



STATE OF NEW HAMPSHIRE  
**American Recovery  
and Reinvestment Act**



State of New Hampshire

Drinking Water State Revolving Fund  
(DWSRF)

Intended Use Plan  
for  
American Recovery and Reinvestment Act of 2009 DWSRF  
Funds

and

Revised Intended Use Plan  
for  
Uncommitted Prior Years Base DWSRF and CWSRF  
Capitalization Grants, State Match and Loan Repayment Funds

Final  
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## **1. Introduction**

This Intended Use Plan (IUP) accompanies New Hampshire's application for a \$19,500,000 capitalization grant for its Drinking Water State Revolving Fund (DWSRF) under the American Recovery and Reinvestment Act (ARRA) of 2009. ARRA DWSRF funding is being provided to expeditiously fund eligible drinking water infrastructure projects that simultaneously will create jobs throughout New Hampshire, promote economic recovery, and generate long-term benefits from infrastructure investment. Accordingly, although the ARRA is using the existing/base DWSRF as the funding mechanism, there are some additional requirements associated with reaching the recovery and investment goals of the ARRA. Significant additional requirements include:

- A goal to have 50% of ARRA DWSRF project funds committed to projects that will be under contract (construction or other) by 6/16/09;
- A requirement to have 100% of ARRA DWSRF project funds committed to projects that will be under contract by 2/17/2010 or the state's remaining ARRA dollars will be reallocated;
- A goal of having 20% of ARRA DWSRF dollars fund projects for energy efficiency, water efficiency, or green infrastructure;
- A requirement that the state provide at least 50% subsidization of project loans;
- "Made in America" and "Davis- Bacon Wage Rates" requirements; and
- Additional state monitoring and reporting requirements.

This Intended Use Plan (IUP) describes how this additional ARRA funding will be used in accordance with DWSRF and ARRA requirements. It also describes how prior year uncommitted base DWSRF capitalization grants, state match and loan repayment project funds as well as unused transferred funds from the base Clean Drinking Water SRF will be used to maximize the benefits of ARRA DWSRF funding. Accordingly, it represents a revised intended use plan for prior year funds. In addition, the IUP will describe the use of the setasides from the ARRA funding that are available to states to administer the DWSRF, assist small public water system, and manage the public drinking water program.

This IUP was developed to inform the United States Environmental Protection Agency (EPA) and all interested stakeholders of New Hampshire's intentions related to the use of ARRA and other available DWSRF funding for the period ending February, 17, 2010. On March 20, 2009 it was issued as part of the notice for the public hearing to be held on April 3, 2009. For further information on New Hampshire's DWSRF, contact Rick Skarinka at the DES Drinking Water and Groundwater Bureau at 271-2948.

## **2. DWSRF Program Goals**

New Hampshire is committed to using the capitalization grant for which it is applying to provide assistance to water systems for capital improvement projects which will proceed quickly to construction, creating jobs throughout the state and furthering the public health protection objectives of the Safe Drinking Water Act. New Hampshire's goal is to enter into binding commitments for projects which will proceed to construction or award of construction contracts by February 17, 2010. The State intends to award all assistance available under this

capitalization grant in full conformance with the deadlines established under the ARRA and the terms and conditions of the capitalization grant award. In addition, we intend to maximize the benefit of ARRA funds by revising past DWSRF Intended Use Plans so all existing uncommitted funds are available to provide 50% loans and 50% ARRA subsidization (i.e. loan forgiveness) to the maximum number of projects statewide.

New Hampshire recognizes that the goal of the ARRA is to expeditiously fund eligible projects that simultaneously will create jobs, promote economic recovery, and generate long-term benefits from infrastructure investment. In this grant, the State is being called upon to accomplish goals that may not previously have been priorities in its base/routine DWSRF program. Some priorities and activities in the State's base program that may not practically be attainable within the timeframes associated with the ARRA will be pursued using funds made available annually in the future through the standard/base DWSRF program.

### **3. Sources and Uses of Funds**

New Hampshire is applying for a capitalization (cap) grant in the amount of \$19,500,000. This represents the amount that USEPA Region 1 informed the State it is eligible to receive under the State's allocation from the supplemental appropriation enacted under the ARRA. Note that the ARRA has waived the State match that the State is normally required to provide in order to receive a capitalization grant.

