1858421	3,963	$10,000,000	5/12/2025	##	2	0	0	5	5	5	0	67	Design and installation of filtration at well #3 to remove PFAS contamination	-		✓	✓	
Quonochontaug East Beach Water Associati	RI 1647511	300	$850,000	3/15/2025	##	0	0	1	5	5	5	0	66	PFAS testing, engineering, design, construction, and installation as well as design and construction of a new pump house.	-		✓	✓	
Pawtucket Water Supply Board	RI 1592021	98,300	$5,000,000	6/1/2025	##	4	0	1	5	5	0	0	65	Design and Rehabilitation of existing groundwater wells and/or supplementation with new supply wells. Project also includes improvements to electrical and control systems. Treatment methodologies may be implemented based on assessment of well results.	2			-	
Prudence Island Water District	RI 1592023	1,500	$2,650,000	10/1/2021	##	2	0	0	5	5	5	0	62	Installation of a permanent chlorination system at all wells throughout distribution system to achieve 4-log. Installation of iron and manganese treatment at well to prevent degradation of water quality anticipated with chlorination of the distribution	1			✓	
Jemp 1 LLC	RI 2980323	50	$110,000	4/4/2024	##	0	0	0	5	0	5	0	60	Design and installation of PFAS Remediation	-		✓	✓	
North Scituate Elementary	RI 1615613	500	$500,000	6/16/2025	##	0	0	0	3	0	5	0	58	Evaluation, testing, design, construction, and installation of PFAS treatment	-		✓	✓	✓
Bristol County Water Authority	RI 1647515	50,360	$1,500,000	1/1/2025	##	##	0	1	5	5	0	0	58	Replace all known and suspected lead service lines	-	✓		-	
Newport, City of	RI 1592010	42,155	$104,432,000	9/1/2024	##	4	0	1	5	5	5	0	57	Lead Service Line Replacements throughout entire system	3	✓		-	
Westerly Water Department	RI 1559512	17,500	$350,000	1/1/2025	##	1	0	0	5	5	0	0	48	Replacement of lead service lines with new copper lines.	-	✓		-	
Westerly Water Department	RI 1559512	17,550	$1,200,000	7/15/2024	##	1	0	0	5	5	0	0	46	Installation of water main at the municipal transfer station to provide potable water to a section of the property that has no connection to a clean water source.	-			-	
Shannock Water District	RI 1647529	250	$62,080	10/5/2023	##	1	0	1	5	5	##	0	46	Replacement of District's existing non functioning emergency generator with a new emergency generator	-			✓	
Richmond, Town of	RI 1000040	2,671	$175,000	4/15/2025	##	1	0	0	5	5	##	0	45	Improvements to pumphouse including upgrading the well pump	-			✓	
Pacoag Utility District	RI 1592020	2,985	$125,000	7/1/2024	##	4	0	1	5	5	##	0	45	Replacement of 12 hydrants	-			✓	
Stone Bridge Fire District	RI 1615619	2,607	$250,000	9/15/2024	##	4	0	0	5	5	##	0	44	Install a 1-way interconnection into an existing 8" ductile iron water main at Silver Beech Rd. The existing main currently connects the Stone Bridge Fire District and North Tiverton Fire District distribution systems.	-			✓	
Prudence Park Water Coop	RI 1647514	80	$100,000	5/1/2024	##	2	0	1	1	5	##	0	43	Water system improvements. Tie in replacement well, expand pump house for new controls, new storage tanks, and replacement of water mains.	-			✓	
Warwick, City of	RI 1615627	83,000	$2,500,000	9/1/2024	##	4	0	1	5	5	5	0	41	Replace failed check valve	3			-	
Providence, City of	RI 1592024	600,000	$129,000,000	1/1/2025	##	4	0	1	5	5	5	0	41	Installation of a redundant raw water transmission main from the Scituate Reservoir to the Purification Plant. The project also includes the rehabilitation of the original transmission mains.	2			-	
Pascoag Utility District	RI 1592020	2,985	$1,500,000	5/1/2025	##	4	0	1	5	5	5	0	41	Construction of new well on Roosevelt Ave	-			✓	
Stone Bridge Fire District	RI 1615619	2,607	$300,000	9/15/2024	##	4	0	0	5	5	##	0	41	Improvements to the existing standpipe tank, including a new altitude valve system, modifications to the existing water pipe, valves and fittings, and installation of a mixing system in the standpipe tank.	-			✓	
Richmond, Town of	RI 1000040	2,671	$200,000	11/15/2024	##	1	0	0	5	5	##	0	40	Upgrade and rehabilitation to water storage tank	-			✓	
Providence, City of	RI 1592024	600,000	$38,000,000	1/1/2024	##	4	0	1	5	5	5	0	39	Construct a new residuals management system to allow Providence Water to more effectively manage the treatment plant residuals	2			-	
Newport, City of	RI 1592010	42,155	$4,750,000	9/1/2024	##	4	0	1	5	5	5	0	39	Increasing the ability to service the medium and high pressure zones	3			-	
Scituate High School & Middle School	RI 1615612	820	$1,000,000	8/1/2023	##	0	0	1	3	0	##	0	38	Replace underground tanks with new pumphouse. Decommissioning well #1 and raising well #3 above ground	-			✓	✓
Newport Boys and Girls Club Camp Facility/V	RI 2980095	250	$100,000	10/15/2024	##	0	0	0	1	5	##	0	37	Improvements to the existing public water system, new water treatment syetm for iron/manganese removal including filtration, new emergency generator					

The Greene School-- Buildings 1,2, & 3	RI 2980050 RI 2980310	275	$500,000	7/15/2024	##	0	5	1	3	0	5	0	35	The three building campus is currently divided into two public water systems, which is costly and inefficient to operate. Both systems lack an emergency generator and at least one well has high iron levels. The two systems need to be consolidated and have improvements made.	-		✓	✓
Chariho Regional Middle School	RI 2980185	1,500	$425,000	9/1/2024	##	0	0	1	3	5	5	0	35	Replacement of the existing generator and switchgear with a new 230 kW generator and switchgear. The wells will be video inspected to identify necessary repairs. The project includes consolidation of the middle school water system with the high school water system.	-		✓	✓
Providence, City of	RI 1592024	600,000	$353,000,000	1/1/2025	##	4	0	1	5	5	0	0	34	Upgrades to the Treatment Plant clarification process	2		-	
Warwick, City of	RI 1615627	83,000	$3,000,000	9/1/2024	##	4	0	1	5	5	5	0	34	Rehabilitate booster pumps, fire pumps, and upgrade SCADA system	3		-	
Slatersville Public Supply	RI 1615614	1,575	$3,500,000	7/1/2025	##	4	0	0	3	5	##	0	34	Replace water tank, upgrade booster system, and demolition of two non-functional tanks	-		✓	
Stonebridge Fire District	RI 1615619	2,607	$450,000	9/15/2024	##	4	0	0	5	5	##	0	34	Replace existing 6" transite distribution pipe at Hillsdale Ave and Lawton Ave with ductile iron pipe. Also, a new connection to the transmission main at Main St. and the addition of hydrant, valves, and new service connections.	-		✓	
Champlin Scout Reservation	RI 2980248 RI 2980249	300	$300,000	9/1/2024	##	0	5	1	1	0	5	0	33	Connect to Providence Water and replace existing undersized drinking water distribution system. Project will eliminate two public water systems and one private	-		✓	
Slatersville Public Supply	RI 1615614	1,575	$17,000,000	7/1/2025	##	4	0	0	5	5	5	0	33	Bring potable water to currently unserved properties along the 146 corridor, as several private wells were contaminated with road salt	-		✓	
Hog Island Water Association South End	RI 1000097	100	$250,000	4/1/2024	##	1	0	1	1	5	##	0	33	Replace existing distribution system	-		✓	
Westerly Water Department	RI 1559512	17,550	$1,000,000	1/1/2025	##	1	0	0	5	5	0	0	32	Locate and test potential future well sites. Once a suitable location is identified, the new wells, pumping stations, and interconnection to the existing water mains will be	-		-	
Touisset Point Water Trust	RI 1615626	250	$200,000	6/20/2024	8	4	0	0	5	0	##	0	32	Water meter and backflow preventer purchase and installation	-		✓	
Cumberland, Town of	RI 1647530	21,350	$500,000	7/1/2025	##	2	0	0	5	5	5	0	31	Design and construction of Girarg Road Pump Station upgrades	-		-	
Bristol County Water Authority	RI 1647515	50,360	$4,000,000	1/1/2025	##	##	0	1	5	5	0	0	31	Rehabilitate or replace approximately 16,000 feet of water mains	-		-	
Westerly Water Department	RI 1559512	17,550	$300,000	6/17/2024	##	1	0	0	5	5	0	0	30	Replacement of MIOX system computers, including pumps and electrical parts	-		-	
Westerly Water Department	RI 1559512	17,550	$100,000	7/1/2024	##	1	0	0	5	5	0	0	30	Update antenna, software, and devices throughout municipal water system	-		-	
Western Coventry Elementary School	RI 1647527	496	$510,000	7/1/2024	##	0	0	0	3	0	5	0	29	Installation of a new water supply to replace exisiting well. The installation of a new storage tank, pump system, and monitoring control system. This will eliminate contaminants, and increase water capacity and pressure.	-	?	✓	✓
Newport, City of	RI 1592010	42,155	$3,750,000	3/3/2025	##	4	0	1	5	5	0	0	29	Replacement of the Motor Control Center with a new MCC	3		-	
Slatersville Public Supply	RI 1615614	1,575	$2,500,000	7/1/2025	##	4	0	0	5	5	5	0	29	Water main replacement from St. Paul St. to Elizabeth Ave	-		✓	
Warwick, City of	RI 1615627	83,000	$15,000,000	7/1/2024	8	4	0	1	5	5	5	0	28	Replace all water meters	3		-	
Pawtucket Water Supply Board	RI 1592021	98,300	$15,000,000	6/1/2025	##	4	0	1	5	5	0	0	27	Evaluation and study of two storage tanks to determine optimal volume for drinking water and fire service	2		-	
Cumberland, Town of	RI 1647530	21,350	$4,200,000	3/31/2025	##	2	0	0	5	5	5	0	27	Replace water mains in Ashton/Berkley Villages	-		-	
Lincoln Water Commission	RI 1858423	22,216	$2,000,000	12/2/2024	##	1	0	0	5	0	5	0	25	Rehabilitation of Old Louisquisset Pike Pump Station	-		-	
Lincoln Water Commission	RI 1858423	22,216	$2,000,000	2/3/2025	##	1	0	0	5	0	5	0	25	Rehabilitation of Albion Road Pump Station	-		-	
Providence, City of	RI 1592024	600,000	$21,000,000	4/1/2024	##	4	0	1	5	5	0	0	25	Rehabilitate older water mains made of unlined cast iron pipe, by cleaning and lining mains, and replacing older valves, hydrants, and miscellaneous appurtenances.	2		-	
Pawtucket Water Supply Board	RI 1592021	98,300	$6,000,000	6/1/2024	##	4	0	1	5	5	0	0	25	Replacement of aged and undersized water mains with 6" and above diameter water mains	2		-	
Pawtucket Water Supply Board	RI 1592021	98,300	$4,000,000	6/1/2025	##	4	0	1	5	5	0	0	25	Design and Construction to replace existing interconnection to East Providence with a permanent, safe, secure, metered, and reliable structure.	2		-	
Harrisville Fire District	RI 1858411	3,000	$1,971,997	3/10/2025	##	0	0	0	5	5	5	0	25	Replace existing water main crossing at Clear River. Connect Cherry Farm Rd. storage tank to Sherman Farm Rd.	-		✓	
Cumberland, Town of	RI 1647530	21,350	$3,000,000	7/1/2025	8	2	0	0	5	5	5	0	25	Replace water meters in the Cumberland public drinking water supply system	-		-	
Slatersville Public Supply	RI 1615614	1,575	$2,600,000	7/1/2025	##	4	0	0	5	5	0	0	24	Installation of new water main to improve customer water pressure	-		✓	
Portsmouth Water and Fire District	RI 1592022	17,180	$3,000,000	10/1/2025	##	4	0	0	5	5	0	0	24	Water main replacements to align with RI DOT road project	-		-	
Portsmouth Water and Fire District	RI 1592022	17,180	$6,500,000	10/1/2025	##	4	0	0	5	5	0	0	24	Design and build a new office facility as the current office no longer supports daily operations	-		-	
Kingston Water District	RI 1858421	3,963	$5,000,000	5/1/2025	7	2	0	0	5	5	5	0	24	Design and installation of replacement of undersized water main to distribute PFAS treatment throughout system and to Tower #1	-		✓	
Smithfield Water Supply Board	RI 1661561€	9,500	$2,211,000	9/9/2024	0	2	0	1	5	5	##	0	23	Installation of new 12-inch water main from Appian Way along George Washington Highway, connecting with the existing water main and making an interconnection with Greenville Water District	1		✓	
Prudence Island Water District	RI 1592023	1,500	$300,000	10/1/2024	##	2	0	0	5	5	0	0	22	Relocation and installation of distribution lines during the planned coastal resliency project	1		✓	

Westerly Water Department	RI 1559512	17,550	$1,000,000	7/1/2024	##	1	0	0	5	5	0	0	21	Installation of a new water main to replace the current 70-year-old one that has had multiple breaks, and severe deterioration	-			-
Lincoln Water Commission	RI 1858423	22,216	$2,000,000	8/1/2024	##	1	0	0	5	0	5	0	21	Water main replacement on School St. Existing asbestos water main is at end of its useful life	-			-
Lincoln Water Commission	RI 1858423	22,216	$3,800,000	3/31/2025	##	1	0	0	5	0	5	0	21	Replacement of Saylesville Water Mains	-			-
Shady Harbor Fire District	RI 1559513	350	$1,350,000	10/31/2024	##	0	0	1	5	0	5	0	21	Replacement of water distribution system and appurtenances	-			✓
Bethel Village Water Association	RI 1000045	180	$100,000	10/1/2024	##	1	0	0	5	0	0	0	20	Adding a new poly tank to upgrade existing steel tanks and adding an additional pump to increase for system resiliency				✓
Smithfield Water Supply Board	RI 1615616	9,500	$1,472,000	7/1/2024	0	2	0	1	5	5	5	0	18	Installation of approx. 2500 feet of 12-inch water main from Rte. 116, north to connect with the existing water main at 326 Farnum Pike	1			✓
Greenville Water District	RI 1858410	9,500	$500,000	7/1/2024	0	2	0	1	5	5	5	0	18	Install water meters	-			✓
Greenville Water District	RI 1858410	9,500	$800,000	9/1/2024	0	2	0	1	5	5	5	0	18	Bring existing pump station above ground and install emergency generator	-			✓
Greenville Water District	RI 1858410	9,500	$5,000,000	11/1/2024	0	2	0	1	5	5	5	0	18	Provide an emergency interconnection and redundancy	-			✓
Yawgoog Scout Reservation	RI 1000018	1,200	$750,000	9/1/2024	##	0	0	1	1	0	5	0	17	Replace 6-inch cast iron water main that runs from treatment and pump facility to the end of the line with PVC. Existing service connections and hydrants will also be	-			✓
Harrisville Fire District	RI 1858411	3,000	$400,000	7/1/2024	0	1	0	1	5	5	5	0	17	A potential new well site has been identified in Mapleville, but the District must conduct a pump test to confirm the adequacy of yield and quality of potential the water source prior to installing the well	-			✓
Smithfield Water Supply Board	RI 16615616	9,500	$2,811,000	10/15/2025	0	2	0	1	5	5	0	0	13	Installation of approx. 4300 feet of new 12-inch water main for resliency and redundancy	1			✓
Kent County Water Authority	RI 1559511	88,780	$525,000	5/22/2023	0	2	0	1	5	0	0	0	8	Lead Service Line Inventory	-	✓		-

