
DRINKING WATER STATE
REVOLVING FUND
INTENDED USE PLAN FOR THE
SUPPLEMENTAL APPROPRIATION
FOR HURRICANES FIONA AND IAN
CONSOLIDATED APPROPRIATIONS ACT

Submitted to the



**U.S. Environmental Protection Agency
Region IV**

By the



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1. Introduction

President Biden signed the P.L. 117-328 Consolidated Appropriations Act (“the Act”) on December 29, 2022. The Act provides approximately \$1.1 billion in disaster relief supplemental funding for State Revolving Fund (SRF) programs. Supplemental funding is available for wastewater treatment works and drinking water facilities impacted by Hurricanes Fiona and Ian in states or territories in Environmental Protection Agency (EPA) Regions 2 and 4. The Act provides disaster relief funding through the SRFs that must be distributed to communities entirely as forgivable loans or grants. States are not required to provide matching funds. The supplemental appropriation is referred to as the Supplemental Appropriation for Hurricanes Ian and Fiona (SAHFI). See **Appendix D** for EPA’s Implementation Memorandum.

To receive SAHFI funding, states must submit an Intended Use Plan (IUP) to the EPA. Section 1452(b) of the Safe Drinking Water Act (SDWA) requires the states to prepare a plan identifying the intended uses of the funds in the SRF and describing how those uses support the outputs of the SRF. An IUP, meeting all requirements of Section 1452 of the SDWA and regulations, will be required for EPA’s approval of a grant award and release of awarded funds. Public engagement is strongly encouraged during the state’s solicitation stage to ensure an abundance of diverse applicants as the IUP is being developed.

The State of Florida will receive an EPA DWSRF SAHFI Capitalization Grant for State Fiscal Year (SFY) 2025 in the full allotment of \$171,295,000 that will be used to provide financial assistance for the DWSRF program. No state match is required for the projected grant. The capitalization grant funds for the DWSRF SAHFI funds will be distributed as outlined by this plan.

FDEP has set its short and long term outputs of this IUP to align with EPA’s strategic goals and objectives [FY 2022-2026 EPA Strategic Plan](#). The Office of Water has identified specific measures that address the strategic goals and objectives outlined by EPA in its strategic plan. A basis for each goal in this program IUP has been identified. These references ensure that all of the specific commitments made by the State are properly correlated to the strategic goals and objectives of the Agency.

2. Program Outputs

A. Short Term Outputs

- A. To provide DWSRF assistance to the extent there are sufficient eligible project applications of the DWSRF Capitalization Grant for projects/deliverables to address flood or fire damage risk and vulnerability and to enhance resiliency to rapid hydrologic change or natural disaster.
- B. To provide DWSRF loans with additional subsidization in the form of principal forgiveness for not less than 100% (FFY 2023-2024 \$171,295,000) of the DWSRF SAHFI Capitalization Grant.
- C. Prioritize subsidization to state-defined disadvantaged communities, as well as public owned utilities that do not meet the state definition of disadvantaged but seek to benefit disadvantaged ratepayers.
- D. To ensure the projects/deliverables receiving funds from the DWSRF SAHFI Capitalization Grant are in compliance with American Iron and Steel requirements.
- E. To ensure that Davis-Bacon Act wage rules apply to all assistance agreements made with funds appropriated under the SAHFI Capitalization Grant.

- F. To implement the State's DWSRF in compliance with the SDWA and to ensure conformance with Federal crosscutting requirements.
- G. To protect the public health and the environment and promote the completion of cost-effective water treatment, storage, and distribution facilities.
- H. To ensure that the projects/deliverables comply with the 0.2-percent-annual-chance Flood Approach (also known as the 500-year flood) to meet the Federal Flood Risk Management Standard (FFRMS) for federally funded projects/deliverables.

B. Long Term Outputs

- A. To finance projects/deliverables that will contribute to improved water quality in the area impacted by Hurricane Ian.
- B. To increase the State's resiliency to climate change and extreme weather events.

3. Program Changes

To successfully implement the SAHFI Capitalization Grant, DWSRF, in accordance with Chapter 62-552.300(8), Florida Administrative Code (F.A.C.), made exceptions to the following rules made:

- A. 62-552.300(1)(b) – readiness-to-proceed criteria for the documentation to be timely submitted to compete for funding at a project priority list meeting.
- B. 62-552.300(1)(d) – readiness-to-proceed deadline for the submittal and response to Department comments of documentation to appear on the project priority list.
- C. 62-552.300(1)(e)2 – The formulaic calculation of the affordability score.
- D. 62-552.300(2), (2)(a), (2)(b)2, (2)(f) – The procedures and eligibility for loans with principal forgiveness.
- E. 62-552.300(6) – The formulaic calculation of interest rate, except the minimum rate is 0%.
- F. 62-552.500 – The principal forgiveness calculation, except the principal forgiveness cannot exceed 100%.

To meet the intent of P.L. 117-328, the Consolidated Appropriations Act, projects/deliverables that have the purpose of reducing flood or fire damage risk and vulnerability of enhancing resiliency to rapid hydrologic change or natural disaster will be prioritized and projects/deliverables that do not have such purpose will be excluded.

Allocations of principal forgiveness were adjusted to meet the requirement that 100% of the SAHFI Capitalization Grant be distributed to communities entirely as forgivable loans and grants.

Additionally, costs for planning, design, and construction are listed together so as to best determine the use of the SAHFI Capitalization Grant funds. Funding will be available incrementally as the project meets the requirements of 62-552.700 Planning, Design, Construction and Procurement. Design funding will only be available after the planning document has been approved and construction funding will be available after the plans and specifications are approved.

4. SRF Data System

The DWSRF will enter required data into the new EPA data system that has replaced the Projects Benefits Reporting (PBR) system) to track drinking water projects/deliverables and report quarterly to the EPA.

5. Coordination with State Drinking Water Enforcement Agency

The DWSRF will coordinate funding priorities with the Division of Water Resource Management, the state drinking water enforcement agency.

6. Operating Agreement

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

The State agrees to comply with all Title VI requirements of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, and the Equal Employment Opportunity requirements (Executive Order 11246 as amended) which prohibits activities that are intentionally discriminatory and/or have a discriminatory effect based on race, color, national origin (including limited English proficiency), age, disability, or sex.

7. Public Notice and Public Meetings

To ensure interested parties were made aware of the public meeting, notice of the public meeting for the DWSRF project priority list adoption and DWSRF SAHFI project list was published in the Florida Administrative Register, Volume 50, Number 07, on January 10, 2024 (**Appendix C**). To ensure the public has an opportunity to review a draft version of the Intended Use Plan for SAHFI was presented to the public at least two weeks prior to the February 14, 2024, public meeting.

The meeting provides a forum for discussing the overall purpose, format, and content of the IUP including the types of assistance being provided through the DWSRF project account and set-aside account, the long- and short-term outputs of the program, the priority system used to rank individual projects/deliverables, and the proposed list of SAHFI projects/deliverables to receive funding.

8. Public Health Outputs

DWSRF will continue to assist public health outputs as described in the Intended Use Plan for Use in SFY 2023-2024 Capitalization Grant.

9. Program Evaluation Report

DWSRF anticipates receiving and responding to Program Evaluation Report (PER) and audit findings for FFY 2023-2024 funding in calendar year 2025, during and following the Annual Review/PER.

10. Sources and Use of the Funds

DWSRF is anticipating funding Federal Fiscal Year (FFY) 2023-2024 projects/deliverables using the SAHFI

Capitalization Grant. No state match is required for the SAHFI Capitalization Grant. No set-asides are allotted from the SAHFI Capitalization Grant. One hundred percent of the funding from the SAHFI Capitalization Grant

(\$171,295,000) will be used as a subsidy. Prioritization will be given to state-defined disadvantaged communities. The State definition of a small community is a municipality or unincorporated community or other identifiable entity with a total service area population of less than 10,000. A financially disadvantaged community is defined as a municipality, county or agency (such as a county-wide department) thereof, franchised area, or other entity with a defined public water system service jurisdiction having a median household income of less than the statewide average.

No funds from the SAHFI Capitalization grant will be recaptured through investment earnings, loan repayments, or service fees. All projects/deliverables are equivalency projects and will receive 100% principal forgiveness loans.

The estimated source and uses of the funds in the DWSRF Program are as follows:

SOURCE OF FUNDS	AMOUNT
FEDERAL FUNDS	
EPA DWSRF SAHFI Capitalization Grant	\$171,295,000
STATE FUNDS	
SFY 2023-2024 Matching Funds Appropriated by the FL Legislature	\$0
SFY 2023-2024 Loan Repayment	\$0
Interest on Idle SRF Funds	\$0
PRIOR YEARS' BALANCE CARRIED FORWARD	
Deobligated Loan Funds	\$0
Recaptured Funds from Unused Previously Encumbered Money	\$0
Total Available Funds	\$171,295,000

USE OF FUNDS	AMOUNT
PROJECTS/DELIVERABLES	
SAHFI Subsidization (100% of SAHFI Capitalization Grant)	\$171,295,000
Total Available Funds	\$171,295,000

It is not anticipated the source of funds will exceed the use of funds. Should projects/deliverables not move forward expeditiously, DWSRF will utilize the bypass procedure to reallocate funds, up to the amount of funds available, to ensure that the SAHFI Capitalization Grant is utilized expeditiously.

At the time of this IUP, Florida does not have Unliquidated Obligations (ULO) related to the SAHFI

Capitalization Grant.

11. Cash Draw

The Automated Clearing House payment schedule for SFY 2024-2025 funding identifies the timing of the cash outlays by the Federal government. The anticipated cash draw is for 25% of the grant on a quarterly basis. As there is no state match, there will be no match drawdown.

ACH PAYMENT SCHEDULE AND CASH DRAWS					
SAHFI GRANT, AUTOMATED CLEARING HOUSE (ACH), PAYMENT SCHEDULE, AND CASH DRAWS					
	SAHFI GRANT				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	RUNNING TOTAL*
FFY 2025	\$21,411,875	\$21,411,875	\$21,411,875	\$21,411,875	\$85,647,500
FFY 2026	\$21,411,875	\$21,411,875	\$21,411,875	\$21,411,875	\$171,295,000

*No state match is required for the SAHFI Grant.

12. Loan Agreements and Binding Commitments

DWSRF will assure that all funds are expended in an expeditious and timely manner, by executing binding agreements in an amount equal to not less than 100 percent of the amount of each SAHFI Capitalization Grant payment within 1 year after the receipt of such capitalization grant payment.

No additional binding commitments are anticipated with the SAHFI Capitalization Grant.

13. Assistance, Terms, and Fees

The assistance to be provided by the SAHFI Capitalization Grant is loan agreements with 100% subsidization for planning, design, and construction. The initial funding is expected to be conducted as a planning loan agreement. As a project progresses to design, the loan agreement will be amended to include design. Once the design is complete, the loan agreement will be amended to include construction using the remaining funds available.

The fundable project priority list for the funds is included as **Appendix A**.

As the SAHFI Grant is to be provided as 100% subsidization, no use of market rate determination and calculation of a loan interest rate is conducted. Additionally, no use of service fees assessed on assistance recipients is conducted by DWSRF.

14. Transfer of Funds

DWSRF does not anticipate a need to transfer funds to CWSRF; however, DWSRF does reserve the right to in the future as needed.

15. Cross-Collateralization

DWSRF funds will not be used for debt security. There is no cross-collateralization of programs.

16. Selection of Projects/Deliverables

DWSRF is anticipating funding SFY 2023-2024 projects/deliverables using the SAHFI Capitalization Grant. No state match is required for the SAHFI Capitalization Grant. One hundred percent of the funding from the SAHFI Capitalization Grant (\$171,295,000) will be used as subsidy. Priority will be given to disadvantaged communities. The State definition of a small community is a municipality or unincorporated community or other identifiable entity with a total service area population of less than 10,000. A financially disadvantaged community is defined as a municipality, county or agency (such as a county-wide department) thereof, franchised area, or other entity with a defined public water system service jurisdiction having a median household income of less than the statewide average.

For an activity to be eligible under the SAHFI, it must be otherwise SRF eligible and serve one or more of the following purposes:

- Reduce flood or fire damage risk and vulnerability at treatment works as defined by Section 212 of the Clean Water Act (CWA) or any eligible facilities under Section 1452 of the SDWA.
- Enhance resiliency to rapid hydrologic change or natural disaster at treatment works as defined by Section 212 of the CWA or any eligible facilities under Section 1452 of the SDWA.

Both federal and state law require that a project priority ranking system be developed to determine the priority order of projects/deliverables to be funded through the DWSRF program. As called for by Section 1452(b) of the SDWA, the priority ranking system is designed so that the greatest priority is given to projects/deliverables that:

1. Address the most serious risks to human health.
2. Ensure compliance with federal and state drinking water regulations.
3. Assist systems most in need on a per household basis (affordability).

DWSRF's priority system was developed under the guidance of a Technical Advisory Committee (TAC). The TAC reviewed the major compliance issues affecting drinking water systems in our state to determine the most critical needs. The results indicated that an important compliance issue for water systems in the state was related to violations of drinking water quality health standards for microbiological contaminants, some of which could have an adverse impact on human health. It was also noticed that the sources for many systems were determined to be under the direct influence of surface water, and as such, were out of compliance with the surface water treatment rules. In addition, private wells with chemical and microbiological contamination were found to be a serious health risk and this issue was

also addressed in the priority system.

The priority system FDEP developed in partnership with the TAC places a focus on projects/deliverables to address these important public health and compliance problems. FDEP developed six baseline categories and three bonus categories for use in the ranking of projects/deliverables. The complete priority system can be found below:

62-552.300 General Program Information.

