



## Arkansas Department of Agriculture



Safe Drinking Water Fund Intended Use Plan  
SFY 2025 (July 1, 2024 – June 30, 2025)

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## II. Introduction

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### A. Arkansas's Drinking Water State Revolving Loan Fund

This is the State of Arkansas's Intended Use Plan (IUP), prepared jointly by the Arkansas Department of Agriculture's Natural Resources Division and the Arkansas Department of Health's Engineering Section (ADHE). The IUP identifies intended uses of the funds available to Arkansas as authorized by the Safe Drinking Water Act (SDWA), as amended in 1996 (42 U.S.C. § 300j-12 et. seq.).

In Arkansas, the overall program is named the Safe Drinking Water Fund (SDWF). The SDWF is made up of two programs which are the Drinking Water State Revolving Fund (DWSRF) program and the State Set-Aside Fund (SSAF) program. The Natural Resources Division, through an interagency Agreement with ADHE (the Primacy Agency in Arkansas), administers the DWSRF. Through the DWSRF program, the Natural Resources Division will use funds for water projects that further the goals of the Safe Drinking Water Act. Except for the Administration Funds for the DWSRF program, which go to and are administered by the Natural Resources Division, the ADHE administers all facets of the SSAF. The SSAF Program will use the funds to provide Small Systems Technical Assistance, State Program Management, Local Assistance, and Administration Funds. It is the intent of SDWF to consistently comply with all requirements as stipulated in each year's grant agreement for the capitalization grant. However, procedural changes and reporting requirements may be modified by EPA. These changes will be incorporated into the Natural Resources Division, as necessary.

As required by the SDWA, the State is required to prepare this IUP to identify the set-aside programs and projects that will potentially utilize the funds available to the SDWF. This IUP is prepared for the Natural Resources Division's Fiscal Year 2025 (SFY 2025) and identifies those sources and uses of available program funds. For this IUP, the fiscal year identified is the Natural Resources Division's SFY 2025, beginning July 1, 2024, and ending June 30, 2025. The capitalization grants and the state match to fund these activities are from prior fiscal years and the Federal Fiscal Year 2024 (FFY 2024) appropriation, including Bipartisan Infrastructure Law/Infrastructure Investment and Jobs Act (BIL) appropriations.

### B. Public Notice

To ensure that the public has an opportunity to review the Natural Resources Division's proposed plans for the DWRLF, a draft IUP was published on the Natural Resources Division [website](#) to accept comments on the IUP. To ensure that interested parties were made aware of the draft IUP and the comment period, the Natural Resources Division posted notice on its website and published the public notice advertisement for the Clean Water and Drinking Water Revolving Loan Fund Intended Use Plans in the "Arkansas Democrat-Gazette," a statewide newspaper, on August 11th and August 28<sup>th</sup>, 2024. The public comment period remained open with a deadline for submittal of written comments of September 18<sup>th</sup>, 2024. Copies of the IUP were also available, upon request, with the Natural Resources Division.

### III. Projects and Available Assistance

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This IUP contains a list of projects the Natural Resources Division anticipates funding and information on how the Natural Resources Division plans to use them:

- a) The set-aside funds carried over from previous SFY(s), which includes set-asides from the FFY 2021, 2022, and 2023 capitalization grants along with the estimated 2024 capitalization grants.
- b) The remainder of the FFY 2020, 2021, 2022, 2023 and 2024 capitalization grants and the estimated BIL funds.
- c) The funds the State receives from the repayment of loans previously made from the DWSRF.
- d) Funding sources identified in [Chart 2](#).

The DWSRF program expects to disburse approximately \$300 million to projects in this fiscal year. These projects are all designed to meet one or more of the goals of the SDWA which are to:

- a) Help ensure public health protection.
- b) Comply with the SDWA.
- c) Protect underground sources of drinking water from endangerment by underground injection of fluids.

#### A. Bipartisan Infrastructure Law (BIL)

President Biden signed the BIL on November 15, 2021, these funds will be used to strengthen the nation's drinking water. Drinking water will have three separate funding for BIL, general supplemental, emerging contaminants, and lead service line replacement. The key priority is to ensure that disadvantaged communities benefit equitably from this investment in water infrastructure.

### IV. Goal Statements

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The Natural Resources Drinking Water Program is an integrated and centralized program funded by the DWSRF, Public Water System Supervision, and state funding. The primary focus of the program is to achieve public health protection and rule compliance. All mandatory and voluntary program elements, (i.e., technical assistance, capacity development, source protection, rule implementation, enforcement, etc.) are coordinated to assure this end.

#### A. Short-term Goals

1. The Natural Resources Division anticipates entering 129 loans closing for approximately \$760 million. The projects are identified in [Chart 3](#).
2. The Natural Resources Division anticipates six (6) projects that will meet green project reserve requirements as identified in [Chart 4](#). However, additional projects may have green components identified after loan closing occurs.
3. The Natural Resources Division anticipates loan closing for forty-four (44) projects that will meet the additional subsidy requirements and up to thirty-seven (37) of those projects that will receive Disadvantaged Funds in the form of principal forgiveness. The projects are identified in [Chart 4](#).
4. Complete set-aside work plans specifying funds from the capitalization grant. (Target completion: within 60 days of grant award)
5. ADHE will continue to utilize the State Program Management set-aside to fund a portion of the implementation of the State Public Water Supply Supervision Program plan effort. This will include activities in this state fiscal year such as: review and approval of 200 (goal) plans and specifications; logging and tracking of 1400 (goal) plan submissions; 250 (goal) sanitary surveys; technical assistance to Public Water System Supervision in a variety of ways; and other implementation activities.
6. The Natural Resources Division will continue to screen projects using the Project Priority System to assure the Safe Drinking Water Act's overall goals are given priority in the DWSRF program. The goal for this fiscal year is to have at least 400 projects on the Project Priority List (PPL) and include all water systems for LSL inventories.

7. The Natural Resources Division will strive to apply for the federal cap grant funds in the first year that they are appropriated.
8. The Natural Resources Division will continue to implement the State capacity development program strategy at no cost to entities. A vital element of this program is the technical assistance contracts provided under the Small System Technical Assistance and/or Local Assistance Set-aside. These were restructured slightly to focus more on direct assistance to the systems. SFY 2025 goals for these contracts are 1,900 hours of technical assistance with an additional 1,000 hours of technical assistance coming from our Area-Wide Optimization program.
9. The Natural Resources Division plans to increase public knowledge of the Drinking Water Revolving Loan Fund through Facebook posts about program success stories, participation in conferences relevant to eligible projects, and promotion through the utilization of marketing material available from EPA. Additionally, Arkansas will continue to seek opportunities to provide incentives to promote the Drinking Water Revolving Loan Fund by offering interest rate deductions for cyber security and regionalization.

## B. Long-term Goals

The Natural Resources Division has committed to continually work towards these goals:

1. Maintain the fiscal integrity of the DWSRF and assure a continuous enhancement of the loan fund for future generations.
2. Maintain the fund in perpetuity by protecting the principal that has been and continues to be deposited into the DWSRF program.
3. Provide entities with a source of long-term, low-interest financing that will allow them to protect their customers' health and comply with the Safe Drinking Water Act.
4. The Natural Resources Division will meet the growing demand for the DWSRF program by leveraging the fund when the demand exceeds the current revenue streams.
5. The Natural Resources Division will continue to work with Arkansas Department of Health to implement the Public Water System Supervision Program in conformance with its primacy commitments.
6. The Natural Resources Division will continue to work with Arkansas Department of Health to implement the State Source Water Assessment/Protection Program.
7. The Natural Resources Division's will continue to work with Arkansas Department of Health to implement the State Capacity Development Program strategy.
8. The Natural Resources Division will maximize the number of entities meeting the SDWA requirements by combining the DWSRF program with other state and federal funding programs when feasible.

## C. Environmental Results under EPA Assistance Agreement Goals

The Natural Resources Division's DWSRF program will satisfy EPA's Strategic Goal 1 for Clean and Safe Water, objective 1.2.1 for number of water community systems out of compliance with health-based standards, and sub objective 3.1.2 increase environmental law compliance rate. The following short-term goals are presented to follow EPA Order #5700.7, which became effective on June 7, 2018.

The outputs below will be used as a measure to comply with the new requirements:

- [Output 1](#) – Provide 200 binding commitments to water systems. The projects are identified in [Chart 3](#).
- [Output 2](#) – Enter into binding commitments with one hundred thirteen (113) small systems and fifteen (15) large systems during this fiscal year. The projects are identified in [Chart 3](#).
- [Output 3](#) – Arkansas Department of Health also contracts to work with small systems. Goals for these contracts include one eight-hour training course, 12 one-hour group training sessions, and one Comprehensive Performance Evaluations (CPE).

Environmental benefits will result from approved funds and projects completed to reduce specific contaminants, create energy savings, conserve water, increase capacity to meet current water needs, replace aging infrastructure, and comply with state and federal regulations.