Projects Ranked With Start Dates Outside of 2 Years or Not Indicated

System Name	PWS ID	Pop. Served	Funds Requested	Est. Start Date	A	B	C	D	E	F	G	H	TOTAL	Project description	Affordability Tier (1,2,3, -)	LSLR	EC	Small System (<10,000)	School
North Kingstown, Town of	RI 1559517	26,320	$10,000,000	TBD	##	1	0	1	5	5	5	0	67	Replacement well for well contaminated with PFAS	-		✓	-	
Wood River Health Services	RI 2000133	N/A	$575,000	TBD	##	0	0	0	3	5	5	0	63	Plan, design, and implement treatment to reduce the levels of PFAS	-		✓	-	
North Kingstown, Town of	RI 1559517	26,320	$900,000	TBD	##	1	0	1	5	5	##	0	59	Lead service line replacement	-	✓		-	
South Kingstown-South Shore	RI 1615623	6,190	$500,000	TBD	##	1	0	1	5	5	0	0	57	Water quality study to determine adequacy of existing water treatment facilities	-			✓	
South Kingstown-Middlebridge	RI 1000015	698	$100,000	TBD	##	1	0	1	5	5	0	0	57	Water quality study to determine adequacy of existing water treatment facilities	-			✓	
South Kingstown-South Shore	RI 1615623	6,190	$15,000,000	TBD	##	1	0	1	5	5	0	0	47	Design and construction of new water treatment plant	-			✓	
Narragansett Water Point Judith	RI 1858428	7,658	$350,000	TBD	##	2	0	1	5	5	5	0	28	System modifications to improve circulation within the distribution system and increase turnover at the storage tank.	3			✓	
Lincoln Water Commission	RI 1858423	22,216	$4,300,000	3/1/2027	##	1	0	0	5	0	5	0	23	Replacement of Old River Road Water Storage Standpipe new storage tank	-			-	
Narragansett Water Point Judith	RI 1858428	7,658	$100,000	TBD	##	2	0	1	5	5	0	0	23	Develop and implement water main condition assessment program.	3			✓	
Narragansett Water Department North End	RI 1858429	4,140	$250,000	TBD	6	2	0	0	5	5	5	0	23	System modifications to improve circulation within the distribution system and increase turnover at the storage tank.	3			✓	
Narragansett Water Department North End	RI 1858429	4,140	$50,000	TBD	##	2	0	0	5	5	0	0	22	Develop and implement water main assessment program	3			✓	
South Kingstown-South Shore	RI 1615623	6,190	$5,000,000	TBD	##	1	0	1	5	5	0	0	22	Water line upgrades to increase stability in the system and reduce water loss	-			✓	
South Kingstown-Middlebridge	RI 1000015	698	$2,000,000	TBD	##	1	0	1	5	5	0	0	22	Replace existing A/C pipes to increase stability within the system and reduce water loss	-			✓	
Narragansett Water Point Judith	RI 1858428	7,658	$950,000	TBD	8	2	0	1	5	5	0	0	21	Replacement of customer meters and upgrade to remote meter reading system	3			✓	
Narragansett Water Department North End	RI 1858429	4,140	$450,000	TBD	8	2	0	0	5	5	0	0	20	Replacement and upgrade of wholesale meter pit used for emergency interconnection	3			✓	
Narragansett Water Department North End	RI 1858429	4,140	$515,000	TBD	8	2	0	0	5	5	0	0	20	Replacement of customer meters and upgrade of remote meter reading system	3			✓	
Narragansett Water Point Judith	RI 1858428	7,658	$450,000	TBD	6	2	0	1	5	5	0	0	19	Aeration systems for water storage tanks	3			✓	
Narragansett Water Point Judith	RI 1858428	7,658	$410,000	TBD	6	2	0	1	5	5	0	0	19	Upgraded chlorine injection and control system operation at storage tank	3			✓	
Narragansett Water Department North End	RI 1858429	4,140	$225,000	TBD	6	2	0	0	5	5	0	0	18	Aeration systems for water storage tank	3			✓	
Narragansett Water Department North End	RI 1858429	4,140	$430,000	TBD	6	2	0	0	5	5	0	0	18	Upgrade chlorination and system controls	3			✓	

Center for Drinking Water Quality
Rhode Island Drinking Water State Revolving Fund
Project Priority Ranking Worksheet

The Rhode Island Department of Health uses this worksheet to determine points assigned to a project for the purposes of ranking the project on the Project Priority List.

Total Project Priority Ranking Score = A + B + C + D + E + F + G + H

A. Public Health and Compliance *(Only the highest applicable point value in Section A will be applied to the project score.)*	**Points Possible**	**Points Awarded**
1. Project is intended to address a Treatment Technique Violation or the exceedance of an MCL, SMCL, or a Health Advisory during the 18 months preceding the submittal of the Priority List Application.		
a. Microbiological – Surface Water Treatment Rule		
i. Filter Performance Criteria (NTU Compliance)	50	
ii. CT Disinfection	40	
b. Microbiological – Total Coliform Rule		
i. Acute MCL Violation (fecal/*E. coli* violation)	60	
ii. Non-Acute MCL Violation (Total Monthly Coliform Violation)	45	
c. Inorganic Chemicals		
i. Nitrates	53	
ii. Lead and Copper	37	
iii. Other Primary Standards	35	
d. Emerging Contaminants		
i. PFAS	50	
ii. Harmful Algal Blooms (HABs)	35	
iii. Manganese	25	
iv. Other Emerging Contaminants	25	
e. Other		
i. Organic Chemicals	35	
ii. Radiological	33	
iii. Secondary Standards (Taste/Odor)	4	
iv. Enhanced Surface Water Treatment	8	
v. Groundwater Disinfection	7	
vi. Disinfection By-products	6	
vii. Arsenic	5	
2. Project includes water line extension from an existing system to an area with a public health threat due to contaminated private drinking water wells.	35	
3. Project includes an upgrade, replacement, or repair to infrastructure that is at risk of causing contamination due to age or design deficiencies.		
a. Source	21	
b. Treatment	19	
c. Source intake structure	16	
d. Pump station	14	
e. Storage	12	
f. Transmission/distribution mains	10	
g. Instrumentation/controls	8	

B. Economic Factors	**Points Possible**	**Points Awarded**
Percentage of average annual residential water bill to median household income.*		
1. Greater than 1.5%	13	
2. 1.25% to 1.49%	10	
3. 1.00% to 1.241%	7	
4. 0.75% to 0.99%	4	
5. 0.5% to 0.74%	2	
6. 0.25% to 0.49%	1	

**The average annual residential water bill is to be based on 70,000 gallons of water per year. The MHI of the community where the water service area is located will be determined from income data of the most recent US Census. If there is reason to believe that Census data is not an accurate representation of the MHI within the area to be served, the reasons shall be documented, and the applicant will need to supply furnish additional information regarding MHI. Information must consist of reliable data from local, regional, state sources, or from an income survey conducted by a reliable, impartial source.*

The MHI for a service area that crosses municipal boundaries is calculated as a weighted average, based on the number of services in each community.

C. Capacity Development	**Points Possible**	**Points Awarded**
Project involves the consolidation of two public water systems, one of which lacks either the proper technical, managerial, or financial capacity to maintain compliance with the Safe Drinking Water Act. The result of consolidation must ensure compliance with the SDWA.	5	
D. Special Incentives	**Points Possible**	**Points Awarded**
No monitoring violations over the last 24 months	1	
E. System Type	**Points Possible**	**Points Awarded**
1. Community	5	
2. Non-transient, non-community	3	
3. Transient, non-community	1	
F. Affordable Housing Plan	**Points Possible**	**Points Awarded**
The community (city or town) where the water system is located has a state-approved 'Affordable Housing Plan'.	5	
G. Readiness to Proceed *(points are cumulative in Section G only)*	**Points Possible**	**Points Awarded**
1. Consultant (for planning/design projects) is scheduled to be under contract during the current fiscal year.	5	
a. RIDOH Engineering Application submitted	5	
b. RIDOH Certificate of Approval application submitted	5	
2. RIDOH Environmental Review/Categorical Exclusion request submitted	5	
a. RIIB loan application submitted	5	
b. Other	5	

H. Lead Service Line Inventory (LSLI)	Points Possible	Points Awarded
1. LSLI Submitted to RIDOH on _____ (Date)	25	
2. LSLI not yet submitted to RIDOH	0	

For more information about the Rhode Island State Revolving Loan Fund, you can contact the Center for Drinking Water Quality by emailing RIDOH.EngineeringDWQ@health.ri.gov or calling 401-222-6867.

B. Sources and Uses Table

Attachment B

DWSRF Sources and Uses Table

Sources		Amount
FFY24 Base Grant	$	4,661,000
Set-Aside	$	(1,444,910)
Total Project Fund	**$**	**3,216,090**
FFY24 General Supplemental Grant	$	22,985,000
Set-Aside	$	(5,091,124)
Total Project Fund	**$**	**17,893,876**
FFY24 Emerging Contaminants - Project Fund	$	7,640,000
Set-Aside	$	(472,386)
Total Project Fund	**$**	**7,167,614**
FFY24 Lead Service Line Replacement	$	28,650,000
Set-Aside	$	(908,368)
Total Project Fund	**$**	**27,741,632**
State Match for FFY24 Base Grant	$	932,200
State Match for FFY24 General Supplemental Grant	$	4,597,000
Total State Match for FFY24	**$**	**5,529,200**
FFY 2020 Cap Grant - project fund	$	623,959
FFY 2021 Cap Grant - project fund	$	574,893
FFY2022 Base Cap Grant - project fund	$	2,905,635
FFY2022 General Supplemental Grant - project fund	$	12,907,134
FFY2022 Lead Service Line Replacement Grant - project fund	$	27,466,650
FFY2022 Emerging Contaminants Grant - project fund	$	7,524,966
FFY2023 Base Cap Grant - project fund	$	3,407,220
FFY2023 General Supplemental Grant - project fund	$	16,398,345
FFY2023 Lead Service Line Replacement Grant - project fund	$	27,776,338
FFY2023 Emerging Contaminants Grant - project fund	$	7,298,833
Total Available Cap Grant Funds	**$**	**106,883,972**
State Match for FFY2023 Base	$	987,600
State Match for FFY2023 General Supplemental	$	2,105,500
State Match Revolved	$	1,923,269
State Match (to be allocated to future Cap Grants)	$	9,250,000
Total Available State Match Funds	**$**	**14,266,369.00**
Federal Revovled	$	8,781,516
Bond Proceeds	$	-
Clean Water transfer of fund		-
Total Funds	**$**	**8,781,516**

Data as of 5/31/2024

Attachment B

DWSRF Sources and Uses Table

Total Sources of Funds	**$**	**191,480,269**

Uses		
Obligated Loans	$	88,274,629
Anticipated Loan Commitments SFY25	$	93,110,995
Total Anticipated Loan Commitments		**181,385,624**

Total Uses of Funds	**$**	**181,385,624**

Data as of 5/31/2024

C. Anticipated Loan Commitments for SFY2025

Attachment C
Anticipated Loan Commitments SFY25

Borrower	Project Description	Loan Amount	Source of Funds
Prudence Park Water Association	Mandated system and well upgrades for SDWA compliance.	$ 100,000	Multiple
Town of Burrillville	System Development for new Burrillville-Mohegan Water Department entity. Includes developing a well, storage tank, and distribution system.	$ 23,000,000	Multiple
Kingston Water District	Design and installation of a treatment facility at Kingston's Well #3 for PFAS-removal activities.	$ 15,000,000	EC
Lincoln Water Commission	Saylesville Water Main Improvements; Old River Road Water Storage Standpipe Replacement; Albion Road Pump Station Rehabilitation; Old Louisquisset Pike Pump Station Rehabilitation; School Street Water Main Rehabilitation.	$ 14,180,000	Multiple
Providence Water	Replacement of lead service lines	$ 26,300,000	LSL
Prudence Island Water District	4-log Chlorination and Fe and Mn removal	$ 600,995	Multiple
Quonochontag Central Beach Fire District	Modification and expansion of existing water treatment facility	$ 1,555,000	Multiple
Scituate Housing	Rockland Oaks	$ 700,000	Multiple
Town of Scituate/Schools	Drinking water system upgrades at Scituate Middle and High Schools	$ 1,000,000	Multiple
Town of Richmond	4-Log Chlorination System; Pump House Improvements; Water Storage Tank Improvements;	$ 675,000	Multiple
Town of North Kingstown	Replacement well for well contaminated with PFAS	$ 10,000,000	EC
	Total Anticipated Loans	**$ 93,110,995**	

Data as of 4/30/2023

D. Payment Schedule for ACH

Attachment D
DWSRF - Payment Schedule for ACH

FFY2024 Base Capitalization Grant

Federal Fiscal Year Quarter	Dates	Grant Award Amount	Grant Payment Amount (ACH)	Binding Commit
FFY-2023-4	July 1, 2024 – Sept 30, 2024			
FFY-2024-1	Oct 1, 2024 – Dec 31, 2024	$ 4,661,000		
FFY-2024-2	Jan 1, 2025 – March 31, 2025		$ 2,330,500	
FFY-2024-3	Apr 1, 2025 – June 30, 2025		$ 2,330,500	

FFY2024 General Supplemental Capitalization Grant

Federal Fiscal Year Quarter	Dates	Grant Award Amount	Grant Payment Amount (ACH)	Binding Commit
FFY-2023-4	July 1, 2024 – Sept 30, 2024			
FFY-2024-1	Oct 1, 2024 – Dec 31, 2024	$ 22,985,000		
FFY-2024-2	Jan 1, 2025 – March 31, 2025		$ 7,661,667	

FFY-2024-3	Apr 1, 2025 – June 30, 2025		$ 3,830,833	
FFY-2024-4	July 1, 2025 – Sept 30, 2025		$ 3,830,833	
FFY-2025-1	Oct 1, 2025 – Dec 31, 2025		$ 3,830,833	
FFY-2025-2	Jan 1, 2026 – March 31, 2026		$ 3,830,833	

FFY2024 Lead Service Line Replacement Capitalization Grant

Table 4

Federal Fiscal Year Quarter	Dates	Grant Award Amount	Grant Payment Amount (ACH)	Binding Commit
FFY-2023-4	July 1, 2024 – Sept 30, 2024			
FFY-2024-1	Oct 1, 2024 – Dec 31, 2024	$ 28,650,000		
FFY-2024-2	Jan 1, 2025 – March 31, 2025		$ 9,550,000	
FFY-2024-3	Apr 1, 2025 – June 30, 2025		$ 4,775,000	
FFY-2024-4	July 1, 2025 – Sept 30, 2025		$ 4,775,000	
FFY-2025-1	Oct 1, 2025 – Dec 31, 2025		$ 4,775,000	
FFY-2025-2	Jan 1, 2026 – March 31, 2026		$ 4,775,000	

FFY2024 Emerging Contaminants Capitalization Grant

Federal Fiscal Year Quarter	Dates	Grant Award Amount	Grant Payment Amount (ACH)	Binding Commit
FFY-2023-4	July 1, 2024 – Sept 30, 2024			
FFY-2024-1	Oct 1, 2024 – Dec 31, 2024	$ 7,640,000		
FFY-2024-2	Jan 1, 2025 – March 31, 2025		$ 1,528,000	
FFY-2024-3	Apr 1, 2025 – June 30, 2025		$ 1,528,000	
FFY-2024-4	July 1, 2025 – Sept 30, 2025		$ 1,528,000	
FFY-2025-1	Oct 1, 2025 – Dec 31, 2025		$ 1,528,000	
FFY-2025-2	Jan 1, 2026 – March 31, 2026		$ 1,528,000	

E. Total Capital Grants in the RI Base and BIL Program

Attachment E

Total Capital Grants in the RI Base and BIL DWSRF Program

FFY	Grant Award	State Match	Set-Asides	Unbanked RIDOH Reserved Set-Aside Authority	Total Capital in RI DWSRF
1997	$ 12,558,800	$ 2,511,760	($2,260,584)		$ 12,809,976
1998	$ 7,121,300	$ 1,424,260	($817,074)		$ 7,728,486
1999	$ 7,463,800	$ 1,492,760	($1,221,018)		$ 7,735,542
2000	$ 7,757,000	$ 1,551,400	($1,204,679)	($982,305)	$ 7,121,416
2001	$ 7,789,100	$ 1,557,820	($1,629,929)		$ 7,716,991
2002	$ 8,052,500	$ 1,610,500	($2,496,275)	($821,133)	$ 6,345,592
2003	$ 8,004,100	$ 1,600,820	($2,481,271)		$ 7,123,649
2004	$ 8,303,100	$ 1,660,620	($2,573,961)		$ 7,389,759
2005	$ 8,285,500	$ 1,657,100	($2,568,505)		$ 7,374,095
2006	$ 8,229,300	$ 1,645,860	($2,551,083)		$ 7,324,077
2007	$ 8,229,000	$ 1,645,800	($2,550,990)		$ 7,323,810
2008	$ 8,146,000	$ 1,629,200	($2,525,260)		$ 7,249,940
2009	$ 8,146,000	$ 1,629,200	($2,525,260)		$ 7,249,940
2010	$ 13,573,000	$ 2,714,600	($2,171,680)		$ 14,115,920
2011	$ 9,418,000	$ 1,883,600	($376,720)		$ 10,924,880
2012	$ 8,975,000	$ 1,795,000	$0		$ 10,770,000
2013	$ 8,421,000	$ 1,684,200	($2,021,040)		$ 8,084,160
2014	$ 8,845,000	$ 1,769,000	($2,741,950)	($44,360)	$ 7,827,690
2015	$ 8,787,000	$ 1,757,400	($2,723,970)		$ 7,820,430
2016	$ 8,312,000	$ 1,662,400	($1,329,920)		$ 8,644,480
2017	$ 8,241,000	$ 1,648,200	($2,477,700)	($257,100)	$ 7,154,400
2018	$ 11,107,000	$ 2,221,400	($3,443,170)		$ 9,885,230
2019	$ 11,004,000	$ 2,200,800	($3,411,240)	($223,920)	$ 9,569,640
2020	$ 11,011,000	$ 2,202,200	($3,413,410)	($220,220)	$ 9,579,570
2021*	$ 11,199,000	$ 2,239,800	$3,555,960	($222,000)	$ 16,772,760
2022 -Base	$ 7,008,000	$ 1,401,600	($2,067,360)	($140,160)	$ 6,202,080
2022 -BIL General Supplemental	$ 17,992,000	$ 1,799,200	($3,865,725)		$ 15,925,475
2022 -BIL EC	$ 7,555,000	$ -	($30,034)		$ 7,524,966
2022 -BIL LSL	$ 28,350,000	$ -	($567,000)		$ 27,783,000
2023 -Base	$ 4,938,000	$ 987,600	($1,530,780)		$ 4,394,820
2023 -BIL General Supplemental	$ 21,055,000	$ 2,105,500	($4,656,655)		$ 18,503,845
2023 -BIL EC	$ 7,640,000	$ -	($341,167)		
2023 -BIL LSL	$ 28,650,000	$ -	($873,662)		$ 27,776,338
2024 -Base	$ 4,661,000	$ 932,200	($1,444,910)		$ 4,148,290