(e) Priority System. Timely submitted projects shall be given priority according to the extent each project is intended to remove, mitigate, or prevent adverse effects on public health and drinking water quality. The final priority score for each project shall be determined as described in subparagraphs 1. through 3., below.

1. Base Priority Score. Each project shall receive a base priority score (BPS) dependent on the weighted average of its components. The BPS shall be determined using the following formula where CPS means the component priority score and CCC means component construction cost or:

$$BPS = [CPS1 \times CCC1 + \dots + CPSn \times CCCn] / \text{Total Construction Cost}$$

a. Project components shall be assigned a component priority score (CPS) according to the categories in Table 1 below.

Table 1

Project Component	CPS
Acute Public Health Risk 1a. E-Coli or Fecal Coliform Maximum Contaminant Level (MCL) Exceedance (subsection 62-550.310(5), F.A.C.) 1b. Nitrate, Nitrite, or Total Nitrogen MCL Exceedance (subsection 62-550.310(1), F.A.C., Table 1) 1c. Lead or Copper Action Level Exceedance (Rule 62-550.800, F.A.C.) 1d. Surface Water Filtration and Disinfection Noncompliance (subsection 62-550.817(2), F.A.C.)	800 points
Potential Acute Public Health Risk 2a. Nitrate, Nitrite, or Total Nitrogen Exceed 50% of MCL (subsection 62-550.310(1), F.A.C., Table 1) 2b. Microbiological MCL Exceedance (subsection 62-550.310(5), F.A.C.) 2c. Surface Water Enhanced Filtration and Disinfection Noncompliance (subsection 62-550.817(3), F.A.C.) 2d. State Health Officer Certification of Acute Health Risk for Unregulated Microbiological Contaminants 2e. Violation of Disinfection Requirements (subsection 62-555.320(12), F.A.C.)	700 points
Chronic Public Health Risk 3a. Inorganic or Organic Contaminant MCL Exceedance (subsections 62-550.310(1), (4), F.A.C., Tables 1, 4, 5) 3b. Disinfection Byproducts MCL Exceedance (subsection 62-550.310(3), F.A.C., Table 3) 3c. Radionuclide MCL Exceedance (subsection 62-550.310(6), F.A.C.)	600 points
Potential Chronic Public Health Risk 4a. Inorganic or Organic Contaminant Exceed 50% of MCL (subsections 62-550.310(1), (4), F.A.C., Tables 1, 4, 5) 4b. Disinfection Byproducts Exceed 80% of MCL (subsection 62-550.310(3), F.A.C., Table 3) 4c. State Health Officer Certification of Chronic Health Risk for Unregulated Chemical Contaminants	500 points

Compliance-1 5a. Infrastructure upgrades to facilities that are undersized, exceed useful life, or have continual equipment failures 5b. Insufficient water supply source, treatment capacity, or storage 5c. Water distribution system pressure less than 20 psi 5d. Eliminate dead ends and provide adequate looping in a distribution system 5e. Replace distribution mains to correct continual leaks, pipe breaks, and water outages 5f. New public water system or extension of existing system to replace contaminated or low yield residential wells 5g. Lack of significant safety measures (e.g. chemical containment) 5h. Secondary Contaminant MCL Exceedance (Rule 62-550.320, F.A.C.)	400 points
5i. Drinking water supply project as defined in paragraph 403.8532(9)(a), F.S.	
Compliance-2 6a. Treatment, Storage, Power, and Distribution Requirements (Rule 62-555.320, F.A.C.) 6b. Minimum Required Number of Wells (subsection 62-555.315(2), F.A.C.) 6c. Well Set-back and Construction Requirements (Rules 62-555.312 and 62-555.315, F.A.C.) 6d. Cross-Connection Control Requirements (Rule 62-555.360, F.A.C.) 6e. Physical Security Project Documented in a Vulnerability Analysis 6f. Consolidation or regionalization of public water systems 6g. Water/Energy Conservation Project	300 points
7. Other projects, including land or public water system acquisition	100 points

- a. Project component scores that are based on contaminant levels shall be justified by sample analytical data. The date samples were collected must be no older than 24-months from the date of submittal of a Request for Inclusion. The sample results shall show an ongoing and current problem with a drinking water quality standard. The project sponsor shall provide documentation demonstrating contaminant levels (e.g. disinfection byproducts) cannot be reduced by adjusting system operations, if applicable. Samples shall be analyzed by a state certified laboratory as defined in Rule 62-550.550, F.A.C.
- b. A project component score of 400 points that is based on compliance-1 categories of Table 1 shall be supported by documentation demonstrating the need for the project; otherwise, a component score of 300 points will be assigned.
- c. A project sponsor with a qualifying water conservation project is eligible to receive an additional 100 points added to their priority score if the sponsor provides a water conservation plan in accordance with EPA's Water Conservation Plan Guidelines, document number EPA-832-D-98-001, August 6, 1998, hereby adopted and incorporated by reference. The sponsor must demonstrate that the proposed project meets the objective of the water conservation plan. This document is available from the Department's Drinking Water State Revolving Fund Program, 3900 Commonwealth Blvd., Tallahassee, Florida 32399-3000 or <http://www.flrules.org/Gateway/reference.asp?No=Ref-08363>.
- d. If 50% or more of residential wells of a given project meet the contamination levels indicated in Table 1 and connect to a new or existing public water system, then the project would be awarded component priority points according to the appropriate public health risk. Surface water flooding of wells of

residents with septic drain fields and wells under the direct influence of surface water are considered an unregulated microbiological potential acute public health risk and require substantiated documentation of occurrence in lieu of sampling data.

2. Affordability Score. The extent of affordability existing in a small community to be served by the project shall be reflected in the priority score. Points shall be awarded based upon two affordability criteria: namely, median household income (MHI) and service area population. These points are to be added to the base priority score. Affordability Score = (MHI Score + Population Score).

a. MHI Score. MHI score shall be derived based on the extent a community's MHI falls below the statewide average. MHI data shall represent all areas to be served by the project sponsor's public water system.

(I) MHI score shall not exceed a maximum of 75 points, shall not be less than zero points, and shall be rounded to the nearest whole number.

(II) MHI score is calculated as follows:

MHI Score = $100 \times (1.00 - \text{MHI fraction})$, MHI fraction is equal to the MHI of the service area divided by the statewide MHI.

b. Population Score. Projects for small systems are generally less affordable than those for larger systems due to a limited rate base from which to recover costs. Special consideration is given to such projects based on service area population. Population data shall represent all areas to be served by the project sponsor's public water system.

(I) The population score shall not be less than zero points and shall be rounded to the nearest whole number.

(II) The population score is calculated as follows:

Population score = $50 - (P/200)$. P is the population of the service area.

3. Tie-breaking procedure. The sponsor with the larger population will have the higher priority.

Priority Score Summary:

A. *Baseline Categories*

Acute Public Health Risks. The highest number of baseline points is given to projects that address an acute public health risk problem. The problem may be microbiological contamination that directly affects public health, nitrate/nitrite, lead or copper contamination, or non-compliance with the surface water treatment rule.

Potential Acute Public Health Risks. The second highest number of points is given to systems that exceed 50 percent of the maximum contaminant level (MCL) for nitrate, nitrite, or total nitrogen. This priority is also given to projects that address disinfection violations, total coliform violations, and to those systems that do not meet the requirements of the Enhanced Surface Water Treatment Rule.

Chronic Public Health Risks. The next highest priority is given to projects that address a primary contaminant violation and to systems that exceed the standards for Radionuclides.

Potential Chronic Public Health Risks. Systems with primary contaminant levels that are within 50% of the MCL or trihalomethane levels within 80% of the MCL are given the next highest priority.

Compliance Issues (Compliance-1 and 2). Violations of the secondary contaminant standards and compliance issues such as not having the minimum number of wells required or not meeting the treatment, storage, power, or distribution requirements receive the next highest number of points. In addition, projects that address well setback and well construction requirements or cross-connection/backflow control requirements receive this score.

Other. All projects not meeting one of the above categories receive the minimum baseline score.

B. Bonus Categories

Affordability. Up to 75 bonus points are available to systems in financially disadvantaged areas. The actual number of points received is inversely proportional to the median household income.

Population served. Up to 50 bonus points are available to small systems based on the population served. The number of points received is inversely proportional to the population served.

Projects/deliverables are identified by systems through a Request for Inclusion (RFI) submittal process. Request for Inclusion listed in Appendix E. Once an RFI form is received, the sponsor's project is placed on a comprehensive list of projects/deliverables. FDEP project engineers review the form and assign points to projects/deliverables based on the information provided by the project sponsor. All project sponsors submitting an RFI are contacted, and the program requirements are discussed. Sponsors that complete all readiness requirements are then eligible to compete for funding.

When two or more projects/deliverables score equally under the project priority system a tie breaking procedure will be used. The project that completes the requirements for funding first will receive priority.

Unreserved funds are assigned to projects/deliverables in priority score order, within the funding of the SAHFI Capitalization Grant, until the funds are exhausted. Projects/deliverables for which funding is not available and projects/deliverables that are incompletely funded are placed on the waiting list for consideration in future years.

If a sponsor fails to execute an assistance agreement or the project fails to progress in a timely manner it is subject to being passed at a subsequent project priority list hearing, up to the amount of funds available.

The fundable project priority list for the SFY 2023-2024 funds is included as **Appendix A**.

17. Project Description

Fort Meade - \$3,250,000

Drinking Water

The City of Fort Meade is seeking funding through the Supplemental Appropriation for Hurricanes Fiona and Ian (SAHFI) and the State Revolving Fund (SRF) program to implement critical resiliency improvements at the Water Treatment Plant (WTP). This comprehensive project addresses vulnerability exposed during Hurricane Ian, focusing on enhancing the facility's structural integrity, flood resilience, and power supply reliability.

Ian Impacts

Hurricane Ian exposed vulnerability in the City of Fort Meade's Water Treatment Plant, emphasizing the need for resiliency improvements. The extended power outage lasting approximately 72 hours disrupted water treatment operations affecting the community's access to clean water. The existing infrastructure, including the control building, suffered from termite damage, structural cracks, and vulnerability to flooding, underscoring the urgency of comprehensive upgrades. During the hurricane, the failure of the standby power source further highlighted the critical need for a reliable backup system to maintain essential water tower control and communication functions during power outages.

Eligibility

I.d. - Physical "hardening" or waterproofing of pumps and electrical equipment at pump stations and other components of distribution systems. a. Installation of backup generators.

Charlotte County - \$11,000,000

Drinking Water

Charlotte County Utilities operates two (2) public water systems and is seeking to install an elevated storage tank and a booster station. The smaller water system is named the "Burnt Store Reverse Osmosis Plant". Currently our systems lack the redundancy to maintain adequate pressure during system power outages and emergencies such as hurricanes. The addition of an elevated storage tank and booster station provides a redundant system component that helps ensure continuous service in the event of a power outage while protecting the systems from inflow/ infiltration that could cause potential contamination. By maintaining adequate pressure through facilitative distribution, the systems avoid the risk of a negative pressure event.

Ian Impacts

These two Charlotte County Utilities systems are vulnerable to negative back pressure events and I&I problems from hurricanes such as Hurricane Ian, and other climate events. These projects/deliverables will protect against future failures of the water supply integrity.

Eligibility

I.g. – Installation/construction of redundant distribution system components and equipment.

Eatonville - \$14,565,300

Drinking Water

The purpose of the project is to harden the public water system against future extreme weather events and increase the system's resilience to hurricanes, tropical storms, wind events, and localized flooding, and the consequent emergencies spawned by those events. To remedy vulnerability to storms and make Eatonville's drinking water system reliably resilient against hurricane damage in the future, the project has two components. First, to either move the well pump generator, or to regrade the road to and from the generator, so that even in flood conditions, the generator can be refueled. Second is to rebuild the water treatment plant building up to contemporary hurricane hardening standards, and to include rebuilding with necessary flood prevention elements, as well as addressing DBP non-compliance.

Ian Impacts

Impacts from Hurricane Ian included wind damage to homes, power outages, downed trees, flooding that made roads impassable, broken water mains, likely incursion of stormwater into wastewater lines, the flooding and overflow of Lake King and other stormwater basins and swales in the area, and residential household flooding. During and directly after the storm, the roads to the drinking water well generator were rendered impassable, so when power was lost, Eatonville was not able to refuel the emergency generator for the water supply wells.

Eligibility

I.a.- Installation of backup generators. j. – Construction or installation of flood attenuation, diversion, and retention infrastructure associated with an otherwise eligible drinking water project.

Fort Myers - \$22,564,925

Drinking Water

The proposed project area includes up to 12 additional source water-well production locations that would support the critical facility of the Fort Myers Reverse Osmosis Water Treatment Plant (WTP). The expansion includes wells P-24, P-25, ASR-1, P-30, P-31, P-1E, P-2E, P-3E, P-4E, P-5E, P-6E and P-7E. To mitigate the impact of hurricanes, such as Hurricane Ian's impacts, and loss of operation for the overall source water well system, and to increase protection against climate change on the city's water supply, the proposed project is to install up to 12 new source water wells with back-up power generation systems. This project would increase both the production capacity of the system and provided needed redundancy to enhance resiliency and the capacity of the system should source water wells be compromised in the future.

Ian Impacts

In September 2022, Hurricane Ian inflicted unprecedented destruction upon the City of Fort Myers and its surrounding areas. The storm's impact claimed over 150 lives, with more than 70 fatalities occurring in Lee County, Florida alone. Due to storm events and other hazard impacts, this system of source water wells in Fort Myers is susceptible to total

loss of function and operation, which leads to significant challenges for the water supply system. Loss of operation will potentially impact the availability of clean and safe drinking water during and following major storm events. In the past, these source water well facilities have dealt with major impacts from storms including loss of service, flooding, physical damage due to wind and rain intrusion, loss of power, and debris blocking access to the wells. During Hurricane Ian, extended outages due to a combination of the above impacts to some of the existing source water wells lasted about a week.

