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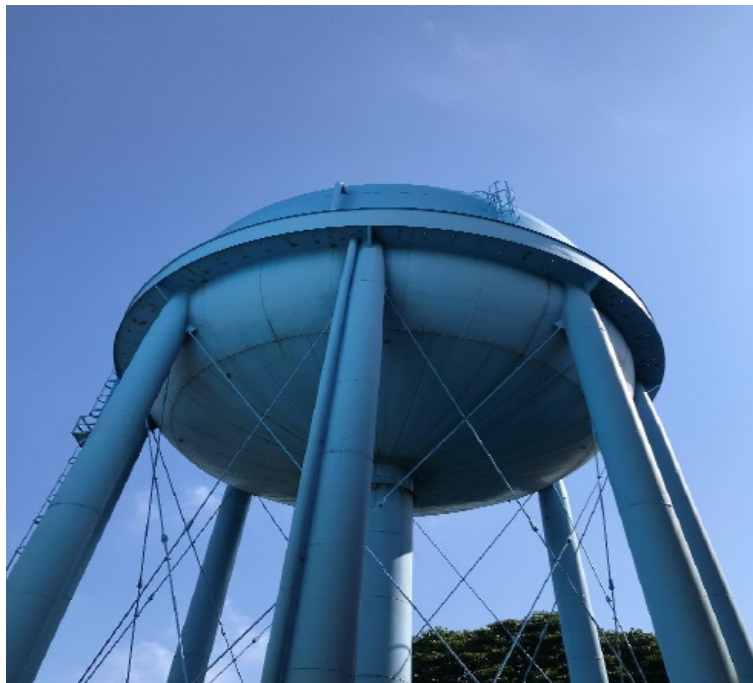
Martin Suuberg
Commissioner

DRAFT 2023 INTENDED USE PLAN

For the

DRINKING WATER STATE REVOLVING FUND

December 16, 2022



EXECUTIVE SUMMARY

The Massachusetts Department of Environmental Protection (MassDEP) is pleased to present the Draft Calendar Year 2023 Intended Use Plan (IUP), which lists the projects, borrowers, and amounts that are being recommended for financing through the Drinking Water State Revolving Fund (DWSRF) loan program. The DWSRF is a joint federal-state financing program that provides subsidized loans to protect public health by improving water supply infrastructure systems and protect drinking water in the Commonwealth.

Massachusetts is offering approximately \$375 million to finance drinking water projects across the Commonwealth. As noted in Table 1, approximately \$300 million is being offered to finance 38 new construction projects, and \$60 million towards financing 9 previously approved multi-year projects. An additional \$10 million has been set-aside to finance planning projects and PFAS design projects in calendar year 2023; MassDEP will begin accepting loan applications for planning projects and PFAS design projects, on a rolling basis, as soon as the Final IUP is published. An additional \$5 million has been allocated to the emergency set-aside account.

Twelve proposals, totaling \$2 million, as noted in Table 2. are recommended to receive financial assistance for their asset management planning (AMP) projects. Communities will receive 60% of the project cost, up to \$150,000, as a grant from the Massachusetts Clean Water Trust (the Trust), totaling approximately \$1 million for the 2023 applicants. The remaining costs may be funded by local contributions of cash, or a combination of cash and in-kind services. All or part of the local contribution may be financed by a loan from the Trust at the standard 2% interest rate for a term of up to five years.

2023 Highlights

- On November 15, 2021, President Biden signed the Bipartisan Infrastructure Law (BIL) that provides three new federal grants through the DWSRF:
 1. Supplemental Drinking Water State Revolving Fund Grant
 2. Lead Service Line Replacement Grant
 3. Emerging Contaminants Grant

These grants will be provided annually over the next five years. For fiscal year 2023, Massachusetts expects to receive \$48.2 million for the Supplemental DWSRF Grant, \$65.6 million for the Lead Service Line Replacement Grant and \$17.5 million for the Emerging Contaminants Grant focusing on PFAS. Each of these grants requires that Massachusetts provide a portion of the funding as loan forgiveness. The Supplemental DWSRF Grant requires that \$23.6 million, or 49% of the total grant amount, be provided as loan forgiveness to Disadvantaged Communities. The Lead Service Line Grant requires that \$32.1 million, or 49% of the total grant amount, be provided as loan forgiveness to Disadvantaged Communities. The Emerging Contaminants Grant requires that the full amount of the grant be provided as loan forgiveness and that at least 25% of the grant be directed to Disadvantaged Communities.

Using supplemental funds, Massachusetts anticipates being able to offer fixed percentages of additional loan forgiveness for eligible projects on the 2023 IUP. These fixed percentages are anticipated to be consistently applied to the future IUPs covered under these new BIL federal grants subject to funds availability. MassDEP, in consultation with the Massachusetts Clean Water Trust, may amend this IUP as necessary given that the United States Environmental Protection Agency (USEPA) continues to issue guidance to states on the implementation of the expanded SRF program. The substantial increase in the 2023 IUP capacity is evidence of the additional BIL funds being put to use in the state, and Massachusetts looks forward to financing more projects at a lower cost to communities throughout the Commonwealth.

Some of the key provisions of BIL include amendments to the Safe Drinking Water Act (DWSRF Base Program of SDWA):

American Iron and Steel - BIL makes the American Iron and Steel (AIS) procurement requirement permanent for *all* DWSRF construction projects going forward.

Build America, Buy America (BABA) Act – BIL also expands domestic sourcing requirements with the inclusion of the BABA. Starting on **May 14, 2022**, all steel, iron, manufactured products, non-ferrous metals, plastic and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables), glass (including optic glass), lumber, and drywall used in infrastructure projects for federal financial assistance programs must be produced in the United States, unless (i) the SRF borrower has requested and obtained a waiver from the EPA pertaining to the Project or the Project is otherwise covered by a general applicability waiver; or (ii) the MassDEP has otherwise advised the borrower in writing that the Build America, Buy America requirement is not applicable to the project. The Made in America Office at the Office of Management and Budget (OMB) has developed initial overarching implementation guidance: <https://www.whitehouse.gov/wp-content/uploads/2022/04/M-22-11.pdf>. Additionally, USEPA issued an adjustment period waiver for projects that initiated planning design prior to May 14, 2022, a small project applicability waiver for projects with SRF loans of \$250,000 or less, and a De Minimis waiver: <https://www.epa.gov/cwsrf/build-america-buy-america-baba-approved-waivers>. The USEPA will be issuing BABA implementation guidance specific to the SRF program.

BIL raised the minimum Safe Drinking Water Act requirement for Additional Subsidy to Disadvantaged Communities from 6% to 12%, establishing an additional subsidy range of 12% to 35% for the annual DWSRF capitalization grants, while Congress requires that states use 14% of the annual DWSRF grant for additional subsidy. Massachusetts expects an award of \$25.5 million in 2023. Additional subsidy will be provided in the form of loan forgiveness for communities that might otherwise be unable to afford to undertake a project. MassDEP and the Trust will continue to provide loan forgiveness as a fixed percentage of principal. Further details may be found in section II(A) of this IUP. Information about the Trust's annual Affordability Calculation may be found on the following webpage: <https://www.mass.gov/info-details/the-disadvantaged-community-program#the-affordability-calculation>.

- BIL allows states the flexibility to move funds between the CWSRF and the DWSRF programs. Due to great demand for PFAS remediation in drinking water, Massachusetts will transfer \$7.2 million of CWSRF Emerging Contaminant funds to the DWSRF Emerging Contaminant program (100% of the grant amount). Further details may be found in section V(E) of this IUP.
- During the 2023 calendar year, PFAS remediation projects will continue to be eligible to receive additional subsidy in the form of a 0% interest rate loans contingent on the availability of funds.
- MassDEP is also offering additional loan forgiveness for projects with a renewable energy component.
- The USEPA requires that 15% of total IUP assistance be directed toward Small Systems, those serving populations fewer than 10,000. Thirteen of the 2023 Small System applicants are being recommended for financing from the 2023 IUP with projects totaling approximately \$77 million. Since financing for small systems exceeds 15% of \$375 million, or \$56 million, Massachusetts expects to meet this requirement.
- **100% Loan Forgiveness Lead Service Line Identification and Planning Projects** - Massachusetts is offering loans with 100% loan forgiveness for planning activities assisting public water suppliers (PWS) to complete Lead Service Line (LSL) inventories and for the development of LSL replacement programs. MassDEP is accepting loan applications for LSL planning projects on a rolling basis while funding is available. It is recommended that PWS apply as soon as possible as funding will be provided at a first come, first served basis.

MassDEP appreciates the efforts that proponents have invested in the development of applications and recognizes their efforts to enhance and protect the public health of the Commonwealth.

TABLE 1
DRINKING WATER STATE REVOLVING FUND
Calendar Year 2023 DWSRF Draft Intended Use Plan