## V. Distribution of Funds

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### A. Distribution of Funds Between DWSRF Program and SSAF Programs

The Natural Resources Division puts priority on providing existing Public Water Systems with technical assistance to ensure all Public Water Systems meet the requirements of the Safe Drinking Water Act. Arkansas endeavors to provide these services at no cost to the systems. See Section VIII., Set-Aside Programs and amounts requested for details of the SSAF programs managed by ADHE.

The administration of the DWSRF program also falls in the category of SSAF programs. The Natural Resources Division plans to use the full 4 percent allowed for administration. The Natural Resources Division will be responsible for the administration and reporting needed for the DWSRF program.

### B. Distribution to Specific Projects in the DWSRF Program

The Natural Resources Division's method for the development of the Priority List and Fundable List explains the process used to select systems to receive assistance.

#### 1. Priority System

The ADHE is responsible for developing the Priority System. They have developed a system that includes factors for projects that:

- a) Address the most serious risk to human health.
- b) Are necessary to ensure compliance with the requirements of the SDWA assist systems most in need on a per household basis according to state affordability criteria.

The Priority System Questionnaire is sent annually to each Public Water System (PWS) in the state. The questionnaire describes the Priority System used by the DWSRF program and lists the point values assigned to each category in the Priority System. The ADHE sends the questionnaire to the PWS so they can add new projects to the DWSRF PPL. The ADHE evaluates the questionnaires that are returned and assigns point values to the various categories, included as [Appendix A](#). A project's total points are used to determine the project's ranking. The more points that a project receives, the higher it is placed on the Priority List. The new projects are added to the projects which were not funded from the previous Priority List, and a new Priority List is assembled.

To be placed on the Priority List, an entity must submit a questionnaire to ADHE. Since submitting the questionnaire is a voluntary task, only projects that may be funded by the DWSRF program are listed on the Priority List. Once the ADHE prepares the Priority List, it's the Natural Resources Division responsibility to create a Fundable List from the Priority List.

#### 2. Priority List of Projects

The Priority List contains projects that are interested in utilizing funding from the DWSRF program. Each project is evaluated to determine its relative priority as compared to the rest of the projects seeking funding through the DWSRF program. The ADHE prepares the Priority System used to rank projects, included as [Appendix A](#), sends out the questionnaires, determines the priority points for the projects that return questionnaires, and develops the [Priority List](#). The Natural Resources Division then takes the Priority List and establishes a Fundable List. The Fundable List ([Chart 3](#)) is not a separate list but is instead composed of projects from the Priority List that expect to close a loan and expend funds in this SFY.

40 CFR 35.3555(d) states that the Priority Lists of projects may be amended during the year under provisions established in the IUP if additions or other substantive changes to the lists, except projects funded on an

emergency basis, go through a public review process first. The public review process will include placing it on the Natural Resources Division’s website.

### 3. Fundable List of Projects

As stated in 40 CFR 35.3555l(2) (l), the IUP must contain a fundable list of projects that are expected to receive assistance from available funds designated for use in the current IUP. The Natural Resources Division defines “receive assistance” to mean closing a loan and expending funds. Projects that are ready to proceed are added to the Fundable PPL and bypass those projects that are not on schedule. It is the Natural Resources Division’s intent to offer funding to all the projects listed on the Priority List. The Fundable List simply shows those projects that expect to receive assistance from the Drinking Water State Revolving Fund in this fiscal year ([Chart 3](#)).

#### Ready to Proceed

“Ready to proceed” means a project that has been approved by Arkansas Natural Resources Commission. Projects that have met this requirement are moved to the fundable portion of the PPL and bypass those projects that are not on schedule or have not applied for funding.

#### Binding Commitments

Through SFY 2025 the Natural Resources Division has defined the Binding Commitment date as the date the Bond Purchase Agreement (BPA) is signed by all parties. Binding Commitment and subsequent loan closing typically occur six to eighteen months after Arkansas Natural Resources Commission funding approval. In SFY 2024 the Natural Resources Division issued a binding commitment letter to establish the binding commitment date, including the length of the commitment.

### 4. Bypass Procedures

The Natural Resources Division’s intention is to fund every project on the Priority List as it becomes ready to proceed. Except for an emergency public health project, the Natural Resources Division does not plan to bypass a project that is ready to proceed for another project with a lower ranking.

If a project’s readiness to proceed changes status after it was placed on the Fundable List, the Natural Resources Division reserves the right to put the project on hold and take another project from the Priority List that is ready to proceed in its place. Previous examples of this kind of problem include court cases being filed, other funding being withdrawn, or a change in administration of the entity proposing the project. If a project is not ready to proceed, the Natural Resources Division will substitute the next project on the priority list that is ready to proceed.

If a situation develops which causes the State to bypass a project that is ready to proceed for another project, the Natural Resources Division will include an explanation in the Safe Drinking Water Fund and State Revolving Loan Fund Program Annual Report (Annual Report)..

### 5. Emergency Public Health Projects

The Natural Resources Division reserves the right to fund projects not on the Priority List if these projects protect the public from an imminent health threat. The Arkansas Department of Health (ADH) is the sole entity in Arkansas that can declare a situation to be an imminent health threat. The ADH Director or his designee would make the determination of an imminent health threat based on an immediate risk to the public health caused by a situation that is amenable to correction. The project developed to correct the situation would still have to meet eligible qualifications for funding from the DWSRF program. This procedure would allow a project designated as an imminent health threat to bypass the Priority List and Fundable List phases of the DWSRF program only.

The Natural Resources Division will notify EPA in the event a project is designated as an imminent health threat, and the project would be reported as such in the Annual Report.



## C. Type and Terms of Assistance

Prior to FFY 2010, the Natural Resources Division made the decision to provide one type of assistance, loans. Loans provide the most flexible use of the funds. By providing assistance in the form of loans, the Natural Resources Division can vary the terms of the loans to help disadvantaged communities, refinance existing debt to improve the finances of entities, or pledge the loans to leverage issues which would increase the funds available for the program. Beginning with the 2009 American Recovery and Reinvestment Act and the FFY 2010 Capitalization Grant, the Natural Resources Division may offer additional subsidization in the form of principal forgiveness, negative interest rate loans, or grants.

Assistance will be provided in the form of a loan for up to 100 percent of the eligible cost of projects. Loans at below market interest rates provide affordable financing and incentives for loan applicants to meet the program requirements. The program provides for flexibility and the perpetuity of the DWSRF.

### 1. Lending Rate

The lending rate is composed of two parts, the interest rate and the servicing fee. The lending rate will be determined at the time the borrower is developing the Bond Purchase Agreement and the Bond Ordinance. Rates are set as follows:

#### Standard Lending Rates:

- 3.5% for a 10-year repayment period (2.5% interest, 1% fee)
- 4.0% for a 20-year repayment period (3.0% interest, 1% fee)
- 4.5% for a 30-year repayment period (4.5% interest, 1% fee)

The Natural Resources Division varies the lending rate in this manner to encourage entities to repay loans as quickly as possible. The quicker that entities repay, the sooner the DWSRF program will be able to use these funds on future projects.

The service fees are deposited into the fees and administrative account which is outside of the DWSRF and not subject to the 4% administration cap applicable to the DWSRF.

#### Special Lending Rates

- a. **Regionalization-** 1.50% (.50 interest, 1% fee) for regionalization projects addressing water quality concerns for a maximum of 30 years or the life of the project, whichever is less.

Regionalization is the physical interconnection and consolidation of two or more systems including the transfer of all assets to a single system. At least one of the systems must be a small public water/sewer system, a system servicing 10,000 or fewer customers. In cases where a regional solution is clearly feasible but is not pursued, those systems should not expect to receive priority for government-subsidized funding. Small systems may maintain their independence, but their users must be willing to pay for it. Conversely, when a system is pursuing a regional alternative that has large capital costs but will provide a better long-term solution, that project will be given priority for funding incentives. As a result, special lending rates and additional subsidization (where applicable) have been incorporated for regionalization projects that are specifically designed to regionalize one or more small systems.

- b. **Cybersecurity**- Reduction of lending rate (up to 0.50% rate reduction) for eligible cybersecurity component(s) of a publicly owned community water system infrastructure improvement project, savings not to exceed the cost of the cybersecurity component(s) of a traditional infrastructure project.

When cybersecurity is included as a component of a traditional infrastructure improvement project the rate reduction will be available. Cybersecurity is defined as the cybersecurity component(s) of a publicly owned community water system. Eligible cybersecurity is defined in the EPA fact sheet for the loan fund, [Supporting Cybersecurity Measures with the DWSRF](#). Examples include: development of effective cybersecurity practices and measures at publicly-owned community water systems; installation of cyber-related infrastructure, which may include upgrading information technology and operational technology, along with equipment and infrastructure upgrades such as upgrading outdated computers and software; creating secure network backups; enhancing the security of information technology (IT) and operational technology systems; installing or updating Supervisory Control and Data Acquisition (SCADA) systems; providing on-site back up power generation; and installing threat detection and monitoring systems. Water systems may use DWSRF loan funding to construct physical barriers and access control systems to protect IT systems from unauthorized physical access. These may include locking doors/cabinets, cabinet intrusion alarms, or conduit to protect network cables.

- c. **Lead Service Line Inventory or Replacement**- 0% (0% interest and 0% fee) for Lead Service Line inventory or replacement projects.