In addition to the ARRA capitalization grant, in order to provide all ARRA project funds in the form of loan forgiveness, the state intends to utilize \$10,285,000 in uncommitted prior year base DWSRF capitalization grant, state match and repayment project funds and \$8,435,000 in transferred prior year base Clean Water Act State Revolving Funds (i.e. base CWSRF cap grants, state match and repayment funds). The amount transferred from uncommitted base CWSRF funds was calculated based on the ability to transfer up to 33% of the DWSRF funds between the two loan funds. Specifically the amount of transferred funds equal 1/3<sup>rd</sup> of 19.5 mil DWSRF ARRA capitalization grant (\$6,435,000) and 25% of the 8.14 mil 2008 DWSRF capitalization grant (\$2,000,000). Using all these sources of funding, allows the state to offer 50% forgiveness on the maximum number loans. Accordingly, after taking 4% in setasides (\$780,000) as described below, there will be \$18,720,000 in ARRA fund to forgive 50% of each project loan. The total amount available for project loans will be \$37,440,000 (i.e. \$18,720,000 ARRA funds + \$8,435,000 CWSRF transferred funds + \$10,285,000 uncommitted prior year grant and repayment funds). DES believes the revised use of uncommitted prior year DWSRF and CWSRF funds is warranted in order to maximize the use and benefit of ARRA funds.

The State is eligible to take up to 16% in setaside funds for DWSRF administration (4%), small system technical assistance (2%), and 10% administration (10%). New Hampshire intends to take only 4%. 2% of the DWSRF administration setaside will be taken to fund existing staff that will be called upon as necessary to process the significant number of loans that the ARRA will make possible. New Hampshire reserves the right to use some of this 2% to cover costs related to the DWSRF ARRA funding that were incurred prior to submittal of this IUP. In addition, the 2% small system setaside will be taken to fund existing staff to assist very small systems that are currently identified through our capacity development program with loan application and project implementation and tracking. In addition, \$200,000 of the 2% setaside will be used to fund a contractor to perform leak detection and water audits at small systems (note: this contract will count toward the 20% goal for green projects). The 2% setaside work plan is attached. The leak

detection contract will be forwarded at a later date. NHDES reserves the right to transfer monies from setaside accounts into the infrastructure project account. NHDES will closely monitor the use of setasides to assess if a transfer should occur in order to ensure that all ARRP funding is expended within specified timeframes.

The following table summarizes the sources and uses of the ARRA capitalization grant for which the State is applying and also indicates amounts of funding to be utilized from the CWSRF transfer and uncommitted prior year grant, match and repayment funds:

Table 1

**Sources and Uses of ARRA Capitalization (Cap) Grant and Prior Year base DWSRF and CWSRF cap grant, state match and loan repayment funds:**

<i>SOURCES</i>	Amount
AWWA Capitalization Grant	\$19,500,000
Transferred 2009 base CWSRF Cap Grant, state match, and repayment Funds *	\$8,435,000
Prior Years base DWSRF Cap Grant and 20% State Match	\$3,985,000
DWSRF Loan Repayment Funds	\$6,300,000
<b>Total</b>	<b>\$38,220,000</b>
<i>USES</i>	Amount
2% DWSRF Program Administration	\$390,000
2% Small System Technical Assistance	\$390,000 (200K is "green")
Infrastructure Assistance Agreements	\$33,740,000
Green Infrastructure Projects	\$3,700,000
<b>Total</b>	<b>\$38,220,000</b>

Transferred money from the base CWSRF 2009 cap grant includes an amount equal to 1/3<sup>rd</sup> of the DWSRF ARRA (\$6,435,000) cap grant amount and 25% (\$2,000,000) of the 2008 DWSRF cap grant amount.

Table 2

**Use of ARRA Capitalization Grant**

	Infrastructure Projects (ARRA loan subsidies)	Administration Set Aside (4% available, 2% will be used)	Small System Tech. Assts Setaside (2%)	Total
Projects	\$15,020,000			\$14,820,000
Green Projects	\$3,700,000		\$200,000	\$3,900,000
Personnel & Benefits		\$355,384	\$184,466	
Legal Srvcs Contract		\$10,000		
Travel, Equip, Supplies		\$8,200		
Indirect and Other		\$16,416	\$5534	
<b>Total</b>	<b>\$18,720,000</b>	<b>\$390,000</b>	<b>\$390,000</b>	<b>\$19,500,000</b>

An administration fee is charged annually on the outstanding loan portion of the principal balance. These funds are collected and placed into a separate state account to be used for any DWSRF eligible activity. The fee is set by the legislature and is currently at 1%.