*Please note that the $11,199,000 figure includes the FFY19 and FFY21 reallotted funds from the State of Wyoming - ($198,000)

Attachment E

Total Capital Grants in the RI Base and BIL DWSRF Program

2024 -BIL General Supplemental	$ 22,985,000	$ 4,597,000	($5,091,124)		$ 22,490,876
2024 -BIL EC	$ 7,640,000	$ -	($472,386)		$ 7,167,614
2024 -BIL LSL	$ 28,650,000	$ -	($908,368)		$ 27,741,632
Total	**$ 414,102,500**	**$ 57,218,800**	**$ (69,809,900)**	**$ (2,911,198)**	**$ 391,301,369**

*Please note that the $11,199,000 figure includes the FFY19 and FFY21 reallotted funds from the State of Wyoming - ($198,000)

F. Allotment of Base and BIL Set-Aside Dollars Requested

Attachment F

Historical Allotment of Base and BIL Set-Aside Dollars Requested

FFY	Administrative	Technical Assistance	State Program Mgmt.	Local Assistance	Total Set-Asides
1997	$ 502,352	$ 251,176	$ 251,176	$ 1,255,880	$ 2,260,584
1998	$ 284,852	$ -	$ 532,222	$ -	$ 817,074
1999	$ 298,552	$ 149,276	$ 400,000	$ 373,190	$ 1,221,018
2000	$ 310,280	$ 297,566	$ 1,579,138	$ -	$ 2,186,984
2001	$ 311,564	$ -	$ 150,000	$ 1,168,365	$ 1,629,929
2002	$ 322,100	$ 316,832	$ 1,470,601	$ 1,207,875	$ 3,317,408
2003	$ 320,164	$ 160,082	$ 800,410	$ 1,200,615	$ 2,481,271
2004	$ 332,124	$ 166,062	$ 830,310	$ 1,245,465	$ 2,573,961
2005	$ 331,420	$ 165,710	$ 828,550	$ 1,242,825	$ 2,568,505
2006	$ 329,172	$ 164,586	$ 822,930	$ 1,234,395	$ 2,551,083
2007	$ 329,160	$ 164,580	$ 822,900	$ 1,234,350	$ 2,550,990
2008	$ 325,840	$ 162,920	$ 814,600	$ 1,221,900	$ 2,525,260
2009	$ 325,840	$ 162,920	$ 814,600	$ 1,221,900	$ 2,525,260
2010	$ 542,920	$ 271,460	$ 1,357,300	$ -	$ 2,171,680
2011	$ 376,720	$ -	$ -	$ -	$ 376,720
2012	$ -	$ -	$ -	$ -	$ -
2013	$ 336,840	$ 168,420	$ 673,680	$ 842,100	$ 2,021,040
2014	$ 353,800	$ 221,260	$ 884,500	$ 1,326,750	$ 2,786,310
2015	$ 351,480	$ 175,740	$ 878,700	$ 1,318,050	$ 2,723,970
2016	$ 166,240	$ -	$ 831,200	$ 332,480	$ 1,329,920
2017	$ 252,630	$ 164,820	$ 1,081,200	$ 1,236,150	$ 2,734,800
2018	$ 444,280	$ 222,140	$ 1,110,700	$ 1,666,050	$ 3,443,170
2019	$ 664,080	$ 220,080	$ 1,100,400	$ 1,650,600	$ 3,635,160
2020	$ 660,660	$ 220,220	$ 1,101,100	$ 1,651,650	$ 3,633,630
2021	$ 669,960	$ 111,000	$ 1,110,000	$ 1,665,000	$ 3,555,960
2022 -Base	$ 420,480	$ 35,040	$ 700,800	$ 1,051,200	$ 2,207,520
2022 -BIL General Supplemental	$ 719,680	$ 250,068	$ 1,641,666	$ 1,254,311	$ 3,865,725
2022 -BIL LSL				$ 567,000	$ 567,000
2022 -BIL EC				$ 30,034	$ 30,034
2023 -Base	$ 197,520	$ 98,760	$ 493,800	$ 740,700	$ 1,530,780
2023 -BIL General Supplemental	$ 842,200	$ 312,106	$ 2,017,719	$ 1,484,630	$ 4,656,655
2023 -BIL LSL	$ 745,511	$ -	$ 70,794	$ 57,357	$ 873,662
2023 -BIL EC	$ 132,033	$ -	$ 91,311	$ 117,823	$ 341,167
2024 -Base	$ 186,440	$ 93,220	$ 466,100	$ 699,150	$ 1,444,910
2024 -BIL General Supplemental	$ 919,400	$ 324,141	$ 2,298,500	$ 1,549,083	$ 5,091,124
2024 -BIL LSL	$ 220,311	$ -	$ 120,409	$ 567,648	$ 908,368
2024 -BIL EC	$ 127,365	$ -	$ 271,928	$ 73,093	$ 472,386
Total	**$ 13,653,970**	**$ 5,050,185**	**$ 28,419,244**	**$ 32,487,619**	**$ 79,611,018**

G. Additional Subsidy Requirements

Attachment G

Additional Subsidy Requirements FFY22-FFY24

FFY	Cap Grant Amount	Congressional Subsidy (14%)	SDWA (12%-35%)	BIL General Supplemental and LSL Subsidy (49%)	BIL Emerging Contaminants Subsidy (100%)	Total Subsidy Required
2022 -Base	$ 7,008,000	$ 981,120	$ 840,960	$ 1,822,080		
2022 -General Supplemental	$ 17,992,000			$ 8,816,080		
2022 -Lead Service Line Replacement	$ 28,350,000			$ 13,891,500		
2022 - Emerging Contaminants	$ 7,555,000				$ 7,555,000	
2023 -Base	$ 4,938,000	$ 691,320	$ 592,560	$ 1,283,880		
2023 -General Supplemental	$ 21,055,000			$ 10,316,950		
2023 -Lead Service Line Replacement	$ 28,650,000			$ 14,038,500		
2023 - Emerging Contaminants	$ 7,640,000				$ 7,640,000	
2024 -Base	$ 4,661,000	$ 652,540	$ 559,320			$ 1,211,860
2024 -General Supplemental	$ 22,985,000			$ 11,262,650		$ 11,262,650
2024 -Lead Service Line Replacement	$ 28,650,000			$ 14,038,500		$ 14,038,500
2024 - Emerging Contaminants	$ 7,640,000				$ 7,640,000	$ 7,640,000
Total	**$ 187,124,000**	**$ 1,672,440**	**$ 1,433,520**	**$ 50,168,990**	**$ 15,195,000**	**$ 34,153,010**

H. Attorney General Certification

STATE OF RHODE ISLAND
OFFICE OF THE ATTORNEY GENERAL

150 South Main Street • Providence, RI 02903
(401) 274-4400 • www.riag.ri.gov

Peter F. Neronha
Attorney General

May 7, 2024

Mr. David W. Cash
Regional EPA Administrator
Environmental Protection Agency
5 Post Office Square - Suite 100
Boston, MA 02109-3912

RE: CERTIFICATION LETTER REGARDING THE AUTHORITY OF THE STATE OF RHODE ISLAND TO ESTABLISH A FUND TO OPERATE THE DRINKING WATER REVOLVING FUND AS ENABLED BY THE SAFE DRINKING WATER ACT

Dear Regional Administrator Cash:

I write pursuant to the requirements contained in 40 CFR § 35.3545(d), which requires the Attorney General certify that, (1) the provisions establishing a Fund to operate the Drinking Water State Revolving Fund ("DWSRF"), as enabled by Section 1452(a)(1)(B) of the Safe Drinking Water Act, as amended in 1996 ("SDWA"), and the powers that such provisions confer, are consistent with state law; (2) the state may legally bind itself to the terms of the capitalization grant agreement; and (3) the Rhode Island Infrastructure Bank (formerly the Rhode Island Clean Water Finance Agency) (hereinafter, the "Agency") is "authorized to enter into capitalization grant agreements with EPA, accept capitalization grant awards" made under Section 1452(a)(1)(B) of the SWDA, and otherwise manage the DWSRF in accordance with the requirements and objectives of the SDWA. 40 CFR § 35.3545(d); *see* Notice, 63 Fed. Reg. 214 (Nov. 5, 1998).

Further, the Infrastructure Investment and Jobs Act, also known as the Bipartisan Infrastructure Law, (hereinafter "BIL") requires that I similarly certify that the Agency meets the requirements to receive the supplemental funding made available through the BIL. BIL, Pub. L. No. 117-58, § 135 Stat. 429, 1399-1402 (Nov. 15, 2021). The General Supplemental Funding, Lead Service Line Replacement Funding, and Emerging Contaminants Funding provided for in the BIL are awarded in the form of "capitalization grants for the [DWSRF] under section 1452" of the SDWA. *Id.* The BIL requires that the Attorney General certify the aforementioned requirements contained in 40 CFR § 35.3545(d). *See* Radhika Fox, *Implementation of the Clean Water and Drinking Water State Revolving Fund Provisions of the Bipartisan Infrastructure Law*, page 13, Environmental Protection Agency Office of Water (Mar. 8, 2022), https://www.epa.gov/system/files/documents/2022-03/combined_srf-implementation-memo_final_03.2022.pdf.

Such certification is required for the Rhode Island Infrastructure Bank to receive federal capitalization grants pursuant to section 1452 of the Safe Drinking Water Act, as amended in 1996. *See* 40 C.F.R. § 35.3500; BIL, Pub. L. No. 117-58, § 135 Stat. 429, 1399-1402 (Nov. 15, 2021). In accordance with those requirements, please be advised as follows:

R.I. Gen. Laws § 46-12.2-3 established the Agency as a "body politic and corporate and public instrumentality of the state" and provides that the exercise by the Agency of the powers conferred by Chapter 46-12.2 "shall be deemed to be the performance of an essential public function."

In 1993, the Rhode Island General Assembly recognized the need to "construct and reconstruct facilities related to and acquire watershed protection land in connection with the provision of safe drinking water through the state of Rhode Island", R.I. Gen. Laws § 46-12.8-1(b). Accordingly, the Rhode Island General Assembly provided that the Rhode Island Infrastructure Bank:

> . . . shall be the instrumentality of the state for administration of the safe drinking water revolving loan fund, and such other funds it holds or for which it is responsible, and, in conjunction with the [Rhode Island Department of Health], is empowered to and shall take all action necessary or appropriate to secure to the state the benefits of any other federal or state legislation pertaining to the funds and to the financing of approved projects. Without limiting the generality of the foregoing and other powers of the agency provided in this chapter, the agency is empowered to and shall:
>
> (1) Cooperate with any appropriate federal agencies in all matters relating to administration of the safe drinking water revolving loan fund and, pursuant to the provisions of this chapter, administer the fund and receive and disburse such funds from any such agencies...
> R.I. Gen Laws § 46-12.8-4(a)(1).

In addition, the Agency:

> ... shall have all powers necessary or convenient to carry out and effectuate the purpose and provisions of this chapter [12.8 of Title 46 – the Water Projects Revolving Loan Fund], including... without limiting the generality of the foregoing, the powers:
>
> (4) To enter into contracts, arrangements and agreements with other persons, and execute and deliver all instruments necessary or convenient to the exercise of tis powers under this chapter; such contracts and agreements may include without limitation... grant agreements, contracts for financial assistance or other forms of assistance form the state or United States, and trust agreement and other financing agreements...
> R.I. Gen Laws § 46-12.8-3.

Accordingly, the Agency has been authorized by the Rhode Island legislature to: (1) enter into capitalization grant agreements with the Environmental Protection Agency; (2) accept capitalization grant awards made under section 1452(a)(1)(A) of the SDWA; and (3) otherwise manage the Fund in accordance with the requirements and objectives of the SDWA.

I further certify that Chapter 12.8 of Title 46 of the Rhode Island General Laws is consistent with state law and further specifically provides in Section 46-12.8-22 that "... insofar as the provisions of this chapter are inconsistent with the provisions of any general or special law, municipal charter, administration order or regulation, the provisions of this chapter shall be controlling."

In view of the foregoing, as the Attorney General of the State of Rhode Island, I certify that the state legislation establishing the DWSRF program and the powers it confers are consistent with state law and that the State may legally bind itself to the terms of the capitalization grant agreement contemplated by the SDWA and the BIL.

The Rhode Island Infrastructure Bank is fully authorized to conduct business in accordance with Chapters 46-12.2 and 46-12.8 of the Rhode Island General Laws.

Sincerely,

Peter F. Neronha
Attorney General

cc: William Fazioli
Executive Director and Chief Executive Officer, RIIB

I. RI Infrastructure Bank and RIDOH Memorandum of Understanding (MOU)

MEMORANDUM OF UNDERSTANDING

between
The Rhode Island Clean Water Finance Agency
and
The Rhode Island Department of Health
for the
Drinking Water State Revolving Fund

I. Purpose

The purpose of this Memorandum of Understanding ("MOU") is to denote the functional roles and responsibilities of both the Rhode Island Clean Water Finance Agency ("Agency") and the Rhode Island Department of Health ("Health") in administering the Drinking Water State Revolving Fund ("DWSRF") Program. This document will provide a framework which defines the roles of the Agency and Health in managing the DWSRF program and serve as a basis for coordinated action between the agencies in the issuing, servicing, and accounting for loans under the DWSRF program. The agreement herein is for the purposes of, and shall be read in conjunction with, the Safe Drinking Water Act Amendments of 1996 and RIGL 46-12.8-1 et.seq. In the event of any conflict, the Safe Drinking Water Act Amendments of 1996 and the general laws shall prevail.

II. Goal

This agreement will serve as the basis for mutual understanding of the basic mechanisms, responsibilities, duties, and processes of the respective agencies for evaluating, implementing, managing, and revising the DWSRF program. The MOU covers the major operational aspects of the DWSRF program.

In general, the Agency is responsible for the administration and management of the financial aspects of the DWSRF program such as: applying for and receiving Federal capitalization grants; associated Federal and State grant reports; approving and issuing loans; enforcing loan terms; fund transfers and disbursements; bond sales and retirement; investment management; and all financial report generation. The Agency will only make loans for projects issued Certificates of Approval by Health.

In general, Health is responsible for the programmatic aspects of the DWSRF program such as: project prioritization criteria; determination of the use of set-aside amounts exclusive of the 4% administrative set-aside (described later in this document) made available under federal capitalization grant awards; review and approval of all plans and specifications and determinations of project need, scope, costs, and eligibility. Health is also responsible for development of project rating and ranking systems, including the annual Project Priority List. Health will issue Certificates of Approval (COAs) to local governmental units and privately owned water suppliers whose projects are determined to be eligible for DWSRF Program assistance.

III. Background

Passage of Section 46-12.8-1 through 46-12.8-24 inclusive in the fiscal year 1993 session of the Rhode Island General Assembly created a drinking water revolving fund to provide financial assistance to Rhode Island's public and privately organized water systems to meet the requirements of the Safe Drinking Water Act (SDWA) and address the tremendous need in the State for infrastructure replacement. This legislation was passed prior to the establishment of a nationwide DWSRF because of the immediate drinking water infrastructure-borrowing needs made apparent in the State. The SDWA was amended in August 1996 by Congress and authorized the creation of a Drinking Water State Revolving Fund program. Section 1452 of the Act has authorized the Administrator of the US Environmental Protection Agency (EPA) to award

capitalization grants to States as "seed" money to establish revolving loan funds to provide a perpetual source of loans below market rate for drinking water projects.

IV. Responsibility

It is mutually understood that close coordination between the Agency and Health is necessary to effectively administer the DWSRF for the State of Rhode Island. The breakdown of responsibilities in this section is to designate the lead agency responsible for producing/issuing the various items, but it is understood that items will be coordinated with the non-lead agency. Items, which must be developed jointly, are also listed. (Note: For the purposes of capitalization grant application to the EPA, the Agency is considered the lead agency and Health is considered the primacy agency.

Health shall review and approve/reject reports and plans for drinking water projects for which financial assistance from the DWSRF is being contemplated by the Agency. Health shall develop a product prioritization procedure to rank projects under consideration for DWSRF financing in each upcoming federal fiscal year. If Health shall determine that an application for financial assistance or portion thereof shall be approved, it shall deliver to the Agency a Certificate of Approval for the project or portion thereof which shall specify the project or portion thereof eligible for financial assistance, the cost of the project or portion thereof and such other terms, conditions and limitations with respect to the construction and operation of the project. In addition, Health shall have the authority to inspect the construction and operation of approved projects to assure compliance with approved plans.

Health will inform the Agency of failure to correct or noncompliance with conditions of approval of the project or program requirements. Once notified, the Agency and Health will take all necessary and appropriate actions, as described in Chapter 46-12.8 of the General Laws of Rhode Island of 1956 as amended; Health's Rules and Regulations for the DWSRF program; the Agency's Loan Policies and procedures; and the Loan Agreements and Certificates of Approval for the public water supplier.

The issuance of a Certificate of Approval shall not be in lieu of, and every approved project shall remain subject to, each and all environmental, technical and regulatory approval requirements as provided in applicable State and Federal law and regulation, including those requirements which are administered by Health.

The Agency will negotiate loan terms with applicants, which have received, or will receive, Certificates of Approval for projects. Loan terms will cover interest rate, loan repayments, loan security, dedicated sources of revenue, and such other items, as the Agency deems necessary to protect the long-term viability of the DWSRF funds.