NEW PROJECTS

Rating	Applicant	SRF ID	Project	Project Cost	2023 IUP Cost
553	SPRINGFIELD WATER AND SEWER COMMISSION (PF)(RE)(BG)(W)	12550	Replacement of Water Treatment Plant – Phase 2B	\$280,900,000	\$9,540,000
553	SPRINGFIELD WATER AND SEWER COMMISSION (PF)(RE)(BG)(W)	12465	Replacement of Water Treatment Plant – Phase 2A	\$5,460,000	\$5,460,000
546	SOMERVILLE (H)(LR)(PF)	10382	Somerville LSL Replacement Program Phase 3	\$2,068,800	\$2,068,800
541	SCITUATE (BG)	7348	Surface Water Treatment Plant	\$41,382,000	\$15,000,000
537	SHARON (RE)(SG)	12443	Wells 2 & 4 Water Treatment Plant	\$20,057,875	\$15,000,000
536	ANDOVER (H)(LR)	12495	Lead Service Line Replacement	\$4,050,000	\$4,050,000
534	MASSACHUSETTS WATER RESOURCES AUTHORITY	7331	Cp-2 NEH Improvements	\$13,640,000	\$1,000,000
532	FALL RIVER (LR)(PF)	12468	Lead Service Line Replacement	\$4,150,000	\$4,150,000
532	WEBSTER (PF)(SG)	10380	PFAS Water Treatment Plants	\$32,800,000	\$15,000,000
530 *	LITTLETON WATER DEPARTMENT (H)(SG)	12397	Water Supply Main Extension Littleton/Boxborough	\$19,078,000	\$15,000,000
530	FOXBOROUGH (SG)	12535	Chestnut Street WTP Improvements	\$14,000,000	\$14,000,000
529	SUDBURY (H)(SG)	11383	East Street WTP PFAS Treatment	\$5,810,000	\$5,810,000
529	CONCORD (BG)	12423	Nagog Pond Water Treatment Plant	\$35,488,084	\$15,000,000
528	YARMOUTH (EC)(PF)	12531	Yarmouth Well 4&5 Package PFAS Treatment System	\$4,723,700	\$4,723,700
527	ACTON WATER SUPPLY DISTRICT (EC)(H)	12506	PFAS Treatment at South Acton WTP	\$8,700,000	\$8,700,000
527	ACTON WATER SUPPLY DISTRICT (EC)(H)	12517	PFAS Treatment at Central Acton WTP	\$5,420,000	\$5,420,000
526	MIDDLEBOROUGH (EC)(H)(PF)	9373	East Grove Street Water Treatment Plant	\$18,500,000	\$15,000,000
526	WESTBOROUGH (EC)	7272	Oak Street WTP PFAS Improvements	\$6,311,731	\$6,311,731
526	WOBURN (PF)	12538	Horn Pond Water Treatment Plant PFAS Removal	\$18,990,000	\$15,000,000
525 *	EAST BROOKFIELD (PF)	12438	West Street Fe and Mn WTP	\$8,080,000	\$8,080,000
525	MELROSE (H)(LR)	8359	Melrose Lead Service Replacement	\$1,035,000	\$1,035,000
524	CHATHAM	12457	Training Field Road PFAS Water Treatment Plant	\$19,800,000	\$15,000,000
523	RAYNHAM (PF)	11390	PFAS Water Treatment Plants	\$23,500,000	\$15,000,000
523 *	AQUARION WATER COMPANY - MILLBURY	12509	Oak Pond Well GAC Treatment Facility	\$3,275,000	\$3,275,000
522	STOUGHTON (H)(PF)	7298	Muddy Pond Pump Station PFAS Treatment	\$5,279,500	\$5,279,500
522 *	WEST BRIDGEWATER (PF)	12432	West Bridgewater Long Term PFAS Compliance	\$3,163,200	\$3,163,200

522	FRANKLIN (H)	12544 Franklin Well 7/7A PFAS Treatment	\$5,600,000	\$5,600,000
521	BELLINGHAM (PF)	12475 PFAS Treatment at Hartford Avenue WTP	\$20,800,000	\$15,000,000
520 *	HOPEDALE (PF)	12478 Greene Street WTP PFAS Treatment	\$4,500,000	\$4,500,000
520 *	LYNNFIELD CENTER WATER DISTRICT	7322 Glen Drive WTP & Station 2 Pipeline	\$18,960,000	\$15,000,000
520	EVERETT (H)(LR)(PF)	12399 Everett Lead Service Line Replacements Phase 4	\$1,881,000	\$1,881,000
517 *	AQUARION WATER COMPANY - MILLBURY	11382 Jacques Wells Water Treatment Facility	\$6,731,250	\$6,731,250
516 *	WEST BRIDGEWATER (PF)	12428 Cyr Street and Norman Avenue Fe/Mn Treatment	\$11,740,001	\$11,740,001
513 *	AQUARION WATER COMPANY - OXFORD	12519 North Main Street Water Treatment Plant	\$2,904,453	\$2,904,453
511	CONCORD (LR)	12477 Concord, MA Lead Service Line Replacements Project	\$2,000,000	\$2,000,000
509 *	AQUARION WATER COMPANY - DOVER (PF)	12458 Chickering Drive Station	\$980,000	\$980,000
507 *	AQUARION WATER COMPANY - DOVER (PF)	12511 Springdale Farms Treatment System Improvements	\$1,248,750	\$1,248,750
507 *	HARVARD	7285 Harvard-Devens Water System Interconnection	\$4,850,000	\$4,850,000
TOTAL OF NEW PROJECTS			\$687,858,344	\$299,502,385

(Count: 38)

(Average Rating: 526.03)

* - Small System

(BG) - Base Capitalization Grant

(D) - Dropped by Applicant

(EC) - BIL DWSRF Emerging Contaminants Grant

(H) - Housing Choice Communities

(L) - Water Infrastructure Funding Transfer Act (WIFTA) Projects

(LR) - BIL DWSRF Lead Service Line Replacement Grant

(PF) - Disadvantaged Community

(RE) - Potential Renewable Energy Projects

(SG) - BIL DWSRF Supplemental Grant

(W) - Water Infrastructure Finance and Innovation Act (WIFIA)

- Projects contains Energy Efficiency, Renewable Energy and/or meets EPA's definition of a Green Project

(<https://www.epa.gov/greeningepa/energy-and-emissions-epa>)

MassDEP PRIORITY PROJECTS

Applicant	SRF ID Project	Project Cost	2023 IUP Cost
EMERGENCY SRF SET-A-SIDE	2978	\$5,000,000	\$5,000,000
PLANNING AND PFAS DESIGN SRF SET-A-SIDE	13574	\$10,000,000	\$10,000,000
TOTAL OF MassDEP PRIORITY PROJECTS		\$15,000,000	\$15,000,000

(Count: 2)

MULTI-YEAR CARRYOVER AND STATUTORY PROJECTS

Applicant	SRF ID Project	Project Cost	2023 IUP Cost
ABINGTON-ROCKLAND JOINT WATER WORKS (PF)	7152 Hannigan and Myers Avenue WTP PFAS Treatment	\$26,672,000	\$11,672,000
BRAINTREE #(RE)(PF)	7258 Tri-Town Regional Water Treatment Plant	\$55,212,683	\$10,000,000
HOLBROOK #(RE)(PF)	7259 Tri-Town Regional Water Treatment Plant	\$19,904,296	\$3,200,000
MASSACHUSETTS WATER RESOURCES AUTHORITY	4564 Weston Aqueduct Supply Main Rehabilitation	\$19,382,850	\$5,882,850
MASSACHUSETTS WATER RESOURCES AUTHORITY	6691 Northern Intermediate High Section 89 Replacement	\$32,619,000	\$7,117,150
MASSACHUSETTS WATER RESOURCES AUTHORITY	7218 Section 23, 24, 47 Water Mains Rehab	\$14,700,000	\$1,000,000
NEW BEDFORD	7173 Highway Bridge Crossing Replacement Project	\$6,300,000	\$1,300,000
NEW BEDFORD (PF)	7172 Quittacas Water Treatment Plant Upgrades	\$23,637,500	\$13,637,500
RANDOLPH #(RE)(PF)	7260 Tri-Town Regional Water Treatment Plant	\$39,780,862	\$6,800,000
TOTAL OF MULTI-YEAR CARRYOVER AND STATUTORY PROJECTS		\$238,209,191	\$60,609,500

(Count: 9)

TOTAL OF DRAFT INTENDED USE PLAN **\$941,067,535** **\$375,111,885**

TABLE 2
DRINKING WATER STATE REVOLVING FUND
Calendar Year 2023 DWSRF ASSET MANAGEMENT PLANNING PROJECTS

ASSET MANAGEMENT PLANNING PROJECTS

Rating	Applicant	SRF ID Project	Project Cost	Grant Amount	SRF Loan
89	AUBURN WATER DISTRICT	12463 Auburn Water District Water Asset Management Plan	\$155,000	\$93,000	
85	CHESTER	12426 Chester Water Asset Management Plan	\$113,500	\$68,100	
82	RUSSELL	12497 Russell Water and Wastewater Asset Management Plan	\$151,000	\$90,600	
81	DOUGLAS	12556 Water Asset Management Plan	\$140,000	\$84,000	
81	WEST SPRINGFIELD	12424 West Springfield Water SCADA Improvements	\$481,000	\$150,000	
79	FITCHBURG	11393 Fitchburg Water System Asset Management	\$102,000	\$61,200	
73	SUDBURY	12520 Sudbury Water System Asset Management Plan	\$250,000	\$150,000	
73	PEABODY	8354 Peabody Water Asset Management	\$250,000	\$150,000	
68	MILFORD	12545 Milford Asset Management Plan	\$73,200	\$43,500	
61	SOUTHAMPTON	12425 Expand and Improve Asset Management System	\$80,000	\$48,000	
58	MARION	12435 Marion DPW Asset Management Planning	\$55,000	\$33,000	
51	MIDDLEBOROUGH	12451 Water Utility Asset Management Planning	\$209,000	\$125,400	
TOTAL OF ASSET MANAGEMENT PLANNING PROJECTS			\$2,059,700	\$1,096,800	\$0
(Count: 12)					
TOTAL OF PROJECT PRIORITY LIST			\$2,059,700.00	\$1,096,800.00	\$0

I. BACKGROUND

The Federal Safe Drinking Water Act Amendments of 1996 authorized the award of capitalization grants to the States to create individual DWSRF loan programs. These programs provide state-administered subsidized loans to finance publicly and privately owned community water supply projects. Under the DWSRF program, states provide a 20% match to the federal capitalization grant to create the loan fund. Projects to be financed are selected using a priority ranking system based upon protection of the public health and improved compliance together with affordability.

The DWSRF is jointly administered by MassDEP and the Trust. MassDEP manages the technical aspects of project development while the Trust manages the disbursement of funds and the sale of bonds to provide capital to the program.

Pursuant to the applicable provisions of the Federal Safe Drinking Water Act Amendments of 1996, Chapter 78 of the Acts of 1998, and 310 CMR 45.00, MassDEP has developed its Calendar Year 2023 Intended Use Plan/Project Priority List (IUP/PPL), with its attendant ranking of drinking water projects, as noted in Table 3. A project must appear on the PPL and the IUP Project Listing to receive financial assistance under the DWSRF Loan program.

This Draft IUP includes \$375 million in financing and describes Massachusetts' intended uses for all funds available in the DWSRF program for calendar year 2023. It includes the projects that Massachusetts expects to provide financial assistance to and an overview of how the state will comply with federally mandated requirements. To ensure communities continue to protect the health of our residents while maintaining low costs for consumers, the Commonwealth is pleased to offer subsidized financing to our water suppliers for projects in this Intended Use Plan that remove PFAS from drinking water. In doing so, the Commonwealth reserves its rights to assert claims and causes of action to recover funds from third parties, including product manufacturers, otherwise responsible for the PFAS contamination impacting the Commonwealth's drinking water, groundwater, surface waters or environment in any manner

This Draft IUP contains 12 Asset Management Planning (AMP) projects, totaling \$2 million. These communities will receive 60% of the project cost, up to \$150,000, as a grant from the Trust, totaling \$1 million. The remaining project costs are to be funded by local contributions of cash and/or in-kind services. All or part of the local contribution may also consist of a loan from the Trust at the standard 2% interest rate with a term of up to five years.