#### **4. Criteria and Methods for Distribution of funds**

The following sections provide the criteria and methods the state intends to utilize to provide DWSRF loans with ARRA and other funding described above.

##### **4A. Authority for and Sidsidization and Terms of Loans**

The ARRA requires that 50% of assistance provided be in the form of additional subsidies. The Governor's certification letter for use of these funds is Attachment A. The Governor has required the Commissioner of the Department of Environmental Services establish the process and criteria for determining the amount of additional subsidy on a project specific basis. The Commissioner, in consultation with the Governor's office, has determined that, in order to maximize job creation statewide, all recipients of assistance under the ARRA will be provided with loans that include forgiveness of principal for 50% of the total amount of assistance they receive. The financial terms of these loans are described below.

All loans for the financing of projects will be for a term not to exceed 20 years. Rates will be established at the time of the execution of the loan agreement based on the established market rate and the loan repayment period selected by the loan recipient (see chart below). Rates will only be charged on the unsubsidized portion of a loan. The market rate is the 11 G.O. Bond Index published on 4/3/2009. In addition to interest charges, an annual administrative fee (currently at 1%) on the unpaid principal balance (loan portion only) shall be charged on all outstanding loans during the loan repayment period. The chart below illustrates the rates that will be utilized:

Term	Interest	Current rate	Rate + 1% admin fee
5 years	25% of market minus 1%	0.17	1.170
10 years	50% of market minus 1%	1.34	2.34
15 years	75% of market minus 1%	2.51	3.51
20 years	80% of market minus 1%	2.744	3.744

##### **4B. Project Eligibility, Ranking, and Selection**

###### **4B(1) Overview**

The state of New Hampshire utilizes a ranking system to prioritize the order in which eligible projects at eligible public water systems will be financed. Public water systems eligible to apply for ARRA funded loans include community public water systems (public and private) and non-profit, non-transient non-community public water systems. Please note that New Hampshire is targeting these ARRA funds to public water systems serving year-round populations. Projects must involve some component of construction. Projects involving only planning and design are not eligible for funding under ARRP. Also, refinancing of existing loans entered into prior to October 1, 2008 is ineligible. Utilization of ARRA funding for interim financing may be possible to achieve 50% loan forgiveness on the maximum number of projects. For instance, in cases where interim financing would result in up to 50% loan forgiveness from another lender such as the Rural Development Authority.

Based on pre-applications received by 2/27/2009, eligible Projects were ranked based upon the relative impact of the project in achieving the objectives of the Safe Drinking Water Act and the objectives of the ARRA (i.e. economic stimulus). In general, highest priority is given to ready to

proceed projects that facilitate compliance with national primary drinking water regulations applicable to the system under 1412 or otherwise significantly further the health protection objectives of this title (1452(a)(2)). Other ranking criteria include utilizing the State's capacity development list which has identified small public water systems in need of managerial, technical, or financial assistance. In addition, affordability, green infrastructure as well as water and energy efficiency will be included in the ranking formula.

Because projects were solicited before the specific requirements of the ARRA were known, a specific request for "green" projects did not occur. Although a number of projects that would clearly be defined as "green" (per EPA's DWSRF ARRA guidance) were submitted and ranked within the fundable portion of the project list, DES intends to reserve the remaining funding specified for green projects (i.e. 20% of the cap grant or 3.9 million less the "green" projects that currently have received 60 priority points and the \$200,000 leak detection contract) and solicit additional green projects that will be ranked, using the same ranking formula described below, to create a separate list of green projects for available, remaining funds.

#### **4B(2) Priority Ranking Formula**

Project priority points (P) will be derived using the following formula:

$$P = (A+B+C+D+E+F+G)$$

Where:

- A = Existing violations of drinking water standards
- B = Existing Deficiencies in the supply or storage of drinking water
- C = Existing Deficiencies in treatment or design
- D = The Project addresses identified needs of a system on the DES capacity development list
- E = Readiness to proceed
- F = Project includes green infrastructure, water efficiency, energy efficiency component
- G = Affordability (ratio of annual water rate vs. medium household income)

Eligible applicants for project funding include municipal or privately owned community/residential water systems and non-profit organizations that operate public water systems that are non-community but serve a non-transient population such as schools, hospitals and large work places. As with the current DWSRF project ranking procedures, seasonal or non year-round communities (i.e. less than 50% of households are permanent residents) are not eligible for points under ranking factor A, B, C, D and G.