The Agency shall be responsible for processing all disbursement requests in accordance with the loan agreements negotiated with the applicant, except as set forth below. The Agency is responsible for insuring Health receives a copy of all such requests for disbursement.

Independent of Agency disbursement processing, Health will be responsible for determining that the applicant has completed the work for which the Certificate of Approval was issued, that the work meets all conditions of approval, that no ineligible items were purchased, and that the project meets all applicable DWSRF program regulatory requirements. Health is responsible for insuring that the Agency receives a copy of all such project oversight reports.

Processing of final disbursement requests by the Agency subsequent to initiation of operation (for construction projects) or delivery of final documents (for Facilities or Design Plans and Specification Projects) shall be withheld until receipt of a satisfactory final project report from Health.

Breakdown of Responsibilities

A. Agency Lead

1. Applying for annual Capitalization Grant award from EPA and securing 20% State match.
2. Maintaining compliance with all Federal and State fund management requirements.
3. Determining lending policies of DWSRF funds.
4. Determining the short and long term investment policy of DWSRF funds.
5. Preparing all required financial reports including those required by:
   a. U.S Treasury/Internal Revenue Service
   b. U.S. Environmental Protection Agency
   c. State of Rhode Island
   d. Other regulatory agencies as appropriate
6. Conducting all applicant financial review/analysis/approval functions related to DWSRF loan approval, administration, and management.
7. Developing all loan issuing and servicing policies and procedures.
8. Collecting, enforcing, and accounting for fees, charges, and loan repayments.
9. Developing, executing, and amending the Operating Agreement with U.S. EPA.

B. Health Lead

1. Developing and maintaining the Priority Determination System and Priority List.
2. Determining annual appropriation and use of set-asides associated with capitalization grant awards (except for the 4% administrative funds as described in Section V of this document).
3. Reviewing and approving all environmental and technical requirements for projects funded by the DWSRF.
4. Issuing Certificates of Approval for projects eligible for DWSRF funding.

5. Insuring compliance with all DWSRF program conditions of approval and project implementation requirements.

C. *Joint Effort*

1. Determining eligibility requirements for DWSRF projects.

2. Developing the annual Intended Use Plan for inclusion in capitalization grant application.

3. Establishing Project Priority List by-pass criteria.

4. Insuring appropriate tracking/inspections for disbursements to and closeout of projects.

5. Proposing changes to the program based on experience and changing market conditions.

6. Preparing enforcement procedures to be utilized by Health and the Agency for failure to comply with DWSRF program requirements.

V. Administrative Costs

The Agency and Health shall utilize up to 4% of each annual capitalization grant for all reasonable eligible and documented administrative costs not covered by other set-aside program dollars. Any unexpended (4% of annual cap grant award) funds will be carried over each year to meet administrative costs in future years. Payment of Health administrative costs in the years beyond the capitalization period or after the 4% set-aside is exhausted will be addressed in subsequent years' Memorandums of understanding. Health will provide to the Agency, at the end of each fiscal year, an estimate of administrative expenses for the upcoming fiscal year. The Agency will reimburse Health administrative costs as they are incurred on a Bi-weekly basis. The payment of administrative expenses based upon the previous years' appropriations shall not be delayed in the event of a dispute between the parties (see Section IX Disputes).

VI. Responsible Officials

The following positions are hereby designated the responsible officials for their respective organizations. Unless specifically prohibited by law, persons assigned to these positions are authorized hereby to replace, revise, or revoke all DWSRF program administrative management policies, procedures, or documentation by mutual agreement through an exchange of letters between the Agency and Health.

Additionally, unless specifically stated elsewhere, whenever notification shall be required under the DWSRF program, such written notification shall be deemed sufficient if directed to the positions at the addresses noted below.

For Health: Director, RI Dept. of Health
C/o Chief, Office of Drinking Water Quality
3 Capitol Hill, Providence, RI 02908-5097
Phone: (401) 222-6867

For the Agency: Executive Director
RI Clean Water Finance Agency
235 Promenade Street, Suite 119, Providence, RI 02908
Phone: (401) 453-4430

VII. Duration of the MOU

The term of this MOU shall be two years. The MOU shall be formally reviewed and renewed no less than biennially. All provisions of a prior, properly executed MOU shall remain in effect until such time as a new MOU is formally executed.

VIII. Amendments/Revisions to the MOU

The MOU may be amended or revised at any time by mutual agreement between the Agency and Health through an exchange of letters.

IX. Disputes

Disputes between the Agency and Health in all matters in the DWSRF program which are related to the federal requirements of the Safe Drinking Water Act shall be resolved, following appropriate consultation with both the Agency and Health and review of all pertinent facts, by the U.S. EPA. EPA's decision shall be the final administrative action on the matter.

For all other matters in the DWSRF program, disputes between the Agency and Health shall be resolved, following consultation with both organizations and review of pertinent facts, by an independent arbitrator.

X. Assignment

Neither the Agency nor Health shall assign, in whole or in part, its interest or duties in the DWSRF program and will not contract for resources to conduct functional DWSRF program tasks without written notification to the other organization. Both parties recognize that written notification is intended for informational purposes only, and both parties shall make a good faith effort to provide said notification prior to any assignment(s).

XI. Access to Records

All DWSRF files of both agencies will be mutually available.

XII. Records Identification and Retention

Health will be responsible for project progress tracking/inspection and closeout after loans are given. Therefore, the two agencies will develop a project numbering system, which will accommodate the needs of both agencies and distinguish between general project and fiscal records.

File retention will be split along general responsibilities. DEM will retain all general management, inspection, tracking, and pre-Certificate of Approval files. The Agency will retain all Certificates of Approval, loan payments, fiscal, and audit files.

XIII. Execution

We, the undersigned, concur that we will use this MOU to govern interaction between the Agency and Health regarding operation of the DWSRF program.

Patricia A. Nolan MD MPH

Patricia Nolan, Director
RI Department of Health

Date 7/12/00

Anthony B. Simeone

Anthony B. Simeone, Executive Director
R.I. Clean Water Finance Agency

Date 7/13/00

Addendum #1 to
MEMORANDUM OF UNDERSTANDING

between the

State of Rhode Island,
Department of Health

3 Capitol Hill
Providence, Rhode Island 02908

and the

Rhode Island Infrastructure Bank
235 Promenade Street, Suite 119
Providence, Rhode Island 02908

Dated January 1, 2023

governing the

Administration of Drinking Water State Revolving Fund

I. Preamble

WHEREAS, the Rhode Island Infrastructure Bank (formerly known as the Rhode Island Clean Water Finance Agency) (hereinafter "Bank"), a quasi-public agency of the State of Rhode Island, located at 235 Promenade Street, Suite 119, Providence, Rhode Island 02908 and the State of Rhode Island, Department of Health, located at 3 Capitol Hill, Providence, Rhode Island 02908 (hereinafter "RIDOH") (each individually a "Party" and collectively as "Parties") entered into a Memorandum of Understanding (hereinafter "MOU") on or about July 13, 2000 to govern the administration of the Drinking Water State Revolving Fund as between the Parties (hereinafter "DWSRF" or "Program"); and

WHEREAS, the Parties are committed to effective and efficient administration of the Program; and

WHEREAS, the MOU covers the major operational aspects of the DWSRF and serves as the basis for mutual understanding of the basic mechanisms, responsibilities, duties, and processes of the Parties for evaluating, implementing, managing and revising the Program; and

WHEREAS, pursuant to Section VIII of the MOU, the Parties desire to adopt this Addendum #1 to the MOU by and between the Parties (hereinafter "Addendum") as of January 1, 2023 (the "Effective Date"). which shall be incorporated into the MOU upon adoption.

NOW, THEREFORE, for and in consideration of the mutual promises and benefits contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby adopt this Addendum as follows:

II. Term

The term of this Addendum shall begin on the Effective Date set forth herein and shall end no later than the date on which the MOU ends. The following shall be added to the current language in Section VII of the MOU.

"The term of the Addendum shall renew on a quarterly basis, subject to a review that shall be completed by the Parties thirty (30) days prior to the end of each quarterly period. Unless one Party submits to the other Party a written notice indicating that it no longer wishes to renew the Addendum at least thirty (30) days before the end of a quarterly period, it shall be presumed that the Parties intend for the Addendum to continue for the next quarterly period at the then-current terms and conditions."

III. Background

The following shall be inserted after the last paragraph of Section III from the MOU.

"The Program is jointly administered in Rhode Island by the Parties pursuant to federal and state law and regulations. For Fiscal Year 2023, the Parties estimate that an additional $53,897,000 (DWSRF General Supplemental Grant $17,992,000; DWSRF Lead Service Line Replacement Grant $28,350,000; and DWSRF Emerging Contaminants Grant

$7,555,000) will be made available to the DWSRF pursuant to the Bipartisan Infrastructure Law and other allocations of state or federal funds, as mutually agreed by the Parties. This amount is over and above the customary amount of federal funds that the DWSRF has historically received on an annual basis.

Given this significant increase in federal funding, and due to a number of factors including limited capacity of current RIDOH staff, state FTE caps, and challenges in recruiting and retaining professional engineers to perform key RIDOH duties and responsibilities, RIDOH has indicated to the Bank that it does not have the capacity to perform all of the duties required for the administration of the Program.

The additional federal funds are awarded to the DWSRF via several grant agreements with the Environmental Protection Agency. Pursuant to each of these grant agreements, there is an amount of federal funding made available for the administration of the DWSRF (hereinafter "Administrative Set-Aside Funds"). After capitalization grants are awarded, Administrative Set-Aside Funds are deposited in the US Treasury's Automated Standard Application for Payments ("ASAP") system. Historically, RIDOH would submit a requisition, along with supporting documentation, to the Bank requesting these funds for the payment of costs related to administering the DWSRF, and the Bank would draw the funds down from ASAP and ultimately transfer the funds to RIDOH. Due to RIDOH's limited capacity to administer the DWSRF at this time (as described within), the Parties have agreed that the Bank will withhold a subset of the Administrative Set-Aside Funds for RIDOH's account (such amount not to exceed, in any case, **$200,000**, which may be revised periodically or from time to time, as mutually agreed by the Parties), and is authorized to direct the remainder of the Administrative Set-Aside Funds to engage one or more professional engineering or other qualified firms (including, but not limited to, Green International Affiliates, Inc., Pare Corporation, and BETA Group, Inc.) (hereinafter "Contractor") to perform certain RIDOH functions (as set forth below)."

IV. Additional Responsibilities

The following shall be inserted after Subsection 5 in Subsection B (*Health Lead*) under Section IV of the MOU:

"6. Responsibilities which may be performed by Contractor

a. Assist RIDOH in developing and maintaining, on an annual basis, the system and inputs that determine Priority Determination System and Project Priority List.

b. Review and approve/reject engineering applications for safe drinking water projects for which financial assistance from the DWSRF is being contemplated by the Bank. RIDOH, with the assistance of Contractor, shall maintain a project prioritization procedure to rank projects under

consideration for DWSRF financing in each upcoming federal fiscal year. If Contractor determines that an application shall be approved for a project that will be receiving financial assistance, it shall deliver a recommendation to RIDOH for RIDOH to issue to the Bank a Certificate of Approval for the project which shall specify the project eligible for financial assistance, the cost of the project, and such other terms, conditions, and limitations with respect to the construction of the project that Contractor shall deem necessary, proper, or advisable. In addition, Contractor, at the direction of RIDOH, shall have the authority to inspect the construction of approved projects to assure compliance with approved plans is maintained.

c. Review and approve all environmental and technical requirements for public water system improvement projects funded by the DWSRF.

d. Ensure project compliance with all Program conditions of approval and project implementation requirements. RIDOH (or Contractor on behalf of RIDOH) will inform the Bank in writing of failure to correct, or noncompliance with, conditions of approval of the project or Program requirements. Once notified, the Parties will take all necessary and appropriate actions to cure such failure or noncompliance, as described in Chapter 46-12.8 of the Rhode Island General Laws, RIDOH's rules and regulations for the Program, the Bank's DWSRF loan policies and procedures, and the loan agreements and Certificates of Approval for the water supplier. Prior to the processing of all final disbursement requests by the Bank, Contractor shall provide evidence to the Parties of substantial completion or initiation of operation (for construction projects), or delivery of final planning and design documents.

e. Perform other services as necessary for the efficient administration of the Program, as agreed upon by the Parties."

V. Remainder of MOU

All other terms and conditions of the MOU shall remain in full force and effect throughout the term of the MOU, unless otherwise amended by the Parties pursuant to Section VIII of the MOU.

VI. Counterparts

This Addendum may be executed in one or more counterparts, each of which shall be deemed to be an original copy of this Addendum and all of which, when taken together, shall be deemed to constitute one and the same Addendum.

IN WITNESS WHEREOF, the Parties have hereunto set their hands and seals as of the Effective Date.

Witness

Rhode Island Infrastructure Bank

By:

Jeffrey R. Diehl, Executive Director and CEO

Date: December 21, 2022

Witness

State Of Rhode Island, Department of Health

By:

Utpala Bandy, MD, MPH, Interim Director of Health

Date:

Effective Date: January 1, 2023

IN WITNESS WHEREOF, the Parties have hereunto set their hands and seals as of the Effective Date.

Witness

Rhode Island Infrastructure Bank

By: _____

Jeffrey R. Diehl, Executive Director and CEO

Date: December 21, 2022

Witness Sarah Hays

State Of Rhode Island, Department of Health

By: Utpala Bandy

Utpala Bandy, MD, MPH, Interim Director of Health

Date: 1/2/2023

Effective Date: January 1, 2023

J. RI Infrastructure Bank Loan Policies and Procedures

830-RICR-10-10-1

TITLE 830 - INFRASTRUCTURE BANK

CHAPTER 10 – PROGRAMS

SUBCHAPTER 10 - WATER

PART 1 - Drinking Water State Revolving Fund Loan Policies and Procedures

1.1 Purpose:

The within Loan Policies and Procedures of Rhode Island Infrastructure Bank (the "Bank") have been established to govern the lending activities of the Drinking Water State Revolving Fund (DWSRF) in accordance with R.I. Gen. Laws Chapters 46-12.8 and 46-12.2, and Title XIV of the Public Health Service Act (42 U.S.C. § 300 *et seq.*).

1.2 Definitions:

Except as otherwise defined herein, the words and phrases used within this Part have the same meaning as the words and phrases have in R.I. Gen. Laws Chapters 46-12.8 and 46-12.2 and Title XIV of the Public Health Service Act (42 U.S.C. § 300 *et seq.*

1.3 Financial Assistance:

A. This Part governs the provision of financial assistance to local governmental units, and privately organized water suppliers (collectively "Borrowers") to finance costs of approved drinking water projects in the form of loans with below market interest rates or interest rate subsidies which reduce the cost of financing these projects by at least twenty-five percent (25%). Financially distressed Borrowers may receive financial assistance greater than twenty-five percent (25%) as long as these loans do not have an adverse effect on other participants in the loan programs of the Bank; bond holders; other creditors of the Bank, or the finances of the Bank. In determining those Borrowers that qualify as "financially distressed" the Bank may consider the criteria set forth in R.I. Gen. Laws §§ 45-13-12(b)(1) through (4).

B. Small Water Systems: Small Water Systems, as defined by the Environmental Protection Agency (EPA) may be awarded financial assistance in accordance with the Small Water System Guidance Document that shall be issued by the Bank. See www.RIIB.org for the Small Water System Guidance Document.

1.4 Loan Application:

A. Requests for financing should be submitted in writing by the Chief Executive Officer or other authorized officer of the Borrower to the Executive Director of the Bank. The written request shall include:

1. A description of the project to be financed with the projected construction and completion schedule. In the case of a refinancing, a description of the completed project and the terms and sources of previous financing.

2. A description of the dedicated source of loan repayment, i.e., general revenues or drinking water revenues.

3. A description of the overall operations of the Borrower, including but not limited to the most recent annual report or audited financials, with an emphasis on:

    a. legal structure;

    b. management;

    c. sources of revenues;

    d. operating expenses;

    e. operating surpluses or deficits;

    f. actual results versus budget; and

    g. sources of financial liquidity.

4. Legal authority or authorities to construct, finance and operate the project.

5. The past five years Audited Financial Statements in accordance with Generally Accepted Government Accounting Standards or Generally Accepted Accounting Principals; or other historical financial information that the Bank deems appropriate.

6. Financial and demographic information.

7. For revenue bonds, financial projections over the life of the financing showing sources of revenues, operating expenses, capital replacement reserves, user fee impact analysis, and cash available for debt service.

8. A copy of the Infrastructure Replacement Plan component of the Water Supply Management Plan if applicable.

9. An application that proposes to purchase an existing water system must be accompanied by a certification of the water system's integrity by a registered professional engineer. A certification as to the appraised value of the system must also be provided. The Bank reserves the right to review this certification and request further data for analysis.

10. Such other information as the Bank may reasonably require.

1.5 Loan Approval Process:

A. Loan approvals are subject to the following terms:

1. That all projects to be funded appear on the Rhode Island Department of Health ("RIDOH") Project Priority List and have Certificates of Approval issued.

2. That the loan complies with all federal, state and Bank laws, rules and regulations.

3. That the loan and debt service requirements be approved by any applicable regulatory Agency.

4. That a satisfactory loan agreement be signed by all parties to the transaction.

5. That the loan will be made subject to availability of funds as related to the Bank's capacity; and that the loan will be made subject to ranking on RIDOH's Project Priority List.