All new projects receiving financial assistance from the DWSRF will be eligible for loans at 2% interest rate or, in certain instances, below 2%. The Commonwealth subsidizes these loans, funding the spread between market interest rates and the awarded rate. This subsidy will continue to be allotted to the SRF programs in this and upcoming budget cycles. Certain priority projects, with the primary purpose of PFAS mitigation, may be eligible for 0% interest loans. Prior to committing to permanent financing, MassDEP will review all submitted information to determine a project's eligibility for the reduced interest rate. The standard term for constructions

loans is 20 years.

To be considered for financing priority, communities must have appropriated the necessary local project funds or have committed to a schedule to obtain those funds by **June 30, 2023**.

Completed applications must be submitted to MassDEP at the earliest possible time, but not later than **October 13, 2023**. A complete application must contain the local debt authorization and the required supporting documentation. Any project not meeting these deadlines will be removed from the IUP Project Listing. Projects offered financing that do not advance, may be replaced by the highest ranked project on the Project Priority List that is ready to proceed. Following receipt of a complete loan application package, MassDEP must issue a Project Approval Certificate to the Trust no later than December 31, 2023, certifying the total costs of the project determined to be eligible for financial assistance. The Trust then proceeds to execute loan commitments.

All SRF related documents, including this IUP, the priority ranking system, loan application forms, regulations, and IUPs from the previous year, may be found on the MassDEP web site at: <https://www.mass.gov/state-revolving-fund-srf-loan-program>.

II. CALENDAR YEAR 2023 PROJECT FINANCING

In 2023, MassDEP expects to finance 38 new construction projects and 9 carryover projects totaling approximately \$375 million. Included in this amount is a \$5 million emergency reserve to finance unanticipated problems of acute public health concern that may arise during the year, and an additional \$10 million to finance planning projects and PFAS design. Table 1 is the list of projects being offered financing for 2023 and Table 3 is the extended PPL. Tables 2 and 4 list the projects that have been selected to receive grants from the Trust for their Asset Management Planning projects.

Massachusetts expects to receive \$25.5 million, plus a combined \$131 million in supplemental funds, from the United States Environmental Protection Agency (USEPA) to fund the DWSRF for 2023. Following are some of the more notable DWSRF program components and requirements:

A. Additional Subsidy

Eligible construction projects appearing on the 2023 IUP will receive additional subsidy, to the extent that funds are available, in the form of loan forgiveness, based on the affordability tier system described below and provided as a set percentage based on the community's tier ranking.

Massachusetts has established an affordability criteria to calculate and distribute loan forgiveness. The assignment of communities to an affordability tier is based on an adjusted per capita income (APCI) calculation. Tier rankings are calculated annually by comparing a

community's APCI as a percentage of the Commonwealth's APCI. See the following table for the tier breakdown.

Tier	Percent of State APCI	Minimum Loan Forgiveness
1	80% or greater, but less than 100%	6.6%
2	60% or greater, but less than 80%	13.2%
3	Less than 60%	19.8%

BIL funding may increase the amount of loan forgiveness to Disadvantaged Communities beyond these standard offerings.

With the establishment of the Disadvantaged Communities program, all projects that are eligible for additional subsidy on the 2023 DWSRF IUP and PPL are now considered Disadvantaged Communities and will be reported as such. The establishment of a formal DWSRF Disadvantaged Communities program does not change the distribution of loan forgiveness and does not require any additional actions from eligible communities beyond the requirements already in place for loan forgiveness.

Projects that have a renewable energy component will qualify as a Tier 1 community and receive loan forgiveness for the portion of the loan that is financing the renewable energy component.

*Loan forgiveness will be awarded to construction contracts that are executed by **June 30, 2024**, and may be limited to the lesser of the executed contracts or the IUP cost. Planning projects are not eligible for loan forgiveness.*

In addition to meeting the affordability criteria, under Chapter 259 of the Acts of 2014, *An Act Improving Drinking Water and Wastewater Infrastructure*, applicants for additional subsidy are required to:

- a. establish water enterprise funds (or equivalent separate restricted accounts); and
- b. not have made any transfers from such enterprise fund in the last 5 years to fund the community's general operating budget.

B. Housing Choice Initiative

Communities that have earned the Housing Choice designation at the time of the SRF project solicitation are eligible to have their loan's interest rate reduced by 0.5% (for example from 2% to 1.5% for a standard term loan). However, under no circumstance can the interest rate fall below 0%. For example, if a community qualifies for a 0% interest loan for a PFAS mitigation project, it cannot receive an added discount through the Housing Choice designation. Housing Choice initiative communities must also certify to the enterprise account requirements noted above.

C. Applicant Cap

The Massachusetts SRF regulations (310 CMR 45) place a limit on any one proponent receiving any more than 25% of the available financing each year. Because of the shortfall of available funds relative to the number of worthwhile projects, and to extend financial assistance to as many highly ranked projects as possible, MassDEP is implementing an applicant cap of \$15 million for the 2023 financing period. MassDEP reserves the right to waive the applicant cap limitation if MassDEP and the Trust determines that one or more projects on the IUP Project Listing are not ready to proceed. If the applicant cap is waived, communities may see an increase in financing for projects not fully financed on the IUP listing.

D. Small Systems

Congress requires that 15% of the total amount of DWSRF funds be dedicated to Small Systems, i.e., drinking water systems serving fewer than 10,000 customers. The total DWSRF funds expected to be available for 2023 is \$375 million. Fifteen percent of that amount is \$56 million. The IUP list contains 12 small system projects totaling approximately \$77 million, which exceeds the 15% requirement. Therefore, Massachusetts expects to meet this requirement.

E. Set-Aside Activities

Congress allows states to apply set-asides from the DWSRF grant, and the supplemental BIL grants, to provide management of the program and technical assistance to Public Water Suppliers. MassDEP's objectives for DWSRF set-aside activities are included as Appendix A. For 2023, these set-aside activities include funds that will be earmarked for issues involving small water supply systems, local assistance for wellhead protection, capacity implementation, and program management and administration. Appendix A details how MassDEP intends to utilize these set-aside funds in FY 2023 to implement the federal SDWA.

III. SHORT- AND LONG-TERM GOALS

The following are the goals that Massachusetts has set for its DWSRF:

Short-Term Goals

- Finance highly ranked, construction ready, drinking water improvement projects.
- Prioritize projects that undertake full replacements of lead service lines.
- Prioritize projects that remediate PFAS in drinking water.
- Promote the asset management planning and cybersecurity best management practices by providing grants through the Trust's AMP grant program.
- Finance eligible projects addressing unanticipated problems of acute public health concern that arise during the year and constitute an imminent public health threat.

- Provide targeted outreach and engage with communities across the Commonwealth about SRF program benefits, priorities, and opportunities to improve water quality and reduce project costs.

Long-Term Goals

- Ensure that the DWSRF program remains accessible to assist communities across the Commonwealth to maintain compliance with the Safe Drinking Water Act, particularly communities with small systems.
- Identify and prioritize additional subsidy for projects in the IUP that serve Disadvantaged Communities.
- Ensure that water treatment projects financed through the SRF fully consider cost-effective energy efficiency measures and/or renewable energy strategies.
- Assist public water suppliers to finance projects to address the impact of climate change and resiliency concerns on the safe and continuous operation of the utility.
- Promote systematic Asset Management Planning for drinking water utilities to achieve long-term sustainability and deliver consistent service in a cost-efficient manner.
- Establish and efficiently manage a permanent source of financing for drinking water infrastructure to enhance and protect public health.
- Promote public engagement and program transparency by publishing informative and readily accessible program materials and reports.

IV. ALLOCATION OF FUNDS

A. Criteria and Method for Distribution of Funds

Massachusetts rates projects using the Commonwealth's priority ranking system. The criteria used to rank potential projects can be found on the MassDEP website at <http://www.mass.gov/eea/agencies/massdep/water/grants/state-revolving-fund.html>. The ranking system is reviewed annually to reflect changing priorities at MassDEP. The criteria emphasize the nature of the public health problem that the project will address, compliance with the Safe Drinking Water Act, project affordability, the extent to which the project is consistent with regional or watershed wide plans and the extent to which the project qualifies as a green project, a project that minimizes greenhouse gas emissions and energy use.

Once all project proposals have been rated and ranked, the PPL is developed (Table 3). With input from the Trust, MassDEP identifies all the sources of funds and spending limits and develops the IUP Project Listing (Table 1).

To be considered for financing, projects must meet State and Federal eligibility requirements, must be ready to proceed during the financing period, must have appropriated local funds necessary to finance the entire project, and have a MassDEP approved planning element. An approvable planning element can be a Project Evaluation Report, Integrated Water Resource Management Plan, or other MassDEP sanctioned planning document. Projects proposing to

replace lead service lines must ensure that lines will be replaced to the users' meters to preserve priority ranking. Furthermore, no community can receive financial assistance unless it can demonstrate that it has adequate technical, financial, and managerial capacity, as approved by MassDEP. Eligibility includes consistency with the assurances described in this document and the requirements contained within MassDEP's financial assistance regulations.

B. Project Bypass Procedure

A project on the IUP Project Listing may be bypassed if MassDEP determines that the bypassed project will not be ready to proceed during the financing period. Project(s) bypassed may be replaced by the highest ranked priority project(s) on the PPL that are ready to proceed, or the funds may be used to provide emergency financing, or for project cost increases to other projects approved previously. If complete loan applications are not received by MassDEP by **October 13, 2023**, the project will be automatically considered for bypassing.

The Trust and MassDEP will not add projects to the PPL/IUP beyond those that may qualify for emergency assistance, planning or PFAS design. MassDEP, considering any material program change that would require amendments to this IUP, will provide public notice and an appropriate comment period before issuing an amended IUP.

C. Types of Projects to be Financed and Financing Rates

Any drinking water project of an eligible borrower is eligible to receive financial assistance from the Trust. Such eligible projects include, but are not limited to:

- Projects to address or prevent violation of public health standards, including projects to come into or maintain compliance.
- Projects to replace aging infrastructure, if such projects are needed to maintain compliance or further public health goals and requirements, including projects to rehabilitate or develop sources to replace contaminated sources, install or upgrade treatment or storage facilities, and install or replace transmission and distribution pipes to prevent contamination or improve water pressure to safe levels.
- Projects to consolidate and/or restructure a public water system.
- Planning and/or design of any eligible project.

Costs of construction that MassDEP determines as being necessary for the completion of the project are eligible for financing in the loan and to receive a subsidy under the loan, subject to the applicant cap. Costs for planning projects are eligible for financing during the 2023 financing period. Although costs for design are eligible, only PFAS design will be financed during this funding period due to the high demand for construction financing. MassDEP may limit the SRF loan for PFAS design to 10% of the total estimated cost of the remedy.