This rate is for a lead service line replacement (LSLR) project or associated activity directly connected to the identification, planning, design, and replacement of lead service lines. Any project funded by DWSRF involving the replacement of a lead service line must replace the entire lead service line, not just a portion, unless a portion has already been replaced or is concurrently being replaced with another funding source.

- d. **Emerging contaminants (BIL-EC)**- 0% (0% interest and 0% fee) Projects eligible under BIL-EC project funding at 100% additional subsidy.
- e. **Equivalency Projects**- Borrowers/Recipients selected by Natural Resources Division to meet all federal requirements for their project, reduce the standard interest rate by up to 1%, standard fee rate remains the same.

## 2. Repayment Period

The standard repayment period is 20 years. Upon request the repayment period may be extended to 30 years. In addition, the repayment period may be adjusted to provide disadvantaged communities with an incentive to use the DWSRF program. An approved applicant's maximum loan term is typically 20 years. However, the option to extend the term (repayment period) based on the life of the project is available. In no case will the extended loan term exceed the estimated life of the project.

## D. Service Fee

The servicing fee is collected as part of the semi-annual loan repayment. These funds are placed in the DWSRF administration account, which is a separate fund, and the funds are used for eligible program expenses.

## E. Green Project Reserve (GPR)

The Green Project Reserve mandate was removed in the FFY 2012 appropriation and the DWSRF program is no longer required to meet the 20% requirement on each cap grant. The Natural Resources Division will continue to solicit for "Green" projects from Public Water Systems (PWS).

To be eligible for GPR funding, the applicant must be a public water system and the project must demonstrate that it will facilitate compliance with national primary drinking water regulations or otherwise significantly further the public health protection objectives of the SDWA. Projects eligible for GPR will be in one of the following categories:

- **Energy Efficiency** – Projects that reduce the energy consumption of eligible drinking water infrastructure.
- **Water Efficiency** – Projects that use improved technologies and practices to deliver equal or better

services with less water.

- **Green Infrastructure** – Projects that include practices that manage wet weather to maintain and restore natural hydrology by infiltrating, evapotranspiring, and capturing and using stormwater. In the context of the DWSRF, green infrastructure consists of site-specific practices, such as green roofs and porous pavement at drinking water utility facilities. In addition to managing rainfall, these green infrastructure technologies can simultaneously provide other benefits such as reducing energy demands.
- **Environmentally Innovative** – Projects that demonstrate new and/or innovative approaches to delivering service and/or managing water resources in a more sustainable way, including projects that achieve public health protection and environmental protection objectives at the least life-cycle costs.

## F. Additional Subsidization

The Natural Resources Division has developed the following system to determine if a project is eligible for additional subsidization funds for the DWSRF. The Natural Resources Division provides additional subsidization in the form of principal forgiveness. See [Chart 4](#) for additional subsidization projects on the SFY 2025 fundable project list.

To be eligible to receive additional subsidization from the fund, a borrower must show either:

- 1) The current utility rates or proposed utility rates for 4,000 gallons of water on an annual basis are at least 1.5 percent of the median household income (MHI) for the project area.
- 2) At least 51 percent of the customers who benefit from the project have either low or moderate income as defined by the U.S. Department of Housing and Urban Developments’ Community Block Grant (CDBG) Program and have 1.25% of MHI.
- 3) Projects addressing perfluorooctanesulfonic acid (PFOS)/ per- and polyfluoroalkyl substances (PFAS).
- 4) Projects eligible LSLR, activity directly connected to the planning, design, and replacement of lead service lines.

Once a project has been determined to be eligible for additional subsidization from the DWSRF, additional priority will be given to projects that meet the Regionalization or Green standards set by the Natural Resources Division.

Disadvantaged Community Assistance - Arkansas will provide some incentive for disadvantaged communities to use the DWSRF program. Because of the limited funds the DWSRF program receives, that assistance is limited to offering additional subsidization (principal forgiveness) or extending the maximum repayment period for loans. See [Chart 4](#) for the disadvantaged community assistance estimated for projects expected to close in SFY 2025.

Open Grants:

Cap Grant	Type	Type	Allocated	Available to Allocate
2020	Base	Congressional	\$2,319,240.00	
2020	Base	Disadvantaged (minimum)	\$993,960.00	
2021	Base	Congressional	\$2,317,140.00	
2021	Base	Disadvantaged (minimum)	\$993,060.00	
2022	Base	Congressional	\$1,476,020.00	
2022	Base	Disadvantaged (maximum)	\$3,690,050	
2022	BIL – G	BIL-G	\$13,264,300.00	
2022	BIL – EC	BIL-EC	\$10,912,320	
2022	BIL – LSL	BIL-LSL	\$8,565,241.00	\$8,565,241.00
2023	Base	Congressional	\$6,206,000.00	\$4,583,058.00
2023	Base	Disadvantaged (maximum)	\$5,237,308.00	\$1,622,942.00
2023	BIL – G	BIL-G		\$12,352,410.00
2023	BIL – EC	BIL-EC		\$9,147,000.00
*2024	Base	Base		
*2024	BIL-G	BIL-G		
<b>Total</b>			<b>\$8,011,939.46</b>	<b>\$78,009,389.54</b>

\*Estimated

## 1. Disadvantaged Community Definition

In Arkansas, a disadvantaged community has been defined as any community where:

- The current utility rates or proposed utility rates for 4,000 gallons of water on an annual basis rates are at least 1.5 percent of the MHI for the project area. \*
- 51 percent of the customers who benefit from a project are either low or moderate income as defined by the U.S. Department of Housing and Urban Developments' Community Block Grant (CDBG) Program; and have 1.25 percent of MHI.

*\*Project area MHI is the average of the most recent three years of available data on the ACS five-year estimates provided by the University of Arkansas at Little Rock (UALR).*

Arkansas's MHI is the average of the most recent three years of available data on the ACS 5-year estimates provided by UALR (2019 – 2022). Arkansas's MHI for FY 2025 is \$56,335.

The Natural Resources Division will offer two types of assistance to disadvantaged communities: an extension of the repayment period and additional subsidization.

## 2. Identification of Projects

The PPL list can be found on the website, and [Chart 4](#) includes a column defining which projects will qualify as disadvantaged communities.

## G. Wage Rate Requirements (Davis-Bacon)

The Natural Resources Division *agrees to follow all* federal labor laws regarding prevailing wages, hours of work, and rates of pay are collectively known as the Davis-Bacon laws. All projects funded in whole or in part with assistance from DWSRF will be required to comply with Davis-Bacon laws and incorporate their provisions into any project work that has been or will be contracted.

## VI. Financial Planning Process

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The Natural Resources Division manages three State programs and two additional federal programs to meet the drinking water needs in the State. These programs can also fund the projects eligible for DWSRF funding. The financial planning process used for the DWSRF program considers all these sources of funding and each one's strengths and weaknesses.

The Natural Resources Division also has an organization called the Water/Wastewater Advisory Committee that reviews all water and wastewater projects before the project applies to a funding program. This process allows the Natural Resources Division to have some idea of future projects and who they are likely to apply to for funding. This information is also used to project the future demand for DWSRF funds.

The Natural Resources Division contracts professional financial advisors and bond counsel to help keep abreast of changes in the financial market and both state and federal bond law. These professionals advise the Natural Resources Division on current market conditions so lending rates and repayment periods can be adjusted as needed.

The DWSRF program is continually being reviewed in terms of future demand, changes in loan terms and the need to leverage the program. The primary concern is always to provide low-cost loans to entities in Arkansas while maximizing the funds available, so no one is turned away because of a lack of funds.

From time-to-time the Natural Resources Division, through the Arkansas Development Finance Authority, issues bonds secured by the revenues from the pledged DWSRF project loans. Proceeds from any bonds issued will be

deposited directly into the DWSRF. To the extent that it would benefit the program, the Natural Resources Division may choose to exercise its option to cross-collateralize when issuing revenue bonds.

## VII. Financial Status

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The Natural Resources Division’s total funding sources for the DWSRF for this fiscal year are identified in [Chart 2](#) (sources include capitalization grants, the required state match for those capitalization grants, interest earnings, and loan repayments).

Arkansas Natural Resources Commission has approved funding for projects totaling approximately \$462 million as of May 30, 2024, with an additional estimated \$8 million in pending applications, and additional projects expected to be approved during SFY 2025. The Natural Resources Division has worked diligently to increase the number of applications for funding and the amount approved over the last three years and will continue to work with potential applicants to continue this trend.

### A. State Match Sources

The Natural Resources Division agrees to deposit into the Drinking Water State Revolving Fund or make available through a letter of credit or a letter of credit type instrument, monies in an amount equal to 20 percent of each quarterly grant payment on or before the date on which the State receives each payment from the grant award. The Natural Resources Division will fund the required state match by using state appropriations, grants from state funding programs, bond proceeds, or servicing fees. The State match requirement for the Base and General BIL amounts, are in the table below.