6. The Bank will conduct a financial analysis for each loan application which may include, but not be limited to:

   a. sources of revenue and financial liquidity

   b. historical and projected financial operating results

   c. present and future debt service requirements

   d. current assignment of water rates and other revenues generated from user fees

   e. ability to increase water rates and/or secure alternative revenue sources

   f. cost of the project and estimated completion schedule

g. long term capital replacement planning

h. socioeconomic conditions and trends

i. management qualifications and experience

j. effects of legal structure and any regulator control

k. a Consulting Engineer's Water Facility and Financial Feasibility Report, if applicable

l. history of applicant/system

m. any other information that the Bank or its Board of Directors may require.

B. If the Board approves the application, a Commitment Letter will be issued to the Borrower for their acceptance, outlining the terms and conditions of the loan.

1.6 Terms and Conditions:

A. Borrowing Rate - The stated interest rate on the Borrower bond, which is the Borrower's market rate (the "Market Rate"), is the prevailing market taxable or tax-exempt interest rate for issuers of comparable creditworthiness to the Borrower, as determined by the Bank on the advice of the Financial Advisor after consultation with the Borrower. Subject to adjustment by the Bank from time to time, the subsidized interest rate for the Loan is seventy-five percent (75%) of the Market Rate (the "Subsidized Interest Rate"). The Borrower will be obligated by the Borrower bond to pay the Market Rate, but will be billed only for the Subsidized Interest Rate. If the Borrower or other borrowers of the Bank should default in timely payment of debt service on the Loan or on the loans made to such other borrowers of the Bank, the Bank may require the Borrower to pay up to the Market Rate on the Borrower Bond.

B. Interest is to be calculated based on a 360-day year and twelve thirty-day months, and may be capitalized during construction. Interest payments are semi-annually on March 1 and September 1.

C. Loan Fees - An origination fee of the greater of one thousand dollars ($1,000) or one percent (1%) of the principal amount of the Loan will be payable to the Bank by the Borrower at the time of the Loan's closing. All other costs incidental to the Borrower's role in their transaction, such as, legal fees, financial advisory fees, bond insurance premiums and the like, will be paid by the Borrower. The Bank will charge an annual service fee of one-half of one percent (0.5%) of the Loan's outstanding principal, payable semi-annually at each interest payment date. A

late payment of five percent (5%) of the amount of the late payment will be charged for every fifteen (15) days that a payment is late.

D. Amortization - Amortization will begin at a mutually agreed upon date, but in no case later than the earlier of three (3) years after loan closing or September 1st after completion of the construction of the projects. Principal payments will be made annually on September 1st and the schedule of payments will be structured to meet the debt service and financial assistance needs of the Borrower.

E. Final Maturity - Loans shall mature no later than twenty (20) years after the completion of the funded projects

F. Prepayments - A loan may be prepaid by the Borrower at any time but may be subject to a prepayment penalty based on the cost of reinvesting the prepayment, the cost of prepaying outstanding bonds of the Bank or any other negative financial impact to the Bank.

G. Security - Loans will have a pledge of:

1. general revenues and/or water system user fee revenues; and/or

2. may be secured by any other assets and upon such other terms and conditions as the Bank deems appropriate to protect the interest of the other participants in the loan programs of the Bank; bond holders; other creditors of the Bank; bondholders; or the finances of the Bank.

H. Construction Progress Payments - Progress payments for each construction project will be made through an account established by the Borrower. Loan proceeds will be transferred monthly from the Borrower account for each borrower based upon approved Requisition Forms submitted to the Bank. Upon receipt of the Requisition Form, the Bank will verify a) that a Certificate of Approval has been issued by RIDOH; b) the vendor is identified in the contract; and c) there is sufficient availability in the Borrower account to make the payment. Payments will be made directly to the vendor and/or the Borrower for reimbursements by the Bank, and a "paid" stamped copy of the Requisition Form will be sent to the Borrower and RIDOH. The RIDOH will perform periodic project inspections to a) monitor construction progress; b) verify eligibility of construction costs under the program; and c) insure construction is in conformity with Plans and Specifications. RIDOH will provide a copy of the inspection report to the Bank. Any adverse conditions will be reported to the Bank who will suspend further payments until the adverse conditions have been rectified. RIDOH will perform a final project inspection before the final payment is made by the Bank.

1.7 Reporting Requirements:

A. Borrowers will be required to provide information to the Bank during the life of the loan, including, but not limited to:

1. A copy of its Annual Audited Financial Statements in accordance with Generally Accepted Government Accounting Standards annually within nine (9) months of end of fiscal year.

2. An annual analysis of operating revenues and expenses, including without limitation, a description of the status of the water system user fee revenues and/or general revenues and operating expenses in excess of budget and a schedule of current and projected user rates.

3. A copy of the annual budget of the Borrower, within fifteen (15) days of its adoption.

4. Annual schedule of current and projected short term and long term debt service.

5. An annual schedule of Infrastructure Replacement Reserves.

6. Copies of reports submitted to RIDOH, Rhode Island Department of Environmental Management, the US Environmental Protection Agency, the Rhode Island Public Utilities Commission and any other regulatory agency relating to the projects financed and the operation of the water supply facility.

7. Other information or reports that the Bank deems appropriate.

1.8 Loan Agreements:

There will be a Loan Agreement with the Borrower outlining the terms and conditions of the Bank's loan. The Borrower's repayment obligation to the Bank under the agreement will be evidenced by a bond(s) of the Borrower outlining the loan's specific terms and conditions. The bonds shall be in fully marketable form, accompanied by documentation, in form and substance satisfactory to the Bank and an opinion, in form and substance satisfactory to the Bank, of nationally recognized bond counsel as to its valid authorization, execution, delivery and enforceability, as well as its federal and state tax consequences, and may include an opinion that the bonds are not private activity bonds within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code").

1.9 Compliance with State and Federal Law:

The Borrower must comply with all applicable state laws and regulations. Recipients of loans must also comply with all requirements of 42 U.S.C. § 300 *et seq.* and regulations and guidance issued thereunder in addition to any other applicable federal laws and regulations.

1.10 Modifications:

Where deemed appropriate by the Bank, waiver or variation of any provisions herein may be made or additional requirements may be added.

1.11 Severability:

If any provision of this Part or the application thereof to any local government unit, or privately organized water supplier is held invalid by a court of competent jurisdiction, the remainder of the rules and regulations shall not be affected thereby. The invalidity of any section or sections or parts of any section or sections shall not affect the validity of the remainder of this Part.

830-RICR-10-10-1

TITLE 830 - INFRASTRUCTURE BANK

CHAPTER 10 - PROGRAMS

SUBCHAPTER 10 - WATER

PART 1 - DRINKING WATER STATE REVOLVING FUND LOAN POLICIES AND PROCEDURES

Type of Filing: Amendment

Agency Signature

E-SIGNED by Jeff Diehl	October 01, 2018
Agency Head Signature	Agency Signing Date

Department of State

09/28/2018

Regulation Effective Date

K.C.	October 01, 2018
Department of State Initials	Department of State Date

K. RIDOH Rules and Regulations

TITLE 216 – DEPARTMENT OF HEALTH

CHAPTER 50 – ENVIRONMENTAL HEALTH

SUBCHAPTER 05 – WATER QUALITY

PART 6 – Drinking Water State Revolving Fund

6.1 Authority

These regulations are promulgated pursuant to the authority set forth in R.I. Gen. Laws § 46-12.8-4(a)(4) for the purpose of implementing a perpetual revolving loan fund as a source of low-cost financial assistance to any public water system for eligible infrastructure improvement.

6.2 Definitions

A. Wherever used in these rules and regulations, the following terms shall be construed as follows:

1. "Approved project" means any project or portion thereof of a governmental unit or privately organized water supplier that has been issued a certificate of approval by the Department for assistance through the Bank.

2. "AWWA" means the American Water Works Association.

3. "Bank" means the Rhode Island Infrastructure Bank.

4. "Certificate of approval" means the approval issued by the Department which enables the Bank to execute a loan agreement with the qualifying public water system for drinking water system improvements that effectuate the Safe Drinking Water Act (SDWA). Financial assistance may not be extended by the Bank without the issuance of the Certificate of Approval.

5. "Chief Executive Officer" means the mayor in any city, the president of the town council in any town, the executive director of any authority or commission, the president of any association, cooperative, corporation or company, or some other officer or body designated to perform the functions of a chief executive officer under the provisions of a local charter or other law.

6. "Community comprehensive plan" means a plan prepared pursuant to the Rhode Island Comprehensive Planning and Land Use Regulation Act, R.I. Gen. Laws Chapter 45-22.2.

7. "Community water system" means a public water system which serves at least 15 service connections used by year-round residents or regularly serves at least 25 year-round residents.

8. "Cumulative impact" means the impact on the environment which results from the incremental impact of project(s) when added to other past, present, and reasonably foreseeable future actions or projects, regardless of which agency or person undertakes such other actions or projects.

9. "Department" means the Rhode Island Department of Health.

10. "Director" means the Director of the Department of Health or her/his designee.

11. "DWSRF" means the Drinking Water State Revolving Fund.

12. "Effects" and "impacts," as used in this Part, are synonymous. Effects include ecological (such as the effects on natural resources and on the components, structures, and functioning of affected ecosystems), aesthetic, historic, cultural, economic, social, and health, whether direct, indirect, or cumulative. The distinctions are:

    a. Direct effects are caused by project(s) and occur at the same time and place.

    b. Indirect effects are also caused by project(s) and may be later in time or farther removed in distance, but are still reasonably foreseeable. Indirect effects may include growth-inducing effects and other effects related to induced changes in the pattern of land use, population density or growth rate, and related effects on air, water and other natural systems, including ecosystems.

    c. Cumulative effects are caused by both the direct and indirect effects of the project, plus the effects of other projects which are planned in the planning area.

13. "Environment" shall be interpreted comprehensively to include the natural and physical environment and the relationship of people with that environment (see the definition of "effects").

14. "Environmental assessment" means a document that:

a. serves to:

(1) Briefly provide sufficient evidence and analysis of effects of proposed project(s) as a basis for the Department to determine whether to issue a Finding of No Significant Impact or require an Environmental Impact Statement to be prepared.

(2) Document compliance with state and federal environmental review requirements when no Environmental Impact Statement is required.

(3) Facilitate preparation of an Environmental Impact Statement when one is necessary.

b. shall include:

(1) Brief discussions of the need for the proposed project(s).

(2) Brief discussions of alternatives to recommended project(s) which involve unresolved conflicts concerning alternative uses of available resources.

(3) Brief discussions of the environmental impacts of the proposed project(s) and alternatives, and outline means to mitigate environmental impacts.

(4) Agencies and persons consulted during the environmental assessment, and responses to substantive comments.

15. "Environmental impact statement" means a detailed written statement that identifies significant impacts associated with the preferred alternative project(s). The Environmental Impact Statement will address:

a. The environmental impact(s) of the proposed project(s).

b. Any detrimental effects on the environment which cannot be avoided should the proposed project(s) be implemented.

c. Alternatives to the proposed project(s) and the environmental impacts of those alternatives.

d. The relationship between local short-term uses of the environment and the maintenance and enhancement of long-term productivity.

e. Any irreversible and irretrievable commitments of resources which would be involved in the project(s) if implemented.

16. "EPA" means the United States Environmental Protection Agency.

17. "Finding of no significant impact" means a document prepared by the Department briefly presenting the reasons for determining why project(s) will not have a significant effect on the environment. It shall include the Environmental Assessment and shall note any other environmental documents related to it. The Finding of No Significant Impact need not repeat any of the discussion in the Environmental Assessment, but may incorporate it by reference.

18. "Local governmental unit" means any town, city district, commission, agency, authority, board or other political subdivision or instrumentality of the state or of any political subdivision thereof responsible for the ownership or operation of a community water system or a nonprofit noncommunity water system within the state.

19. "Mitigation" means:

a. Avoiding an impact altogether by not implementing a certain project or parts of a project.

b. Minimizing an impact by limiting the degree or magnitude of a project and its implementation.

c. Rectifying an impact by repairing, rehabilitating, or restoring the effected environment.

d. Reducing or eliminating an impact over time by preservation and maintenance operations during the life of the project.

e. Compensating for an impact by replacing or providing substitute resources or environments.

20. "National Environmental Policy Act" means the federal National Environmental Policy Act of 1969, 42 U.S.C. § 4321 et. seq.

21. "Noncommunity water system" means a public water system that is not a community water system.

22. "Public water system" means a system for the provisions to the public for piped water for human consumption, provided such system has at least 15 service connections or regularly serves an average of at least 25

individuals daily at least 60 days out of the year. The term "public water system" shall include all sources, and facilities involved in collecting, treating, storing, and distributing the water.

23. "Privately organized water supplier" means any community water system or noncommunity nonprofit water system not owned or operated by a local governmental unit.

24. "Record of decision" means a document prepared by the Department that briefly reviews the significant effects that a project(s) will have on the environment. It shall include the Environmental Impact Statement and shall note any other environmental documents related to it. Since the Environmental Impact Statement is included, the Record of Decision need not repeat any of the discussion in the Environmental Impact Statement, but may incorporate it by reference. The Record of Decision will specify mitigation measures necessary to allow a project to proceed.

25. "SDWA or Safe Drinking Water Act" means the federal Safe Drinking Water Act of 1974, 42 U.S.C. § 300f *et. seq.*

26. "Significantly", as used in the Department's environmental review process, means considering both the context and intensity of impacts, whether beneficial or detrimental.

    a. Context means that the significance of the impacts of a project must be analyzed in several contexts such as: the community as a whole (social, economic); the effected region; the effected interests; and the locality. Significance varies with the setting of the proposed project(s). In the case of a site-specific action, such as siting of a drinking water treatment facility, significance would usually depend upon the effects in the locale rather than in the whole planning area. Conversely, extending distribution lines to a previously undeveloped portion of the planning area would result in effects on many elements of the environment.

    b. Intensity refers to the severity of the impact. The parties responsible for facility planning must bear in mind that more than one agency may make decisions about partial aspects of a major action. The following should be considered in evaluating intensity.

    c. Impacts may be both beneficial and detrimental. A significant effect may exist even if it is believed on balance that the effect will be beneficial.

d. The degree to which the proposed project(s) affect public health and safety.

e. Unique characteristics of the geographic area impacted by the project(s) such as proximity to historic or cultural resources, park lands, prime farmlands, wetlands, wild and scenic rivers, or ecologically critical areas.

f. The degree to which the effects of the proposed project(s) on the quality of the environment are likely to be controversial.

g. The degree to which the possible effects on the environment are uncertain or involve unique or unknown risks.

h. The degree to which a project may establish a precedent for future projects with similar effects or represents a decision in principle about future consideration.

i. Whether the project(s) is related to other projects with individually minor but cumulatively major impacts. Significance exists if it is reasonable to anticipate a cumulative major impact on the environment. Significance cannot be avoided by terming a project temporary or by breaking it down into small component parts.

j. The degree to which the project may detrimentally affect districts, sites, highways, structures or objects listed in or eligible for listing in the National Register of Historic Places, or may cause loss or destruction of significant scientific, cultural, or historic resources.

k. The degree to which the project may detrimentally affect an endangered or threatened species or its habitat that has been determined to be critical under the federal Endangered Species Act of 1973, 16 U.S.C. § 1531 *et.seq.*

l. Whether a project threatens a violation of federal, state or local laws or requirements imposed for the protection of the environment.

27. "State guide plan" means goals, policies, or plan elements for the physical, economic, and social development of the state, adopted by the State Planning Council in accordance with R.I. Gen. Laws § 42-11-10.

28. "This Part" mean all parts of Rhode Island rules and regulations pertaining to the Drinking Water State Revolving Fund (216-RICR-50-05-6).

6.3 System Eligibility

A. Community public water systems and nonprofit noncommunity public water systems, both privately organized water suppliers and local governmental units, are eligible to receive assistance from the DWSRF.

B. Lack of technical, managerial and financial capability

1. Public water systems that lack the technical, managerial or financial capability to maintain compliance with the Rules and Regulations Pertaining to Public Drinking Water, Part 1 of this Subchapter, are not eligible to receive funding from the DWSRF 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. See § 6.9 of this Part for further discussion on capacity development.

C. Significant noncompliance

1. Public water systems that are in significant noncompliance with the Rules and Regulations Pertaining to Public Drinking Water, Part 1 of this Subchapter, as determined by the Director, are not eligible to receive funding from the DWSRF unless the Director 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.

6.4 Project Eligibility

A. Compliance with Drinking Water Regulations and Health Standards

1. The DWSRF may provide assistance only for expenditures (not including monitoring, operation, and maintenance expenditures) of a type or category which will facilitate compliance with the Rules and Regulations Pertaining to Public Drinking Water, Part 1 of this Subchapter.

2. Projects to address state and/or federal drinking water health standards that have been exceeded or to prevent future violations of these standards are eligible for assistance. This includes projects to extend the water lines of an existing public water system to an area served by contaminated private drinking water wells.

3. Projects to replace aging infrastructure are also eligible if they are needed to maintain compliance with the Rules and Regulations Pertaining to Public Drinking Water, Part 1 of this Subchapter.

B. Land Acquisition

1. Land acquisition is eligible only if it is integral to a project that is needed to meet or maintain compliance with the Rules and Regulations Pertaining to Public Drinking Water, Part 1 of this Subchapter. 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. The purchase of land for source water protection is not eligible.

