



**Drinking Water State Revolving Fund (DWSRF)  
List of Substantive Changes included in the  
Draft 2014 Intended Use Plan (IUP)  
December 31, 2013**

The following information reflects substantive changes in the Draft 2014 DWSRF IUP from the previous IUP. Other minor changes have been made that are not included in this document. A complete version of the Draft 2014 DWSRF IUP can be found at <http://www.medwp.com>. Following is a list of substantive changes:

1. All appropriate sections including Attachment A have been updated to reflect the estimated 2014 Capitalization Grant amount of \$8,421,000. This amount is equal to last year's allocation and will be adjusted to reflect the final approved Capitalization Grant amount.
2. Funding Available for Projects is estimated at \$17.6 Million, a \$2.9 Million increase from the 2013 program. This increase is due to a) increasing loan repayments; b) lower final 2013 project cost; c) a number of 2013 projects dropping funding request; and d) a reduction in new allocations for Program Set-Asides.
3. For each Capitalization Grant the State must provide documentation, at the time of the *Capitalization Grant Application*, that at least 20 percent of the total amount of that year's *Grant* is available as State Match. The required match for 2014 is estimated at \$1,684,200. During the 2014 Legislative Session, the Governor and the Maine State Legislature will consider options for providing the State Match. Potential options include a general fund budget allocation, general obligation bond package, a revenue bond with repayments made with interest earnings from prior year loans or revenues from the Wholesale Liquor Contract.
4. The 2014 DWSRF appropriation is expected to include a proposal that requires a minimum 20% and a maximum 30% of the 2014 *Capitalization Grant* to be available for eligible recipient's, including *Disadvantaged Community System's*, projects as principal forgiveness assistance. The 2014 DRSRF Primary List includes 33 projects. Six of these projects are eligible for principal forgiveness assistance for a total of \$2,105,250, or 25% of the expected \$8,421,000 Capitalization Grant.
5. The Median Household Income (MHI) value was been updated from the value of \$46,541 to \$46,933 in the 2013 DWSRF IUP. No change has been made in the 2014 DWSRF IUP. This amount represents the average median household income for non-metropolitan Maine from the 2006-2010 American Community Survey 5-Year Estimates prepared by the US Census Bureau.
6. Section 8G from the 2013 DWSRF IUP which provided PWS required to meet new or recently promulgated Safe Drinking Water Act rule with a 5% principal forgiveness of the loan amount has been eliminated.

7. As with the DWSRF funding since 2009, all construction funding must use Davis-Bacon wage rates.
8. As with the 2013 DWSRF IUP, with the goal of increasing Sustainability of all Public Water System in the State of Maine, all Projects on the Primary List will be required to have a professionally prepared Comprehensive System Facilities Plan/ Master Plan that is less than ten years old.
9. No change has been made to the Principal Forgiveness Allocations for *Disadvantaged Community* Assistance subsidies in the form of principal forgiveness available to *Community Water Systems* at maximum levels of 20, 45 and 75 percent as detailed in Section 8E.
10. For Community Public Water Systems not regulated by the Maine Public Utility Commission, or do not have water user rates in place, may also be considered for Disadvantaged Community assistance. An alternative methodology can be proposed by the applicant for review and consideration by the Maine Drinking Water Program to determine the individual water user cost for 2,000 cubic feet of water consumed per calendar year quarter. Should the alternative methodology be found by the Drinking Water program to fairly reflect the water user cost, the criteria the public water system shall be eligible to principle forgiveness at the rate  $\frac{1}{2}$  of the level as detailed in Section 8E,
11. The 1% MMBB Loan Origination Fee has been eliminated and replaced with a 1% DWP Project Management Fee.
12. The 1% DWP Project Management Fee and 5% MMBB Administrative Fee shall apply to all projects, including those with Principal Forgiveness.
13. All project loans, including those with Principal Forgiveness, shall have a minimum interest rate of 1%.
14. The 2014 DWSRF IUP has the following projected timeline:
  - December 31, 2013 – Notice of major changes to IUP and time and location of public meeting sent to key constituents of Maine’s public drinking water industry and all public water systems that submitted projects requesting assistance from the 2014 DWSRF available funds. Information is also posted on DWP web site.
  - January 23, 2014, public review meeting on draft IUP in Augusta
  - January 31, 2014, End of public comment period
  - March 2014, Grant Pre-Application Approval package prepared and delivered for DHHS Commissioner for review and approval by DHHS Grant Review Committee
  - May 2014, DWSRF Grant Application prepared and submitted to EPA Region 1
  - June 2014, Expected Grant Award by EPA Region 1 (will be contingent on acquisition of State Match)