State Match Requirements		
FY24	Requirements	Amount
Base	20%	\$1,116,000
BIL General	20%	\$5,504,000

### B. Leveraging of the Drinking Water State Revolving Fund

The Natural Resources Division leverages periodically to increase the funds available for assistance. The Natural Resources Division anticipates leveraging the program in an amount up to \$50 million to meet the cash flow needs of both the Clean Water and Drinking Water SRF programs in early of 2025. EPA Region 6 will be updated regarding plans to leverage.

### C. Cash Draw Ratio Proportionality

The Natural Resources Division will disburse 100 percent of the state match for a capitalization grant first and then draw 100 percent of the federal funds for that capitalization grant (less the set-asides). Arkansas is prohibited from disbursing state match in any of the forms used for additional subsidization. If federal funds are required to be spent on additional subsidization, Arkansas Code § 15-22-1102(b)(12)(B), the Natural Resources Division will continue this process for future federal cap grants.

## VIII. Set Aside Programs and Amounts Requested

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The Safe Drinking Water Act allows each state to set aside up to 31 percent of its federal capitalization grant to support various drinking water programs including administration, technical assistance, state program management and special activities. Spending has been structured to modernize the program through data collection contracts, software updates, state laboratory equipment maintenance, etc. This modernization process will improve the efficiency of the overall program and assist in the reduction of our un-liquidated obligations. Arkansas SSAF has and will continue to request set-asides for non-routine investigative monitoring, such as the

UCMR, LT2ESWTR source monitoring, and source water monitoring, for ADH laboratory equipment replacement, as needed, and for updating our Source Water Assessment and Protection Plan. To maximize public health protection potential and minimize un-liquidated obligations older set-aside funding will be transferred back to the DWSRF loan account as it is determined not to be needed by the SSAF.

### A. Administration of the Drinking Water State Revolving Fund Program

As provided for in SDWA §1452(g)(2), the maximum allowed does not exceed four percent of all grant awards received by the DWSRF, \$400,000 per year, or 1/5 percent of the current valuation of the fund, whichever amount is greater, plus the amount of any fees collected by the State for such purpose regardless of the source.

The Natural Resources Division intends to budget up to four percent of the FFY24 grant allotments for administration, some of this set aside will support various drinking water programs including administration, technical assistance, state program management and special activities. The Natural Resources Division has the responsibility of managing the DWSRF program and will use the funds allocated to this set-aside program to defray the administrative costs associated with managing the program and assistance eligible under BIL Lead Service Line (LSL) Replacement.

Grant	Fund	Available	Reserved	Budget
FFY24	Base	\$223,200	\$0	\$223,200
	BIL-G	\$1,811,960	\$0	\$1,811,960
	BIL-LSLR	\$1,811,960	\$0	\$1,811,960
	BIL-EC.	\$365,880	\$0	\$365,880
	<b>Total</b>	<b>\$4,213,000</b>	<b>\$0</b>	<b>\$4,213,000</b>

## B. Small Systems Technical Assistance (SSTA)

Arkansas Department of Health uses these funds to provide assistance to small water systems in assessing and implementing capacity development which will identify individual water system needs, provide corrective action plans addressing identified deficiencies (goal 40), and provide technical assistance in correcting these deficiencies (goal 1,900 man-hours).

Grant	Fund	Available	Reserved	Budget
FFY24	Base	\$111,600		\$111,600
	BIL-G	\$550,400		\$550,400
	BIL-LSLR	\$905,980		\$0
	BIL-EC.	\$182,940		\$182,940
	<b>Total</b>	<b>\$2,595,860</b>		<b>\$1,689,880</b>

SSTA Reserved for future use:

Cap Grant	Amount Reserved	Amount to be re-claimed for use in current SFY
2020	\$331,320	\$0
2021	\$331,020	\$0
2022 Base	\$210,860	\$0
2022 BIL	\$227,340	\$0
2023 BIL	\$182,940	\$0
<b>Total Reserved:</b>	<b>\$1,283,480</b>	
<b>Estimated total to be Re-Claimed in this FY Cap Grant:</b>		<b>\$0</b>

## C. State Program Management Program (PWSS)

Funds will be used to enable the ADHE to continue to operate its Public Water Supply State Program Management (SPM) activities to ensure compliance with requirements of the Safe Drinking Water Act. Funds will be used to support full time employees and related expenses including such items as salary, fringe, indirect costs, travel, training, office supplies, PC/LAN/GIS equipment and upgrades, laboratory equipment replacement, and similar routine costs. Day to day activities will include such activities as sanitary surveys (goal 150), engineering plan reviews (goal 1400), complaint investigations, compliance tracking and grading, technical assistance in a variety of forms to water systems, administrative activities, and other needs.

Grant	Fund	Available	Reserved	Budget
FFY24	Base	\$558,000		\$558,000
FFY24	BIL-G	\$2,752,000		\$2,752,000
FFY24	BIL-LSLR	\$4,529,900		\$0
FFY24	BIL-EC.	\$914,700		\$914,700
	<b>Total</b>	<b>\$8,754,600</b>		<b>\$4,224,700</b>

SPM Reserved\* for future use:

Cap Grant	Amount Reserved	Amount to be re-claimed for use in current SFY
2020	\$0	\$0
2021	\$496,530	\$0
2022 Base	\$1,054,300	\$0
2022 BIL	\$1,136,700	\$0
2023 BIL	\$914,700	
Reserve Balance:	\$4,099,210	
<b>Total to be re-claimed in this FFY Cap Grant:</b>		<b>\$0</b>

\*Reserved funds include PWSS set-asides “originally” reserved for us on a future grant as well as any PWSS set-asides that were returned to the loan fund.

#### D. Wellhead Protection Program (WHP)

Arkansas Department of Health uses these funds to provide the necessary staff resources and support to enable the Section to continue implementation and expansion of its wellhead protection program and to insure an updated and well-maintained GIS database system. Tasks include delineation of wellhead protection areas; assistance to public water systems in well siting, aquifer identification and recommended construction features; inventories for sources of contamination in source water assessment areas; hydrologic sensitivity assessments of water sources; public outreach efforts on the importance of source water protection; and other activities. ADHE will utilize State Program Management funds to provide these services.

#### E. Capacity Development Program (CD)

Arkansas Department of Health uses these funds to accomplish the overall objective under this set-aside which is to provide a variety of technical assistance and public education activities, that will help to ensure continued sustainability and performance of public water systems in the state. Activities to be accomplished under this set-aside include such items as: training and technical assistance to water systems in drafting CCRs (goal 672); water operator training and certification; publish and disseminate an informative quarterly newsletter (goal 3,500 copies) for operators and other interested parties; a coordinated review of and protection from proposed point and non-point discharges (goal 800 miscellaneous permits) into sources of drinking water; provide assistance to water systems in developing local source water protection plans; participation in EPA’s Area Wide Optimization Program efforts; conducting Comprehensive Performance Evaluations at water systems when necessary, and other activities. These activities will be performed utilizing the State Program Management and the two percent Small System Technical Assistance set asides. The 15 percent Local Assistance from the LSLR fund will be used to fund technical assistance projects related to lead service line inventory. These efforts will require full-time employees and associated expenses, as well as technical assistance contractors.

Grant	Fund	Available	Reserved	Budget
FFY24	Base	\$837,000		\$837,000
	BIL-G	\$4,128,000		\$4,128,000
	BIL-LSLR	\$6,794,850		
	BIL-EC.	\$1,372,050		\$1,372,050
	<b>Total</b>	<b>\$12,378,600</b>		<b>\$6,337,050</b>



## IX. Small System Assistance

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The Natural Resources Division is required to allocate a minimum of 15 percent of the total funds available each year to funding small systems. Small systems are defined as systems that regularly serve 10,000 or fewer people. In Arkansas, there are approximately 677 Community Public Water Systems (PWS). Of those systems, approximately 52 serve a retail population of over 10,000 people and 625 serve a population of 10,000 or less.

The Natural Resources Division has worked hard with the small systems to help them meet all the regulatory requirements of the DWSRF program. However, over the last few years, the small systems have found the DWSRF program to be slow and cumbersome and have looked elsewhere for funding. By working with applicants, the Natural Resources Division continues to be able to interest small systems in the program.

The Natural Resources Division is required to demonstrate that at least 15 percent of the funds are used for small systems:

EPA Database as of May 30, 2024	
Cumulative Loans	\$270,560,247.67
Cumulative Small Systems	\$190,817,369.37
Percentage of Small System Binding Commitments	75%

Estimated as of Jun 30, 2024	
Cumulative Loans	\$67,640,061.918
Cumulative Small Systems	\$11,895,959.76
Percentage of Small System Binding Commitments	66%

The Natural Resources Division is committed to continually modifying the DWSRF program to make the program more attractive to small systems. The Natural Resources Division continues to work towards a streamlined application process and shorter time for planning and design work.

The Natural Resources Division has ongoing marketing plans at various conferences and meetings describing the benefits of the Revolving Loan Fund program available to cities and communities. The Natural Resources Division will evaluate the need to lower the interest rates to cities that request funding. The goal is to provide a subsidy without harming the program in the long term.