C. Restructuring

1. Projects to restructure a public water system that is in noncompliance with the Rules and Regulations Pertaining to Public Drinking Water, Part 1 of this Subchapter, or a public water system that lacks the technical, managerial or financial capability to maintain compliance with the Rules and Regulations Pertaining to Public Drinking Water, Part 1 of this Subchapter, may be eligible for assistance from the DWSRF under the following conditions:

   a. Funding may be provided to assist an eligible public water system to consolidate with other public water systems only if the assistance will ensure that the system returns to and maintains compliance with the Rules and Regulations Pertaining to Public Drinking Water, Part 1 of this Subchapter.

   b. If the system does not have the technical, managerial, and/or financial capability to ensure compliance, or is in significant noncompliance, the system may receive assistance only if:

      (1) The assistance will ensure compliance; or

      (2) The owner or operator of the system agrees to undertake appropriate changes in operations to ensure compliance. These changes include consolidation or management changes that will ensure that the system has the technical, managerial, and financial capability to ensure and maintain compliance with the SDWA and the Rules and Regulations Pertaining to Public Drinking Water, Part 1 of this Subchapter.

D. Planning and Design

1. Planning, design and other related activities for eligible projects, as determined by the Director in accordance with §§ 6.4(A), (B), and (C) of

this Part, are eligible for funding. Planning, design, and other related activities may be handled as a separate project.

E. Refinancing of Existing Facilities

1. DWSRF funds may buy or refinance debt obligations of municipal, intermunicipal or interstate agencies, for eligible projects where the initial debt was incurred and construction started after July 1, 1993. Projects which are being refinanced must meet all the requirements of this Part, including eligibility criteria, compliance with all applicable state and federal laws and regulations, and environmental reviews.

F. Guarantee or Purchase Insurance for Local Debt Obligations

1. DWSRF funds may be used to guarantee or purchase insurance for local debt obligations undertaken to finance projects eligible for assistance. Projects for which DWSRF funds are being used to guarantee or purchase insurance for local debt obligations must meet all the requirements of this Part, including eligibility criteria, compliance with all applicable state and federal laws and regulations, and environmental reviews.

G. Projects not eligible for funding:

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

a. Dams, or rehabilitation of dams;

b. 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;

c. 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;

d. Laboratory fees for monitoring;

e. Operation and maintenance expenses;

f. Projects needed mainly for fire protection;

g. Projects for systems that lack adequate technical, managerial and financial capability, as determined by the Director, unless assistance will ensure compliance;

h. Projects for systems in significant noncompliance, unless funding will enable the system to return to compliance;

i. Projects primarily intended to serve future growth. However, assistance may be provided to address population growth expected to occur over the useful life of the project to be funded.

6.5 Project Priority List

A. A project cannot receive funding from the DWSRF program unless it is on the approved Project Priority List. The chief executive officer of the eligible public water system must submit to the Department an application requesting that the proposed project be placed on the Project Priority List. The application must include:

1. A description of the project.

2. The reason for the project. The explanation of the reason for the project should be of sufficient detail for the Director to determine the project's eligibility under § 6.4 of this Part and to rank the project pursuant to § 6.6 of this Part.

3. Average annual residential water bill. The average annual residential water bill is to be based on 70,000 gallons of water per year. Supporting documentation must be provided with the application.

4. The Median Household Income of the community in which the water service area is located. The Median Household Income is to be determined from income data in the most recent United States census. If there is reason to believe that the census data is not an accurate representation of the MHI within the area being served, the reason will be documented and the applicant will furnish additional information regarding the MHI. Information will consist of reliable data from local, regional, state or from an income survey conducted by a reliable impartial source. Median Household Incomes for service areas which cross municipal boundaries is the weighted average based on the number of service connections in each community. Supporting documentation must be provided with the application.

5. The anticipated total cost of the project based on accepted engineering design and construction cost estimates.

6. Anticipated start and finish dates.

7. Public health benefits of the project. The public benefits of the project shall be of sufficient detail to clearly demonstrate the public health benefit of the project.

8. System type.

9. System ownership.

10. System ownership type.

11. Age of the system.

12. Population served (current) by the project. Report the population that the project will serve directly at project completion (not the potential number of people that the project can serve in twenty (20) years).

13. Population served by the system. Report the number of people connected to the water system.

14. The number of service connections served by the project.

15. The number of service connections served by the system.

16. Project location. Provide the physical location of the primary place of performance of the funded activity. If the project spans a large geographic area such as distribution project, provide a street address that best represents the location of the center of the project.

    a. Address line 1. Provide the primary street address of the project.

    b. Address line 2. Provide any secondary street address information for the primary street address of the project (e.g. P.O. Box 123, pole #).

    c. Provide the primary city/or other political jurisdiction of the project location.

    d. Provide the primary zip code (zip + 4) of the project (e.g., 12345-6789).

    e. Congressional District. Provide the primary congressional district of the project location.

B. The information provided pursuant to § 6.5(A) of this Part will be reviewed for accuracy and eligibility and then given a priority ranking score based on the ranking system in § 6.6 of this Part. The eligible projects and their respective

information will then be listed in order of priority, highest to lowest, in a Project Priority List. The Project Priority List will show the following information: name of system, project description, population served, priority point score, and dollars to be funded. The Project Priority List will then be placed in the Intended Use Plan which will go out for public review and comment.

6.6 Project Ranking

A. The Director shall rank each project according to the project ranking criteria developed by the Department. The Director shall assign points to each project ranking criterion based upon the most current information available to him/her, including information received prior to and during the public review process. The Director shall annually evaluate the ranking of each project and make changes as deemed necessary.

B. Tie Breaking Procedure

1. When two or more projects score equally under the Project Ranking System, the project with the greatest score in Section A (Health Risk and Compliance) of the priority ranking system will receive the higher ranking. If this still results in a tie score, the system with the higher score in Section B (Economic Factors) will be given a higher ranking.

C. Non-construction projects

1. Projects to refinance existing debt, guarantee or purchase insurance for local debt obligations, or for other non-construction activities such as planning and designing will be ranked in the same manner as construction projects. The ranking will be based on the original purpose of the project for which funding is being requested.

6.7 Project Priority List Revisions

A. As necessary, but not less than annually, the Director shall review the Project Priority List for changes in estimated schedules, project costs and/or scope. The Director may propose modifications of the Project Priority List at any time according to these procedures:

1. Addition to the list: projects can only be added to the list after the solicitation of public comments.

2. By-pass provisions: a project on the Project Priority List may be by-passed, without soliciting public comments, if it is apparent that the project will not be ready to proceed (i.e. system will not be able to sign a loan agreement) by the end of the federal fiscal year in which funding is

designated. The highest ranked unfunded project or projects on the priority list which is(are) ready to proceed will be selected for funding utilizing the money freed-up by the by-passed project. By-passed projects will not lose their priority ranking and will be eligible for future DWSRF moneys when the water system is ready to proceed with the project.

3. By-pass provisions for small water systems: to the extent that projects exist, a minimum of 15% of the money available for funding projects each year must go to public water systems that serve a population of less than 10,000 people (small systems). The lowest priority project or projects for water systems that serve 10,000 or more people may be by-passed, without soliciting public comments, in order to achieve this 15% assistance to small systems. As necessary, the highest priority small system projects will be selected to satisfy the minimum 15% level.

4. Emergency projects: without soliciting public comments, projects necessary to address an imminent risk to public health, as determined by the Director, will be moved to the top of the priority list, even if the project was not previously on the priority list. A water system would be considered as having an imminent risk if there is either a known waterborne disease outbreak or a threat of disease outbreak by the presence of an acute contaminant in the system; or the total loss of water supply or loss of a major component due to a natural or unforeseen disaster which could not have been prevented by the applicant.

6.8 Eligible Costs

Eligible costs, as applied to any eligible project, means any or all costs, including, but not limited to, amounts for the following: planning, design, acquisition, construction, improvement and rehabilitation of facilities; demolitions and relocations; labor, materials, machinery and equipment; services of architects, engineers, and environmental and financial experts and other consultants; feasibility studies, plans, specifications, surveys; and environmental reviews; interest prior to and during the carrying out of any project and for a reasonable period thereafter; reserves for debt service or other capital expenses; cost of issuance of local governmental obligations or obligations of privately organized water suppliers issued to finance the obligations including, without limitation, fees, charges, and expenses and costs relating to the loan evidence.

6.9 Capacity Development

A. In order to be eligible for financial assistance under the DWSRF program, eligible public water systems must demonstrate that they have the technical, financial and managerial capability to maintain compliance with the Rules and Regulations

Pertaining to Public Drinking Water, Part 1 of this Subchapter, 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.

B. Technical and Managerial Capacity

1. The Department's determination of technical and managerial capacity will be based on the water system's ability to maintain substantial compliance with all of the requirements specified in the Department's Technical and Managerial Capacity Analysis worksheet. Assurance of technical and managerial capacity will be based on:

   a. Compliance with the Rules and Regulations Pertaining to Public Drinking Water, Part 1 of this Subchapter.

   b. Compliance with the Rules and Regulations Pertaining to the Certification of Public Drinking Water Supply Treatment and Public Water Supply Transmission and Distribution Operators, Part 5 of this Subchapter.

   c. Compliance with the Rules and Regulations for Clean Water Infrastructure Plans, Part 7 of this Subchapter.

   d. Compliance with the Public Drinking Water Protection Act (R.I. Gen. Laws. Chapter 46-15.3).

   e. Compliance with the Water Supply Management Act (R.I. Gen. Laws Chapter 46-15.4).

   f. Correction of all critical deficiencies on the applicant's last sanitary survey.

   g. For water systems serving less than 50 million gallons per year, an analysis of necessary and/or planned operational and capital improvements over the next five (5) years.

C. Financial Capacity

1. In order to be eligible for financial assistance from the DWSRF program, eligible public water systems must demonstrate that they have the financial ability to maintain compliance with the Rules and Regulations Pertaining to Public Drinking Water, Part 1 of this Subchapter.

6.10 Certificate of Approval

A. A Certificate of Approval for a project shall be issued by the Director to a local governmental unit or privately organized water supplier prior to receiving financial assistance from the Bank. The Certificate of Approval shall specify the project or portion thereof eligible for financial assistance, the cost of the project or portion thereof, and other terms, conditions, and limitations with respect to the planning, engineering, construction and operation of the project as the Director shall determine.

B. All applications for a Certificate of Approval must be submitted to the Department and must include:

1. A summary sheet listing a breakdown of project costs and portions for which financial assistance is being sought.

2. Sufficient evidence to show that the water system has the technical and managerial capabilities to maintain compliance with the Rules and Regulations Pertaining to Public Drinking Water, Part 1 of this Subchapter.

3. A Categorical Exclusion (CE), Finding of No Significant Impact, or a Record of Decision indicating that the project has successfully undergone an environmental review in accordance with § 6.11 of this Part.

4. Certification that the project is consistent with the State Guide Plan. Projects that qualify for categorical exclusions are exempt.

5. Certification of intent to comply with all applicable provisions of federal and/or state laws.

C. Applications for a Certificate of Approval for new water sources and/or the construction or alteration of a public drinking water supply facility, including but not limited to, pumping, treatment, storage and distribution, which have an impact on drinking water quality, as determined by the Director, shall be required to include all applicable Architectural and Engineering reports and plans for review and approval.

D. Exceptions to the requirements in §§ 6.10(B), and (C) of this Part can be made by the Director when the eligible system requires funding to move its project forward. A Certificate of Approval can be issued, in these circumstances, provided the Certificate of Approval contains conditions that require the submission of all the required elements including planning, land acquisition, engineering design, State Guide Plan consistency, and the environmental review, as required in § 6.11 of this Part. In such circumstances, an application for the

Certificate of Approval must be made and at a minimum the requirements in §§ 6.10(B)(1), (2), and (5) of this Part must be included.

E. Drinking water projects shall be designed, installed and constructed in accordance with applicable American Water Works Association (AWWA) standards with reference to materials to be used and construction procedures to be followed. In the absence of AWWA standards, Departmental review shall be based upon the Recommended Standards for Water Works by Great Lakes Upper Mississippi River Board of State Public Health & Environmental Managers (i.e., the 10 State Standards), National Sanitation Foundation (NSF) Standards, and other recognized standards utilized by design engineers.

F. The issuance of a Certificate of Approval shall not be in lieu of, and every approved project shall remain subject to, each and all environmental, technical and regulatory approval requirements as provided in applicable state and federal laws and regulations, including those requirements which are administered by the Department.

6.11 Environmental Review Process

A. General Process and Background

1. This State Environmental Review Process (SERP) addresses compliance with the National Environmental Policy Act, a requirement of the SDWA for all projects funded with the federal portion of the Rhode Island DWSRF program. Further, environmental review for natural resources inventories and consistency with the State Guide Plan (SGP) is required for all projects funded by the state portion of the DWSRF program, except for those that qualify for a categorical exclusion. The Rhode Island Comprehensive Planning and Land Use Act [R.I. Gen. Laws Chapter 45-22.2] requires not only the coordination and consistency between state and local planning programs in the development of the Community Comprehensive Plan, but also consideration of environmental conditions during planning similar in many respects to National Environmental Policy Act.

B. Public Water System Responsibility

1. The public water system shall prepare and submit an environmental review as part of the application for a Certificate of Approval. Exceptions to the requirement to submit the environmental review with the application for a Certificate of Approval can be made in accordance with § 6.10(D) of this Part.

2. Except where exempted in § 6.11(C) of this Part, the public water system shall prepare an Environmental Assessment for all projects utilizing DWSRF funds. Comments by all agencies with statutory and/or regulatory authority within the planning area (e.g. RI Statewide Planning, RI Coastal Resources Management Council, RI Department of Environmental Management, RI Historical Preservation and Heritage Commission, RI Department of Transportation, U.S. Fish & Wildlife, etc.) shall be requested by the public water system as part of the Environmental Assessment process. If the Environmental Assessment does not identify significant impacts from the proposed project(s), the Department will issue a Finding of no Significant Impacts. If, as a result of the Environmental Assessment, significant impacts are identified, the public water system must prepare an Environmental Impact Statement.

3. The public water system must hold at least one (1) public meeting/workshop during the preparation of the Environmental Assessment, preferably once the alternatives have been developed and the environmental impacts analyzed. This meeting will explain the plan of study and solicit public opinions and concerns. If the impacts identified with the preferred alternative in the Environmental Assessment are significant, the public water system must issue a public notice stating that an Environmental Impact Statement is being initiated and that a scoping meeting will be held. In addition to the public meeting/workshop, when the preferred alternative is identified, the public water system must hold a public hearing on the draft Environmental Assessment/Environmental Impact Statement. The final Environmental Assessment/Environmental Impact Statement submitted to the Department for review and approval must include responses to all substantive public comments. Documentation of the meeting/ workshop and public hearing announcements including media announcement public postings etc., attendance sheet, project presentation, public comment and notes of the meeting/workshop shall be included in the Appendix of the Environmental Assessment/Environmental Impact Statement. Stenographic or a video of the public hearing must also be included in the Appendix of the Environmental Assessment/Environmental Impact Statement.

4. Mitigation measures and comments by other agencies shall be incorporated in the Environmental Assessment/Environmental Impact Statement and will be reflected in any final determination rendered by the Department.

C. Categorical Exclusion

1. Categories of projects which do not individually or cumulatively have significant effects on the quality of the environment may be exempted from the substantive environmental review requirements of this section. Projects that solely involve the acquisition, construction, reconstruction, renovation, or installation of facilities or structures, for replacement or restoration purposes, with minimal change in use, size, capacity, purpose or location from the original facility, may be eligible for a categorical exclusion. Environmental assessments and/or Environmental Impact Statements will not be required for excluded actions. It must be emphasized that even though a project is excluded from further environmental reviews under this section, it is not excluded from other applicable local, state, and federal environmental laws.

2. General Categories of Actions Eligible for Exclusions. Projects consistent with any of the following categories may be eligible for a categorical exclusion:

    a. Repairing or replacing existing water mains.

    b. Replacing an existing water storage tank with a new tank of similar size and stature at the same location.

    c. The installation, replacement or repair of equipment (i.e., treatment, pumps, controls, etc.) within existing buildings.

    d. Minor rehabilitation of existing facilities.

    e. Other projects which, as determined by the Director, do not individually, cumulatively over time, or in conjunction with other state, federal, local, or private actions have a significant effect on the quality of the environment.

3. General Categories of Actions Not Eligible for Exclusions. The full environmental review procedures of this section shall be followed if the undertaking of a project consistent with allowable categories in § 6.11(C)(2) of this Part involves a serious local or environmental issue, or meets any of the following criteria:

    a. The project is known or expected to have a significant effect on the environment, either individually, cumulatively over time, or in conjunction with other state, federal, local or private actions;

    b. The project is known or expected to directly affect:

(1) Cultural resource areas such as archaeological and historic sites;

(2) Endangered or threatened species and their critical habitats;

(3) Environmentally important natural resource areas such as floodplains, wetlands, important farmlands, and aquifer recharge zones;

4. Public water systems wishing to obtain a categorical exclusion for a project should submit a written request to the Director. The written request should include a brief description of the proposed project and a brief statement of how the project meets the criteria for a categorical exclusion. The Director shall review the request and determine whether to issue or deny a categorical exclusion for the proposed project. The Director shall notify the public water system of the decision to issue or deny a categorical exclusion as soon as practicable.

5. The Director shall revoke a categorical exclusion and shall require a full environmental review if, subsequent to the granting of an exclusion, the Director determines that the proposed project no longer meets the requirements for a categorical exclusion due to changes in the proposed project or determines from new evidence that serious local or environmental issues exist or that federal, state, or local laws are being or may be violated.