Eligibility

II.b - Relocation of facilities to less flood prone areas

Groveland - \$22,564,925

Drinking Water

With five aging water production and treatment facilities, one of which is out of service due to age and cost of replacements. The city also has three pressure zones across the city that are problematic when production facilities are down during storms and interconnects are activated. The city is in need of a large centralized, lower Floridan aquifer well, water treatment facility located in an area outside of the flood zone with easy access from large transportation corridors. The city completed a planning document and design of a new water production facility at an identified centralized site on a county four-lane highway on a high elevation for sustainable source, treatment, storage and distribution with SCADA remote monitoring and controls, emergency generators and back up pumps for maintaining water production and system pressures during storm events and power outages. The city is also in need of rehabilitating the existing water treatment plants 1 and 2 with new storage, office buildings, chemical feed and storage, pumps, booster stations, water main replacement, generators, floodproofing of component structures and waterproofing of electrical equipment and circuitry, and SCADA enhancements.

Ian Impacts

The City of Groveland identified a series of vulnerabilities to their drinking water system following Hurricane Ian. During the storm, the city experienced City-wide power outages due to wind and tree damage and isolated flooding.

Eligibility

I.g. Installation/construction of redundant distribution system components and equipment. c. - SCADA system projects to allow remote or multiple system operation locations.

Montverde - \$12,970,000

Drinking Water

The Town of Montverde is presently designing improvements to its drinking water system with the overall objective of improving system redundancy that will help to prevent operational interruptions in the event of a flood or natural disaster. The proposed projects/deliverables consist of installation of a redundant water supply well at the primary treatment plant, 300,000-gallon elevated finished water storage tank, distribution improvements, SCADA improvements, electrical improvements, emergency power generator, civil design of a greenfield project site.

Ian Impacts

During Hurricane Ian, the Town of Montverde experienced downed trees that resulted in property damage, and such occurrences caused increased risk of water main breaks in the Town's distribution system that interrupt service. In addition, lightning strikes from such events have caused damage and interruptions to SCADA equipment and communications, preventing remote monitoring and operations of the system that are especially critical during and after extreme weather events. The Town has developed a DWSRF Facilities Plan that identifies a series of improvements include to avoid or minimize these risks by providing redundancy in its water treatment and distribution systems.

Eligibility

I.g. Installation/construction of redundant distribution system components and equipment. c. - SCADA system projects to allow remote or multiple system operation locations.

Edgewater - \$22,564,925

Drinking Water

The proposed project includes completely new structural, mechanical, electrical and instrumentation structures and components that will meet new hurricane impact and wind load component and cladding requirements, have impact doors & windows, be constructed above the 100-year flood plain elevation, and provide Class 1 reliability and operational redundancy. The station will be outfitted with emergency power and automatic transfer equipment, new electrical switchgear & power distribution equipment, remote telemetry and automation for completely remote, autonomous monitoring and operation.

Ian Impacts

During Hurricane Ian, the station was out of service for an extended period due to flooding, old/outdated equipment, and lack of proper emergency power. The outage resulted in a lack of pressurized water service for residents within the area of the Park Avenue booster station. The proposed improvements will enable the city to maintain water supply and pressurized service during Hurricanes and extreme weather events. This project will improve resiliency and redundancy for the City's public water distribution system.

Eligibility

I.b. Physical "hardening" or waterproofing of pumps and electrical equipment at treatment works through upgrade or replacement, including:

- Waterproofing electrical components (e.g., pump motors)
- Waterproofing circuitry
- Dry floodproofing/sealing of structure to prevent floodwater penetration
- Installation/construction of wind resistant features (e.g., wind resistant roofing materials, wind-damage resistant windows, storm shutters)

LaBelle - \$19,500,000

Drinking Water

The project components aim to improve system redundancy that will help to prevent operational interruptions in the event of a flood or natural disaster. This will be accomplished by rehabilitating the existing reverse osmosis treatment skids and expanding each to 1.25MGD, adding 1MG of elevated storage with system looping, booster pumps, propane powered pumps for finish water, towable generator, altitude valves controls, floodproofing of component structures and waterproofing of electrical equipment and circuitry, SCADA system for remote monitoring and control upgrades, secondary set of high service pumps, new chemical building with chemical storage tanks and pump skids.

Ian Impacts

The City of LaBelle identified a series of vulnerabilities to their drinking water system following Hurricane Ian. During the storm, the city experienced City-wide power outages due to wind and tree damage and isolated flooding. Additionally, the City has a finished water storage capacity of 1MG which is only a one-day supply of water.

Eligibility

III.a. - Installation of larger capacity storage tanks • Installation of larger capacity chemical storage tanks for continued treatment in absence of delivery service • Installation of larger capacity fuel storage tanks for back-up generators •

Mascotte - \$22,564,925

Drinking Water

The City of Mascotte system is highly vulnerable to failures and operational interruptions resulting from flooding and other natural disasters. During Hurricane Ian, the electric well pump motor for the City's primary water supply well failed, requiring staff to replace it with the motor from a separate, inactive well in the midst of the storm event. Other vulnerabilities include water main breaks interrupting water service, and lightning strikes damaging SCADA and communications equipment, preventing remote monitoring and operations of the system that are critical both during, and in the wake of, such storm events.

In response to these impacts, the city has accelerated the implementation of its Drinking Water Treatment and Distribution System Improvements program. The suite of projects/deliverables includes replacement of the City's existing water treatment plant with upgraded systems and components, additional/redundant water storage capacity, and additional/redundant transmission mains. Collectively these projects/deliverables will reduce the vulnerability of the drinking water system to extreme weather events in the future.

Ian Impacts

During Hurricane Ian, the electric well pump motor for the City's primary water supply well failed, requiring staff to replace it with the motor from a separate, inactive well in the midst of the storm event. Other vulnerabilities from extreme weather events in the past include downed trees breaking water mains interrupting water service, and lightning strikes damaging SCADA equipment and communications, preventing remote monitoring and operations of the system that are critical both during, and in the wake of, such storm events.

Eligibility

I.a – Installation of backup generators. d. - Physical “hardening” or waterproofing of pumps and electrical equipment at pump stations and other components of distribution systems (including storage facilities and associated equipment) through upgrade or replacement, including:

- Waterproofing electrical components (e.g., pump motors)
- Waterproofing circuitry
- Dry floodproofing/sealing of structure to prevent floodwater penetration
- Installation/construction of wind resistant features (e.g., wind resistant roofing materials, wind-damage-resistant windows, storm shutters)

Holly Hill - \$11,250,000

Drinking Water

This project includes the following primary elements: Abandon existing, compromised elevated water storage tank and construct VFD controlled high service pumping. Replace gas disinfection feed systems and install liquid NaOCl and NH₃ storage and feed equipment. Plant wide PLC, VFD and SCADA system upgrades to enable automated and remote monitoring/control for: raw water supply, finished water treatment, disinfection and high service pumping. Add raised, floodproofed redundant electrical feed and emergency power for critical plant processes.

Ian Impacts

The water plant permit requires 16 hours staffing per day, but during a storm event such as Hurricane Ian, the system is not automated and requires 24-hour staffing and manual operations to provide potable drinking water. The flooding from Ian is seen in the photos previously provided.

The flooding affects both the operator's ability to enter the site and to manually operate the treatment facility's chemicals safely. Although the chemical, electric, and manual valves are above flood water, the Ammonia, Fluoride, Polymer feed rooms and Gas Chlorine tanks storage and piping areas are affected by extreme stormwater flooding events as Ian was. Further, as the treatment system does not have continuous automated quality control monitoring, staff routinely exit the safety of the treatment office building to take routine quality control samples. To access these areas, water plant operators traverse flooded areas up to 6 inches of water to adjust chemicals, exposing operators to unknown trip hazards and potential electrical shock. The access road and parking area also flooded with approximately 2 feet of water making facility access dangerous to rotate staff safely.

Eligibility

I.a - Installation of backup generators. b. - Installation/construction of redundant distribution system components. c.- SCADA system projects to allow remote operations.

Island Water Association - \$8,500,000

Drinking Water

The proposed water treatment project scope includes replacement of the gas chlorination system with pH adjustment and packed tower aeration to remove raw water H₂S. This alternative uses acid or carbon dioxide injection pre and post packed tower aeration to reduce pH, addition of bulk sodium hypochlorite for residual disinfection, and an odor control system consisting of a bio-trickling filter and carbon adsorber to eliminate gaseous H₂S from entering the atmosphere. Completion of the project achieves desired safety and environmental improvements while significantly increasing the resiliency and redundancy of water production. The availability of multiple options for access and delivery of the necessary water treatment chemicals for the packed tower aeration system, such as sodium

hypochlorite in lieu of gas chlorine, reduces the likelihood of catastrophic situations that threaten IWA's ability to treat and distribute potable water.

Ian Impacts

Hurricane Ian made landfall as a Category 4 storm on September 28, 2022. The storm's extreme damage included the collapse of the Sanibel causeway bridge and breach of the spoil islands. The loss of the single ground transportation route from the islands to the mainland created significant, long-term problems for the delivery of gas chlorine cylinders which are critical to IWA's water treatment process.

Eligibility

III.g. – Installation of redundant distribution system components.

18. Green Project Reserve

The State agrees that the funds provided by the SAHFI Capitalization Grant may, at the discretion of the State, be used for projects/deliverables to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities.

19. Equivalency Projects/Deliverables

As no state match is required, all projects/deliverables listed on the project priority list are equivalency projects and subject to crosscutter review, Federal Funding Accountability and Transparency Act (FFATA).

All appropriate DWSRF agreements and all appropriate procurement contracts for any construction project carried out in whole or in part with such assistance made available by a drinking water treatment revolving loan fund as authorized by section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j-12), will include a term and condition requiring compliance with the requirements of section 1450(e) of the Safe Drinking Water Act (42 U.S.C.300j-9(e)). The State will also require that loan recipients, procurement contractors and sub-grantees include such a term and condition in subcontracts and other lower tiered transactions.

A. Federal Requirements for Equivalency Projects/Deliverables

The federal requirements apply in an amount equal to the capitalization grant. The requirements are:

- Single Audit Act (OMB A-133)
- Disadvantaged Business Enterprise (DBE) compliance
- Federal environmental crosscutters
- FFATA reporting
- Public Awareness Enhancement (Signage)
- Telecommunications Prohibitions
- Davis-Bacon Wage Rates

- American Iron and Steel
- Fiscal Sustainability
- Cost and Effectiveness
- A/E Procurement Requirements

Davis-Bacon and American Iron and Steel had been added in previous appropriations and amendments have made these requirements permanent.

20. Bypass Procedure

If a sponsor fails to execute an assistance agreement or the project fails to progress in a timely manner it is subject to be bypassed at a subsequent project priority list hearing, up to the amount of funds available.

21. Amending the Project Priority List

DWSRF will continuously amend the project priority list through the course of the year. DWSRF anticipates amending the project priority list on no less than a quarterly basis. Amending the project priority list will be conducted through public noticing and public meetings. Should projects/deliverables not move forward expeditiously DWSRF will utilize the bypass procedure to reallocate funds, up to the amount of funds available, to ensure that the SAHFI Capitalization Grant is utilized expeditiously.

22. Disadvantaged Communities

Priority will be given from the DWSRF SAHFI Capitalization Grant funds to subsidize the state-defined small-disadvantaged communities.

The State definition of a small community is a municipality or unincorporated community or other identifiable entity with a total service area population of less than 10,000. A financially disadvantaged community is defined as a municipality, county or agency (such as a county-wide department) thereof, franchised area, or other entity with a defined public water system service jurisdiction having a median household income of less than the statewide average.

Should subsidization remain available, communities serving a population of 25,000 or less will receive subsidization.

DWSRF will prioritize the small-disadvantaged communities to utilize the SAHFI Capitalization Grant by utilizing the additional bonus points in the priority ranking system. The bonus points are calculated as follows:

Median Household Income (MHI) Score:

$$\text{MHI Score} = 100 \times \left(1.00 - \frac{\text{MHI of the Service Area}}{\text{Statewide MHI}} \right)$$

Population Score:

$$\text{Population Score} = 50 - \left(\frac{\text{Population of the Service Area}}{200} \right)$$

Affordability Score:

$$\text{Affordability Score} = \text{MHI Score} + \text{Population Score}$$

The MHI Score shall not be greater than 75 points or less than zero points and be rounded to the nearest whole number. The Population Score shall not be less than zero and rounded to the nearest whole number.

Disadvantaged communities were solicited by:

1. Industry conference attendance and presentations of the overall SRF program. Meetings with individuals at these conferences.
2. Meetings with Florida Rural Water Association (FRWA) and Southeast Rural Community Assistance Project management and staff to encourage them to make the disadvantaged communities they interact with on a daily basis aware of funding availability. FRWA is a big part of the Florida Hurricane Response. These providers serve primarily small rural communities.
3. Florida Department of Environmental Protection issued a press release detailing the funding availability and how to apply. (**Appendix F**)
4. Subscribers to the Water Restoration Assistance program were emailed the press release directly.