## X. Capacity Assessment

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The SDWA requires that a public water system applying for a DWSRF loan must show that it has the technical, financial, and managerial capacity to ensure compliance. If a system does not have adequate capacity, assistance may only be provided if it will help the system to achieve capacity. The goal of this requirement is to ensure that the DWSRF assistance is not used to create or support non-viable systems.

### A. Technical Capacity

To demonstrate technical capacity, DWSRF loan applicants must show that drinking water sources are adequate, that the system's source, treatment, distribution, and storage infrastructure are adequate, and that personnel have the technical knowledge to efficiently operate and maintain the system. As part of reviewing a loan application, Arkansas Department of Health will review the system's records to assure that the system is being properly operated and maintained. The water system must not have outstanding water compliance problems unless the DWSRF project is intended to correct those problems. The engineering reports, plans, and specifications for the proposed DWSRF project and the system's technical capacity will all be evaluated during the loan application process.

## **B. Financial Capacity**

To demonstrate financial capacity, the applicant must show that the system has sufficient revenue to cover necessary costs and demonstrate credit worthiness and adequate fiscal controls. The Natural Resources Division will review the applicant's Self-Assessment Worksheets, the project budget, annual financial reports, and other financial information to ensure adequate financial capacity of the applicant.

## **C. Managerial Capacity**

To demonstrate managerial capacity, the water system must have personnel with expertise to manage the entire water system operation. Arkansas Department of Health will review the applicant's managerial capacity through supporting documentation to assure that management is involved in the day-to-day supervision of the water system, is responsive to all required regulations, is available to respond to emergencies and can identify and address all necessary capital improvements and assure financial viability. The water system must have a qualified water operator in accordance with the state's operator certification program. After reviewing the water system's technical and managerial capacity, Arkansas Department of Health sends a letter to the application submitter and the Natural Resources Division stating whether the system is eligible to be placed on the Priority List to receive DWSRF assistance.

## **D. Long-Term Capacity**

ADHE will assess whether each water system has a long-term plan to undertake feasible and appropriate changes in operations necessary to develop adequate capacity. In making these assessments, the ADHE will consult with local health departments and review water resource management strategies, comprehensive studies, the Natural Resources Division's response to the Drinking Water Needs Survey, and other available engineering reports to improve the overall capacity of systems requesting assistance. ADHE will encourage consolidation efforts when two or more systems can benefit and encourage other options, such as contract management or partnerships with other communities in their area. The priority ranking criterion provides additional points to encourage this objective.

## **XI. Transfer Process**

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The Natural Resources Division is reserving the authority to transfer up to \$30 million of the DWSRF 2024 federal capitalization grant to the 2024 Clean Water State Revolving Fund allotment. These funds will be transferred from DWSRF construction to CWRLF construction and will not affect the total amount available for set-asides. These funds will be returned to DWSRF from CWSRF when bond proceeds become available for reimbursement of disbursements are available within 2 years of the transfer.

The Natural Resources Division is transferring \$3,394,000 from FFY22-24 cap grant funds from Clean Water BIL Emerging Contaminant to DWSRF during SFY 2025.

## **XII. Cross-Collateralization Process**

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The Natural Resources Division implemented a system for leveraging bonds and part of that system is cross-collateralization.

## **XIII. Audits and Reporting**

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The Natural Resources Division's Intended Use Plans and Annual Reports will be posted on the Natural Resources Division's [website](#).

An independent audit, and single audit (as required), will be conducted by an outside Certified Public Accounting firm annually.

Project milestones and information are reported through EPA's SRF Data System, the Federal Funding Accountability and Transparency Act (FFATA) Requirement, as well as The National Information Management System (NIMS). These databases will be updated no less than quarterly. However, the goal is to update monthly.

#### **XIV. Intended Use Plan Amendment Procedures**

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Revisions to this IUP that are determined substantive will require Public Notice and EPA notification and approval. Significant changes to the IUP may be made through an amendment after a 14-day public review and comment period. Revisions to this IUP which are deemed to be non-substantive changes may be made by the Natural Resources Division without public notification. Any changes in the project funding list shall be in accordance with procedures provided in the DWSRF Priority System and List.

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## XV. CHARTS

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Chart 1 - Summary of Funding for SRF Capitalization Grant Set-Asides