All projects on the IUP are eligible for 2% interest rate loans. Certain projects that are primarily for PFAS mitigation are eligible for 0% interest loans. A determination will be made as to the eligibility for 0% interest loans before the loan is permanently financed.

V. FINANCIAL MANAGEMENT

A. Source of State Match

Based on the anticipated 2023 DWSRF grant of \$25.5million from USEPA, the required 20% state match equals \$5.1 million. In addition, it is estimated that for 2023, Massachusetts will receive \$48.2 million for the Supplemental DWSRF Grant. The required 10% state match equals \$4.8 million. These state match funds are provided to the Trust from the Commonwealth's Capital Plan.

B. Fee Income

The Trust may charge an amount not to exceed \$5.50 per \$1,000 as a loan origination fee to offset the costs incurred during its bond issuances. Recipients of SRF loans are charged an annual administrative fee of 0.15% (15 basis points) against the outstanding loan principal to fund salaries and expenses of the Trust and MassDEP related to SRF project development and loan management. As of June 30, 2022, the Trust has a balance approximately \$51.5 million in its Administrative Account. The Trust's Administrative Account funds the 10% state management set-aside. Use of those funds is detailed in the attached Set-Aside plan (Appendix A).

C. Program Administration

The Commonwealth intends to use the full 4% of the federal capitalization and supplemental BIL grant funds for administrative support of activities related to the DWSRF. Use of those funds is detailed in the DWSRF Grant Application that the Trust files each year with the USEPA and in the attached Set-Aside plan (Appendix A).

D. Anticipated Cash Draw Ratio

Massachusetts will draw 100% of the state match funds before drawing federal funds. This will ensure that Massachusetts remains in compliance with the required cash draw ratios.

E. Transfer of Funds Between CWSRF and DWSRF

Section 302 of the 1996 Safe Drinking Water Act Amendments allows states the flexibility to move funds between the Clean and the Drinking Water SRF programs, to better address specific state priorities. The USEPA allows an equivalent of up to 33% of the Drinking Water grant to be transferred between the CWSRF and DWSRF.

The CWSRF IUP capacity frequently allows Massachusetts to finance all the priority projects each year accounting for about two thirds of the proposed construction projects. Generally, over half of requested DWSRF construction projects go unfinanced. The level of federal grant

funding of the DWSRF is insufficient to meet the need for project financing. Transferring a limited amount of funds from the CWSRF to the DWSRF this year and in the future will help increase the overall capacity of the DWSRF and reduce the number of unfinanced projects without any impacts to the CWSRF IUP. Massachusetts will transfer non-federal funds from the CWSRF to the DWSRF program in the amount of \$24.3 million (33% of the 2023 DWSRF capitalization grant amount of \$25.5 million and the supplemental grant amount of \$48.2 million). Furthermore, Massachusetts reserves authority of future transfers of Supplemental BIL funds.

BIL allows states the flexibility to move funds between the CWSRF and the DWSRF programs. Due to great demand for PFAS remediation in drinking water projects, Massachusetts will transfer \$7.2 million of CWSRF Emerging Contaminant supplemental funds to the DWSRF Emerging Contaminant program (100% of the grant amount). This transfer will not adversely impact the CWSRF project financing in the 2023 IUP.

F. Estimated Sources and Uses

The sources of funds available to the Massachusetts DWSRF include the federal capitalization grant, the federal supplemental BIL grants, state match and borrower loan repayments. The Trust may leverage these funds up to 3 times. Under this authority, the Trust will finance approximately \$375 million of DWSRF eligible projects.

G. Additional Subsidy and the Disadvantaged Communities Program

As may be required in federal law applicable to the 2023 DWSRF capitalization grant, 26% of the grant amount shall be provided as additional subsidy, but no less than 12% and no more than 35%, to Disadvantaged Communities, provided eligible applicants exist. In the 2023 DWSRF IUP, Massachusetts intends to award a minimum of \$6.6 million of the capitalization grant in additional subsidy to eligible projects. In addition, Massachusetts expects to receive \$48.2 million for the Supplemental DWSRF Grant, \$65.6 million for the Lead Service Line Replacement Grant and \$17.5 million for the Emerging Contaminants Grant focusing on PFAS. Each of these grants requires that Massachusetts provide a portion of the funding as loan forgiveness. The Supplemental DWSRF Grant requires that \$23.6 million, or 49% of the total grant, be provided as loan forgiveness to Disadvantaged Communities. The Lead Service Line Replacement Grant requires that \$32.1 million, or 49% of the total grant, be provided as loan forgiveness to Disadvantaged Communities. The Emerging Contaminants Grant requires that the full amount, \$17.5 million, net of set asides taken, of the grant be provided as loan forgiveness and that at least 25% of the grant be provided to Disadvantaged Communities.

VI. Program Management

A. Assurances and Special Conditions

MassDEP and the Trust have provided the required assurances and certifications as part of the Operating Agreement (OA) between Massachusetts and the USEPA. The OA describes the mutual obligations among USEPA, MassDEP and the Trust. The purpose of the OA is to provide a framework of procedures to be followed in the management and administration of the DWSRF.

Title XIV of the Federal Safe Drinking Water Act amendments of 1996 and subsequent regulations and guidance require that the Commonwealth certify compliance with or acceptance of a number of conditions. These include compliance with the applicable provisions of s. 1452, State Revolving Loan Fund, as follows:

- **Environmental Reviews:** DWSRF borrowers are required to meet the standards of the National Environmental Policy Act (NEPA) or a State equivalent. Some projects, owing to their relatively minor environmental impacts, if any, do not trip the threshold of the Massachusetts Environmental Policy Act (MEPA) and are therefore not subject to the rigorous environmental review process set forth in MEPA. The Commonwealth reasons that these projects are categorically exempt from the NEPA review process as well. A planning level review of each of the eligible projects concludes that since these projects almost uniformly are the upgrade or rehabilitation of existing infrastructure, most will not usually require MEPA review. A final determination of project relevancy under MEPA cannot be made until the preliminary design phase of work is complete on each project.
- **Binding Commitments:** The DWSRF will enter binding commitments for 120 percent of each quarterly grant payment within one year of receipt of the payment.
- **Expeditious and Timely Expenditures:** The DWSRF will expend all funds in the DWSRF in a timely manner.
- **Set-Aside Programs.** The Commonwealth will conduct set-aside activities consistent with the plan provided as Appendix A to this document.

B. Federal Requirements

A number of federal requirements apply to DWSRF projects in an amount equal to the capitalization grant including:

- Single Audit Act (2 CFR 200 Subpart F)
- Federal Funding Accountability and Transparency Act (FFATA) reporting
- Disadvantaged Business Enterprise compliance (all projects) Federal environmental crosscutters (all projects)
- Federal Flood Risk Management Standard (FFRMS) to comply with Executive Order [\(EO\) 14030](#) that reinstated EO 13690
- Project signage to enhance the public awareness
- Ineligible Costs: any costs that are prohibited including but not limited to: 2 CFR 200.216, Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment.

MassDEP and the Trust will identify the group of projects that must comply with these requirements in the USEPA grant applications. Frequently, the group of projects changes as projects move towards construction, usually due to attrition. If changes are made to the group of projects, appropriate amendments to the grant application will be made.

In addition, 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 their Capitalization Grant each year. MassDEP will comply with the capacity development authority, capacity development strategy, and operator certification program provisions.

C. Davis-Bacon Wage Rates

The USEPA's appropriation bill requires the application of Davis-Bacon prevailing wage rates to all drinking water projects funded in whole or in part by the DWSRF. MassDEP ensures that the required Davis-Bacon language is included in contracts and conducts field verifications of project compliance with the wage rate requirements.

D. American Iron and Steel and the Build America, Buy America Act

On November 15, 2021, the Bipartisan Infrastructure Law made the American Iron and Steel (AIS) procurement requirements permanent for *all* DWSRF construction projects going forward. Furthermore, BIL extends this procurement requirement to *all* DWSRF construction projects going forward with the inclusion of the **Build America, Buy America Act (BABA)**. Starting on May 14, 2022, all steel, iron, manufactured products, non-ferrous metals, plastic and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables), glass (including optic glass), lumber, and drywall used in infrastructure projects for federal financial assistance programs must be produced in the United States, unless (i) the SRF borrower has requested and obtained a waiver from the EPA pertaining to the Project or the Project is otherwise covered by a general applicability waiver; or (ii) the Department has otherwise advised the borrower in writing that the Build America, Buy America requirement is not applicable to the project. MassDEP ensures that the required procurement language is included in contracts and conducts field verifications of project compliance. Appropriate AIS and BABA language has also been included in the Project Regulatory Agreement and the Financing Agreement.

E. Audits and Reporting

MassDEP and the Trust will comply with all the auditing and reporting requirements of the USEPA. A single audit is conducted annually and reporting to the USEPA is done through the Office of Water State Revolving Fund (OWSRF) data system, Biennial Report and FFATA reporting.

VII. Public Review and Comment

Notice of the availability of the Draft Calendar Year 2023 IUP/PPL will be made on December 16, 2022. Pursuant to the provisions for adequate alternative public access to agency hearings, set forth in Section 20 of Chapter 20 of the Acts of 2021, an Act Extending Certain COVID-19 Measures Adopted During the State of Emergency, a public hearing on the Draft IUP will take place virtually on **January 19, 2023**. Records of the testimony received will be maintained in MassDEP's files. MassDEP will take into consideration the testimony received to finalize this IUP.

