February 11, 2022

Re: Drinking Water State Revolving Fund Project Priority List Applications

Dear Public Water System Official:

The approaching construction season signals our annual Project Priority List (PPL) solicitation for projects funded through the Drinking Water State Revolving Fund (DWSRF). While the process for either remaining on the PPL or being added to it remains the same, the opportunity in 2022 has expanded. With the recent passage of the Bipartisan Infrastructure Law (BIL), the DWSRF will be receiving approximately $292 million of additional funding for projects, including $179 million for lead service line replacements and addressing emerging contaminants over the next five years, including Per and Polyfluoroalkyl Substances (PFAS). In addition, the combination of BIL and significant increases for the base DWSRF program provides greater availability of principal forgiveness to eligible borrowers and projects. DWSRF funding can also be combined with other federal funds including those received via the American Rescue Plan. For those that may need it, there are also significant funds available for technical assistance — which is no cost to the water supplier. Against this backdrop, we encourage water systems to think broadly about needs, plan for multi-year investments, and we will work together to find opportunities to accelerate your projects.

For background, the DWSRF provides financing to Public Water Systems for infrastructure improvements needed for compliance with the Safe Drinking Water Act and to protect the public health. The Rhode Island Department of Health Center for Drinking Water Quality (RIDOH) is designated as the primacy agency for the Safe Drinking Water Act and is the regulatory partner of the Rhode Island Infrastructure Bank (Bank) for the DWSRF. The RIDOH is responsible for establishing the PPL which is used to determine funding priorities. Note: A project must be on the PPL to be considered for DWSRF funding.

RIDOH is currently accepting PPL application(s) for drinking water projects to be placed on the Federal Fiscal Year 2022 (October 1, 2021 – September 30, 2022) PPL. Please note the following procedures for submissions of PPL applications:

1) The due date is March 25, 2022.
2) The applications can be mailed, or hand delivered to The Center for Drinking Water Quality, 3 Capitol Hill Room 209, Providence, RI, 02908. If mailed they must be received in this office by the due date. In addition, they can be emailed to carlene.newman@health.ri.gov or faxed to (401) 222-6953.
3) Anticipated start dates must be as accurate as possible and no more than two years out.
4) Project costs must be as accurate as possible.
5) The project description, reason for project and public health benefits of project must be detailed. Attaching additional sheets for these descriptions is encouraged.

The RIDOH will review each PPL application for eligibility and assign a priority score. The score is determined using the ranking system that RIDOH developed as required by EPA. Eligible projects and their respective information will be listed in order of priority, highest to lowest, in the FY 2022 PPL. The list will then be available for a 30-day public comment period. Once the public comment period is over and any comments addressed, the list will be finalized, and those projects will then be eligible for DWSRF funding through the Bank.

Two other considerations:

**Small systems.** According to the EPA capitalization grant requirements, a minimum of 15% of the capitalization grant available for funding each year must go to Public Water Systems that serve a population of less than 10,000 people. In addition, RIDOH and RIIB are committed to providing $100,000 of principal forgiveness assistance to small systems provided there are principal forgiveness funds remaining in the funding year. To that end, even if your project is small, consider the use of the DWSRF as a funding source. Also, if it is determined that your Public Water System is economically disadvantaged, subsidies, including lower interest rates, zero interest rates and/or additional principal forgiveness, may be available.

**Section 1.9.7.** This section of the Public Drinking Water Regulations (216-RICR-50-05-1) require that all non-transient non-community public water systems that supply water to schools, day care facilities, institutions or medical facilities, and all community public water systems must have auxiliary power. The purchase and installation of a generator can be funded through the DWSRF. The RIDOH and the Bank strongly encourage you to apply for the purchase and installation of auxiliary power if you do not already have this capability. As stated above, small systems can be eligible for principal forgiveness funding which could cover the cost of the purchase and installation of an emergency generator.

The Unified Calendar for DWSRF Projects is enclosed for your information. Please note that the highlighted dates are ones that are most relevant for the engineering aspect of securing DWSRF loans. In order to keep a reasonable schedule that will allow for projects to be approved in time for the 2023 construction season this office asks for your cooperation in adhering to this schedule.

Enclosed please find a PPL application. Public Water Systems wishing to discuss project specific details of the DWSRF Program are encouraged to contact me at 401-222-7768. Please contact Anna Coelho Cortes (401-453-4430) at the Bank for questions regarding the financial aspects of the DWSRF.

Sincerely

Carlene B. Newman
Environmental Engineer III
Center for Drinking Water Quality

Enclosure