Summary of Funding for OPEN SRF Capitalization Grant Set-Asides											
(as of 04/30/24)											
SRF Grant Year	Set-Aside	% of Grant	Total Available	Total Reserved	Total Budgeted	Total Expended To Date	Remaining Balance	Grant Start Date	Expense Begin Date	Expense End Date	Grant End Date
2020	Admin	4.0%	662,640.00		662,640.00	662,640.00	0.00	10/1/2020	Sep-20	Sep-21	9/30/2025
	SSTA	2.0%	331,320.00	331,320.00	0.00	0.00	TBD		TBD		
	PWSS	10.0%	1,490,040.00	496,980.00	1,159,620.00	1,159,620.00	0.00		TBD	TBD	
	WHP	5.0%	662,040.00		828,300.00	828,300.00	0.00		TBD	TBD	
	Cap Dev	10.0%	1,656,600.00		1,656,600.00	1,656,600.00	0.00		TBD	TBD	
	SWP	0.0%	0.00		0.00	0.00	0.00		TBD	TBD	
	Total	31.0%	4,802,640.00	828,300.00	4,307,160.00	4,307,160.00	0.00				
2021	Admin	4.0%	662,640.00		662,640.00	662,040.00	0.00	10/1/2021	Sep-20	Sep-21	9/30/2024
	SSTA	2.0%	331,320.00	331,020.00	0.00	0.00	TBD		TBD		
	PWSS	10.0%	1,490,040.00	496,530.00	1,158,570.00	806,087.03	352,482.97		TBD	TBD	
	WHP	5.0%	662,040.00		827,550.00	574,096.57	253,453.43		TBD	TBD	
	Cap Dev	10.0%	1,656,600.00		1,655,100.00	817,965.78	837,134.22		TBD	TBD	
	SWP	0.0%	0.00		0.00	0.00	0.00		TBD	TBD	
	Total	31.0%	4,802,640.00	827,550.00	4,303,260.00	2,860,189.38	1,443,070.62				
2022 Base	Admin	4.0%	421,720.00	0.00	421,720.00	1,333.94	420,386.06	10/1/2022	Oct-23	Sep-26	9/30/2026
	SSTA	2.0%	210,860.00	210,860.00	0.00	0.00	0.00		TBD	TBD	
	PWSS	10.0%	0.00	0.00	0.00	0.00	0.00		TBD	TBD	
	WHP	0.0%	0.00	0.00	0.00	0.00	0.00		TBD	TBD	
	Cap Dev	10.0%	1,054,300.00	1,054,300.00	0.00	0.00	0.00		TBD	TBD	
	SWP	0.0%	0.00	0.00	0.00	0.00	0.00		TBD	TBD	
	Total	16.0%	1,686,880.00	1,265,160.00	421,720.00	1,333.94	420,386.06				
2022 BIL-G	Admin	4.0%	1,082,800.00	0.00	1,082,800.00	0.00	1,082,800.00	10/1/2022	Oct-23	Sep-26	9/30/2026
	SSTA	2.0%	541,400.00	0.00	541,400.00	23,120.00	518,280.00		TBD	TBD	
	PWSS	10.0%	2,707,000.00	0.00	2,707,000.00	0.00	2,707,000.00		TBD	TBD	
	WHP	0.0%	0.00	0.00	0.00	0.00	0.00		TBD	TBD	
	Cap Dev	0.0%	0.00	0.00	0.00	0.00	0.00		TBD	TBD	
	SWP	0.0%	0.00	0.00	0.00	0.00	0.00		TBD	TBD	
	Total	16%	4,331,200.00	0.00	4,331,200.00	23,120.00	4,308,080.00				
2022 GIL-LSL	Admin	4.0%	1,706,120.00	0.00	1,706,120.00	255,051.25	1,451,068.75	10/1/2022	Oct-23	Sep-26	9/30/2026
	SSTA	2.0%	853,060.00	0.00	853,060.00	0.00	853,060.00		TBD	TBD	
	PWSS	10.0%	4,265,300.00	0.00	4,265,300.00	0.00	4,265,300.00		TBD	TBD	
	WHP	5.0%	2,132,650.00	0.00	0.00	0.00	0.00		TBD	TBD	
	Cap Dev	10.0%	4,265,300.00	0.00	4,265,300.00	0.00	4,265,300.00		TBD	TBD	
	SWP	0.0%	0.00	0.00	0.00	0.00	0.00		TBD	TBD	
	Total	31%	13,222,430.00	0.00	11,089,780.00	255,051.25	10,834,728.75				
2022 BIL-EC	Admin	4.0%	454,680.00	454,680.00	0.00	0.00	0.00	5/1/2023	Oct-23	Sep-26	4/30/2027
	SSTA	2.0%	227,340.00	227,340.00	0.00	0.00	0.00		TBD	TBD	
	PWSS	10.0%	1,136,700.00	1,136,700.00	0.00	0.00	0.00		TBD	TBD	
	WHP	0.0%	0.00	0.00	0.00	0.00	0.00		TBD	TBD	
	Cap Dev	0.0%	0.00	0.00	0.00	0.00	0.00		TBD	TBD	
	SWP	0.0%	0.00	0.00	0.00	0.00	0.00		TBD	TBD	
	Total	16%	1,818,720.00	1,818,720.00	0.00	0.00	0.00				
2023 Base	Admin	4.0%	236,480.00	0.00	236,480.00	0.00	236,480.00	10/1/2023	Oct-23	Sep-27	9/30/2027
	SSTA	2.0%	118,240.00	118,240.00	0.00	0.00	118,240.00		TBD	TBD	
	SPM	10.0%	591,200.00	0.00	591,200.00	0.00	591,200.00		TBD	TBD	
	WHP	5.0%	295,600.00	0.00	295,600.00	0.00	295,600.00		TBD	TBD	
	Cap Dev	10.0%	591,200.00	0.00	591,200.00	0.00	591,200.00		TBD	TBD	
	SWP	0.0%	0.00	0.00	0.00	0.00	0.00		TBD	TBD	
	Total	4.0%	1,008,360.00	0.00	1,008,360.00	0.00	1,008,360.00				
2023 BIL-G	Admin	4.0%	1,008,360.00	0.00	1,008,360.00	0.00	1,008,360.00	10/1/2023			9/30/2027
	SSTA	2.0%	504,180.00	0.00	504,180.00	0.00	504,180.00				
	PWSS	10.0%	2,520,900.00	0.00	2,520,900.00	0.00	2,520,900.00				
	WHP	5.0%	0.00	0.00	0.00	0.00	0.00				
	Cap Dev	10.0%	0.00	0.00	0.00	0.00	0.00				
	SWP	0.0%	0.00	0.00	0.00	0.00	0.00				
	Total	4.0%	365,880.00	0.00	365,880.00	0.00	365,880.00				
2023 BIL-EC	Admin	4.0%	365,880.00	0.00	365,880.00	0.00	365,880.00	10/1/2023			9/30/2027
	SSTA	2.0%	182,940.00	0.00	0.00	0.00	0.00				
	PWSS	10.0%	914,700.00	0.00	0.00	0.00	0.00				
	WHP	5.0%	457,350.00	0.00	0.00	0.00	0.00				
	Cap Dev	10.0%	914,700.00	0.00	0.00	0.00	0.00				
	SWP	0.0%	0.00	0.00	0.00	0.00	0.00				
	Total	4.0%	223,200.00	0.00	223,200.00	0.00	223,200.00				
2024 Base * Estimate	Admin	4.0%	223,200.00	0.00	223,200.00	0.00	223,200.00	10/1/2024	Oct-24	Sep-28	9/30/2028
	SSTA	2.0%	111,600.00	0.00	111,600.00	0.00	111,600.00				
	SPM	10.0%	558,000.00	0.00	558,000.00	0.00	558,000.00				
	WHP	5.0%	279,000.00	0.00	279,000.00	0.00	279,000.00				
	Cap Dev	10.0%	558,000.00	0.00	558,000.00	0.00	558,000.00				
	SWP	0.0%	0.00	0.00	0.00	0.00	0.00				
	Total	4.0%	1,100,800.00	0.00	1,100,800.00	0.00	1,100,800.00				
2024 BIL-G * Estimate	Admin	4.0%	1,100,800.00	0.00	1,100,800.00	0.00	1,100,800.00	10/1/2024			9/30/2028
	SSTA	2.0%	550,400.00	0.00	550,400.00	0.00	550,400.00				
	PWSS	10.0%	2,752,000.00	0.00	2,752,000.00	0.00	2,752,000.00				
	WHP	5.0%	1,376,000.00	0.00	1,376,000.00	0.00	1,376,000.00				
	Cap Dev	10.0%	2,752,000.00	0.00	2,752,000.00	0.00	2,752,000.00				
	SWP	0.0%	0.00	0.00	0.00	0.00	0.00				
	Total	4.0%	365,880.00	0.00	365,880.00	0.00	365,880.00				
2024 BIL-EC Estimate	Admin	4.0%	365,880.00	0.00	365,880.00	0.00	365,880.00	10/1/2024			9/30/2028
	SSTA	2.0%	182,940.00	0.00	0.00	0.00	0.00				
	PWSS	10.0%	914,700.00	0.00	0.00	0.00	0.00				
	WHP	5.0%	457,350.00	0.00	0.00	0.00	0.00				
	Cap Dev	10.0%	914,700.00	0.00	0.00	0.00	0.00				
	SWP	0.0%	0.00	0.00	0.00	0.00	0.00				
	Total	4%	11,643,660.00	454,680.00	0.00	0.00	454,680.00				
Reclaimed & Reserved	Admin	4%	11,643,660.00	454,680.00	0.00	0.00	454,680.00	N/A	TBD	TBD	N/A
	SSTA	2%	5,821,830.00	2,251,000.00	0.00	0.00	2,251,000.00		TBD	TBD	
	PWSS	10%	25,236,580.00	2,831,010.00	0.00	0.00	2,831,010.00		TBD	TBD	
	WHP	5%	10,422,380.00	0.00	0.00	0.00	0.00		TBD	TBD	
	Cap Dev	10.0%	22,964,100.00	1,054,300.00	0.00	0.00	1,054,300.00		TBD	TBD	
	SWP	0.0%	0.00	0.00	0.00	0.00	0.00		TBD	TBD	
	Total		75,552,460.00	6,590,990.00	0.00	0.00	6,590,990.00				
Totals	Set-Aside	% of Grant	Total Available	Total Reserved	Total Budgeted	Total Expended To Date	Total Remaining Balance	N/A	Expense Begin Date	Expense End Date	Grant End Date
Current Balance Totals (includes Estimated FFY 24 Cap Grants)	Admin		11,643,660.00	454,680.00	11,188,380.00	4,933,525.19	6,254,854.81	TBD	TBD		
	SSTA		4,206,780.00	2,251,000.00	3,139,900.00	584,140.00	2,555,760.00	TBD	TBD		
	PWSS		18,490,980.00	2,831,010.00	21,264,490.00	8,888,717.78	12,597,662.97	TBD	TBD		
	WHP		7,735,430.00	0.00	7,885,150.00	5,681,096.57	2,204,053.43	TBD	TBD		
	Cap Dev		17,190,200.00	1,054,300.00	20,035,600.00	11,045,562.21	9,003,634.22	TBD	TBD		
	Total		59,267,050.00	6,590,990.00	63,513,520.00	31,133,041.75	32,615,985.43				

## Chart 2 - Sources of Funds

		Est. 6/30/2024
Beginning Balance (SFY 2024 Carryover) data as of 04/30/2024		32,217,157.85
Federal Base Grant FFY 2022		1,594,467.27
Federal Grant BIL-G FFY 2022		11,176,320.00
Federal Grant BIL-EC FFY 2022		612,000.00
Federal Base Grant FFY 2023		4,907,000.00
Federal Grant BIL-G FFY 2023		12,856,760.00
Federal Base Grant FFY 2024*		5,340,000.00
Federal Grant BIL-G FFY 2024*		14,877,000.00
State Match* - FFY2024 Base Grant		1,068,000.00
State Match* - FFY2024 BIL General Supplemental Grant		1,487,700.00
SRF Series 2023 Bond Proceeds		48,204,514.33
Principal Repayments *		20,132,581.52
Interest Earnings on Loans & Investments *		7,747,473.93
<b>Sub Total</b>		<b>\$ 130,003,817.05</b>
<b>Total Sources of Funds</b>		<b><u>162,220,974.90</u></b>
 <b><u>USES OF FUNDS</u></b>		
<b><i>CWSRF Loan Commitments for SFY 2024</i></b>		
ANRC Approved Loans (not closed as of 4/30/24)		175,561,907.39
ANRC Approved Loans closed, undisbursed funds as of (4/30/24)		438,972,745.50
<b>Sub Total</b>		<b>\$ 614,534,652.89</b>
 <b><i>CWSRF Set-Aside Programs for SFY 2024</i></b>		
Base Grant Administration *		-
BIL General Supplemental Administration *		1,100,800.00
Bil EC Grant Administration *		55,640.00
 <b><i>Debt Service Obligations</i></b>		
Leveraged Bond Principal (Jul 23 to Jun 24)		2,555,000.00
Leveraged Bond Interest (Jul 23 to Jun 24)		2,732,206.91
<b>Sub Total</b>		<b>\$ 5,287,206.91</b>
<b>Total Uses of Funds</b>		<b><u>\$ 619,821,859.80</u></b>
<b>Funds (needed)/available</b>		<b><u>(457,600,884.90)</u></b>

\*Estimated amount

Fees are not deposited into the Fund; therefore, based on EPA guidance they are not included in the Sources and Uses for the Fund  
 Note: Negative available funds are a timing difference that can be taken care of by issuing new bonds.

Totals are based on SFYTD Totals plus a seven-month average of SFYTD totals for the remaining reporting months.