**TABLE 3
DRINKING WATER STATE REVOLVING FUND
Calendar Year 2023 DWSRF Project Priority List**

NEW PROJECTS

Rating	Applicant	PWSID	Pop.	SRF ID	Project	Project Cost
553	SPRINGFIELD WATER AND SEWER COMMISSION (PF)(RE)(BG)(W)	1281000	170211	12550	Replacement of Water Treatment Plant – Phase 2B	\$280,900,000
553	SPRINGFIELD WATER AND SEWER COMMISSION (PF)(RE)(BG)(W)	1281000	170211	12465	Replacement of Water Treatment Plant – Phase 2A	\$5,460,000
546	SOMERVILLE (H)(LR)(PF)	3274000	81045	10382	Somerville LSL Replacement Program Phase 3	\$2,068,800
541	SCITUATE (BG)	4264000	19760	7348	Surface Water Treatment Plant	\$41,382,000
537	SHARON (RE)(SG)	4266000	16262	12443	Wells 2 & 4 Water Treatment Plant	\$20,057,875
536	ANDOVER (H)(LR)	3009000	36569	12495	Lead Service Line Replacement	\$4,050,000
534	MASSACHUSETTS WATER RESOURCES AUTHORITY	6000000	2550000	7331	Cp-2 NEH Improvements	\$13,640,000
532	WEBSTER (PF)(SG)	2316000	17776	10380	PFAS Water Treatment Plants	\$32,800,000
532	FALL RIVER (LR)(PF)	4095000	94000	12468	Lead Service Line Replacement	\$4,150,000
530 *	LITTLETON WATER DEPARTMENT (H)(SG)	2158000	9561	12397	Water Supply Main Extension Littleton/Boxborough	\$19,078,000
530	FOXBOROUGH (SG)	4099000	18618	12535	Chestnut Street WTP Improvements	\$14,000,000
529	SUDBURY (H)(SG)	3288000	18665	11383	East Street WTP PFAS Treatment	\$5,810,000
529	CONCORD (BG)	3067000	16610	12423	Nagog Pond Water Treatment Plant	\$35,488,084
528	YARMOUTH (EC)(PF)	4351000	40857	12531	Yarmouth Well 4&5 Package PFAS Treatment System	\$4,723,700
527	ACTON WATER SUPPLY DISTRICT (EC)(H)	2002000	19915	12506	PFAS Treatment at South Acton WTP	\$8,700,000
527	ACTON WATER SUPPLY DISTRICT (EC)(H)	2002000	19915	12517	PFAS Treatment at Central Acton WTP	\$5,420,000
526	WESTBOROUGH (EC)	2328000	21567	7272	Oak Street WTP PFAS Improvements	\$6,311,731
526	MIDDLEBOROUGH (EC)(H)(PF)	4182000	16900	9373	East Grove Street Water Treatment Plant	\$18,500,000
526	WOBURN (PF)	3347000	40876	12538	Horn Pond Water Treatment Plant PFAS Removal	\$18,990,000
525	MELROSE (H)(LR)	3178000	29817	8359	Melrose Lead Service Replacement	\$1,035,000
525 *	EAST BROOKFIELD (PF)	2084000	1526	12438	West Street Fe and Mn WTP	\$8,080,000
524	CHATHAM	4055000	30000	12457	Training Field Road PFAS Water Treatment Plant	\$19,800,000
523	RAYNHAM (PF)	4245000	10378	11390	PFAS Water Treatment Plants	\$23,500,000
523 *	AQUARION WATER COMPANY - MILLBURY	2186000	9449	12509	Oak Pond Well GAC Treatment Facility	\$3,275,000

522	STOUGHTON (H)(PF)	4285000	29287	7298	Muddy Pond Pump Station PFAS Treatment	\$5,279,500
522 *	WEST BRIDGEWATER (PF)	4322000	7669	12432	West Bridgewater Long Term PFAS Compliance	\$3,163,200
522	FRANKLIN (H)	2101000	33261	12544	Franklin Well 7/7A PFAS Treatment	\$5,600,000
521	BELLINGHAM (PF)	2025000	15575	12475	PFAS Treatment at Hartford Avenue WTP	\$20,800,000
520 *	HOPEDALE (PF)	2138000	5966	12478	Greene Street WTP PFAS Treatment	\$4,500,000
520 *	LYNNFIELD CENTER WATER DISTRICT	3164000	8263	7322	Glen Drive WTP & Station 2 Pipeline	\$18,960,000
520	EVERETT (H)(LR)(PF)	3093000	49075	12399	Everett Lead Service Line Replacements Phase 4	\$1,881,000
517 *	AQUARION WATER COMPANY - MILLBURY	2186000	9449	11382	Jacques Wells Water Treatment Facility	\$6,731,250
516 *	WEST BRIDGEWATER (PF)	4322000	7669	12428	Cyr Street and Norman Avenue Fe/Mn Treatment	\$11,740,001
513 *	AQUARION WATER COMPANY - OXFORD	2226000	6845	12519	North Main Street Water Treatment Plant	\$2,904,453
511	CONCORD (LR)	3067000	16610	12477	Concord, MA Lead Service Line Replacements Project	\$2,000,000
509 *	AQUARION WATER COMPANY - DOVER (PF)	3078006	1809	12458	Chickering Drive Station	\$980,000
507 *	HARVARD	2125000	1650	7285	Harvard-Devens Water System Interconnection	\$4,850,000
507 *	AQUARION WATER COMPANY - DOVER (PF)	3078008	126	12511	Springdale Farms Treatment System Improvements	\$1,248,750
453	BROCKTON (H)(PF)	4044000	105643	12448	Aquaria Desalination Plant	\$57,000,000
447	FITCHBURG (PF)	2097000	41946	7341	Meetinghouse Gatehouse Rehabilitation	\$3,000,000
443	NEW BEDFORD (PF)	4201000	101079	12427	Phase 3 Quittacas WTP Upgrades	\$3,125,000
436	TAUNTON (H)(PF)	4293000	59290	12528	WTP Electrical System Improvements	\$2,196,000
435	LOWELL (H)(PF)	3160000	115554	11386	Finished Water Redundancy & Electrical Upgrades	\$14,380,000
432	FALL RIVER (PF)	4095000	94000	12518	Water Treatment Plant Upgrades	\$3,934,900
432	LOWELL (H)(PF)	3160000	115554	7316	Lowell High Pressure Zone Interconnection	\$5,959,000
432	IPSWICH	3144000	13830	11388	Dow Brook Dam and Drain Improvements	\$2,260,213
430	HAVERHILL (PF)	3128000	61208	8363	Phase 3 - Transmission Main Improvements	\$7,560,000
430	HAVERHILL (PF)	3128000	61208	12480	Haverhill, MA Radial Collector Well	\$21,325,000
428	PEABODY (PF)	3229000	52377	8350	Suntaug Gatehouse and Coolidge RWPS Rehabilitation	\$3,799,500
426	ANDOVER (H)	3009000	36569	7283	Phase 2 Water Transmission Main Improvements	\$12,006,000
426	BARNSTABLE (H)(PF)	4020004	35000	7299	Mary Dunn 4 Pump Station and Transmission Main	\$3,914,000
426	MATTAPOISETT RIVER VALLEY WATER DISTRICT	4173001	29600	7338	MRVWD Water Treatment Plant Upgrades	\$6,885,000

425	LAWRENCE (H)(PF)	3149000	80162	12402	Tower Hill Transmission Main Redundancy	\$1,953,600
425 *	BELCHERTOWN (H)(PF)	1024002	600	12512	Pine Valley Plantation Water System Replacement	\$5,173,910
425	NEWBURYPORT (H)	3206000	20335	12562	Indian Hill Pump Station and Raw Water Main	\$18,820,000
423 *	WINCHENDON (PF)	2343000	5706	7289	Water Transmission Main Replacement	\$9,560,000
423	WEST SPRINGFIELD (PF)	1325000	28833	12417	West Springfield Control Valve Improvements	\$2,113,000
419 *	GEORGETOWN	3105000	8766	12472	Water Treatment System Improvements	\$20,000,000
418	WESTFIELD (PF)	1329000	42000	12491	New Provin Mountain Water Storage Tank	\$4,953,300
415 *	SPENCER (PF)	2280000	7037	12542	Meadow Road Water Treatment Facility Filter Repair	\$1,975,200
323	HOLDEN	2134000	17275	12418	Holden Water System Improvements	\$14,000,000
320 *	LANESBOROUGH FIRE AND WATER DISTRICT (PF)	1148000	2324	12553	Water Infrastructure Improvements Project	\$9,000,000
319 *	WARE (PF)	1309000	7376	7340	Barnes Street Well Connection	\$1,500,000
318	FRANKLIN (H)	2101000	33261	12532	Franklin Fisher St. WTP Improvements	\$13,600,000
315 *	RUSSELL (PF)	1256000	1228	12548	Strathmore Park Well Water Treatment Facility	\$3,250,000
315 *	WEST BOYLSTON WATER DISTRICT (PF)	2321000	6656	12559	Lee St Water Main Replacement	\$950,000
314 *	LINCOLN (H)	3157000	6865	8351	Water Main Replacement	\$4,410,000
314 *	AVON (PF)	4018000	4777	10379	Glendower Neighborhood AC Pipe Removal Project	\$1,478,180
312	AGAWAM (PF)	1005000	28692	7280	Northeast Area Water Main Replacement	\$6,178,000
312 *	LUNENBURG (PF)	2162000	7116	11387	Lunenburg Water District	\$7,220,000
311	AGAWAM (PF)	1005000	28692	7279	Belvidere & Brookline Water Main Replacement	\$2,060,000
311 *	DALTON (PF)	1070000	6413	12486	Greenridge Park Water Main Replacement Project	\$4,295,000
241	ACTON WATER SUPPLY DISTRICT (H)	2002000	19915	12523	Clapp/Whitcomb Backwash Upgrades	\$650,000
237	LOWELL (H)(PF)	3160000	115554	7315	Lowell Regional Water Utility Lagoon Construction	\$5,260,000
237	MASSACHUSETTS WATER RESOURCES AUTHORITY	6000000	2550000	7330	CP-1 Section 53 Connection Construction	\$16,044,600
237	MASSACHUSETTS WATER RESOURCES AUTHORITY	6000000	2550000	7332	Steel Tank Improvements Construction	\$11,518,000
230	LAWRENCE (H)(PF)	3149000	80162	12404	Water Treatment Plant & Source Improvements	\$5,575,770
230	EASTON (H)	4088000	23112	12416	Bay Road Water Storage Tank Rehabilitation	\$1,520,000
229	ANDOVER (H)	3009000	36569	12534	Water Treatment Plant Upgrades	\$18,282,000
228	WEST SPRINGFIELD (PF)	1325000	28833	12412	West Springfield Route 5 Water Main	\$13,123,000
228	WEBSTER (PF)	2316000	17776	12569	Water Meter Systems Upgrades	\$4,200,000