Appendix A
DWSRF SAHFI Project Priority List

**FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION
2023 STATE REVOLVING FUND SUPPLEMENTAL APPROPRIATION
FOR**

HURRICANES FIONA AND IAN

**DWSRF MAXIMUM AVAILABLE
PER SPONSOR:**

\$34,819,700

DRINKING WATER STATE REVOLVING FUND

PRIORITY SCORE	APPLICANT/ PROJECT NBR	PROJECT TYPE	ELIGIBILITY	ADOPTION DATE	APPLICATION DEADLINE	AGREEMENT DEADLINE	REQUESTED PLANNING AMT	REQUESTED DESIGN AMT	REQUESTED CONSTRUCTION AMT	REQUESTED LOAN AMT	AUTHORIZED LOAN AMT (100% FF)	POPULATION
194	Eatonville ** DW-4802A	DW/SAHFI	I.a - Installation of backup generators. j. - Construction or installation of flood attenuation, diversion, and retention infrastructure associated with an otherwise eligible drinking water project.	2/14/2024	8/12/2024	11/10/2024	\$0	\$0	\$14,565,300	\$14,565,300	\$14,565,300	2,690
152	LaBelle ** DW-26039	DW/SAHFI	III.a. - Installation of larger capacity storage tanks * Installation of larger capacity chemical storage tanks for continued treatment in absence of delivery service * Installation of back-up generators.	2/14/2024	8/12/2024	11/10/2024	\$50,000	\$1,800,000	\$17,650,000	\$19,500,000	\$19,500,000	5,065
100	Groveland DW-35067	DW/SAHFI	I.a - Installation of backup generators. b. Installation/construction of redundant distribution system components. c.SCADA system projects to allow remote operations.	2/14/2024	8/12/2024	11/10/2024	\$0	\$0	\$25,740,000	\$25,740,000	\$25,740,000	22,374
120	Mascotte ** DW-35125	DW/SAHFI	I.a - Installation of backup generators. d. - Physical "hardening" or waterproofing of pumps and electrical equipment at pump stations and other components of distribution systems	2/14/2024	8/12/2024	11/10/2024	\$0	\$0	\$25,740,000	\$25,740,000	\$25,740,000	7,980
173	Fort Meade ** DW-53114	DW/SAHFI	I.d. - Physical "hardening" or waterproofing of pumps and electrical equipment at pump stations and other components of distribution systems. A. Installation of backup generators.	2/14/2024	8/12/2024	11/10/2024	\$57,000	\$243,000	\$2,950,000	\$3,250,000	\$3,250,000	5,148
141	Montverde DW-35134	DW/SAHFI	I.g. Installation/construction of redundant distribution system components and equipment. c. - SCADA system projects to allow remote or multiple system operation locations	2/14/2024	8/12/2024	11/10/2024	\$0	\$0	\$12,970,000	\$12,970,000	\$12,970,000	1,655
100	Island Water Association DW-36030	DW/SAHFI	III.g. - Installation of redundant distribution system components.	2/14/2024	8/12/2024	11/10/2024	\$0	\$900,000	\$7,600,000	\$8,500,000	\$8,500,000	13,082
115	Fort Myers * DW-3604F	DW/SAHFI	II.b. - Relocation of facilities to less flood prone areas	2/14/2024	8/12/2024	11/10/2024	\$0	\$0	\$100,825,000	\$100,825,000	\$34,819,700	95,949
116	Edgewater DW-64055	DW/SAHFI	I.b. Physical "hardening" or waterproofing of pumps and electrical equipment at treatment works through upgrade or replacement	2/14/2024	8/12/2024	11/10/2024	\$0	\$0	\$3,960,000	\$3,960,000	\$3,960,000	26,500
108	Charlotte County * DW-0802L	DW/SAHFI	I.g. - Installation/construction of redundant distribution system components and equipment.	2/14/2024	8/12/2024	11/10/2024	\$0	\$0	\$11,000,000	\$11,000,000	\$11,000,000	202,661
140	Holly Hill * DW-6410B	DW/SAHFI	I.a - Installation of backup generators. b. Installation/construction of redundant distribution system components. c.SCADA system projects to allow remote operations.	2/14/2024	8/12/2024	11/10/2024	\$0	\$675,000	\$10,575,000	\$11,250,000	\$11,250,000	12,958
										* Financially Disadvantaged Community Total =		\$120,125,000
										** State Defined Small Disadvantaged Community Total =		\$63,055,300
										Project Total =		\$171,295,000

* - Median household income less than the State average

** - Community population less than 10,000 and median household income less than the State average

Appendix B
Projects/Deliverables Eligible for Supplemental Appropriation for
Hurricanes Fiona and Ian Funding

Drinking Water SRF

If a project is not specifically listed below, states must explain in their IUP how the project addresses the purposes outlined in section III.C. of this memorandum.

- I. Projects that prevent interruption of water distribution system operation in the event of a flood or natural disaster, including but not limited to:**
 - a. Installation of back-up generators (including portable generators) or alternative energy sources (e.g., solar panels, wind turbines, batteries, switch boxes) that service pump stations or other distribution system facilities
 - b. Purchase of mobile laboratory equipment for use during emergencies
 - c. Replacement of damaged equipment with more energy efficient equipment
 - d. Physical “hardening” or waterproofing of pumps and electrical equipment at pump stations and other components of distribution systems (including storage facilities and associated equipment) through upgrade or replacement, including:
 - Waterproofing electrical components (e.g., pump motors)
 - Waterproofing circuitry
 - Dry floodproofing/sealing of structure to prevent floodwater penetration
 - Installation/construction of wind resistant features (e.g., wind resistant roofing materials, wind-damage-resistant windows, storm shutters)
 - e. Relocation of pump stations or other distribution system facilities to less flood prone areas
 - f. Installation of physical barriers around pump stations or other distribution system facilities (e.g., levees or dykes)
 - g. Installation/construction of redundant distribution system components and equipment
 - h. Construction of interconnections with neighboring water systems which could provide an emergency water supply
 - i. SCADA system projects to allow remote or multiple system operation locations
 - j. Construction or installation of flood attenuation, diversion, and retention infrastructure associated with an otherwise eligible drinking water project that protects the distribution system
 - k. Green infrastructure that reduces the risk of flooding by reducing stormwater runoff, including permeable pavement, green roofs and walls, bioretention infrastructure (e.g., constructed wetlands, detention basins, riparian buffers, or stormwater tree trenches/pits/boxes), stream daylighting, and downspout disconnection
 - l. Natural systems, and features thereof, capable of mitigating a storm surge, such as barrier beach and dune systems, tidal wetlands, living shorelines, and natural berms/levees
 - Floodwater pumping systems
 - Flood water channels/culverts, physical barriers, and retention infrastructure
- II. Projects that prevent floodwaters from entering a treatment plant or well house, including but not limited to:**
 - a. Installation of physical barriers around a facility (e.g., levees or dykes around the facility to prevent flooding)
 - b. Relocation of facilities to less flood prone areas

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

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

- a. Installation of back-up energy supply or alternative energy sources (e.g., solar panels, wind turbines, batteries, switch boxes) and/or hardening of existing connections to the power grid
- b. Replacement of damaged equipment with more energy efficient equipment
- c. Physical “hardening” or waterproofing of pumps and electrical equipment at pump stations and other components of distribution systems (including storage facilities and associated equipment) through upgrade or replacement, including:
 - Waterproofing electrical components (e.g., pump motors)
 - Waterproofing circuitry
 - Dry floodproofing/sealing of structure to prevent floodwater penetration
 - Installation/construction of wind resistant features (e.g., wind resistant roofing materials, wind-damage-resistant windows, storm shutters)
- d. Relocation of critical equipment to less flood prone areas of a facility and/or elevation of critical structures
- e. Installation of physical barriers around individual treatment processes
 - Flood walls around treatment tanks
 - Elevated walls or capping of treatment tanks (e.g., tanks, vaults)
- f. Installation of larger capacity storage tanks
 - Installation of larger capacity chemical storage tanks for continued treatment in absence of delivery service
 - Installation of larger capacity fuel storage tanks for back-up generators
 - Installation of larger capacity water storage facilities (e.g., raw water reservoirs, backwash tanks, contact basins)
- g. Installation/construction of redundant distribution system components and equipment
- h. SCADA system projects to allow remote or multiple system operation locations

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

- a. Relocation of critical equipment to less flood prone areas of a facility and/or elevation of critical structure
- b. Prevention of saltwater damage to materials and equipment

- Installation of salt water resistant chemical storage tanks
 - Installation of salt water resistant fuel storage tanks
 - Installation of salt water resistant equipment and appurtenances
- V. **Planning projects that assess a treatment works' vulnerability to flood damage or that analyze the best approach to integrate system and community sustainability/resiliency priorities in the face of a variety of uncertain futures including natural disasters and more frequent and intense extreme weather events, provided the planning work is reasonably expected to result in a capital project, including but not limited to:**
- a. Risk/vulnerability assessments considering recent floodplain maps and projected sea level rise
 - b. Alternatives analysis
 - c. Asset Management Plans
 - d. Emergency Preparedness, Response, and Recovery Plans

Appendix C
Notice of February 14, 2024, Public Meeting

Notice of Meeting/Workshop Hearing

DEPARTMENT OF ENVIRONMENTAL PROTECTION Division of Water Restoration Assistance

The Department of Environmental Protection, State Revolving Fund Program announces a public meeting to which all persons are invited.

DATE AND TIME: February 14th, 2024 - 2:00 p.m. – 4:00 p.m.

PLACE: Virtual meeting, email Ethan.A.Morrow@Floridadep.gov for an invitation

GENERAL SUBJECT MATTER TO BE CONSIDERED: A public virtual meeting will commence at 2:00 p.m. until not later than 4:00 p.m., to discuss the issues and recommendations for management of the FY 2024 Clean Water State Revolving Fund and Drinking Water State Revolving Fund priority lists of projects to be funded with loans under Chapter 62-503 and Chapter 62-552, Florida Administrative Code, respectively. To request an invitation to the virtual meeting, please send an email to: Ethan.A.Morrow@Floridadep.gov.

A copy of the agenda may be obtained by contacting: Ethan Morrow, State Revolving Fund Program, 3900 Commonwealth Boulevard, Mail Station 3505, Tallahassee, Florida 32399-3000, (850)245-2147, Ethan.A.Morrow@Floridadep.gov.

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this workshop/meeting is asked to advise the agency at least 5 days before the workshop/meeting by contacting: Ethan Morrow. If you are hearing or speech impaired, please contact the agency using the Florida Relay Service, 1(800)955-8771 (TDD) or 1(800)955-8770 (Voice).

For more information, you may contact: Ethan Morrow, (850)245-2147, Ethan.A.Morrow@Floridadep.gov State Revolving Fund Program, 3900 Commonwealth Boulevard, Mail Station 3505, Tallahassee, Florida 32399-3000.

Appendix D
Award and Implementation of the 2023 State Revolving Fund
Supplemental Appropriations for Hurricanes Fiona and Ian (SAHFI)



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OFFICE OF
WATER

September 7, 2023

MEMORANDUM

SUBJECT: Award and Implementation of the 2023 State Revolving Fund Supplemental Appropriation for Hurricanes Fiona and Ian (SAHFI)

FROM: Jennifer McLain, Director
Office of Ground Water and Drinking Water

Andrew Sawyers, Director
Office of Wastewater Management

TO: Carmen Guerrero, Caribbean Environmental Protection Division Director
Region II

Cesar Zapata, Acting Water Division Director
Region IV

I. BACKGROUND

On December 29, 2022, the President signed P.L. 117-328, the Consolidated Appropriations Act, 2023, (“the Act”) into law. The funding in Division N of the Act for the Environmental Protection Agency (EPA) includes approximately \$1.1 billion in disaster relief supplemental funding for the State Revolving Fund (SRF) programs: \$665.2 million for the Clean Water State Revolving Fund (CWSRF) programs and \$402 million for the Drinking Water State Revolving Fund (DWSRF) programs, available only to states or territories in EPA Regions 2 and 4 for wastewater treatment works and drinking water facilities impacted by Hurricanes Fiona or Ian. Only the State of Florida and the Commonwealth of Puerto Rico (hereinafter “the states”) are eligible to apply for these DWSRF and CWSRF supplemental funds. Two percent of the appropriated funds are reserved for direct grants or interagency agreements to benefit Tribes. The Act gives EPA the authority to retain up to \$1 million of the funds from this appropriation for management and oversight.

For ease of reference, EPA will refer to this supplemental appropriation as the SAHFI (Supplemental Appropriation for Hurricanes Fiona and Ian).

This memorandum describes how EPA will award and administer SAHFI capitalization grants to the eligible states. Nothing in this document is meant to conflict with or supersede the 2023 Consolidated

Appropriations Act, Office of Management and Budget Guidance, or any capitalization grant terms and conditions.

Funds will remain available for obligation to the states for the fiscal year in which they are appropriated and the following fiscal year, per the Clean Water Act (CWA) and the Safe Drinking Water Act (SDWA).¹ Therefore, the states must apply for and receive SAHFI capitalization grant award(s) from EPA by the end of fiscal year 2024 (September 30, 2024). The states must make commitments (i.e., they must sign assistance agreements, such as loans, with eligible recipients) within one year after the receipt of each capitalization grant payment from EPA.² Once EPA obligates the capitalization grants to the states, the funds will be available to the states pursuant to grant regulations.

For projects to be eligible under the SAHFI, they must be SRF eligible and have the purpose of reducing flood or fire damage risk and vulnerability or enhancing resiliency to rapid hydrologic change or natural disaster. EPA has tools available to assist communities and states in achieving these goals. EPA's free [Water Technical Assistance \(WaterTA\)](#) programs and resources can support communities in identifying water infrastructure challenges, developing plans, and applying for federal funding. EPA also has practical tools, training, and technical assistance to increase resilience to climate change available through the [Creating Resilient Water Utilities \(CRWU\)](#) initiative.