**Chart 3 - Drinking Water Fundable List**

<b>PPL No.</b>	<b>Total Points</b>	<b>PWS ID.</b>	<b>Entity</b>	<b>Est. Binding Commitment</b>	<b>Commission Approval Date</b>	<b>Project Cost</b>	<b>Est. Loan Closing Date</b>	<b>Population</b>	<b>Small System (Y/N)</b>	<b>Project Description</b>
003	1144	623	CAW-West Pulaski		1/17/2024	1,200,000.00	3/15/2025	313,588	NO	(LMI) service line project to extend water service to the Ferndale/West Pulaski area.
005	1097	384	Brinkley	1/22/2024	6/22/2023	306,153.25	6/30/2025	1,540	YES	Brinkley water system sells water to 3 purveyors. The source water is blending.
005	1097	384	Brinkley	1/22/2024	6/22/2023	918,459.75	6/30/2025	1,540	YES	Brinkley water system sells water to 3 purveyors. The source water is blending.
006	1089	372	Joiner		6/22/2023	371,680.25	11/30/2024	278	YES	Regionalize with the Bassett Water System.
006	1089	372	Joiner		6/22/2023	1,115,040.75	11/30/2024	278	YES	Regionalize with the Bassett Water System.
008	1064	870	SE Bradley County		7/17/2019	505,323.00	9/2/2024	6,693	YES	Regionalization Banks
012	1053	250	Batesville	2/23/2004	6/22/2023	110,000,000.00	9/12/2024	4,905	YES	Batesville Water Treatment Plant Improvements
013	1053	250	Cushman	12/21/2023	6/22/2023	1,706,241.00	8/1/2024	1,200	YES	Cushman Water System Improvements
013	1052	250	Cushman	12/21/2023	6/22/2023	568,747.00	8/1/2024	1,200	YES	Cushman Water System Improvements
014	1052	951	Montgomery County Regional PWA		6/22/2023	1,504,970.00	6/30/2025	1,577	YES	Water System Improvements
015	1050	026	Big Flat	12/15/2023	6/22/2023	964,735.00	5/25/2025	212	YES	Big Flat Water System Rehabilitation
015	1050	026	Big Flat	12/15/2023	6/22/2023	2,894,205.00	5/25/2025	212	YES	Big Flat Water System Rehabilitation
019	1045	623	CAW-Wilson WTP Renewal		6/22/2023	150,000,000.00	3/15/2025	365,000	NO	Jack H. Wilson Water Treatment Plant Renewal and Resiliency Project
023	1040	623	CAW - Perla		6/22/2023	1,050,000.00	3/15/2025	156,000	NO	To replace about 5% of the distribution system & service all connections.
023	1040	623	CAW-Perla		6/22/2023	350,000.00	3/15/2025	156,000	NO	Updating Water system
028	1038	036	N. Garland County	4/20/2023	12/2/2022		9/12/2024	1,971	YES	Water System Improvements

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						4,110,000.00				
028	1038	036	North Garland County RWD		11/15/2023	4,486,303.75	7/12/2024	3,219	YES	Expand Water Treatment plant
028	1038	036	North Garland County RWD		11/15/2023	13,458,911.25	7/12/2024	3,219	YES	Expand Water Treatment plant
031	1035	525	Evening Shade	1/22/2024	6/22/2023	486,335.25	7/1/2024	100,000	NO	West Transmission Main Project
031	1035	525	Evening Shade	1/22/2024	6/22/2023	162,111.75	6/30/2025	320	YES	Water System Improvements
032	1035	337	Keo - Tank		6/22/2023	125,924.00	9/12/2024	145	YES	Elevated Storage Tank Rehabilitation
032	1035	337	Keo - Tank		6/22/2023	377,772.00	9/12/2024	145	YES	Elevated Storage Tank Rehabilitation
032	1035	337	Keo - Water Improvements		6/22/2024	395,055.75	9/12/2024	145	YES	Water Improvements
032	1035	337	Keo - Water Improvements		6/22/2023	1,185,167.25	9/12/2024	145	YES	Water Improvements
033	1035	027	Lake View	2/28/2024	6/22/2023	110,512.00	10/2/2024	262	YES	Rehabilitation of the elevated water storage tank
033	1035	027	Lake View	2/28/2024	6/22/2023	331,536.00	10/2/2024	262	YES	Rehabilitation of the elevated water storage tank
035	1035	244	Nashville, City of	2/2/2024	6/22/2023	12,079,207.00	10/15/2024	1,590	YES	Water System Improvements
036	1034	052	Amity		4/12/2024	300,000.00	3/20/2025	2,437	YES	Constructing a new 150,000-gallon elevated storage tank and electrical/SCADA
037	1034	899	Benton County RDA#4	3/28/2023	6/1/2022	4,530,260.00	6/30/2025	1,468	YES	Water main replacement
038	1034	158	Cherry Valley - convert to EC		6/22/2023	828,842.50	5/20/2025	315	YES	Water Treatment Facility
039	1034	582	Judsonia	4/4/2024	6/22/2023	335,741.50	11/30/2024	1,237	YES	Judsonia Water Pump Station Replacement
039	1034	582	Judsonia	4/4/2024	6/22/2023	1,007,224.50	11/30/2024	1,237	YES	Judsonia Water Pump Station Replacement
041	1033	617	Horsehead Water Users Association	5/5/2023	9/28/2022	2,507,150.00	6/30/2025	2,273	YES	Water System Improvements
044	1032	584	Bald Knob North WPFB		11/15/2023	299,925.25	4/10/2025	2,905	YES	The proposed project will include replacing the main booster



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										station equipment pump station.
044	1032	584	Bald Knob North WPFB		11/15/2023	899,775.75	4/10/2025	2,905	YES	The proposed project will include replacing the main booster station equipment pump station.
046	1032	141	Mountainburg		6/22/2023	250,000.00	6/30/2025	656	YES	Tank Refurbishment
046	1032	141	Mountainburg		6/22/2023	750,000.00	6/30/2025	427	YES	Water System Improvements
046	1032	141	Mountainburg		2/28/2024	7,037,700.00	6/30/2025	427	YES	Water System Improvements
051	1030	623	CAW -Perla Meters		5/26/2021	318,750.00	3/15/2025	156,000	NO	Replacement of new water meters
051	1030	623	CAW -Perla Meters		11/15/2023	106,250.00	3/15/2025	156,000	NO	Replacement of new water meters
052	1029	474	Pocahontas	11/20/2023	6/22/2023	12,891,313.00	8/30/2024	3,281	YES	Water Treatment Plant Expansion
056	1027	165	Carthage	1/29/2024	6/22/2023	944,733.50	4/25/2025	4,831	YES	Water Master Plan Phase II
056	1027	165	Carthage	1/29/2024	6/22/2023	314,924.50	4/25/2025	108	YES	Replace the existing distribution system, water storage tank, and source water.
057	1027	422	Glenwood	3/18/2024	6/22/2023	938,643.75	7/30/2024	4,399	YES	Water treatment plant improv.
057	1027	422	Glenwood	3/18/2024	6/22/2023	2,815,931.25	8/5/2024	7,856	YES	Water treatment plant improv.
059	1027	501	Marshall		6/22/2023	217,625.00	10/30/2024	1,304	YES	Water Storage Tank Replacement
059	1027	501	Marshall		6/22/2023	652,875.00	10/30/2024	1,304	YES	Water Storage Tank Replacement
064	1024	741	Clark County WFB		6/22/2023	802,199.50	1/10/2025	1,073	YES	WFB Pump Improvement plan
064	1024	741	Clark County WFB		6/22/2023	802,199.50	5/20/2025	315	YES	Water Treatment Facility
065	1024	459	Cross County Regional	3/25/2024	6/22/2023	876,950.00	8/1/2024	3,800	YES	Cross Country Hydrochloric Acid Feed System & Piping Improvements
066	1024	814	Fulton County WA	1/9/2024	6/22/2023	641,479.50	11/12/2024	1,060	YES	Water line and tank replacement
066	1024	814	Fulton County WA	1/9/2024	6/22/2023	1,924,438.50	5/8/2025	564	YES	The proposed project will be constructing a new 100,000-gallon elevated storage tank.