226	SOMERVILLE (H)(PF)	3274000	81045	12552	Somerville Central Broadway Water Main Upgrades	\$7,080,000
226	BARNSTABLE (H)(PF)	4020004	35000	7313	Mary Dunn 1: Water Storage Tank Rehabilitation	\$975,000
226	ANDOVER (H)	3009000	36569	8357	North Reading Transmission Main Improvements	\$6,284,520
226	NEWBURYPORT (H)	3206000	20335	12421	AMI and Water Meter Replacement Program	\$5,258,155
223 *	MARION	4169000	6328	11381	Point Road and Delano Road Water Main Replacement	\$3,690,000
222	HOLBROOK (PF)	4133000	11407	7304	Sycamore Street Water Storage Tank	\$3,173,500
222	FRANKLIN (H)	2101000	33261	12405	Hillside Tanks No. 1 and No. 2 Replacement	\$7,784,000
222	RANDOLPH (PF)	4244001	41935	12474	Joint Water Board Storage Tank Replacement	\$15,961,026
222	BILLERICA (H)(PF)	3031000	42119	12488	Distribution System Upgrades	\$28,519,500
222	HOLYOKE (PF)	1137000	40124	12492	Phase 3A Water Main Replacement Project	\$8,670,000
221	ANDOVER (H)	3009000	36569	8355	Chandler Road Water Main Improvements	\$2,846,664
221	ACTON WATER SUPPLY DISTRICT (H)	2002000	19915	12521	Bedrock Wells at Central Acton WTP	\$2,400,000
220	BILLERICA (H)(PF)	3031000	42119	7286	Crosby Hill Storage Tank Replacement	\$6,375,000
220	BILLERICA (H)(PF)	3031000	42119	8361	Water Treatment Plant Upgrades	\$5,158,500
220	LAWRENCE (H)(PF)	3149000	80162	12420	Water Main Improvements	\$6,565,040
220 *	DIGHTON WATER DISTRICT (PF)	4076000	4925	12539	Brook Street Well Acquisition	\$6,000,000
219 *	AVON (PF)	4018000	4777	12409	Emergency Interconnection	\$1,840,500
219	YARMOUTH (PF)	4351000	40857	12471	Route 28 Water Main Replacement	\$15,591,000
219	SWANSEA WATER DISTRICT (PF)	4292000	17358	12407	Water Meter Replacement	\$2,410,000
218	YARMOUTH (PF)	4351000	40857	12546	Route 6A Water Main Replacement	\$3,799,500
216	EASTON (H)	4088000	23112	12482	Easton 2023 Water Main Improvements	\$2,948,000
216	SAUGUS (PF)	3262000	24529	12489	Oceanview Ave Water Booster Station Improvements	\$480,000
216	FALMOUTH (PF)	4096000	77500	12516	Falmouth Water Main Improvements Project	\$2,850,000
215	HARWICH (PF)	4126000	40062	7314	Harwich Rt. 28 Waterline Replacement Project	\$14,306,195
214 *	AVON (PF)	4018000	4777	10377	East Main Street Water Mains Improvement Project	\$2,542,400
214	ATHOL (PF)	1015000	10290	12459	Water Main & Lead Service Replacement	\$1,596,000
213	ACTON WATER SUPPLY DISTRICT (H)	2002000	19915	10374	LCRR Lead Removal Program	\$2,822,050
212	BILLERICA (H)(PF)	3031000	42119	7287	Phase 1 Water Main Replacement	\$9,325,000
212	MILTON	3189000	28630	7344	Water Main Replacement	\$2,380,000
212	MIDDLEBOROUGH (H)(PF)	4182000	16900	12434	Water Main & Lead Service Line Replacement	\$5,955,300

211*	WEST NEWBURY	3324000	3027	7312	Church St. & Prospect St. Water Main Replacement	\$2,395,000
128	ANDOVER (H)	3009000	36569	12452	SCADA & Cybersecurity Improvements	\$2,016,960
105*	EASTHAM (H)(PF)	4086095	4904	12557	Eastham Water System - Phase 2F	\$10,050,000

TOTAL OF NEW PROJECTS **\$1,243,915,327**

(Count: 114)

(Average Rating: 371.38)

* - Small System

(BG) - Base Capitalization Grant

(D) - Dropped by Applicant

(EC) - BIL DWSRF Emerging Contaminants Grant

(H) - Housing Choice Communities

(L) - Water Infrastructure Funding Transfer Act (WIFTA) Projects

(LR) - BIL DWSRF Lead Service Line Replacement Grant

(PF) - Disadvantaged Community

(RE) - Potential Renewable Energy Projects

(SG) - BIL DWSRF Supplemental Grant

(W) - Water Infrastructure Finance and Innovation Act (WIFIA)

- Projects contains Energy Efficiency, Renewable Energy and/or meets EPA's definition of a Green Project (<https://www.epa.gov/greeningepa/energy-and-emissions-epa>)

MassDEP PRIORITY PROJECTS

Applicant	SRF ID	Project	Project Cost
EMERGENCY SRF SET-A-SIDE	2978		\$5,000,000
PLANNING AND PFAS DESIGN SRF SET-A-SIDE	13574		\$10,000,000

TOTAL OF MassDEP PRIORITY PROJECTS **\$15,000,000**

(Count: 2)

MULTI-YEAR CARRYOVER AND STATUTORY PROJECTS

Applicant	PWSID	Pop.	SRF ID	Project	Project Cost
ABINGTON-ROCKLAND JOINT WATER WORKS (PF)	4001000	33404	7152	Hannigan and Myers Avenue WTP PFAS Treatment	\$26,672,000
BRAINTREE #(RE)(PF)	4040002	25	7258	Tri-Town Regional Water Treatment Plant	\$55,212,683
HOLBROOK #(RE)(PF)	4040002	25	7259	Tri-Town Regional Water Treatment Plant	\$19,904,296
MASSACHUSETTS WATER RESOURCES AUTHORITY	6000000	2550000	4564	Weston Aqueduct Supply Main Rehabilitation	\$19,382,850
MASSACHUSETTS WATER RESOURCES AUTHORITY	6000000	2550000	6691	Northern Intermediate High Section 89 Replacement	\$32,619,000
MASSACHUSETTS WATER RESOURCES AUTHORITY	6000000	2550000	7218	Section 23, 24, 47 Water Mains Rehab	\$14,700,000
NEW BEDFORD	4201000	95072	7173	Highway Bridge Crossing Replacement Project	\$6,300,000
NEW BEDFORD (PF)	4201000	95072	7172	Quittacas Water Treatment Plant Upgrades	\$23,637,500
RANDOLPH #(RE)(PF)	4040002	25	7260	Tri-Town Regional Water Treatment Plant	\$39,780,862

TOTAL OF MULTI-YEAR CARRYOVER AND STATUTORY PROJECTS **\$238,209,191**

(Count: 9)

TOTAL OF PROJECT PRIORITY LIST

\$1,497,124,518

TABLE 4
DRINKING WATER STATE REVOLVING FUND
Calendar Year 2023 DWSRF ASSET MANAGEMENT PLANNING PROJECTS

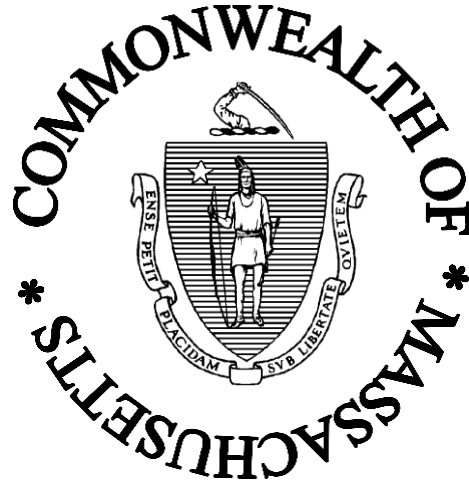
ASSET MANAGEMENT PLANNING PROJECTS

Rating	Applicant	SRF ID	Project	Project Cost
89	AUBURN WATER DISTRICT	12463	Auburn Water District Water Asset Management Plan	\$155,000
85	CHESTER	12426	Chester Water Asset Management Plan	\$113,500
82	RUSSELL	12497	Russell Water and Wastewater Asset Management Plan	\$151,000
81	DOUGLAS	12556	Water Asset Management Plan	\$140,000
81	WEST SPRINGFIELD	12424	West Springfield Water SCADA Improvements	\$481,000
79	FITCHBURG	11393	Fitchburg Water System Asset Management	\$102,000
73	SUDBURY	12520	Sudbury Water System Asset Management Plan	\$250,000
73	PEABODY	8354	Peabody Water Asset Management	\$250,000
68	MILFORD	12545	Milford Asset Management Plan	\$73,200
61	SOUTHAMPTON	12425	Expand and Improve Asset Management System	\$80,000
58	MARION	12435	Marion DPW Asset Management Planning	\$55,000
51	MIDDLEBOROUGH	12451	Water Utility Asset Management Planning	\$209,000
TOTAL OF ASSET MANAGEMENT PLANNING PROJECTS				\$2,059,700

(Count: 12)

TOTAL OF PROJECT PRIORITY LIST **\$2,059,700**

APPENDIX A – Base, Supplemental and Lead Service Line Grants



DRINKING WATER STATE REVOLVING FUND (DWSRF)

Fiscal Year 2023 Set-asides for Base, Supplemental, and Lead Service Line Grants

Funds Authorized Under the Federal
Safe Drinking Water Act

Information on Set-asides Base DWSRF Grant

The Commonwealth of Massachusetts plans to set aside \$5,040,600 (31% of \$16,260,000 - 2022 Grant Amount) of the Capitalization Grant for various non-construction related activities that are authorized in the Safe Drinking Water Act Amendments of 1996. These activities are often vital to water systems so that they can develop and maintain the financial, technical, and managerial capacity to run their system effectively. A portion of the set-aside money will be used to develop and implement programs within state government necessary to implement the DWSRF and the SDWA Amendments of 1996.

The SDWA provides guidance for a variety of uses of the set-aside money. The set-aside money will be placed in separate accounts outside the Project Fund. The SDWA allows for transfers between the set-aside accounts and are the current best estimates of the funds required to complete the programs and projects described in the IUP. Transfers of funds between accounts and projects in accordance with EPA requirements will be made as necessary to accomplish the programs and projects described and efficiently and effectively use the available funds. The SDWA limits the percentage of the capitalization grant that can be used in each of these set-asides and whether the set-aside funds can be “banked” or reserved for future use.

I. 4% DWSRF ADMINISTRATION – 3 FTEs

MassDEP anticipates applying for the full 4% (\$650,400) from the 2022 DWSRF Capitalization Grant for DWSRF Program Administration. These funds will be combined with any remaining prior year funds in order to provide comprehensive DWSRF program assistance. Duties will include (but not be limited to):

A. MANAGE DWSRF COORDINATION of projects and liaison with the Massachusetts Water Pollution Abatement Trust.

B. OVERSEE ADMINISTRATION AND MANAGEMENT of the DWSRF Priority List/Intended Use Plan process and fiscal administrative aspects of the set-asides, such as grant application and fiscal reporting, and coordinate with the Drinking Water Program in regard to the set-asides.