D. Consistency Requirements

1. To ensure compliance with state law, the Department will not issue a Certificate of Approval for a DWSRF project unless it is consistent with the local Community Comprehensive Plan. Projects that qualify for a categorical exclusion will be exempt from the State Guide Plan consistency requirement. Applications for a Certificate of Approval must contain a certification by the Department of Administration's Division of Planning that the project is consistent with the SGP or excerpts from a Community Comprehensive Plan approved by the State Planning Council. However, a Certificate of Approval may be issued prior to the Environmental Assessment in accordance with § 6.10(D) of this Part.

E. Department's Public Review Process

1. The Department will independently review and evaluate the environmental information provided. If it is determined that there will be no substantive environmental impacts the Department shall decide to issue a CE, Finding of No Significant Impact or Record of Decision.

2. Following the Department's decision to issue a CE, Finding of No Significant Impact, Record of Decision, or reaffirmation of a previous decision, the Department will invite public comments for thirty (30) days, or as required by R.I. Gen. Laws Chapter 42-35, by publishing a notice of the determination made in a paper of statewide circulation, on the Department's website and/or any other acceptable means in accordance with R.I. Gen. Laws Chapter 42-35. In addition, notification of such determination will be sent to all persons and associations who have advised the Department that they wish to be notified. During the public comment period, any interested party may submit written comments. Requests for a public hearing shall be made in accordance with R.I. Gen. Laws § 42-35-2.8. Following public notice or public hearing, the final determination will be made by the Director.

6.12 Green Project Reserve (GPR)

6.12.1 Introduction

A. GPR may be used for planning, design and/or building activities. Under the GPR in the DWSRF both entire projects may be considered for inclusion or appropriate identifiable components of larger projects may be considered for inclusion. All projects or project components counted toward the GPR requirement must clearly advance one or more of the objectives articulated in the following four (4) categories of GPR:

1. Green Infrastructure;

2. Water Efficiency;

3. Energy Efficiency; and

4. Environmentally Innovative. Source water protection projects are not eligible for RI DWSRF funding.

6.12.2 DWSRF Green Project Reserve Eligibility Principles

A. All GPR projects and activities must otherwise be eligible for DWSRF funding. The GPR requirement does not create new funding authority beyond that described in the SDWA § 1452.

B. GPR project and activities must meet the definition of one of four GPR categories. The individual GPR categories do not create new eligibility for the DWSRF. The projects that count toward the GPR must otherwise be eligible for DWSRF funding.

C. GPR projects and activities must further the goals stated in the SDWA § 1452.

6.12.3 Business Case Requirement

A. Projects and activities that fit within the four (4) specific categories as detailed in §§ 6.12.4(B), 6.12.5(B), 6.12.6(B), and 6.12.7(B) of this Part, define each category of GPR projects that do not require a business case. These sections list projects that are clearly eligible for GPR, heretofore known as categorically eligible projects.

B. Projects that do not appear on the list of categorically eligible projects must be evaluated for their eligibility within one of the four (4) targeted types of GPR eligible projects based upon a business case that provides clear documentation.

C. The Department, in consultation with the EPA, as necessary, is responsible for the business case review and will either accept or reject the business case. The Certificate of Approval process will not commence without an approved Business Case. Approved business cases will be posted on the Department website.

6.12.4 Green Infrastructure

A. Green stormwater infrastructure includes a wide array of practices at multiple scales that manage wet weather and that retains and restores natural hydrology by infiltrating, evapotranspiring and harvesting and using stormwater. On a regional scale green infrastructure is the preservation and restoration of natural landscape features, such as forest, floodplains and wetlands coupled with policies such as infill and redevelopment that reduce overall imperviousness in a watershed. On the local scale, green infrastructure consists of site and neighborhood-specific practices, such as bioretention, trees, green roofs, permeable pavements and cisterns.

B. Categorical Projects

1. The following types of projects, proposed at a utility-owned facility or as part of a water infrastructure project, can be counted toward the GPR if they are part of an eligible DWSRF project:

    a. Pervious or porous pavement;

    b. Bioretention;

    c. Green roofs;

    d. Rainwater harvesting/cisterns;

    e. Grey water use;

f. Xeriscape;

g. Landscape conversion programs;

h. Moisture and rain sensing irrigation equipment.

C. Projects That Do Not Meet the Definition of Green Infrastructure

1. Stormwater controls that have impervious or semi-impervious liners and provide no compensatory evapotranspirative or harvesting function for stormwater retention.

2. Stormwater ponds that serve an extended detention function and/or extended filtration. This includes dirt lined detention basins.

3. In-line or end-of-pipe treatment systems that only filter or detain stormwater.

4. Underground stormwater control and treatment devices such as swirl concentrators hydrodynamic separators, baffle systems for grit, trash removal/floatables oil and grease, inflatable booms and dams for in-line underground storage and diversion of flows.

5. Stormwater conveyance systems that are not soil/vegetation based (swales) such as pipes and concrete channels, Green infrastructure projects that include pipes to collect stormwater may be justified as innovative environmental projects pursuant to § 6.12.7 of this Part.

D. Decision Criteria for Business Cases

1. Green infrastructure projects are designed to mimic the natural hydrologic conditions of the site or watershed.

2. Projects capture, treat, infiltrate or evapotranspire storm water on the parcels where it falls and does not include inter basin transfer of water.

3. GPR project is in lieu of or to supplement municipal hard/grey infra-structure.

4. Projects considering both landscape and site scale will be most successful at protecting water quality.

5. Design criteria is available on EPA's website

6.12.5 Water Efficiency

A. EPA's WaterSense program defines water efficiency as the use of improved technologies and practices to deliver equal or better services with less water. Water efficiency encompasses conservation and reuse efforts, as well as water loss reduction and prevention, to protect water resources for the future.

B. Categorical Projects

1. Installing or retrofitting water efficient devices such as plumbing fixtures and appliances.

    a. For example, showerheads, toilets, urinals, and other plumbing devices.

    b. Implementation of incentive programs to conserve water such as rebates.

    c. WaterSense labeled products

2. Installing any type of water meter in previously unmetered areas

    a. If rate structures are based on metered use,

    b. Can include backflow prevention devices if installed in conjunction with water meter.

3. Replacing existing broken/malfunctioning water meters with:

    a. Automatic meter reading systems (AMR) for example:

        (1) Advanced metering infrastructure (AMI)

        (2) Smart meters.

    b. Meters with built in leak detection.

    c. Can include backflow prevention devices if installed in conjunction with water meter replacement.

4. Retrofitting/adding AMR capabilities or leak equipment to existing meters (not replacing the meter itself).

5. Conducting water utility audits, leak detection studies, and water use efficiency baseline studies, which are reasonably expected to result in a capital project or in a reduction of demand to alleviate the need for additional capital investment. For standard practices, refer to AWWA M36

Water Audits and Loss Control Programs. Free Water Audit Software is available through AWWA.

6. Developing conservation plans/programs reasonably expected to result in water conserving capital projects or in reduction in water demands to alleviate the need for additional capital investment. For standard practices see AWWA M52 Water Conservation Programs – A Planning Manual.

7. Recycling and water reuse projects that replace potable sources with non-potable sources,

   a. Gray water, condensate, and wastewater reuse systems (where local codes allow the practice).

   b. Extra treatment equipment costs and distribution pipes associated with water reuse.

8. Retrofit or replacement of existing landscape irrigation systems to more efficient landscape irrigation systems, including moisture and rain sensing controllers.

9. Projects that result from water efficiency related assessments (such as water audits, leak detection studies, conservation plan, etc.) as long as the assessments adhered to the standard industry practices referenced above.

10. Distribution system leak detection equipment, portable or permanent.

11. Automatic flushing systems (portable or permanent).

12. Pressure reducing valves (PRVs)

13. Internal plant water reuse as allowed by the rules and regulations pertaining to Public Drinking Water (Part 1 of this Subchapter).

C. Projects That Do Not Meet the Definition of Water Efficiency

1. Covering open finished water reservoirs – Federally mandated, so not considered "above and beyond."

D. Decision Criteria for Business Cases

1. Water efficiency can be accomplished through water saving elements or reducing water consumption. This will reduce the amount of water taken out of rivers, lakes, streams, groundwater or other sources.

2. Water efficiency projects should deliver equal or better services with less net water use as compared to traditional or standard technologies and practices.

3. Efficient water use often has the added benefit of reducing the amount of energy required by a drinking water system, since less water would need to be treated and transported; therefore there are energy and financial savings.

4. Proper water infrastructure management should address where water losses could be occurring in the system and fix or avert them. This could be achieved for example, by making operational changes or replacing aging infrastructure.

E. Example Projects Requiring a Business Case

1. Water meter replacement with traditional water meters (see AWWA M6 Water Meter –Selection, Installation Testing and Maintenance).

2. Distribution pipe replacement or rehabilitation to reduce water loss and prevent water main breaks (see AWWA M28 Rehabilitation of Water Mains).

3. Storage tank replacement/rehabilitation to reduce water loss.

4. New water efficient landscape irrigation system.

6.12.6 Energy Efficiency

A. Energy efficiency is the improved technologies and practices to reduce the energy consumption of water projects, use energy in a more efficient way, and/or produce/utilize renewable energy. Refer to EPA's website for further information on energy efficiency.

B. Categorical Projects. EPA has concluded that existing literature does not support a twenty percent (20%) energy efficiency improvement threshold for drinking water system. Therefore. there is no categorical twenty percent (20%) threshold for pumping/ treatment systems for the DWSRF. A business case is required.

1. Renewable energy projects, which are part of a larger public health project, such as wind, solar, geothermal, and micro-hydroelectric that provide power to a utility (. Micro-hydroelectric projects involve capturing energy from pipe flow.

a. Utility-owned renewable energy projects can be located on-site or off-site.

b. Includes a portion of a publicly owned renewable energy project that serves the utility energy needs.

c. Must feed into the grid that the utility draws from and/or there is a direct connection.

2. Utility energy management planning, including energy assessments, energy audits, optimization studies, and sub-metering of individual processes to determine high energy use areas, which are reasonably expected in energy efficiency capital projects or in a reduction in demand to alleviate the need for additional capital investment.

3. National Electric Manufacturers Association (NEMA) Premium energy efficiency motors

C. Projects That Do Not Meet the Definition of Energy Efficiency

1. Simply replacing a pump, or other piece of equipment, because it is at the end of its useful service life, with something of average efficiency. (Note: replacing it with a higher efficiency equipment requires a business case)

2. Hydroelectric facilities, except micro-hydroelectric projects. Micro-hydroelectric projects involve capturing the energy from pipe flow.

D. Decision Criteria for Business Cases

1. Projects should include products and practices which will decrease environmental impact, such as reducing greenhouse gas emissions, and provide financial savings.

2. Projects should include approaches to integrate energy efficient practices into daily management and long-term planning.

3. Operator training in conjunction with any energy saving project is strongly encouraged in order to maximize the energy saving potential.

4. Using existing tools such as Energy Star's Portfolio Manager to document the current energy usage and track anticipated savings.

E. Example Projects Requiring a Business Case

1. Energy efficient retrofits, upgrades, or new pumping systems and treatment processes (includes variable frequency drives (VFDs)).

2. Pump refurbishment to optimize pump efficiency (such as replacing or trimming impellers if pumps have too much capacity, replacing damaged or worn wearing rings/seals/bearings, etc.).

3. Projects that result from an energy efficiency related assessments (such as energy audits, energy assessment studies, etc.), that are not otherwise designated as categorical.

4. Projects that cost effectively eliminate pumps or pumping stations.

5. Project that achieve the remaining increments of energy efficiency in a system that is already very efficient.

6. Upgrade of lighting to energy efficient sources (such as metal halide pulse start technologies, compact fluorescent, light emitting diode, etc.).

7. Automated and remote control systems (SCADA) that achieve substantial energy savings (see AWWA M2 Instrumentation and Control).

6.12.7 Environmentally Innovative

A. Environmentally innovative projects include those that demonstrate new and/or innovative approaches to delivering services or managing water resources in a more sustainable way.

B. Categorical Projects

1. Total/integrated water resources management planning, or other planning framework where project life cycle costs (including infrastructure, energy consumption, and other operational costs) are minimized, resulting in communities adopting more efficient and cost-effective infrastructure solutions.

    a. Plans to improve water quantity and quality associated with water system technical, financial and managerial capacity.

    b. Planning activities by a utility to prepare for adaption to the long-term effects of climate change and/or extreme weather.

2. Utility Sustainability plan consistent with EPA's SRF Sustainability policy.

3. Greenhouse gas (GHG) inventory or mitigation plan and submission of a GHG inventory to a registry (such as Climate Leaders or Climate Change Registry), if for a facility which is eligible for DWSRF assistance.

    a. EPA Climate Leaders

b. Climate Change Registry

4. Construction of United States Building Council LEED certified buildings, or renovation of an existing building, owned by the utility, which is part of an eligible DWSRF project.

   a. Any level of certification (Platinum, Gold, Silver Certified)

   b. All building costs are eligible, not just stormwater, water efficiency and energy efficiency related costs. Costs are not limited to incremental additional costs associated with LEED certified buildings.

C. Projects That Do Not Meet the Definition of Environmentally Innovative

1. Higher sea walls to protect water infrastructure facilities from sea level rise.

2. Reflective roofs at water infrastructure facilities to combat heat island effect.

D. Decision Criteria for Business Cases

1. The State program is allowed flexibility in determining what projects qualify as innovative in their state based on unique geographical and climatological conditions.

   a. Technology or approach whose performance is expected to address quality but the actual performance has not been demonstrated in the state; or

   b. Technology or approach that is not widely used in the state, but does perform as well or better than conventional technology/approaches at lower costs; or

   c. Conventional technology or approaches that are used in a new application in the state.

E. Example Projects Requiring a Business Case

1. Projects or components of projects that result from total/integrated water recourses management planning (including climate change) consistent with the Decision Criteria for environmentally innovative projects and that are DWSRF eligible.

2. Application of innovative treatment technologies or systems that improve environmental conditions and are constant with the Decision Criteria for environmentally innovative projects.

    a. Projects that significantly reduce or eliminate the use of chemicals in water treatment.

    b. Treatment technologies or approaches that significantly reduce the volume of residuals, minimize the generation of residuals, or lower the amount of chemicals in the residuals.

    c. Trenchless or low impact construction technology

    d. Using recycled materials or reusing materials on site.

3. Educational activities and demonstration projects for water or energy efficiency such as rain gardens.

4. Projects that achieve the goals/objectives of utility asset management plans.

6.12.8 Business Case Development

A. A business case is a due diligence document for those projects or portions of a projects, which are not included in the categorical projects listed in §§ 6.12.4(B), 6.12.5(B), 6.12.6(B), and 6.12.7(B) of this Part. A business case will be required to demonstrate that an assistance recipient has thoroughly researched anticipated 'green' benefits of a project. Business cases must be approved by the State in conjunction with the EPA prior to receiving a Certificate of Approval for the project or portion of the project which the assistance recipient seeks an additional Green Project Reserve (GPR) financial assistance subsidy. A GPR financial assistance subsidy shall be subject to availability of funds. The approved business case must be included in the assistance recipient project files and contain clear documentation that the project achieves identifiable and substantial benefits.

B. Length of a Business Case

1. Business cases should be adequate but not exhaustive.

    a. There are many formats and approaches. State and EPA does not require any specific one.

    b. Some projects will require detailed analysis and calculations, while others may not require more than one page.

c. Limit the information contained in the business case to only the pertinent 'green' information needed to justify the project.

2. A business case can simply summarize results from and then cite, existing documentation – such as engineering reports, water or energy audits, results of water system tests, etc.

C. Content of a Business Case

1. Business cases must address the decision criteria for the category project.

2. Quantifiable water and/or energy savings or water loss reduction for water and energy efficiency projects shall be included.

3. The costs and financial benefit of the project shall be included, along with the payback time period, where applicable.

D. Items Which Strengthen Business Case, but Are Not Required

1. Showing that the project was designed to enable equipment to operate most efficiently.

2. Demonstrating that equipment will meet or exceed standards set by professional associations.

3. Including operator training or committing to utilizing existing tools such as Energy Star's Portfolio Manager or CUPSS for energy efficiency projects

4. Example Business Cases are available at http://www.srfbusinesscases.net/

6.13 Loan Program

All loan requirements are contained in the Bank's loan policies and procedures

6.14 Project Administration and Audit

The Department shall have the authority to inspect the construction and operation of approved projects for compliance with this Part.

6.15 Rules Governing Practices and Procedures

All hearings and reviews required under the provisions of R.I. Gen. Laws Chapter 46-12.8, shall be held in accordance with the provisions of Practices and Procedures Before the Rhode Island Department of Health, Part 10-05-4 of this Title, and Access to Public Records, Part 10-05-1 of this Title.

216-RICR-50-05-6

TITLE 216 - DEPARTMENT OF HEALTH

CHAPTER 50 - ENVIRONMENTAL HEALTH

SUBCHAPTER 05 - WATER QUALITY

PART 6 - DRINKING WATER STATE REVOLVING FUND (216-RICR-50-05-6)

Type of Filing: Post Promulgation Technical Revision

Department of State

04/19/2018	N/A
Regulation Effective Date	Original Signing Date
K.C.	January 14, 2019
Department of State Initials	Department of State Date

L. Affordability Criteria

RHODE ISLAND
INFRASTRUCTURE BANK

Affordability Criteria

For SFY25 and SFY26

Affordability Index results are shown in the following pages. All 39 RI municipalities have been indexed along with selected drinking water and wastewater entities. Additional drinking water and wastewater entities can be indexed on an as-needed basis.