#### **Description of Factors**

Factors used in the formula are described and weighted below. Factors and points apply to the system applying for assistance. For projects where an interconnection is proposed, points can be awarded for the relief of problems in the satellite system(s).

##### **A = Violations of National Drinking Water Standards**

Maximum Contaminant Levels ("MCL") are established by the federal or state Safe Drinking Water Act (SDWA) for those contaminants which may be detrimental to public health. Exceedances of these levels in the last year (the last three years for secondary

contaminants) at non-seasonal community public water systems, of contaminants that will be addressed by the project, carry the following weightings. Points are given for all of the following that apply to a system and will be addressed by the project:

<u>Condition</u>	<u>Priority Points</u>
a. Total and fecal coliforms	
1. No MCL violations	0
2. 1-2 MCL violations	30
3. Greater than 2 violations	40
b. Nitrate	
1. No level above 1.0 mg/L	0
2. Levels >1.0<10mg/L	24
3. MCL violations	36
c. Filtration Related Treatment Techniques	
1. No violations	0
2. 1-2 treatment technique violations	26
3. Greater than 2 violations	36
d. THMs	
1. No MCL violations	0
2. 1-2 MCL violations	26
3. Greater than 2 violations	36
e. Lead and Copper (At the 90th percentile)	
1. Lead levels above .030 mg/l	28
2. Lead levels between .015 and .030 mg/l	22
3. Copper levels above 3.0 mg/l	24
4. Copper levels between 1.3 and 3.0 mg/l	18
f. Primary Organics, Inorganics, and Radionuclides	
For each of the three contaminant groups, assign points as follows:	
1. No MCL violations	0
2. 1-2 MCL violations	18
3. Greater than 2 violations	20
g. Secondary Standards	
Any exceedance of a secondary MCL	14
h. Boil Status (i.e. fecal coliform positive)	62

**B = Quantity Deficiencies or Insufficient Storage**

Quantity deficiencies are shortages due to limited water supply sources or insufficient storage within the distribution system to meet public need. The public health and compliance risks associated with quantity will not be ranked under this category. Deficiencies include domestic need of adequate potable water for drinking and hygiene,

and maintaining adequate pressure in lines to prevent back siphonage and cross-connections. The following priority points may be assigned only for year- round\* public water systems and for current or recent (within last 5 years) unaddressed shortages.

<u>Condition</u>	<u>Priority Points</u>
Adequate quantity for the present (meets all current demand)	0
Continual shortage (daily)	22
Shortage during peak demands	20
Shortage during seasonal high use in a system with an implemented conservation plan.	18
Shortage during seasonal high use in a system without an implemented conservation plan	14

### **C = Treatment/Design Deficiencies**

Design deficiencies are those, which could be corrected by enlargement, repair, installation, or replacement of all or a portion of the system. Any combination of the following deficiencies has the potential to adversely affect a system's ability to continually provide drinking water that meets all standards. The following priority points may be assigned only for year- round\* public water systems.

<u>Condition</u>	<u>Priority Points</u>
No surface water filtration or presence of groundwater under the influence of surface water	22
Non-optimized surface water filtration when compared with American Water Works Association composite correction criteria	18
Mandated chlorination of groundwater system	14
Distribution/plant capacity deficiencies (includes situations where current demand exceeds treatment capacity; pipe tuberculation; pressure issues; asbestos cement removal, high unaccounted for water)	18
Need to upgrade existing corrosion control treatment in order to meet action levels	17
Improper well construction	16
Inadequate water treatment wastewater disposal (backwash or sludge)	14
Other significant deficiencies (e.g. need for treatment of Arsenic, Iron, Manganese, Radon, Radionuclides; other deficiencies observed during a sanitary survey).	14

### **D = Capacity Development List**

Public water systems in need of significant technical, managerial or financial assistance through the capacity development program are identified through a variety of mechanisms including sanitary surveys, referrals from contract operators, direct requests from the water system, customer complaints, and repeat enforcement and significant non-complier lists. Systems are notified of the recommended improvements in their sanitary

survey report or technical assistance site visit reports and are entered into our capacity development tracking database and list. Systems on the capacity development list are typically very small systems serving less than 100 homes. Year-round community public water systems thus identified and applying for financial assistance through the DWSRF will be awarded 30 points.