States administer the funds through the existing SRF programs. SRF requirements and procedures apply to these supplemental funds. General SRF program information is located at www.epa.gov/cwsrf and www.epa.gov/dwsrf. Local drinking water and wastewater systems (and other eligible assistance recipients) apply for SAHFI SRF funding directly through their state [CWSRF](#) and [DWSRF](#) programs. Local leaders should direct questions about applications and state program eligibilities to their state SRF managers.

II. APPLICATION REQUIREMENTS FOR SAHFI CAPITALIZATION GRANT FUNDS

EPA recommends that the states submit capitalization grant applications as soon as possible through www.grants.gov. The states must submit an Intended Use Plan (IUP) and Project Priority List (PPL) for the SAHFI funding. The IUPs and PPLs must meet existing SRF requirements. Because of the SAHFI's appropriation is for particular purposes, and to be consistent with existing grants regulations and reporting requirements, the states must submit separate grant application(s) for the SAHFI appropriation and other SRF capitalization grant applications in grants.gov. Each state must receive its SAHFI grant award by the end of fiscal year 2024 (September 30, 2024) or the funds will be reallocated.³

To accelerate SAHFI grant awards, EPA will allow Florida and Puerto Rico to apply for conditional and partial grants based on draft IUPs. With conditional awards, if the state and Region have completed negotiations for part of the work plan, the Region may conditionally approve the work plan and

¹ 33 U.S.C. § 1384(c)(1); 42 U.S.C. § 300j-12(a)(1)(C).

² 33 U.S.C. § 1382(b)(3); 40 CFR § 35.3550(e)(1).

³ 33 U.S.C. § 1384(c)(2); 42 U.S.C. § 300j-12(a)(1)(E).

obligate the full amount of the award placing appropriate drawdown/payment restrictions for the portion of the work plan not yet approved. This does not prohibit work from beginning on approved activities. All activities must meet state and federal SRF regulations. The states may also apply to EPA for partial grants if the state does not currently have a project list with costs totaling at least the amount of funds available under SAHFI. The EPA will only make a partial award to the state for an amount equal to the total cost of the project list. In the case of a partial award, the state could later amend its grant award to include the remaining funding so long as it is awarded by September 30, 2024. An amended IUP including projects in an amount equal to the remaining funds available to the state under SAHFI must be submitted by the state to EPA before the grant is amended to award the remaining funds. This includes a revised grant application package through grants.gov.

To receive SAHFI funding, eligible states must submit the following documents to EPA:

A. INTENDED USE PLAN

The CWA section 606(c) and the SDWA section 1452(b) require states to prepare a plan identifying the intended uses of the funds in the SRF and describing how those uses support SRF goals. States must submit supplemental IUPs specific to the SAHFI funding. Projects can be co-funded with other SRF capitalization grants (e.g., base funds, Bipartisan Infrastructure Law (BIL) general supplemental funds), and an existing IUP for the CWSRF or the DWSRF may be amended to reflect this new funding source. A supplemental IUP meeting all SRF requirements in Title VI of the CWA and accompanying regulations, or in SDWA section 1452 and accompanying regulations, as appropriate, will be required for approval of a grant award and release of funds. An IUP must contain the following:

1. List of Projects: Under CWA section 606(c)(1), the IUP must contain a list of publicly owned treatment works projects on the state's PPL, developed pursuant to section 216 of the CWA, that are eligible for SRF construction assistance. The IUP must also contain a list of the non-point source and national estuary protection activities under sections 319 and 320 of the CWA that the state expects to fund from its SRF. The list must contain eligible projects for which the total cost of assistance requested is at least equal to the amount of the grant being applied for before a grant can be awarded.

SDWA section 1452(b)(3)(B), requires state IUPs to include a list of projects that are eligible for assistance under SDWA section 1452 and are to be assisted pursuant to the plan (i.e., a PPL). This list must include: the name of the public water system, a description of the project, the priority assigned to the project, the expected terms of financial assistance, and the size of the community served. The IUP must contain a fundable list of projects for which the total cost of assistance requested is at least equal to the amount of the grant being applied for. The IUP must also contain a comprehensive list of projects that may receive DWSRF assistance in the future. A state may combine the fundable and comprehensive lists into one list provided that projects which are expected to receive assistance from available funds designated for use in the current IUP are identified.

Projects funded by SAHFI are subject to the eligibility requirements described in section III below.

2. Additional Elements: Both the CWSRF and DWSRF IUPs must contain proposed assistance terms including interest rates, the short-term and long-term goals of the SRF, and a description of how the state will choose projects consistent with the purposes of the SAHFI. The IUP must contain a description of the intended uses of the additional subsidization allowance described in section III.E. below. For the DWSRF, the IUP must describe set-aside funds to be taken, if any, and how those are consistent with the purposes of the SAHFI.

3. Transfers: States choosing to transfer funds between either of the CWSRF and DWSRF capitalization grants received under the SAHFI must state their intention in their IUP. Any transfers are subject to the statutory limits of the SRFs.⁴ Additionally, for SAHFI capitalization grants, any transfer will be subject to the SAHFI requirements as outlined in this memorandum.

4. Public Review and Comment: The IUP must contain a statement of how the state met the requirement of CWA section 606(c) or SDWA section 1452(b)(1) for public review and comment on the preparation of the IUP. When seeking public review, states should include a diverse set of potential interested parties, including community groups, neighborhood associations, environmental organizations, environmental justice organizations, and public health groups, that represent a broad spectrum of community interests and extend beyond those on existing mailing lists and traditional participants in the SRF process. In addition, states should strive to achieve the following objectives when seeking public review: (1) assure that the public has the opportunity to understand official programs and proposed actions, and that the state fully considers the public's concerns; (2) assure that the state does not make any significant decision on any SRF activity without consulting interested and affected segments of the public; (3) assure that the state action is as responsive as possible to public concerns; (4) encourage public involvement in implementing the SRFs; (5) keep the public informed about significant issues and proposed project or program changes as they arise; (6) foster a spirit of openness and mutual trust between the state and the public; and (7) use all feasible means to create opportunities for public participation, and to stimulate and support public participation. States should make a particular effort to identify and engage organizations that work in disadvantaged communities and Tribes. EPA will review IUPs with particular focus on whether the state has meaningfully engaged an inclusive spectrum of community interests.

5. Draft IUPs for Purpose of Conditional Grants: Some states may complete a supplemental IUP but require additional time to complete public review or approval by boards or state governments. The Agency may award conditional grants to facilitate expeditious use of funds upon final public review and/or approval. To receive a conditional grant, a draft IUP must be ready for public review and/or consideration by agency/state government bodies and include the information described above in sections II.A.1 and 2. Conditional awards will contain a grant condition stating that funds may not be drawn until an IUP has completed the review process

⁴ 42 U.S.C. § 300j-12 note.

and is approved by the Region. States must submit an IUP that has completed the public review process and received EPA approval before funds may be drawn.

6. IUPs for Purpose of Partial Grants: States with a project list less than the amount of funds they are eligible to receive under the SAHFI may apply for a partial award. The IUP for a partial award must include the information described above in sections II.A.1, 2, and 3.⁵ EPA will only make a partial award for an amount equal to the total cost of the project list. An amended IUP including projects in an amount equal to the remaining funds available to the states under SAHFI must be submitted by the state to EPA before the grant is amended to award the remaining funds. This includes a revised grant application package through grants.gov. Certain requirements (e.g., additional subsidization and green project reserve) are calculated based on a percentage of the capitalization grant *awarded*. Per statute, states may not apply exclusively for the set-asides or the additional subsidization portion of the capitalization grant.

B. OTHER APPLICATION COMPONENTS

1. SF-424 Application for Federal Assistance, with original signature, including:
 - a. SF-424A, Budget by categories and indirect cost rate
 - b. SF-424B, Assurances for non-construction programs
2. Certification regarding lobbying and SF-LLL (applicable if EPA funds are over \$100,000)
3. EPA Form 4700-4 pre-award compliance review report
4. Detailed itemized budget
5. Copy of negotiated indirect cost rate agreement
6. Key contacts form
7. Attorney General's opinion, as required by 40 CFR § 35.3110(d)(2), and 40 CFR § 35.3545(d)
8. If applicable, workplans for set asides

III. SUMMARY OF SAHFI PROVISIONS

All statutory requirements for the SRFs (e.g., Davis-Bacon, American Iron and Steel), as well as guidance or regulations issued by EPA for the implementation of the CWSRF and DWSRF programs apply unless they are inconsistent with the SAHFI, the capitalization grant conditions, or the requirements contained in this document. Below are the SAHFI-specific implementation elements:

- A. Funding Amount:** Congress appropriated \$1.067 billion for SAHFI. Per the Act's authority, EPA will retain \$1 million of this appropriation for management and oversight. EPA set aside \$13.3 million for CW projects and \$8 million for DW projects (i.e., two percent of funds

⁵ The amount of the total DWSRF capitalization grant, including any portion awarded for set-aside activities, determines the amount of funds that can be reserved and transferred. Funds may be transferred between the CWSRF and DWSRF on a net basis, as long as the statutory 33% ceiling is not breached. For more details on inter-SRF transfers, see the [SRF Transfer Policy](#).

appropriated) for grants to Tribes per the FY 2023 Consolidated Appropriations Act.⁶ The remaining \$1.045 billion is available for additional capitalization grants to the eligible states pursuant to Title VI of the CWA and SDWA section 1452: \$651.3 million to CWSRF and \$393.6 million to the DWSRF.

B. Eligible Recipients: The SAHFI contains the following provision:

Provided, That notwithstanding section 604(a) of the Federal Water Pollution Control Act and section 1452(a)(1)(D) of the Safe Drinking Water Act, funds appropriated under this paragraph in the Act shall be provided to States or Territories in EPA Regions 2 and 4 in amounts determined by the Administrator for wastewater treatment works and drinking water facilities impacted by Hurricanes Fiona and Ian...

Unlike typical appropriations, for the SAHFI, Congress specifically exempted EPA from using the SRF allotment formulas in the CWA and SDWA. Furthermore, the SAHFI funds are restricted to those states in Regions 2 and 4, with wastewater and drinking water treatment works and facilities impacted by the named disasters. For the two eligible states, EPA determined that the funds will be allotted in proportion to the needs estimates submitted by those states. A chart containing specific allotment amounts is in Attachment 1.

An eligible entity is any otherwise SRF-eligible entity within an eligible state that was damaged, demonstrates impact, or had a loss or disruption of a mission-essential function, including loss of function where there was potential impact to public health, caused by the listed natural disasters.

C. Eligible Use of Funds: The SAFHI contains the following provision:

Provided further, That the funds appropriated under this paragraph in this Act shall be used for eligible projects whose purpose is to reduce flood or fire damage risk and vulnerability or to enhance resiliency to rapid hydrologic change or natural disaster at treatment works as defined by section 212 of the Federal Water Pollution Control Act or any eligible facilities under section 1452 of the Safe Drinking Water Act, and for other eligible tasks at such treatment works or facilities necessary to further such purposes...

This provision defines the scope of eligible activities authorized under the SAHFI by restricting the eligible uses of both the CWSRF and DWSRF program funds. For an activity to be eligible under the SAHFI, it must be otherwise SRF eligible *and* serve one or more of the following purposes:

- Reduce flood or fire damage risk and vulnerability at treatment works as defined by section 212 of the CWA or any eligible facilities under section 1452 of the SDWA

⁶ FY 2023 Consolidated Appropriations Act, P.L. 117-328, Division G, Title II (providing that for FY 2023 EPA may retain up to a total of 2% of CWSRF funds appropriated, or \$30 million, whichever is greater, and up to a total of 2% of DWSRF funds appropriated, or \$20 million, whichever is greater, to provide grants funding to Tribes).

- Enhance resiliency to rapid hydrologic change or natural disaster at treatment works as defined by section 212 of the CWA or any eligible facilities under section 1452 of the SDWA

See a detailed example list of eligible activities in Attachment 2. If a state wishes to fund an activity *not* listed in Attachment 2, the state must explain in its IUP how the proposed project addresses the aforementioned purposes.

D. Disadvantaged Communities and Tribes: The SAFHI contains the following provision:

“Provided further, That States or Territories shall prioritize funds, as appropriate, to Tribes and disadvantaged communities...”

Tribes and disadvantaged communities experience, or are at risk of experiencing, disproportionately high exposure to pollution – whether in air, land, or water. The SAFHI directs states to prioritize projects that benefit Tribes and disadvantaged communities, as appropriate, to help ensure these communities benefit from this supplemental disaster funding.

In accordance with this provision, for SAHFI CWSRF funding, EPA expects states to prioritize Tribes and/or municipalities that meet the states’ affordability criteria as defined under CWA section 603(i). This can include municipalities that do not meet the state’s affordability criteria but seek to benefit disadvantaged ratepayers in the residential user rate class. If assistance is being used to benefit individual ratepayers in the residential user rate class of a municipality that does not meet the affordability criteria, then the recipient must demonstrate to the state’s satisfaction that these ratepayers would otherwise experience a significant hardship from the increase in rates necessary to finance the project or activity for which assistance is being sought. Additionally, the CWSRF assistance agreement between the state and the recipient must include language indicating that the additional subsidization would be provided to these ratepayers through a user charge rate system or other appropriate method and the burden of documentation and verification is on the recipient. State project files should house copies of the verification.

In accordance with this provision, for SAHFI DWSRF funding, EPA expects states to prioritize Tribes and/or disadvantaged communities. Section 1452(d)(3) of SDWA requires states to establish a definition of disadvantaged communities.

The CWSRF and DWSRF intended use plans must provide a detailed description of the states’ efforts to prioritize Tribes and/or disadvantaged communities, as appropriate. The description must also include the rationale for providing disaster supplemental funding to non-disadvantaged communities.