Eligible systems shall be tiered as follows:

- systems with an Affordability Index **75% or less** of the state average shall be in **tier 1**;
- systems with an Affordability Index **76% to 89%** of the state average shall be in **tier 2**;
- systems with an Affordability Index **90% to 100%** of the state average shall be in **tier 3**.

Domestic limited liability companies and domestic profit corporations, excepting cooperatives, are not eligible for tiers 1 through 3. Additionally, to qualify for drinking water tiering, entities must be a community Public Water System or a school.

The table below describes the SFY25 and SFY26 Tiers with eligible entities listed. Entities not listed are either not eligible or have not been indexed.

Table: SFY25 and SFY26 Tiers with eligible communities (% = Community Index as Percentage of State Index)

Tier 1 Affordability Index **0-75%**	**Tier 2** Affordability Index **76 - 89%**	**Tier 3** Affordability Index **90 - 100%**
City of Central Falls 59% Smithfield Water Supply Board 66% Woonsocket Water 68% City of Woonsocket 67% Woonsocket WWTF 73%	City of Providence 77% City of Pawtucket 78% Pawtucket Water Supply Board 78% Narragansett Bay Commission 83% City of East Providence 85% Providence Water Supply Board 87% Tiverton Wastewater District 89%	Town of West Warwick 90% West Warwick WWTF 91% Town of Warwick 96% Town of North Providence 97% City of Newport 98% Town of Narragansett 99% Note: Funding only available in this tier if no ready-to-proceed projects remain in Tier 1 and Tier 2.

Note: The preceding results have been computed using the RI Infrastructure Bank's affordability formula. Detailed calculations and metrics employed are provided below.

RHODE ISLAND
INFRASTRUCTURE BANK

Allocating Principal Forgiveness Amounts

RI Infrastructure Bank ("Bank") shall announce principal forgiveness amounts for qualifying projects by May 15, 2024. Amounts shall be determined by considering the amount of funding available, the pool of projects with applications submitted by the priority financial application date (if applicable), and any other relevant factors. For projects closing loans, the Bank anticipates allocating principal forgiveness according to the guidelines in the following table; however, the Bank may deviate from the guidelines detailed in the table depending on various factors. Prospective borrowers are encouraged to contact the Bank to discuss the applicability of the guidelines to them and their proposed project.

Table: SFY25 and SFY26 Tiers with thresholds and anticipated principal forgiveness

Tier	Index Threshold	Anticipated DW SRF Principal Forgiveness	Anticipated CW SRF Principal Forgiveness
Tier 1	**0-75%** of state average	40%* of project cost for projects meeting priority dates	40%* of project cost for projects meeting priority dates
Tier 2	**76-89%** of state average	20%* of project cost for projects meeting priority dates	20%* of project cost for projects meeting priority dates
Tier 3	**90-100%** of state average	Funding possible in this tier if no ready- to-proceed projects remain in Tier 1 and Tier 2	Funding possible in this tier if no ready-to-proceed projects remain in Tier 1 and Tier 2
All projects listed on PPL		Up to $100,000* per project for systems serving less than 10,000 users; Up to $200,000* per project for systems serving school districts; Emergency generators may receive principal forgiveness for a portion or the entirety of project	Forgiveness available for Green Project Reserve projects by order of PPL ranking; __%* of GPR project cost

*Principal forgiveness amounts to be determined based on pool of ready-to-proceed projects and funding availability. Ready-to-proceed status requires projects to have been bid and to have obtained borrowing authority.

The Bank strives to accommodate all borrowers. Projects meeting priority dates shall be allocated principal forgiveness first; any remaining principal forgiveness shall be allocated in the order in which ready-to-proceed financial applications are received. Principal forgiveness amounts are contingent upon funding availability and readiness to proceed. Final determinations on principal forgiveness will be made in connection with closing a loan.

Rhode Island Affordability Index Calculation Results - SFY25 and SFY26

Systems indexed at 89% or less of the statewide average shall be designated a tier 1 or tier 2 entity;
Systems between 90% and 100% of the state average shall be designated a tier 3 entity. Tier 1 and tier 2 communties are eligible for priority funding.
This list is not comprehensive and does not include all eligible systems. Additional systems shall be indexed on an as-needed basis.

Legend

Community List	Column Headers
Eligible community (tier 1 or 2) (tier 3)	Original data: used directly / used for calculation
Non-eligible community	*Calculated data*

Data sources

(1) Median Household Income data

Municipalities and drinking water/wastewater systems serving over 10,000: Data source: US Census Bureau, 2018-2022 American Tables S1901 Median Income in the Past 12 Months (2022 Inflation-Adjusted Dollars). Accessed January 2024. Link: https://dlt.ri.gov/sites/g/files/xkgbur571/files/2023-12/towninc.pdf
Water systems entirely in one census tract such as University of Rhode Island are treated as small systems and use census tract level data (S1901 data source link below).
Drinking water and wastewater systems serving 10,000 or less; or in one census tract: Data is from a) an income survey of the entire water system or b) census tract level Census Bureau data. If a system serves multiple census tracts, the census tract with the lowest income is used. Census Bureau, 2016-2020 American Tables S1901 Median Income in the Past 12 Months (2022 Inflation-Adjusted Dollars). Accessed January 2024. Link:
https://data.census.gov/cedsci/map?q=S1901%3A%20INCOME%20IN%20THE%20PAST%2012%20MONTHS%20%28IN%202019%20INFLATION-ADJUSTED%20DOLLARS%29&g=0400000US44,44%241400000&tid=ACSST5Y2020.S1901&cid=S1901_C01_012E&layer=VT_2020_140_00_PY_D1&mode=thematic&loc=41.6571,-71.4863,z8.8156

(2) Employment data is from the RI DLT 2023 Annual Average Labor Force Statistics. Accessed January 2024. Link: https://dlt.ri.gov/labor-market-information/data-center/unemployment-ratelabor-force-statistics-laus. Data source: RI DLT, Labor Market Information, updated 3/2023.
Water systems entirely in one census tract such as University of Rhode Island use census tract level data from the 2020 American Community Survey 5-Year Estimates. Link:
https://data.census.gov/map?t=Employment+and+Labor+Force+Status&g=0400000US44$1400000_1400000US44009051400&tid=ACSDP5Y2020.DP03&cid=DP03_0004PE&layer=VT_2020_140_00_PY_D1&mode=thematic&loc=41.5616,-71.2036,z9.6129

(3) Population data is from RI Division of Statewide Planning. Accessed January 2024. Link: https://planning.ri.gov/ri-census-2020. Source: US Census Bureau, 2020 Census and 2010 Census.

Municipalities

Community	Median Household Income (1)	Labor Force (2)	Resident Employment (2)	*Employment Rate*	2020 Population (3)	2010 Population (3)	*Population Change*	**Index**	**Percent of State Index**
Rhode Island	$81,370	569,455	551,220	0.968	1,097,379	1,052,567	104.3%	82,118	100%
Barrington	$145,028	8,552	8,371	0.979	17,153	16,310	105.2%	149,296	182%
Bristol	$91,382	12,142	11,806	0.972	22,493	22,954	98.0%	87,069	106%
Burrillville	$113,589	9,488	9,193	0.969	16,158	15,955	101.3%	111,458	136%
Central Falls	$43,092	8,769	8,424	0.961	22,583	19,376	116.6%	**48,248**	**59%**
Charlestown	$103,182	4,236	4,080	0.963	7,997	7,827	102.2%	101,541	124%
Coventry	$94,800	19,292	18,706	0.970	35,688	35,014	101.9%	93,690	114%
Cranston	$83,123	42,547	41,203	0.968	82,934	80,387	103.2%	83,048	101%
Cumberland	$109,466	20,501	19,950	0.973	36,405	33,506	108.7%	115,741	141%
East Greenwich	$155,037	7,053	6,867	0.974	14,312	13,146	108.9%	164,337	200%
East Providence	$71,736	24,900	24,047	0.966	47,139	47,037	100.2%	**69,429**	**85%**
Exeter	$104,288	3,999	3,887	0.972	6,460	6,425	100.5%	101,919	124%
Foster	$109,614	2,958	2,867	0.969	4,469	4,606	97.0%	103,082	126%
Glocester	$106,350	6,392	6,233	0.975	9,974	9,746	102.3%	106,131	129%
Hopkinton	$93,370	4,706	4,570	0.971	8,398	8,188	102.6%	92,997	113%
Jamestown	$131,875	3,325	3,251	0.978	5,559	5,405	102.8%	132,614	161%
Johnston	$83,001	16,208	15,638	0.965	29,568	28,769	102.8%	82,306	100%
Lincoln	$104,258	12,866	12,529	0.974	22,529	21,105	106.7%	108,377	132%
Little Compton	$136,389	1,924	1,868	0.971	3,616	3,492	103.6%	137,121	167%
Middletown	$97,555	8,054	7,826	0.972	17,075	16,150	105.7%	100,223	122%
Narragansett	$90,214	9,142	8,953	0.979	14,532	15,868	91.6%	**80,910**	**99%**
New Shoreham	$66,652	777	724	0.932	1,410	1,051	134.2%	83,320	101%
Newport	$81,330	14,005	13,622	0.973	25,163	24,672	102.0%	**80,680**	**98%**
North Kingstown	$116,053	15,066	14,689	0.975	27,732	26,486	104.7%	118,472	144%
North Providence	$77,039	18,537	17,949	0.968	34,114	32,078	106.3%	**79,330**	**97%**
North Smithfield	$96,677	7,197	7,001	0.973	12,588	11,967	105.2%	98,924	120%
Pawtucket	$62,799	37,387	35,963	0.962	75,604	71,148	106.3%	**64,190**	**78%**
Portsmouth	$107,010	8,937	8,687	0.972	17,871	17,389	102.8%	106,900	130%
Providence	$61,365	88,650	85,113	0.960	190,934	178,042	107.2%	**63,183**	**77%**
Richmond	$111,989	4,501	4,422	0.982	8,020	7,708	104.0%	114,477	139%
Scituate	$110,429	6,425	6,240	0.971	10,384	10,329	100.5%	107,820	131%
Smithfield	$93,179	11,771	11,439	0.972	22,118	21,430	103.2%	93,458	114%
South Kingstown	$108,474	16,749	16,283	0.972	31,931	30,639	104.2%	109,903	134%
Tiverton	$92,444	8,814	8,543	0.969	16,359	15,780	103.7%	92,889	113%
Warren	$81,575	5,805	5,633	0.970	11,147	10,611	105.1%	83,157	101%
Warwick	$81,009	47,096	45,830	0.973	82,823	82,672	100.2%	**78,975**	**96%**
West Greenwich	$119,137	3,448	3,345	0.970	6,528	6,135	106.4%	122,982	150%
West Warwick	$71,851	16,646	16,087	0.966	31,012	29,191	106.2%	**73,770**	**90%**
Westerly	$88,289	11,084	10,714	0.967	23,359	22,787	102.5%	87,484	107%
Woonsocket	$54,398	19,511	18,671	0.957	43,240	41,186	105.0%	**54,652**	**67%**

Large drinking water and wastewater systems (serving over 10,000)

Index represents weighted average of municipal data based on flow data or population served. Wastewater population served data from DEM Wastewater Treatment Facility list, available at: http://www.dem.ri.gov/programs/water/wwtf/wwtf-officials.php. Drinking water retail population served data obtained from water systems.

System	Median Household Income (1)	Labor Force (2)	Resident Employment (2)	*Employment Rate*	2020 Population (3)	2010 Population (3)	*Population Change*	**Index**	**Percent of State Index**
Narragansett Bay Commission	$ 66,058			0.962			107%	**68,000**	**83%**
Bucklin Point & Fields Point									
		Pop. Served	*% of Total*						
	Central Falls	19,400	5.58%						
	Cumberland	11,100	3.19%						
	East Providence	8,900	2.56%						
	Lincoln	9,400	2.70%						
	Pawtucket	72,600	20.89%						
	Smithfield	150	0.04%						
	Johnston	15,900	4.57%						
	North Providence	32,100	9.24%						
	Providence	178,000	51.22%						
West Warwick WWTF	$ 73,162			0.967			106%	**74,843**	**91%**
		Pop. Served	*% of Total*						
	Coventry	1,200	3.80%						
	Cranston	200	0.63%						
	East Greenwich	20	0.06%						
	Warwick	930	2.94%						
	West Greenwich	30	0.09%						
	West Warwick	29,200	92.46%						
East Providence WWTF	$ 95,107			0.970			102%	94,896	116%
		Pop. Served	*% of Total*						
	East Providence	31,400	68.11%						
	Barrington	14,700	31.89%						
Newport WWTF	$ 83,999.94			0.972			103%	83,896	102%
		Pop. Served	*% of Total*						
	Middletown	5,200	16.46%						
	Newport	26,400	83.54%						
	System also serves 10,000 at the U.S. Navy Base, not included in this calculation								
South Kingstown WWTF	$ 98,062.60			0.98			97%	93,372	114%
		Pop. Served	*% of Total*						
	Narragansett	13,000	57.02%						
	South Kingstown	9,800	42.98%						
	System also serves 6,600 at the University of RI, not included in this calculation								
Woonsocket WWTF	$ 59,136.16			0.959			105%	**59,614**	**73%**
		Pop. Served	*% of Total*						
	North Smithfield	5,200	11.21%						
	Woonsocket	41,200	88.79%						
	System also serves 5,000 in Massachusetts, not included in this calculation								
Bristol County Water Authority (BCWA)	$ 108,969			0.974			102%	108,989	133%
		Annual Flow (million gal.)	*% of Total*						
	Barrington	347.28144	36.51%						
	Bristol	410.2593	43.13%						
	Warren	193.731252	20.37%						
City of Newport - Water Division	$ 88,307			0.972			103%	88,884	108%
		Pop. Served	*% of Total*						
	Newport	25,163	59.46%						
	Middletown	15,368	36.31%						
	Portsmouth	1,787	4.22%						
	System also serves the Navy, not included in this calcuation. Newport Water does not track data by municipality.								
	Assumptions: system serves all Newport residents, 90% of Middletown residents and 10% of Portsmouth residents								
Kent County Water Authority	$ 94,752			0.970			104%	96,047	116%
		Pop. Served	*% of Total*						
	Coventry	8,621	31.16%						
	West Greenwich	405	1.46%						
	East Greenwich	4,122	14.90%						
	Scituate	568	2.05%						
	North Kingstown	11	0.04%						
	Warwick	4,598	16.62%						
	West Warwick	8,527	30.82%						
	Cranston	813	2.94%						
	Data from Kent County Water Authority Consumer Confidence Water Quality Annual Report 2020								

Pawtucket Water Supply Board	$ 67,986			0.964		108%	**70,872**	**86%**
		Annual Flow (million gal.)	*% of Total*					
	Pawtucket	1,748	65.65%					
	Central Falls	435	16.34%					
	Cumberland	480	18.01%					
Providence Water Supply Board	$ 70,334			0.963		106%	**71,511**	**87%**
		Pop. Served	*% of Total*					
	Providence	183,609	57.39%					
	North Providence	28,327	8.85%					
	Cranston	73,012	22.82%					
	Johnston	27,102	8.47%					
	Smithfield	7,874	2.46%					
Woonsocket Water Department	$ 55,896.09			0.957		105%	**56,228**	**68%**
		Pop. Served	*% of Total*					
	Woonsocket	43,240	96.52%					
	North Smithfield	1,461	3.26%					
	Cumberland	97	0.22%					
	System also serves approximately 100 in Massachusetts, not included in this calcuation							

Small drinking water and wastewater systems (serving 10,000 or less; or in one census tract)

Median household income data can come from an income survey or census tract data. If a system serves multiple census tracts, the census tract with the lowest median household income is used. Employment and population data is from the municipality in which the system is located or, for URI, the census tract.

System	Median Household Income (1)	Labor Force (2)	Resident Employment (2)	*Employment Rate*	2020 Population (3)	2010 Population (3)	*Population Change*	**Index**	**Percent of State Index**
Greenville Water District	$ 89,265	11,771	11,439	0.972	22,118	21,430	103%	89,532	109%
	Small water system serving approximately 9,500 residents in Smithfield. Census tract 127.02 has a MHI of $89,265.								
Kingston Water District	$ 109,028	16,749	16,283	0.972	31,931	30,639	104%	110,464	135%
	Small water system serving approximately 3,968 in South Kingstown. Census tract 514 has a MHI of $109,028.								
North Smithfield Water (Slatersville Public Supply)	$ 92,188	7,197	7,001	0.973	12,588	11,967	105%	94,331	115%
	Small water system serving approximately 3,403 in North Smithfield. Census tract 128.01 has a MHI of $92,188.								
Pascoag Utility District	$ 83,972	9,488	9,193	0.969	16,158	15,955	101%	82,396	100%
	Small water system serving approximately 1,200 customers in Burrillville. Census tract 129 has a MHI of $83,972.								
Smithfield Water Supply Board	$ 54,222	11,771	11,439	0.972	22,118	21,430	103%	**54,384**	**66%**
	Small water system serving approximately 9,460 in Smithfield. Census tract 121.03 has a MHI of $54,222.								
Tiverton Wastewater District	$ 72,632	8,814	8,543	0.969	16,359	15,780	104%	**72,982**	**89%**
	Small wastewater district serving approximately 950 customers in Tiverton. Census tract 416.01 has a MHI of $72,632.								