### **E = Readiness to Proceed**

One important goal of the American Recovery and Reinvestment Act of 2009 is to provide funds for capital improvement projects which will immediately create construction and related jobs and invest in the State's water infrastructure in an expedited manner. Therefore, points will be awarded based on the status of readiness to proceed as listed below.

<b><u>Construction Contract Award Date</u></b>	<b><u>Priority Points</u></b>
By June 17, 2009	30
June 18-August 16,2009	22
August 17-October 15, 2009	15
October 16-December 14, 2009	7
December 15, 2009-January 16, 2010	3
After January 16, 2010	0

### **F = Green infrastructure, Water and Energy Efficiency**

Another important goal of the American Recovery and Reinvestment Act of 2009 is to provide funds for green infrastructure, and water and energy efficiency capital improvement projects. Therefore, points will be awarded for projects that address this priority as follows:

<b><u>Green Project Element</u></b>	<b><u>Priority Points</u></b>
Conventional energy or water efficiency Project e.g. projects requiring a business case per EPA guidance such as distribution main, pump or meter replacement	10
EPA listed "categorical" green projects or innovative environmental projects i.e. low impact development, new meters, alternative energy, LEED certified, source sustainability, etc	60

### **G = Affordability**

Affordability is an indicator of rate payer's ability to afford rate increases that will result from a project. Affordability is determined by a ratio that compares the average water rate to the median household income of the community that is applying for funding. Below is a table which provides points based on this ratio. Only year round communities will be eligible for these points. The water rates are based on the most recent information compiled by DES as printed on Fact Sheet WD-DWGB 16-5 (2008). The median household income (MHI) is the income rates compiled by the State of New Hampshire from the latest United States Census. The affordability ratio is calculated by dividing the

water rate by the community median household income times 100%. This method of determining affordability is consistent with the method used by other funding entities such as Rural Development Authority.

<u>Affordability Ratio( User Rate/MHI)</u>	<u>Priority Points</u>
> 2.0	15
1.75-2.0	11
1.50-1.74	7
1.00-1.49	3
<1.0	0

#### **4B(3). Tiebreaking Procedures**

The tie breaking procedure for similarly ranked projects will be to rank the project serving the largest population higher. This is consistent with current procedures required by administrative rules.

#### **4B(4). Limitations on the Total Amount per Project and the Number of Projects per Applicant.**

In order to ensure job creation in as many localities as possible with ARRA funds, no project may receive greater than \$5,000,000. In addition, if a municipal applicant is receiving significant ARRA funds for other project types, the department reserves the right to limit funding at the discretion of the Governor's office.

#### **4B(5). Bypass Procedure**

A project on the fundable portion of the list may be bypassed if it is determined that the project will not be ready to proceed. A one-time extension may be possible given extenuating circumstances, based on the ability to meet the goal of having all ARRA projects under contract by 2/17/2010. Funds, which become available due to the utilization of the bypass procedure, will be treated the same as additional allotments of funds (i.e. the Department will continue down the ranked priority list)

#### **4B(6). Emergency Projects**

Projects necessary to alleviate emergency situations that result in an imminent threat to public health, such as: the total loss of water supply or loss of a major component due to a natural or unforeseen disaster which could not have been prevented by the applicant (e.g. tornado, flood, severe weather, fire, collapse, etc.), or other water emergencies which could not have been prevented by exercise of reasonable care by the applicant, can be immediately elevated to the top of the priority list at the discretion of the Department. In such cases the Department reserves the right to waive the limitations of the number of projects per applicant and the total amount per project described above.

#### **4B(7). ARRA Ranking of 2009 Infrastructure Projects**

The New Hampshire Department of Environmental Services has solicited requests for projects to be funded, in part, with the ARRA of 2009 Capitalization Grant. Pre-applications were due on February 27, 2009. DES has reviewed these pre-applications, taken public comment, and finalized the attached project list. A solicitation for additional green projects to be funded with remaining green ARRA funds will occur in May 2009. A separate priority list will be established after the projects have been ranked using the ranking method described in 4B(2) above and will be available for public comment prior to finalization.