Finally, the states should consult the [Bipartisan Infrastructure Law SRF Memorandum](#) for additional guidance and tools on how best this funding can be directed to Tribes and disadvantaged communities.

E. Additional Subsidization: The SAFHI contains the following provision:

Provided further, That notwithstanding the requirements of section 603(i) of the Federal Water Pollution Control Act and section 1452(d) of the Safe Drinking Water Act, for the funds appropriated under this paragraph in this Act, each State shall use 100 percent of the amount of its capitalization grants to provide additional subsidization to eligible recipients in the form of forgiveness of principal, negative interest loans or grants, or any combination of these...

Each state must use 100 percent of its capitalization grant (for the DWSRF, net of any DWSRF set-asides taken) for the above purposes.

Eligible Forms of Additional Subsidy:

- a. *Principal Forgiveness*: The principal forgiveness amount must be included in the loan agreement for the amount forgiven to be counted against the total required to be provided as additional subsidization. The amount counted against the requirement is the amount of principal forgiven.
- b. *Negative Interest Loans*: A negative interest loan is a loan for which the rate of interest is such that the total payments over the life of the loan are less than the principal of the loan. The negative interest rate must be included in the loan agreement at the time of execution to be counted against the total required to be provided as additional subsidization. The amount counted against the requirement is the difference between the principal of the loan and the total payments expected over the life of the loan.
- c. *Grants*: The grant must be provided at the time of assistance agreement execution to be counted against the total required to be provided as additional subsidization. The amount counted against the requirement is the total grant amount included in the agreement. Note that grant recipients under this provision are considered “subgrantees” for the purposes of EPA’s grant regulations as detailed below in section IV.D.

F. State Match: The SAFHI contains the following provisions:

Provided further, That the funds provided under this paragraph in this Act shall not be subject to the matching or cost share requirements of section 1452(e) of the Safe Drinking Water Act: *Provided further*, That funds provided under this paragraph in this Act shall not be subject to the matching or cost share requirements of sections 602(b)(2), 602(b)(3), or 202 of the Federal Water Pollution Control Act...

This language waives the requirements in sections 602(b)(2), 602(b)(3), and 202 of the CWA as well as section 1452(e) of the SDWA for states to provide match for the SAHFI capitalization grants.

G. DWSRF Administration and Other Set-Aside Funds: At their discretion, states may take set-asides from the SAHFI capitalization grant. The set-asides must be used to support the purposes

of SAHFI: to support the reduction of flood or fire damage risk and vulnerability or to enhance resiliency to rapid hydrologic change or natural disasters at treatment works or water systems.

Example activities include, but are not limited to:

- a. Using the DWSRF Administration and Technical Assistance set-aside under section 1452(g)(2)(A) of SDWA (the greatest of 4 percent, \$400,000, or 1/5th percent of the current valuation of the fund) to fund salaries of employees working on SAHFI, based upon the amount of time spent on SAHFI implementation, and to provide resiliency-related technical assistance to water systems impacted by Hurricanes Ian and Fiona.
- b. Using the DWSRF's 2 percent Small System Technical Assistance set-aside under section 1452(g)(2)(C) of SDWA to provide resiliency-related technical assistance to small water systems impacted by Hurricanes Fiona and Ian.

H. CWSRF Administration and Technical Assistance Funds: The maximum annual amount of CWSRF money (not including any fees collected that are placed in the fund) that may be used to cover the reasonable costs of administering the fund (i.e., all BIL, SAHFI, and base appropriations) is the greatest of the following: an amount equal to 4% of all grant awards to the fund received by a state CWSRF (less any amounts that have been used in previous years to cover administrative expenses) for the fiscal year; \$400,000; or 1/5 percent of the current valuation of the fund. The SAHFI did not alter these options or the calculation of available administrative funds and verification procedures already in place.

States may use up to an amount equal to 2% of the SAHFI CWSRF capitalization grant for the purpose of hiring staff, nonprofit organizations, or regional, interstate, or municipal entities to assist rural, small, and tribal publicly owned treatment works. The form of that assistance is flexible and could include, but is not limited to, community outreach, technical evaluation of wastewater solutions, preparation of applications, preliminary engineering reports, and financial documents necessary for receiving SRF assistance.

IV. OTHER APPLICABLE PROVISIONS

- A. **Equivalency**: SAHFI funds are federal funds and therefore equivalency requirements apply to projects funded by SAHFI capitalization grant(s).⁷ Projects funded through the base or other SRF programs cannot be used to meet the equivalency requirements of the SAHFI capitalization grants.
- B. **Reporting**: Transparency and consistency are of the utmost importance to ensure that the funds are being used effectively and efficiently. States must use EPA's SRF Data System to report key SAHFI project characteristics and milestone information no less than quarterly EPA recommends that project data be entered into the reporting systems as soon as agreements are

⁷ The Build America, Buy America (BABA) Act requirements do not apply to SAHFI funding. See section IV.F. Build America, Buy America for more information.

signed with assistance recipients. Additional reporting may be required through the terms and conditions of the grant award.

The Federal Funding Accountability and Transparency Act of 2010 (FFATA) requires SRF programs to report on recipients that received federal dollars in the FFATA Subaward Reporting System (www.fsr.gov). FFATA reporting must exactly equal the capitalization grant amount.

C. Cash Draws: Disbursements for projects funded by SAHFI must *not* be drawn from other open SRF capitalization grants unless the projects are jointly funded by the SAHFI and other SRF funding sources. Funds must be expended in a timely and expeditious manner.

D. Laws, Regulations, and Requirements for Assistance Agreements in the Form of Grants: The SAHFI allows state CWSRF and DWSRF programs to provide grants to eligible assistance recipients. States should be aware that SRF assistance recipients that receive a grant are legally considered “subrecipients” for the purposes of Office of Management and Budget's (OMB's) grant regulations at 2 CFR Part 200 et. seq. In other words, assistance recipients receiving additional subsidization in the form of a grant are subject to additional cross-cutting federal requirements than those receiving other forms of additional subsidization. EPA's subaward policy establishes the requirements and procedures for Grants Management Offices and Program Offices in making determinations regarding subrecipient eligibility, overseeing pass-through entity monitoring and management of subawards, and authorizing fixed amount subawards under 2 CFR 200.331, 200.332, and 200.333, respectively.

Note that the use of a grant as an additional subsidization instrument does not change the established CWSRF and DWSRF cash draw rules. The assistance recipient must first incur a cost associated with an executed assistance agreement for the state CWSRF and DWSRF to have the authority to draw capitalization grant funds from the Department of the Treasury and disburse those funds to the assistance recipient.

E. Federal Civil Rights Responsibilities, Including Title VI of the Civil Rights Act of 1964 In 1994, [Executive Order 12898](#)⁸ was issued to direct Federal agencies to incorporate achieving environmental justice into their mission. The Presidential Memorandum⁹ accompanying that Executive Order required in part, that consistent with Title VI of the Civil Rights Act of 1964, each Federal agency “...ensure that all programs or activities receiving Federal financial assistance that affect human health or the environment do not directly, or through contractual or other arrangements, use criteria, methods, or practices that discriminate on the basis of race, color, or national origin.”¹⁰

⁸ Executive Order 12898: Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, 59 FR 7629, February 16, 1994.

⁹ Presidential Memorandum on Executive Order for Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, available at: https://www.epa.gov/sites/default/files/2015-02/documents/clinton_memo_12898.pdf.

¹⁰ Id.

EPA has a responsibility to ensure that recipients and subrecipients of federal financial assistance from EPA comply with federal civil rights laws that prohibit discrimination on the basis of race, color, national origin (including limited English proficiency), disability, sex and age, including Title VI of the Civil Rights Act of 1964.¹¹

EPA's implementing regulation generally prohibits discrimination in any programs, activities and services receiving federal financial assistance. 40 C.F.R. § 7.30. In addition, EPA's implementing regulations at 40 C.F.R. § 7.35 state that programs or activities receiving EPA assistance "shall not directly or through contractual, licensing, or other arrangements on the basis of race, color, or national origin...":

- Subject a person to segregation or separate treatment;
- Deny a person or group the opportunity to participate as members of any planning or advisory body;
- Restrict a person in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service, aid, or benefit provided by the program;
- Use criteria or methods of administration "which have the effect of subjecting individuals to discrimination;" or
- Choose a site or location of a facility with "the purpose or effect of excluding individuals from, denying them the benefits of, or subjecting them to discrimination," among other things.

EPA's nondiscrimination regulations at 40 C.F.R. Parts 5 and 7 also contain longstanding procedural requirements applicable to applicants for and recipients (including sub-recipients) of EPA financial assistance.¹² These requirements include having a notice of nondiscrimination, nondiscrimination coordinator, grievance procedures, a process for collecting and maintaining nondiscrimination compliance information, and pursuant to Title VI and the Rehabilitation Act of 1973, developing policies and procedures for ensuring meaningful access to programs and activities for individuals with limited-English proficiency and individuals with disabilities. In addition, recipients' public participation processes must also be implemented consistent with the federal civil rights laws.¹³

¹¹ Title VI of the Civil Rights Act of 1964, 42 U.S.C. §§ 2000(d) et seq. (Title VI); Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C., 29 U.S.C. § 794, Title IX of the Education Amendments of 1972, as amended, 20 U.S.C. §§ 1681 et seq.; Age Discrimination Act of 1975, 42 U.S.C. §§ 6101 et seq.; Federal Water Pollution Control Act Amendments of 1972, Pub. L. 92 500 § 13, 86 Stat. 903 (codified as amended at 33 U.S.C. § 1251 (1972)); 40 CFR. Parts 5 and 7.

¹² EPA's nondiscrimination regulation at 40 CFR Parts 5 and 7 requires recipients to establish and implement their own nondiscrimination programs. *See* 40 CFR §§ 7.80-7.100.

¹³ *See* Title VI, 42 U.S.C. §§ 2000(d) et seq.; Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 794; *Lau v. Nichols*, 414 U.S. 563, 568-69 (1974) (finding that the government properly required language services to be provided under a recipient's Title VI obligations not to discriminate based on national origin); 40 CFR § 7.35(a). *See also* U.S. EPA, Guidance to Environmental Protection Agency Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons. 69 FR 35602 (June 25, 2004) (available at https://www.epa.gov/sites/production/files/2020-02/documents/title_vi_lep_guidance_for_epa_recipients_2004.06.25.pdf); U.S. EPA, Title VI Public Involvement Guidance

EPA will evaluate the implementation of CWSRF and DWSRF funding under the SAHFI to ensure compliance with civil rights laws by assistance recipients of EPA funding and to ensure that no portion of a community is excluded from receiving or denied benefit of CWSRF and DWSRF funding based on race, color, national origin (including limited English proficiency), age, disability or sex. EPA expects the state to review program activities to ensure compliance with Title VI of the Civil Rights Act of 1964 and make an affirmative statement documenting the review and commitment to Title VI requirements in IUPs. Further, financial award agreements and contracts must include appropriate Title VI nondiscrimination language.

For more information about the federal civil rights laws enforced by EPA, including Title VI, please visit: <https://www.epa.gov/ocr/title-vi-laws-and-regulations> and <https://www.epa.gov/ogc/external-civil-rights-compliance-office-title-vi>.

- F. **Build America, Buy America:** The Build America, Buy America (BABA) Act requirements do not apply to SAHFI funding pursuant to the exception under section 70912(4)(B), which states that BABA does not apply to “expenditures for assistance authorized under section 402, 403, 404, 406, 408, or 502 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170a, 5170b, 16 5170c, 5172, 5174, or 5192) relating to a major disaster or emergency declared by the President under section 401 or 501, respectively, of such Act (42 U.S.C. 5170, 5191) or pre and post disaster or emergency response expenditures.” Per the OMB’s April 18, 2022 memorandum M-22-11 “Initial Implementation Guidance on Application of Buy America Preference in Federal Financial Assistance Programs for Infrastructure,” “pre and post disaster or emergency response expenditures” consist of expenditures for financial assistance that are (1) authorized by statutes other than the Stafford Act, 42 U.S.C. §§ 5121 et seq., and (2) made in anticipation of or response to an event or events that qualify as an “emergency” or “major disaster” within the meaning of the Stafford Act, id. § 5122(1),(2).¹⁴

V. EPA Oversight

As BIL and supplemental appropriations are awarded, EPA plans to amend its annual review guidance and checklists, as needed, to address any updates. This ensures that the SRF programs are successfully meeting critical programmatic and fiduciary oversight responsibilities.

for EPA Assistance Recipients Administering Environmental Permitting Programs, 71 FR 14207 (March 21, 2006) (available at https://www.epa.gov/sites/production/files/2020-02/documents/title_vi_public_involvement_guidance_for_epa_recipients_2006.03.21.pdf); U.S. EPA, [Procedural Safeguards Checklist for Recipients](https://www.epa.gov/sites/production/files/2020-02/documents/procedural_safeguards_checklist_for_recipients_2020.01.pdf), at https://www.epa.gov/sites/production/files/2020-02/documents/procedural_safeguards_checklist_for_recipients_2020.01.pdf (rev. Jan. 2020) (which provides a more detailed explanation of nondiscrimination obligations and best practices); U.S. EPA, Disability Nondiscrimination Plan Sample, at https://www.epa.gov/sites/production/files/2020-02/documents/disability_nondiscrimination_plan_sample_for_recipients_2020.01.pdf (2017).

¹⁴ President Biden issued an emergency declaration under the Stafford Act for the Commonwealth of Puerto Rico due to the emergency conditions resulting from Tropical Storm/Hurricane Fiona on September 21, 2022. President Biden issued an emergency declaration under the Stafford Act due to emergency conditions resulting from Hurricane Ian for the State of Florida on September 25, 2022, and for the Seminole Tribe of Florida on September 30, 2022.