C. SUPPORT, CONDUCT, AND ANALYZE SRF PROJECT APPLICATIONS AND PROJECT REVIEWS

4% Set-Aside Deliverables

Coordination of all DWP Source Protection and Technical Services Activities
Set-Aside IUP and Work Plan Sections that Reflect Drinking Water Program Needs and
Priorities Oversight of DWSRF Loans and Grants

4% Set-Aside Measures of Success

Drinking Water Source Protection and Technical Services Section activities that support Drinking Water Program goals and priorities and are coordinated with the DWSRF
Set-Aside activities achieve stated deliverables and measures of success that are consonant with Drinking Water Program objectives.
Award of loans and grants in a timely manner.

II. 2% FOR SMALL SYSTEMS SET-ASIDE- (1.75 FTEs)

MassDEP anticipates applying for the full 2% (\$325,200) from the 2022 DWSRF Capitalization Grant for small systems technical assistance. Duties may include (but not limited to), staffing to support safe drinking

water act compliance. In providing technical assistance in support of Small System Capacity Development. FTEs will continue to be provided in the region to follow up with individual small systems on specific compliance issues and other system operation issues.

2% Set-Aside Deliverables:

- On-site training and support to Public Water Suppliers.
- Perform TNC compliance assistance sanitary surveys and provide Groundwater Under the Influence evaluations.
- Technical assistance given to targeted systems that have specific SDWA treatment compliance issues
- Technical assistance to public water systems on GWR.
- Reviews of technical reports related to water supply technology and analysis.
- Technical reviews of state initiatives such as disinfection byproduct treatment or groundwater disinfection.
- Supervision of technical staff and training programs for suppliers.
- Technical reviews of major water quality projects and public health data.
- Information for the public and for water suppliers on major water quality problems.
- Seminars on SDWA Topics.
- Establishment and operation of mentoring groups.
- Training sessions (with credits) providing Certified Operator Training.

2% Set-Aside Measures of Success:

- Compliance issues are successfully addressed in the targeted systems.
- Completion of planned capacity sanitary survey visits.
- Effective technical assistance given as scheduled.

Each group seminar will be followed by an evaluation form to be filled out by participants to assess the efficacy of the seminar. Evaluation of the results will be considered as part of the contract assistance, and provided to the MassDEP staff responsible for implementing training initiatives and reporting on Capacity Development, for their assessment and future planning. Evaluation of all training and assistance will consider the success of recruiting recalcitrant and high-priority systems.

- Reports reviewed as scheduled.

III. 10% FOR STATE PROGRAM MANAGEMENT – 8.5 FTEs

MassDEP anticipates applying for the full 10% (\$1,626,000) from the 2022 DWSRF Capitalization Grant for Program Management. The State Program Management Set-aside is used to fund: A) Administrative assistance to the PWSS program; B) Technical assistance for source water protection activities; C) Assistance for capacity development initiatives; and, D) support for state operator certification program.

A. PWSS SUPPORT – 4.5 FTEs

The money will provide funding for approximately 4.5 FTEs and their associated operating costs. Duties of the FTEs include capacity development, consumer confidence report assistance, adoption and implementation of new regulations, implementation of new and existing federal rules, source water assessments and protection, planning, outreach, data management, engineering and construction supervision, compliance supervision and other drinking water program activities.

B. SOURCE PROTECTION SUPPORT – 1 FTEs

The Source Protection function has been integrated into the general drinking water program activities.

MassDEP is still funding 3 FTEs worth of this work from the 10% set-aside, but the source protection tasks are now distributed among more individuals and reaching more PWS. It also includes implementing the chemical monitoring waiver program which provides incentive to do source protection as well as promoting preparedness and sustainability.

C. CAPACITY DEVELOPMENT SUPPORT – 2.0 FTEs

MassDEP has designated specific regional staff as capacity development specialists. The Drinking Water Program has discerned that it is more productive to train all staff that do Sanitary Surveys in the elements of Capacity Development. The Drinking Water Program will focus on promoting the following four elements during the coming year;

1. Asset Management
2. Cyber Security
3. Water Quality
4. Emerging Contaminants

D. OPERATOR CERTIFICATION SUPPORT – 1 FTEs

The MassDEP has a very active operator certification program. The program activities have been integrated into daily activities of staff. Program activities range from chairing the Board of Certification of Drinking Water Operators to providing general and specialized training of and guidance for drinking water operators at all levels.

IV. 15% -SOURCE WATER PROTECTION AND CAPACITY DEVELOPMENT – 12.5 FTEs

MassDEP anticipates applying for the full 15% (\$2,439,000) from the 2022 DWSRF Capitalization Grant for Source Water Protection and Capacity Development. The authorized activities under this set-aside can include: land acquisition and conservation easement program, source water protection, wellhead protection and technical and financial capacity implementation. (12.5) FTE's and contracted services.

A. WELLHEAD PROTECTION AND CAPACITY IMPLEMENTATION-12.5 FTEs

1. Assist with source protection program activities related to groundwater sources, as well as operation of the UIC program (a.k.a. "Underground Source Water Protection Program"). Ensure consistency of this work among regions; coordinate with GIS and Internet programs; coordinate with other MassDEP programs; investigate available data for usefulness to groundwater protection; and develop relevant policies and procedures.
2. Develop and maintain spatial data related to public water sources and potential contamination threats. Work with regional staff and resources to locate regulated facilities including locating information in files and making site visits to collect location information. Assist with GIS management.
3. Assist in Zone II delineation (and re-delineation as needed) and other wellhead protection-related work.
4. Provide technical assistance on source protection to public water suppliers and local officials, and assist with the source water assessment program and with protection of groundwater sources from contamination by septic systems. This includes providing system-specific protection recommendations.
5. In accordance with the Capacity Strategy, provide technical assistance in implementing capacity development, including the ability to provide adequate quantities of source water. Provide Capacity Outreach.
6. Provide assistance, primarily with protection of groundwater sources.

15% Set-Aside Deliverables

- UIC program operating under State Primacy
- Spatial data, maps.
- Zone II Reviews
- On-Site training and support to water suppliers
- UIC tracking and reports
- Outreach materials, technical assistance meetings, training for regions, and bylawreviews.
- Implementation of water conservation capacity improvement grant program.
- Implementation of Capacity Development program.
- Implementation of the Source Water Protection program.
- Plan for implementation of the Lead and Copper Rule Revisions (LCRR)

15% Set-Aside Measures of Success:

- Improved source protection for ground water sources at state and local levels
- GIS databases are properly reviewed and maintained
- Reviews are conducted in a timely manner
- Contract oversight is effective
- Technical Assistance is appropriate and timely and leads to improved source and aquifer protection in the systems visited
- Methods to assure capacity to deliver adequate quantities of drinking water are developed
- Program goals meet MassDEP objectives
- Improved protection at the local level

**2022 IUP Drinking Water Set-Asides Base Grant Budget
Grant Amount \$16,260,000**

	Set-Asides				
	4% Admin	2% Small System	10% State Program	15% Local Asst	Total Set Asides
Salary	\$641,022	\$321,167	\$1,619,867	\$2,435,749	\$5,017,805
Travel	\$4,000	\$4,033	\$4,000	\$3,251	\$15,284
Supplies	\$2,500	\$0	\$2,133	\$0	\$4,633
Equipment	\$2,878	\$0	\$0	\$0	\$2,878
Total	\$650,400	\$325,200	\$1,626,000	\$2,439,000	\$5,040,600
FTE	3	1.75	8.5	12.5	25.75

Information on Supplemental DWSRF Grant Set-asides

The Commonwealth of Massachusetts plans to set aside \$5,830,500 of the Supplemental DWSRF Grant for various non-construction related activities that are authorized in the Safe Drinking Water Act Amendments of 1996.

I. 4% DWSRF ADMINISTRATION – 9 FTEs

MassDEP anticipates applying for \$1,670,000 from the 2022 DWSRF Supplement Grant for DWSRF Program Administration. These funds will be combined with any remaining prior yearfunds in order to provide comprehensive DWSRF program assistance. Duties may include (but not be limited to):

A. MANAGE DWSRF CORRDIATION of projects and liaison with the Massachusetts Water Pollution Abatement Trust

B. OVERSEE ADMINISTRATION AND MANAGEMENT of the DWSRF PriorityList/Intended Use Plan process and fiscal administrative aspects of the set-asides, such as grant application and fiscal reporting, and coordinate with the Drinking Water Program in regard to the set-asides.

C. SUPPORT, CONDUCT, AND ANALYZE DWSRF PROJECT APPLICATIONS AND PROJECT REVIEWS

4% Set-Aside Deliverables

- Coordination of all DWP Source Protection and Technical Services Activities
- Set-Aside IUP and Work Plan Sections that Reflect Drinking Water Program Needs and PrioritiesOversight of DWSRF Loans and Grants

4% Set-Aside Measures of Success

- Drinking Water Source Protection and Technical Services Section activities that support DrinkingWater Program goals and priorities and are coordinated with the DWSRF
- Set-Aside activities achieve stated deliverables and measures of success that are consistent with Drinking Water Program objectives.
- Award of loans and grants in a timely manner

II. 2% FOR SMALL SYSTEMS SET-ASIDE- (1.25 FTEs)

MassDEP anticipates applying for \$583,000 from the 2022 DWSRF Supplemental Grant for small systems technical assistance. These funds will be combined with any remaining prior year funds in order to provide comprehensive technical assistance to small public water systems.

Duties may include (but not limited to):

A. STAFFING TO SUPPORT SAFE DRINKING WATER ACT COMPLIANCE (1.25 FTEs)

In providing technical assistance in support of Small System Capacity Development. FTEs will continue to be provided in the region to follow up with individual small systems on specific compliance issues and other system operation issues.

B. CONTRACTED SERVICES –TECHNICAL ASSISTANCE AND TRAINING

MassDEP will fund a contractor(s) to provide a variety of direct technical, financial and managerial assistance to small drinking water system. Priority given to disadvantaged communities. Activities will focus on the Safe Drinking Water Act requirements and Massachusetts Drinking Water Regulations and creating an environment of transparency with the DWP Data. The proposed activities may include (but not be limited to): Asset management planning, engineering assistance and evaluations, loan application assistance, emergency response, cyber security, leak detection and well identification. Trainings may include Very Small System Operator Training, Cyber Security, Annual Statistical Reporting, Emerging Contaminants, Cross Connection Control, Opening and Closing a Seasonal System, Regulatory Updates, pump and motor maintenance, rate setting, disinfection, sampling, and exam review. Trainings must meet the requirements established by Division of Licensure (DOL) and can include classroom, self-guided and on-line.

All activities are subject to change and are dependent upon the availability of funding.