## **5. Description of Other Key ARRA Provisions**

### **5A Green Infrastructure, Water Use efficiency and Energy Efficiency**

The ARRA requires that, to the extent there are sufficient eligible project applications, not less than 20% of the funds provided under the ARRA be used for water efficiency, energy efficiency, green infrastructure, or other environmentally innovative activities. The projects that clearly meet the EPA guidance for use of these funds are identified and shown as fundable on the attached project list. The energy and water savings associated with distribution line and pump replacement are acknowledged through the priority ranking system. However, these projects are not identified as “green” on the priority list and will not be unless a business case is made by the applicant that the primary goal of and need for the project is to achieve energy or water savings. Only projects that are clearly identified through EPA guidance are identified on the list (e.g. LEED certified facilities, new water meters, alternative energy, etc). Because EPA guidance and final ARRA requirements were not available before projects on the current project list were solicited, DES intends to reserve the remaining funding specified for green projects (i.e. 20% of the cap grant or 3.9 million less the “green” projects that currently have received 60 priority points and the 2% setaside leak detection contract) and solicit additional green projects. A separate “green” priority list will be developed for the remaining funds using the same ranking method identified in 4B(2) above. Subsequent to a public comment period, this list will be finalized.

### **5B. Priority for Projects Ready to Proceed to Construction in 12 Months/ Preference for Expeditious Activities**

New Hampshire has a priority system for its DWSRF program that ranks projects in accordance with criteria associated with public health, compliance and economic need. However, the ARRA requires that priority be given to projects that will be ready to proceed to actual construction within 12 months of the date of enactment. To comply with this requirement, New Hampshire has identified the construction start month for every project for which ARRA funding is being sought. This was done by requiring that information on pre-applications which will then be verified through ongoing contact with the systems. Only projects that will be under contract by 2/17/2010 are being considered for funding.

In addition, the ARRA section 1602 requires that “recipients shall give preference to activities that can be started and completed expeditiously, including a goal of using at least 50 percent of the funds for activities that can be initiated not later than 120 days after ... enactment” of the ARRA (i.e. 6/16/2009). New Hampshire has addressed this preference requirement by utilization of priority ranking described above which provides more priority points to projects that will be under contract/construction sooner.

### **5C Avoidance of Reallotment/Relationship to Base/Standard DWSRF Program**

In order to meet the requirements and deadlines of the ARRA for the expeditious and timely commitment and expenditure of funds, New Hampshire DES will regularly review the data reported to USEPA on the progress of assistance recipients under the statutory deadlines specified in this IUP to identify any issues with the timeliness of this progress. If such issues are identified, the DES intends to work with USEPA to resolve such issues as may place the State at

risk of reallocation if not resolved in a timely manner. The State will include conditions in its binding commitments to ensure that assistance recipients make timely progress with respect to entering into contracts and/or construction. If a recipient fails to maintain progress with these conditions, they will be bypassed as described previously. Adherence to schedule will be a loan contract condition.

The State understands that the USEPA may deobligate grant funds from States that fail to meet requirements on use of funds. New Hampshire intends to avoid deobligation. If the State is eligible for additional funds made available from other States that fail to meet deadlines, the State will provide USEPA with a list of projects from its priority list that are ready to proceed to construction, and will also provide a certification through an amendment to this IUP that all funds received for these projects will be under contract for construction within 120 days of reallocation. Any increase in additional subsidization for projects funded with reallocated money will also be specified in the IUP amendment.

### **6. Public Participation**

A public hearing was held on April 3, 2009 prior to finalization of the project priority list and the IUP. Notice of this hearing was sent to all interested public water systems (e-mail addresses were solicited during the ARRA creation period at two widely attended meetings). It also ran in a newspaper with state-wide circulation and it was posted on applicable NH related recovery websites. Direct notification via mail or e-mail to all applicants was also conducted.

A public process to solicit comments will also be conducted for the priority list developed for the use of remaining green project funds.

**Attachment  
C: Project List**

## **Attachment B**

### **2% Technical Assistance Work Plan**

About one half (\$190,000) of the 2% setaside will be taken to be spent on staffing required to assist small systems on the State's capacity list with applying for ARRP funds and keeping on track with project implementation and reporting. Other small systems with eligible projects may also be assisted with application and project implementation using this setaside. In addition, a technical assistance contractor will be hired with \$200,000 to perform leak detection and water audits at public water systems serving less than 33,000 people. Contract documents will be sent to EPA for pre-approval.

The measures of success for use of this setaside are:

- Processing all small system projects that are fundable under this ARRA IUP
- Improving water and energy efficiency by identifying leakage at 30 or more small systems
- Creating jobs
- Improving small system infrastructure
- Addressing Capacity Development goals

**Attachment C: Project List**

DRAFT

**Attachment D: Memorandum of Agreement between DES and Department of Treasury**

**Attachment E: MOA between DES and NH Business Finance Authority**