VI. Conclusion

Please provide this memorandum to the states prior to grant award to ensure that the applicant is aware of the applicable statutory requirements before the grant is awarded. Additionally, continue discussions with the states on their plans to implement the SAHFI, including how they will prioritize Tribes and/or disadvantaged communities.

You may contact us with questions or have your staff contact Mark Mylin in the CWSRF program at Mylin.Mark@epa.gov or Bizzy Berg in the DWSRF program at Berg.Bizzy@epa.gov.

ATTACHMENT 1
SAHFI SRF DRAFT Allotments

Distribution of Clean Water & Drinking Water SRF Appropriation from "Consolidated Appropriations Act, 2023" Supplemental Appropriation for Hurricanes Fiona and Ian (SAHFI)		
Based on Appropriation of		\$1,067,210,000
State	CWSRF	DWSRF
Florida¹⁵	\$ 317,415,000	\$ 171,295,000
Puerto Rico¹⁶	\$ 333,868,000	\$ 222,288,000
Total Funds Available to States & Territories		\$ 1,044,866,000
National Set-Asides		
CWSRF Tribal Set Aside	\$ 13,304,000	
DWSRF Tribal Set Aside	\$ 8,040,000	
National Administrative Set Aside	\$ 1,000,000	
Total SRF Appropriation		\$ 1,067,210,000

¹⁵ Estimates of damage from <https://www.floridahealth.gov/environmental-health/drinking-water/boil-water-notices/index.html>

¹⁶ Estimates of damage from <https://www.preps.pr.gov/>.

ATTACHMENT 2

Projects Eligible under the SAHFI

Clean Water SRF

If a project is not specifically listed below, states must explain in their IUP how the project addresses the purposes outlined in section III.C. of this memorandum.

- I. **Projects that prevent interruption of collection system operation in the event of a flood or natural disaster, including but not limited to:**
 - a. Installation of back-up generators (including portable generators) or alternative energy sources (e.g., solar panels, wind turbines, batteries, switch boxes) that service pump stations or other distribution system facilities
 - b. Replacement of damaged equipment with more energy efficient equipment
 - c. Physical “hardening” or waterproofing of pumps and electrical equipment at pump stations and other components of collection systems (including storage facilities and associated equipment) through upgrade or replacement, including:
 - Installation of submersible pumps
 - Waterproofing electrical components (e.g., pump motors)
 - Waterproofing circuitry
 - Dry floodproofing/sealing of structure to prevent floodwater penetration
 - Installation/construction of wind resistant features (e.g., wind resistant roofing materials, wind-damage resistant windows, storm shutters)
 - d. Relocation of pump stations or other collection system facilities to less flood prone areas
 - e. Installation of physical barriers around pump stations or other collection system facilities (e.g., levees or dykes)
 - f. Correction of significant infiltration and inflow problems that increase the likelihood of sewer backups or flooding of a treatment works
 - g. Separation of combined sewers that will result in a reduced risk of flooding of the collections system and/or treatment works
 - h. Installation/construction of redundant collection system components and equipment
 - i. Regionalization project that enables diversion of wastewater flows to an alternate system for emergency wastewater collection and treatment services
 - j. SCADA system projects to allow remote or multiple system operation locations
Construction or installation of flood attenuation, diversion, and retention infrastructure within or beyond the boundaries of a treatment works that protects the collection system
 - k. Green infrastructure that reduces flood risk by reducing stormwater runoff, including permeable pavement, green roofs and walls, bioretention infrastructure (e.g., constructed wetlands, detention basins, riparian buffers, or stormwater tree trenches/pits/boxes), stream daylighting, and downspout disconnection
 - l. Natural systems, and features thereof, capable of mitigating a storm surge, such as barrier beach and dune systems, tidal wetlands, living shorelines, and natural berms/levees

- Floodwater pumping systems
 - Flood water channels/culverts, physical barriers, and retention infrastructure
- II. Projects that prevent floodwaters from entering a treatment works, including but not limited to:**
- a. Installation of physical barriers around a facility (e.g., levees or dykes around the facility to prevent flooding)
 - b. Relocation of facilities to less flood prone areas
 - c. Construction or installation of flood attenuation, diversion, and retention infrastructure within or beyond the boundaries of a treatment works that protects the treatment works
 - d. Green infrastructure that reduces the risk of flooding by reducing stormwater runoff, including permeable pavement, green roofs and walls, bioretention infrastructure (e.g., constructed wetlands, detention basins, riparian buffers, or stormwater tree trenches/pits/boxes), stream daylighting, and downspout disconnection
 - e. Natural systems, and features thereof, capable of mitigating a storm surge, such as barrier beach and dune systems, tidal wetlands, living shorelines, and natural berms/levees
 - Floodwater pumping systems
 - Flood water channels/culverts, physical barriers, and retention infrastructure
- III. Projects that maintain the operation of a treatment works and the integrity of the treatment train in the event of a flood or natural disaster, including but not limited to:**
- a. Installation of back-up generators (including portable generators) or alternative energy sources (e.g., solar panels, wind turbines, batteries, switch boxes) that service pump stations or other distribution system facilities
 - b. Replacement of damaged equipment with more energy efficient equipment
 - c. Physical “hardening” or waterproofing of pumps and electrical equipment at treatment works through upgrade or replacement, including:
 - Installation of submersible pumps
 - Waterproofing electrical components (e.g., pump motors)
 - Waterproofing circuitry
 - Dry floodproofing/sealing of structure to prevent floodwater penetration
 - Installation/construction of wind resistant features (e.g., wind resistant roofing materials, wind-damage resistant windows, storm shutters)
 - d. Relocation of critical equipment to less flood prone areas of a facility and/or elevation of critical structures
 - e. Installation of physical barriers around individual treatment processes
 - Flood walls around treatment tanks
 - Elevated walls or capping of treatment tanks
 - f. Installation of larger capacity storage tanks
 - Installation of larger capacity chemical storage tanks for continued treatment in absence of delivery service
 - Installation of larger capacity fuel storage tanks for back-up generators

- Construction of storage tanks at treatment works to store overflows for future treatment
 - g. Installation/construction of redundant components and equipment
 - h. SCADA system projects to allow remote or multiple system operation locations
- IV. Projects that preserve and protect treatment works equipment in the event of a flood or natural disaster, including but not limited to:**
- a. Relocation of critical equipment to less flood prone areas of a facility and/or elevation of critical structures
 - b. Prevention of saltwater damage to materials and equipment
 - Installation of salt water resistant chemical storage tanks
 - Installation of salt water resistant fuel storage tanks
 - Installation of salt water resistant equipment and appurtenances
- V. Planning projects that assess a treatment works' vulnerability to flood damage or that analyze the best approach to integrate system and community sustainability/resiliency priorities in the face of a variety of uncertain futures including natural disasters and more frequent and intense extreme weather events, provided the planning work is reasonably expected to result in a capital project, including but not limited to:**
- a. Risk/vulnerability assessments considering recent floodplain maps and projected sea level rise
 - b. Alternatives analysis
 - c. Asset Management Plans
 - d. Emergency Preparedness, Response, and Recovery Plans

Drinking Water SRF

If a project is not specifically listed below, states must explain in their IUP how the project addresses the purposes outlined in section III.C. of this memorandum.

- I. Projects that prevent interruption of water distribution system operation in the event of a flood or natural disaster, including but not limited to:**
 - a. Installation of back-up generators (including portable generators) or alternative energy sources (e.g., solar panels, wind turbines, batteries, switch boxes) that service pump stations or other distribution system facilities
 - b. Purchase of mobile laboratory equipment for use during emergencies
 - c. Replacement of damaged equipment with more energy efficient equipment
 - d. Physical “hardening” or waterproofing of pumps and electrical equipment at pump stations and other components of distribution systems (including storage facilities and associated equipment) through upgrade or replacement, including:
 - Waterproofing electrical components (e.g., pump motors)
 - Waterproofing circuitry
 - Dry floodproofing/sealing of structure to prevent floodwater penetration
 - Installation/construction of wind resistant features (e.g., wind resistant roofing materials, wind-damage-resistant windows, storm shutters)
 - e. Relocation of pump stations or other distribution system facilities to less flood prone areas
 - f. Installation of physical barriers around pump stations or other distribution system facilities (e.g., levees or dykes)
 - g. Installation/construction of redundant distribution system components and equipment
 - h. Construction of interconnections with neighboring water systems which could provide an emergency water supply
 - i. SCADA system projects to allow remote or multiple system operation locations
 - j. Construction or installation of flood attenuation, diversion, and retention infrastructure associated with an otherwise eligible drinking water project that protects the distribution system
 - k. Green infrastructure that reduces the risk of flooding by reducing stormwater runoff, including permeable pavement, green roofs and walls, bioretention infrastructure (e.g., constructed wetlands, detention basins, riparian buffers, or stormwater tree trenches/pits/boxes), stream daylighting, and downspout disconnection
 - l. Natural systems, and features thereof, capable of mitigating a storm surge, such as barrier beach and dune systems, tidal wetlands, living shorelines, and natural berms/levees
 - Floodwater pumping systems
 - Flood water channels/culverts, physical barriers, and retention infrastructure
- II. Projects that prevent floodwaters from entering a treatment plant or well house, including but not limited to:**
 - a. Installation of physical barriers around a facility (e.g., levees or dykes around the facility to prevent flooding)
 - b. Relocation of facilities to less flood prone areas

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

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

- a. Installation of back-up energy supply or alternative energy sources (e.g., solar panels, wind turbines, batteries, switch boxes) and/or hardening of existing connections to the power grid
- b. Replacement of damaged equipment with more energy efficient equipment
- c. Physical “hardening” or waterproofing of pumps and electrical equipment at pump stations and other components of distribution systems (including storage facilities and associated equipment) through upgrade or replacement, including:
 - Waterproofing electrical components (e.g., pump motors)
 - Waterproofing circuitry
 - Dry floodproofing/sealing of structure to prevent floodwater penetration
 - Installation/construction of wind resistant features (e.g., wind resistant roofing materials, wind-damage-resistant windows, storm shutters)
- d. Relocation of critical equipment to less flood prone areas of a facility and/or elevation of critical structures
- e. Installation of physical barriers around individual treatment processes
 - Flood walls around treatment tanks
 - Elevated walls or capping of treatment tanks (e.g., tanks, vaults)
- f. Installation of larger capacity storage tanks
 - Installation of larger capacity chemical storage tanks for continued treatment in absence of delivery service
 - Installation of larger capacity fuel storage tanks for back-up generators
 - Installation of larger capacity water storage facilities (e.g., raw water reservoirs, backwash tanks, contact basins)
- g. Installation/construction of redundant distribution system components and equipment
- h. SCADA system projects to allow remote or multiple system operation locations

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

- a. Relocation of critical equipment to less flood prone areas of a facility and/or elevation of critical structure
- b. Prevention of saltwater damage to materials and equipment

- Installation of salt water resistant chemical storage tanks
 - Installation of salt water resistant fuel storage tanks
 - Installation of salt water resistant equipment and appurtenances
- V. **Planning projects that assess a treatment works' vulnerability to flood damage or that analyze the best approach to integrate system and community sustainability/resiliency priorities in the face of a variety of uncertain futures including natural disasters and more frequent and intense extreme weather events, provided the planning work is reasonably expected to result in a capital project, including but not limited to:**
- a. Risk/vulnerability assessments considering recent floodplain maps and projected sea level rise
 - b. Alternatives analysis
 - c. Asset Management Plans
 - d. Emergency Preparedness, Response, and Recovery Plans

Appendix E
DWSRF Request for Inclusion with Priority Scoring Criteria



Florida Department of Environmental Protection

REQUEST FOR INCLUSION ON THE DRINKING WATER PRIORITY LIST

Drinking Water State Revolving Fund Program
Douglas Building, 3900 Commonwealth Blvd, Tallahassee, Florida 32399-3000

The information in this Request for Inclusion (RFI) application is used to determine project eligibility and priority scoring. The priority score is used to rank projects for placement on the State Revolving Fund (SRF) priority list. Only projects placed on the fundable portion of the priority list receive consideration for a loan. Please note that costs incurred before the adoption of the project on the fundable or waiting portion of the priority list are not eligible for reimbursement.

1. Applicant's Name and Address.

Project Sponsor: _____ Contact Person: _____ Title: _____

(street address)

(city)

(county)

(zip code)

(telephone)

(ext.)

(e-mail)

Contact Person Address (if different):

(street address)

(city)

(state)

(zip code)

2. Name and Address of Applicant's Consultant (if any).

Firm: _____ Contact Person: _____ Title: _____

(street address)

(city)

(zip code)

(telephone)

(ext.)

(e-mail)

3. Type of Loan Requested in this Application. (select only one loan category and project type)

Planning Loan <input type="checkbox"/>	Design Loan <input type="checkbox"/>	Planning and Design Loan <input type="checkbox"/>	Construction Loan <input type="checkbox"/>
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Project Type: Design/Bid/Build

Design/Build (D/B)

Construction Manager at Risk (CMR)

Note: Procurement of professional services must meet the requirements of the Consultants' Competitive Negotiation Act, Section 287.055, F.S.

Eligibility for a Loan. In order to be considered for a priority listing, the following conditions must be met:

- The respondent to this solicitation must qualify as a "project sponsor" as defined in subsection 62-552.200(27), F.A.C.
- The minimum construction loan amount is \$75,000.
- The project sponsor must agree to submit biddable plans and specifications within 1-year after execution of the loan agreement to qualify for a combined planning and design loan.
- The project is part of a public water system as defined in subsection 62-552.200(28), F.A.C., and may include drinking water supply, storage, transmission, treatment, disinfection, distribution, residuals management, and appurtenant facilities.