2% Set-Aside Deliverables:

- On-site training and support to Public Water Suppliers.
- Perform TNC compliance assistance sanitary surveys and provide Groundwater Under the Influence evaluations.
- Technical assistance given to targeted systems that have specific SDWA treatment compliance issues
- Technical assistance to public water systems on GWR.
- Reviews of technical reports related to water supply technology and analysis.
- Technical reviews of state initiatives such as disinfection byproduct treatment or groundwater disinfection.
- Supervision of technical staff and training programs for suppliers.
- Technical reviews of major water quality projects and public health data.
- Information for the public and for water suppliers on major water quality problems.
- Seminars on SDWA Topics.
- Establishment and operation of mentoring groups.
- Training sessions (with credits) providing Certified Operator Training.

2% Set-Aside Measures of Success:

- Compliance issues are successfully addressed in the targeted systems.
- Completion of planned capacity sanitary survey visits.
- Effective technical assistance given as scheduled.
- Each group seminar will be followed by an evaluation form to be filled out by participants to assess the efficacy of the seminar. Evaluation of the results will be considered as part of the contract assistance, and provided to the MassDEP staff responsible for implementing training initiatives and reporting on Capacity Development, for their assessment and future planning. Evaluation of all training and assistance will consider the success of recruiting recalcitrant and high-priority systems.
- Reports reviewed as scheduled.

III. 10% FOR STATE PROGRAM MANAGEMENT

MassDEP anticipates applying for \$2,150,000 from the 2022 DWSRF Supplemental Grant for Program Management. The State Program Management Set-aside is used to fund the following:

A. CONTRACT SERVICES - PWSS SUPPORT

The money will provide funding for a third-party contractor to provide approximately 4 FTEs and their associated operating costs. Duties of the FTEs include fiscal management, grant support, implementation support for new regulations (e.g., lead, PFAS, etc.), data management, and other drinking water program activities

B. CONTRACT SERVICES – PUBLIC WATER SYSTEM TECHNICAL ASSISTANCE

MassDEP will fund a third-party contractor to provide approximately 4 FTEs and their associated operating costs. Duties of the FTEs involve compliance technical assistance support to the DWP and PWS. Activities will focus on the Safe Drinking Water Act requirements and Massachusetts Drinking Water Regulations and support for Small and Disadvantaged Communities, Lead Service Line Replacement Inventory, Unregulated Contaminants and the SRF Process.

The SDWA Programs include: Revised Total Coliform Rule, Disinfectants and Disinfection By-products Rule, Ground Water Rule, Surface Water Treatment Rules, Distribution System Protection, Database Management, Filter Backwash Rule, Emergency Response, Cyber security, Asbestos, Acrylamide, Epichlorohydrin, Consecutive Systems, , Fluoride, Legionella, Source Water Approval, Ice Making Sources, Metering, New System Registration, Permitting and Guidelines, Point of Use/Point of Entry Treatment, Rule Development, Vinyl-lined Asbestos Cement and Pipes, Drinking Water Vending, and Wellhead Protection.

C. CONTRACT SERVICES - PUBLIC WATER SYSTEM INFORMATION MANAGEMENT

MassDEP will fund Information Technology (IT) staff to assist with data management support for programs related to public water systems and implementation of the Safe Drinking Water Act. Key activities include reporting and database maintenance and improvement. All activities are dependent upon the availability of funding.

D. CONTRACTED SERVICES – PUBLIC WATER SYSTEM TECHNICAL ASSISTANCE

MassDEP will fund a third-party contractor to provide technical assistance support to the DWP and PWS. Activities will focus on the Safe Drinking Water Act requirements and Massachusetts Drinking Water Regulations and support for electronic submission of data to DWP. The proposed activities may include (but not be limited to) the following: Supporting PWS and DEP in submittal of Annual Statistical Report and Water Quality Monitoring Reports. Development of training programs to support DWP staff and PWS in the proper submission of electronic data.

IV. 15% -SOURCE WATER PROTECTION AND CAPACITY DEVELOPMENT – 4 FTEs

MassDEP anticipates applying for \$1,427,500 from the 2022 DWSRF Supplemental Grant for Source Water Protection and Capacity Development. The authorized activities under this set-aside can include: land acquisition and conservation easement program, source water protection, wellhead protection and technical and financial capacity implementation.

A. WELLHEAD PROTECTION AND CAPACITY IMPLEMENTATION-4 FTEs

- Assist with source protection program activities related to groundwater sources, as well as operation of the UIC program (a.k.a. “Underground Source Water Protection Program”). Ensure consistency of this work among regions; coordinate with GIS and Internet programs; coordinate with other MassDEP programs; investigate available data for usefulness to groundwater protection; and develop relevant policies and procedures.

- Develop and maintain spatial data related to public water sources and potential contamination threats. Work with regional staff and resources to locate regulated facilities including locating information in files and making site visits to collect location information. Assist with GIS management.
- Assist in Zone II delineation (and re-delineation as needed) and other wellhead protection-related work.
- Provide technical assistance on source protection to public water suppliers and local officials, and assist with the source water assessment program and with protection of groundwater sources from contamination by septic systems. This includes providing system-specific protection recommendations.
- In accordance with the Capacity Strategy, provide technical assistance in implementing capacity development, including the ability to provide adequate quantities of source water. Provide Capacity Outreach.
- Provide assistance, primarily with protection of groundwater sources

B. CONTRACTED SERVICES – Statewide Well Location Parcel Matching

MassDEP will fund a contractor(s) to continue work associated with well completion report parcel matching and spatial data improvements to well locations in Massachusetts. Activities will focus on the Safe Drinking Water Act requirements and Massachusetts Drinking Water Regulations in protecting the groundwater quality in the Commonwealth by acquiring as many accurate locations as possible for the 200,000+ wells currently housed in the Well Driller database. All activities are subject to change and are dependent upon the availability of funding.

C. CONTRACTED SERVICES – Hydrogeological Services

MassDEP will fund a contractor(s) to continue work associated with assisting the Drinking Water Program with SDWA source approval/ hydrogeologic reviews. Activities will focus on the Safe Drinking Water Act requirements and Massachusetts Drinking Water Regulations in protecting the groundwater quality and quantity in the Commonwealth by reviewing the hydrogeologic components of New Source Approvals, Zone II delineations, Groundwater Discharge Permits near Public Water Supplies, and potential contamination threats to Public Water Supplies. All activities are subject to change and are dependent upon the availability of funding.

15% Set-Aside Deliverables

- UIC program operating under State Primacy
- Spatial data, maps.
- Zone II Reviews
- On-Site training and support to water suppliers
- UIC tracking and reports
- Outreach materials, technical assistance meetings, training for regions, and bylaw reviews.
- Implementation of water conservation capacity improvement grant program.
- Implementation of Capacity Development program.
- Implementation of the Source Water Protection program.
- Plan for implementation of the Lead and Copper Rule Revisions (LCRR)

15% Set-Aside Measures of Success:

- Improved source protection for ground water sources at state and local levels
- GIS databases are properly reviewed and maintained
- Reviews are conducted in a timely manner
- Contract oversight is effective

- Technical Assistance is appropriate and timely and leads to improved source and aquifer protection in the systems visited
- Methods to assure capacity to deliver adequate quantities of drinking water are developed
- Program goals meet MassDEP objectives
- Improved protection at the local level

2022 IUP Drinking Water Set-Asides Supplemental DWSRF Grant Budget
Grant Amount: \$41,750,000

	Set-Aside				Total Grant Funded
	4% Admin	2% Small System	10% State Program	15% Local Asst	
Salary	\$ 1,665,430	\$ 242,363	\$ -	\$ 766,786	\$ 2,674,579
Travel	\$ 4,570	\$ 637	\$ -	\$ 714	\$ 5,921
Supplies	\$ -	\$ -	\$ -	\$ -	\$ -
Equipment	\$ -	\$ -	\$ -	\$ -	\$ -
Contracts	\$ -	\$ 340,000	\$ 2,150,000	\$ 660,000	\$ 3,150,000
Total	\$ 1,670,000	\$ 583,000	\$ 2,150,000	\$ 1,427,500	\$ 5,830,500
FTE	9	1.25	-	4	14.25

Information on Set-asides – Lead Service Line DWSRF Grant

The Commonwealth of Massachusetts plans to use \$17,103,580 (26% of \$65,783,000) of the Lead Service Line DWSRF Grant's set-aside funding to support activities that are authorized in the Safe Drinking Water Act Amendments of 1996. The 4%, 10%, and a portion of the 15% set-aside funds will be allocated to provide loan forgiveness to eligible borrowers.

Starting on July 1, 2022, the Commonwealth is accepting SRF loan applications with 100% loan forgiveness for planning activities that assist public water suppliers with completing planning projects for lead service line inventories and replacement programs. The Lead Service Line (LSL) Planning Loan Forgiveness Program will follow all SRF program requirements.

I. 4% DWSRF ADMINISTRATION SET-ASIDE

MassDEP plans to apply for the full 4%, \$2,631,320, to allocate to the LSL Planning Loan Forgiveness Program.

II. 2% FOR SMALL SYSTEMS SET-ASIDE

MassDEP plans to apply for the full 2%, \$1,315,660, to fund the following:

CONTRACTED SERVICES - Assistance for Small Community Water Systems and Non-Transient, Non-Community Systems - Lead Service Line Planning Program

MassDEP will use these set-aside funds to contract with a qualified technical assistance provider to complete the following eligible planning projects working with the PWS:

- LSL Inventory - Find, map, and inventory water distribution and customer service lines to complete a comprehensive LSL inventory that will be made publicly available by MassDEP.
- LSL Replacement Program - Completion of an LSL replacement program that complies with LCRRs.

MassDEP's technical assistance program will support the goal of planning to remove all lead service lines in 5 years. This program will be managed and operated by MassDEP's Drinking Water Program.

All activities are subject to change and are dependent upon the availability of funding.

III. 10% FOR STATE PROGRAM MANAGEMENT SET-ASIDE

MassDEP plans to apply for the full 10%, \$6,578,300, to allocate to the LSL Planning Loan Forgiveness Program.

IV. 15% -SOURCE WATER PROTECTION AND CAPACITY DEVELOPMENT

MassDEP plans to apply for the 10%, \$6,578,300, of the 15% set-aside, to allocate to the LSL Planning Loan Forgiveness Program.

2022 IUP Set-Asides Lead Service Line DWSRF Grant Budget
Grant Amount: \$65,783,000

	Set-Asides				
	4% Admin	2% Small System	10% State Program	15% Local Asst (applying for 10% only)	Total Set Asides
Principal Forgiveness	\$ 2,631,320		\$ 6,578,300	\$ 6,578,300	\$ 15,787,920
Contract	-	\$ 1,315,660	-	-	\$ 1,315,660
Total	\$ 2,631,320	\$ 1,315,660	\$ 6,578,300	\$ 6,578,300	\$ 17,103,580