REQUEST FOR INCLUSION ON THE DRINKING WATER PRIORITY LIST

4. Median Household Income, Population and Principal Forgiveness Percentage (PF%). (complete a. through e. below)

- Median household income (MHI): _____ (current U.S. Census data or verifiable estimates)
- State median household income (SMHI): _____ (current U.S. Census data)
- Population (P) served _____ = number of service connections _____ times 2.5 persons per connection to include proposed connections.
- Is the project sponsor applying for a planning and/or design loan with principal forgiveness? Yes No . If yes, then PF is 50%. *Only a sponsor that qualifies as a financially disadvantaged small community is eligible for a planning/ design loan with PF.*
- Is the project sponsor applying for a construction loan with principal forgiveness? Yes No . If yes, then PF% is calculated using the formula: $PF\% = 1760/9 - 160 \times (MHI/SMHI) - 7/4500 \times P$.

Calculate PF% for a construction loan using the above formula: _____ (minimum 20% and maximum 90%).

If the sponsor is connecting a financially disadvantaged small community as defined below, a maximum 50% PF is available.

Please note that the calculated PF% is an estimate and the actual percentage will be determined by the Department. The amount of loan available with principal forgiveness for a project is dependent upon the amount of funds allocated for the fiscal year.

Eligibility for a loan with principal forgiveness. In order to be considered for a loan with principal forgiveness, the following conditions must be met:

- The project sponsor must qualify as a financially disadvantaged small community public water system as defined in Rule 62-552.200, F.A.C., unless the sponsor is specifically exempted from this requirement.
- The median household income (MHI) of the sponsor's service area must be less than the state median household income (SMHI) as reported from the current U.S. Census data or from verifiable estimates, unless the sponsor is specifically exempted from this requirement.
- The population (P) of the sponsor's service area must be less than 10,000 (to include the population from the project's proposed future connections), unless the sponsor is specifically exempted from this requirement.
- The project sponsor is allowed only one open loan with principal forgiveness. A loan is deemed open until the final disbursement of the project has been paid by the department.
- A project sponsor is eligible for a construction loan with principal forgiveness (maximum 50%) if connecting a community with less than 250 residential wells; an existing public water system with less than 250 service connections; or a separate, non-interconnected public water system owned by the sponsor. The project area must qualify as a financially disadvantaged small community.
- A financially disadvantaged community with a population of 10,000 or more is eligible for a construction loan with 20% principal forgiveness if dollars are available after funding all eligible financially disadvantaged small communities.
- A project sponsor that is a for-profit entity is not eligible for principal forgiveness.
- A construction project for a financially disadvantaged small community that uses a Construction Manager at Risk delivery method is ineligible for principal forgiveness.

5. Interest Rate Percentage.

The interest rate for a loan with the Department is determined using the following formula:

$$\% \text{ of MR} = 40 \times (MHI/SMHI) + 15 \qquad \% \text{ of MR} = \text{Percentage of Market Rate.}$$

Calculate and enter the % of MR below:

$$\% \text{ of MR for a loan: } \underline{\hspace{2cm}} \qquad (35\% \leq \% \text{ of MR} \leq 75\%)$$

Please note that the calculated % of MR is an estimate and the actual interest rate will be determined by the Department. The interest rate for a loan shall not be less than 0.2 percent.

6. Base Priority Score. Each project shall receive a base priority score (BPS) dependent on the weighted average of its components. The BPS shall be determined using the below formula where CPS means the component priority score and CCC means component construction cost.

$$BPS = [CPS_1 \times CCC_1 + \dots + CPS_n \times CCC_n] / \text{Total Construction Cost}$$

Select each component and component score in Table 1 below that apply to the project, enter the estimated construction costs, and calculate the base priority score.

- Component priority scores that are based on contaminant levels must be justified by sample analytical data (see exception in notes at bottom of Table 1). The date of sample collection must be less than 24-months from the submittal date of the Request for Inclusion.
- The project sponsor must provide documentation demonstrating that contaminant levels (e.g. disinfection byproducts) cannot be reduced by adjusting system operations, if applicable.

REQUEST FOR INCLUSION ON THE DRINKING WATER PRIORITY LIST

- A compliance-1 category component score of 400 points, if selected in Table 1, must be supported by documentation demonstrating the need for the project; otherwise, a component score of 300 points shall be assigned.

Table 1

Project Component <i>(select all components that apply)</i>	Component Priority Score	Component Construction Cost
Acute Public Health Risk <input type="checkbox"/> 1a. E-Coli or Fecal Coliform Exceed MCL (62-550.310(5), F.A.C.) <input type="checkbox"/> 1b. Nitrate, Nitrite, or Total Nitrogen Exceed MCL (62-550.310(1), F.A.C., Table 1) <input type="checkbox"/> 1c. Lead or Copper Exceed Action Level (62-550.800, F.A.C.) <input type="checkbox"/> 1d. Surface Water Filtration/Disinfection Noncompliance (62-550.817(2), F.A.C.)	800 points <input type="checkbox"/>	
Potential Acute Public Health Risk <input type="checkbox"/> 2a. Nitrate, Nitrite, or Total Nitrogen 50% of MCL (62-550.310(1), F.A.C., Table 1) <input type="checkbox"/> 2b. Microbiologicals Exceed MCL (62-550.310(5), F.A.C.) <input type="checkbox"/> 2c. Surface Water Enhanced Filtration/Disinfection Noncompliance (62-550.817(3), F.A.C.) <input type="checkbox"/> 2d. State Health Certification of Acute Health Risk, Unregulated Microbiological Contaminant <input type="checkbox"/> 2e. Violation of Disinfection Requirements (62-555.320(12), F.A.C.)	700 points <input type="checkbox"/>	_____
Chronic Public Health Risk <input type="checkbox"/> 3a. Inorganic/Organic Contaminant Exceed MCL (62-550.310(1) & (4), F.A.C., Tables 1,4,5) <input type="checkbox"/> 3b. Disinfection Byproducts Exceed MCL (62-550.310(3), F.A.C., Table 3) <input type="checkbox"/> 3c. Radionuclides Exceed MCL (62-550.310(6), F.A.C.)	600 points <input type="checkbox"/>	
Potential Chronic Public Health Risk <input type="checkbox"/> 4a. Inorganic/Organic Contaminant 50% of MCL (62-550.310(1) & (4), F.A.C., Tables 1,4,5) <input type="checkbox"/> 4b. Disinfection Byproducts 80% of MCL (62-550.310(3), F.A.C., Table 3) <input type="checkbox"/> 4c. State Health Certification of Chronic Health Risk, Unregulated Chemical Contaminant	500 points <input type="checkbox"/>	_____
Compliance-1 Projects <i>(documentation must be attached or default to Compliance-2 score)</i> <input type="checkbox"/> 5a. Infrastructure upgrades to facilities undersized, exceed useful life, or with equipment failures <input type="checkbox"/> 5b. Insufficient water supply source, treatment capacity, or storage <input type="checkbox"/> 5c. Water distribution system pressure less than 20 psi <input type="checkbox"/> 5d. Eliminate dead ends and provide adequate looping in a distribution system <input type="checkbox"/> 5e. Replace distribution mains to correct continual leaks, pipe breaks, and water outages <input type="checkbox"/> 5f. New water system or extension of existing system to replace contaminated or low yield wells <input type="checkbox"/> 5g. Lack of significant safety measures (e.g. chemical containment) <input type="checkbox"/> 5h. Secondary Contaminant MCL Exceedance (62-550.320, F.A.C.) <input type="checkbox"/> 5i. Drinking water supply project as defined in 403.8532(9)(a), F.S.	400 points <input type="checkbox"/>	
Compliance-2 Projects <input type="checkbox"/> 6a. Treatment, Storage, Power, and Distribution Requirements (62-555.320, F.A.C.) <input type="checkbox"/> 6b. Minimum Required Number of Wells (62-555.315(2), F.A.C.) <input type="checkbox"/> 6c. Well Set-back and Construction Requirements (62-555.312 and 62-555.315, F.A.C.) <input type="checkbox"/> 6d. Cross-Connection Control Requirements (62-555.360, F.A.C.) <input type="checkbox"/> 6e. Physical Security Project Documented in a Vulnerability Analysis <input type="checkbox"/> 6f. Consolidation or regionalization of public water systems <input type="checkbox"/> 6g. Water or Energy Conservation Project	300 points <input type="checkbox"/>	_____
<input type="checkbox"/> 7. All Other Projects <i>(including land or public water system acquisition projects)</i>	100 points <input type="checkbox"/>	

Note: Item 2d. and 4c. of Table 1 requires a State Health Officer to complete the form “Certification of a Public Health Risk”. If 50% or more of wells meet contaminant levels from Table 1 above, then select the appropriate health risk category in Table 1. Flooded wells and wells under the direct influence of surface water are considered an unregulated microbiological potential acute public health risk and require documentation of occurrence in lieu of sampling data.

7. Affordability Score. The extent of affordability existing in a small community to be served by the project shall be reflected in the priority score. Points shall be awarded based upon two affordability criteria: median household income (MHI) and population (P) served. These points are to be added to the base priority score. Calculate the affordability score using the following formulas:

$$\text{Affordability Score} = (\text{MHI Score} + \text{Population Score})$$

$$\text{MHI Score} = 100 \times (1.00 - \text{MHI}/\text{SMHI}), \text{ zero} \leq \text{MHI score} \leq 75, \text{ rounded to nearest whole number}$$

$$\text{Population Score} = 50.0 - (P/200), \text{ population score} \geq \text{zero}, \text{ rounded to nearest whole number}$$

REQUEST FOR INCLUSION ON THE DRINKING WATER PRIORITY LIST

8. Water Conservation Score. A project sponsor with a qualifying water conservation project is eligible to receive an additional 100 points added to their base priority score if the sponsor provides a water conservation plan in accordance with EPA's Water Conservation Plan Guidelines document number EPA-832-D-98-001, August 6, 1998.

9. Total Priority Score. Total priority score equals the base priority score plus the affordability score. (complete a. through d. below)

- a. Base priority score: _____ points.
- b. Affordability score: _____ points (> zero).
- c. Water Conservation score: _____ points.
- d. Total priority score: _____ points (sum of items a. and c.)

10. Estimated Project Cost. (complete a. through i. below)

(enter \$0 if activity is not applicable)

<u>Project Activity</u>	<u>Cost</u>
a. Planning.	_____
b. Design (not applicable if a D/B project).	_____
c. Eligible land (necessary land divided by total land times purchase price).	_____
d. Constr., equip., material, demo. & related procurement (include design if D/B project).	_____
e. Construction contingency (10% of 'd', only applicable for Design/Bid/Build projects).	_____
f. Technical services during construction and after bid opening.	_____
g. Asset management plan per 62-552.700(7), F.A.C.	_____
h. <u>Total project costs</u> (sum of a. through g.).	_____
i. <u>Loan amount requested</u> by the sponsor in this RFI (assume no principal forgiveness).	_____

List all funding sources (including grants for this project): _____

11. Project Schedule. (complete a. through d. below)

<u>Project Activity</u>	<u>(M/D/YY)</u>
a. Submit planning documents.	_____
b. Submit design/bid documents or RFQ/RFP for CMR & D/B projects.	_____
c. Start construction.	_____
d. Complete construction.	_____

12. Project Information. Provide the following information, if applicable.

(select all items below that are attached to this RFI)

- Project description, location with lat/long (degrees), water system PWS ID, and project need (*this is a required attachment*).
- Map of city and county limits, existing and proposed service area, and project area (*this is a required attachment*).
- Lab data, lab data with operational records, or substantiated documentation in lieu of lab data for public health risk projects.
- Certification of a Public Health Risk form completed by a State Health Officer.
- Supporting documentation for projects identified under the Compliance-1 project categories from Table 1 above.
- Project schedule showing plans and specs completion within 1-year of the execution date of a planning/design loan.
- Supporting documentation if MHI not taken from current U.S. Census data.
- Water Conservation Plan in accordance with EPA guidelines.

13. Certification by an Authorized Representative. I certify that this form and attachments have been completed by me or at my direction and that the information presented herein is, to the best of my knowledge, accurate and true.

(signature)	(date)	(e-mail)
(print name)	(print title)	

Email the completed RFI form with attachments to SRFRFI@FloridaDEP.gov or mail to the Florida Department of Environmental Protection, State Revolving Fund Program, 3900 Commonwealth Blvd, Tallahassee, Florida 32399-3000.

Appendix F

Florida Department of Environmental Protection SAHFI Press Release

UPDATES AND ANNOUNCEMENTS

CONTACT: SRFRFI@FloridaDEP.gov

DEP Announces Funding Opportunity for Drinking Water and Wastewater Entities Impacted by Hurricane Ian

The Florida Department of Environmental Protection's [Division of Water Restoration Assistance](#) is accepting project proposals for drinking water and wastewater entities that were impacted by Hurricane Ian. The U.S. Environmental Protection Agency has provided Florida's [Drinking Water State Revolving Fund](#) and [Clean Water State Revolving Fund](#) (SRF) federal funding through the Supplemental Appropriation for Hurricanes Fiona and Ian for eligible projects.

Entities must be [SRF eligible](#) and may apply for funding for the design, bidding, construction, or repair of facilities which have the purpose of reducing flood or fire damage risk and vulnerability or enhancing resiliency to rapid hydrologic change or natural disaster.

Interested eligible entities should complete a [Drinking Water SRF Request for Inclusion](#) and/or [Clean Water SRF Request for Inclusion](#) by **January 1, 2024**, to be considered.

Applications will be accepted electronically at SRFRFI@FloridaDEP.gov. Hard copies will also be accepted, though electronic submittal is encouraged. To submit a hard copy, call Mike Chase at 850-245-2913 for the correct mailing address.