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068	1024	681	Morning Star PWA		6/22/2023	118,775.00	6/30/2025	9,467	YES	The relocation of the existing water mains.
068	1024	681	Morning Star PWA		6/22/2023	356,325.00	6/30/2025	656	YES	Tank Refurbishment
079	1022	782	Tri-County RWDD		6/22/2023	3,631,835.00	9/12/2024	8,101	YES	Water System Improvements
079	1022	782	Tri-County RWDD		2/21/2024	5,000,000.00	9/12/2024	8,101	YES	Water System Improvements
082	1021	569	Fayetteville	10/13/2023	6/22/2023	85,000,000.00	7/15/2023	1,824	YES	Water System Improvements
083	1021	351	Flippin	2/29/2024	6/22/2023	1,992,259.00	7/15/2023	1,824	YES	Water System Improvements
083	1021	351	Flippin	2/29/2024	6/22/2023	5,976,777.00	11/12/2023	1,838	YES	Water System Improvements
084	1021	552	Junction City Drinking	2/21/2024	6/22/2023	637,944.25	9/12/2024	280	YES	Water Line Improvements
084	1021	552	Junction City Drinking	2/21/2024	6/22/2023	1,913,832.75	9/12/2024	280	YES	Water Line Improvements
094	1021	106	Rison	1/26/2024	6/22/2023	450,595.50	8/30/2024	488	YES	Water System Improvements
094	1021	106	Rison	1/26/2024	6/22/2023	1,351,786.50	8/30/2024	488	YES	Water System Improvements
094	1021	106	Rison	1/26/2024	6/22/2023	1,400,000.00	8/30/2024	488	YES	Water System Improvements
100	1016	385	Sevier County	3/25/2024	6/22/2023	434,153.00	8/20/2024	2,046	YES	Water System Improvements
100	1016	385	Sevier County	3/25/2024	6/22/2023	434,153.00	8/20/2024	2,046	YES	Water System Improvements
102	1014	584	Bald Knob	2/23/2024	6/22/2023	50,733.25	4/10/2025	1,312	YES	Replace water meters in the city.
102	1014	584	Bald Knob	2/23/2024	6/22/2023	152,199.75	4/10/2025	1,313	YES	Replace water meters in the city.
104	1014	449	DesArc		6/22/2023	368,550.00	9/12/2024	1,070	YES	Water Treatment Plant Rehabilitation
103	1014	449	DesArc		6/22/2023	391,900.00	9/12/2024	1,070	YES	Five Water Tanks Repainted and mixer equipment installed
103	1014	449	DesArc		6/22/2023	1,105,650.00	9/12/2024	1,070	YES	Water Treatment Plant Rehabilitation
104	1014	449	DesArc		6/22/2023	1,175,700.00	9/12/2024	1,070	YES	Five Water Tanks Repainted and mixer equipment installed
113	1011	404	Camden	2/23/2024	6/22/2023		7/15/2024	861	YES	Calico Rock Water System

<i>PPL No.</i>	<i>Total Points</i>	<i>PWS ID.</i>	<i>Entity</i>	<i>Est. Binding Commitment</i>	<i>Commission Approval Date</i>	<i>Project Cost</i>	<i>Est. Loan Closing Date</i>	<i>Population</i>	<i>Small System (Y/N)</i>	<i>Project Description</i>
						2,334,224.00				Improvements
118	1011	119	Conway Corp	3/4/2024	6/22/2023	7,579,609.00	8/10/2025	65,121	NO	Roger Q. Mills Water Treatment Plant Expansion
121	1011	170	McGehee		6/22/2023	652,012.00	1/5/2025	2,024	YES	Water System Improvements
122	1011	170	McGehee		6/22/2023	2,170,983.00	1/5/2025	2,024	YES	Water main and hydrant replacements
132	1003	184	Monticello		8/11/2022	2,136,616.00	6/30/2025	1,176	YES	Water Plant Replacement
	1003	367	Wynne-LSL		9/20/2023	3,551,000.00	2/2/2025	7,652	YES	Lead Service Line Inventory and Replacement, Water Main Replacements
141	065	344	Mulberry		2/28/2024	7,142,983.00	6/30/2025	427	YES	Water System Improvements
145	043	043	Bee Branch WA		11/15/2023	874,121.25	6/30/2025	3,345	YES	Three waterline replacement projects
145	043	704	Bee Branch WA		11/15/2023	2,622,363.75	6/30/2025	3,345	YES	Three waterline replacement projects
149	040	886	SWARWFB of Hempstead County	1/23/2024	6/22/2023	561,127.25	9/12/2024	978	YES	SCWA-Clearwell Rehab
149	040	886	SWARWFB of Hempstead County	1/23/2024	6/22/2023	1,083,381.75	9/12/2024	978	YES	SCWA-Clearwell Rehab
150	039	344	Monette		11/15/2023	383,541.00	1/5/2025	5,590	YES	Water System Improvements
150	039	035	Monette		11/15/2023	1,150,623.00	6/30/2025	1,577	YES	Water System Improvements
152	037	332	Winslow	1/23/2024	6/22/2023	512,317.00	11/30/2024	671	YES	Elevated Water Storage Tank and Tower & Install backup generators at two pump stations.
152	037	332	Winslow	1/23/2024	6/22/2023	1,536,951.00	11/30/2024	671	YES	Elevated Water Storage Tank and Tower & Install backup generators at two pump stations.
154	035	812	Freedom Water Association		1/17/2024	1,535,455.00	11/12/2024	1,060	YES	Water line and tank replacement
156	033	027	Clinton		11/15/2023	6,416,494.00	1/10/2025	1,073	YES	WFB Pump Improvement plan
167	028	079	Southwest WUPWA	3/13/2023	6/22/2023	5,549,878.00	8/20/2024	11,270	NO	Water Supply Connection Transmission and Tank 2023
169	027	082	Gillett		11/15/2023	630,000.00	7/30/2024	4,399	YES	Water Improvements
169	027	082	Gillett		11/15/2023		5/8/2025	564	YES	The proposed project will be

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						630,000.00				constructing a new 100,000-gallon elevated storage tank.
185	021	714	Dorcheat		9/20/2023	548,825.00	9/12/2024	1,860	YES	Water Meter Replacement
192	021	217	Poyen		5/15/2024	558,600.00	5/15/2025	361	YES	Water System Improvements
192	021	217	Poyen		5/15/2024	581,400.00	5/15/2025	361	YES	Water System Improvements
192	021	217	Poyen		5/15/2024	684,442.00	5/15/2025	361	YES	Water System Improvements
197	019	492	Ashdown		11/15/2023	12,510,650.00	3/20/2025	4,723	YES	Water Distribution Improvements
198	019	119	Conway Corp	3/4/2024	6/22/2023	31,713,371.00	8/10/2025	65,121	NO	Roger Q. Mills Water Treatment Plant Expansion
199	019	119	Conway County		11/15/2023	8,450,045.00	8/10/2025	21,260	NO	Installation of a 24" raw waterline running from Johnny Walker Road five miles south to CCRWDD water plant.
200	018	153	Holly Grove		11/15/2023	127,503.00	6/30/2025	1,010	YES	Water System Improvements
200	018	153	Holly Grove		11/15/2023	382,509.00	6/30/2025	2,273	YES	Water System Improvements
203	016	038	Community Water System PWA		5/15/2024	1,325,000.00	1/10/2025	2,506	YES	Water System Rehab
203	016	038	Community Water System PWA		1/17/2024	2,000,000.00	8/10/2025	18,203	NO	Planning and Design for Water Treatment Plant Expansion
204	016	246	Northeast Yell County		6/22/2023	1,504,970.00	7/1/2024	2,718	YES	Rehabilitation of Water Pump Stations
205	016	622	Saline Regional PWA		11/15/2023	125,000,000.00	7/1/2024	99,918	NO	Water System Improvements
208	015	949	Grand Prairie Regional		11/15/2023	716,041.00	8/5/2023	7,856	YES	Regionalization of the Humnoke water system with Grand Prairie Regional
208	015	949	Grand Prairie Regional		11/15/2023	2,116,827.00	6/30/2025	300	YES	Water System Improvements
210	014	144	Alma - Emerging Contaminant		11/15/2023	6,206,000.00	2/15/2025	2,437	YES	Emerging Contaminant
233	011	077	Green Forest		7/12/2023	2,521,688.92	6/30/2025	9,707	YES	Water System Improvements
234	011	1076	Magnolia		5/15/2024	613,240.00	10/2/2024	101,000	NO	Water Tank Rehab

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234	011	378	Manila	12/18/2023	6/22/2023	958,200.00	10/30/2024	1,540	YES	Water Supply Well
237	011	191	Prescott		11/15/2023	349,699.25	8/30/2024	4,525	YES	Water System Improvements
237	011	191	Prescott		11/15/2023	3,047,705.75	8/30/2024	4,525	YES	Water System Improvements
243	009	218	Cedarville Waterworks		11/15/2023	723,194.00	5/20/2025	8,795	YES	To provide domestic water to citizens of Cedarville.
254	003	078	Alzheimer - LSL		11/15/2023	207,699.50	2/15/2025	696	YES	The proposed project is to replace two hundred lead service lines.
254	003	078	Alzheimer - LSL		11/15/2023	207,699.50	2/15/2025	696	YES	The proposed project is to replace two hundred lead service lines.
254	003	301	Arkadelphia-LSL		11/15/2023	4,250,000.00	3/20/2025	11,495	NO	Lead Service Line Inventory and Replacement, Water Main Replacements
370	003	623	CAW-LCRR Compliance		1/24/2024	1,000,000.00	5/15/2025	156,000	NO	Lead Service Line Inventory.
462	003	083	Eudora		5/26/2021	543,403.55	6/30/2025	3,158	YES	Water System Improvements - Phase II
462	003	083	Eudora		5/26/2021	1,630,211.00	6/30/2025	320	YES	Water System Improvements
927	003	067	Helena West Helena		2/18/2024	11,000,000.00	6/30/2025	1,010	YES	Water System Improvements
563	003	124	Humphrey - LSL		11/15/2023	556,541.50	6/30/2025	479	YES	Lead Service Line Inventory and Replacement, Water Main Replacements
563	003	124	Humphrey - LSL		11/15/2023	556,541.50	6/30/2025	479	YES	Lead Service Line Inventory and Replacement, Water Main Replacements
796	003	499	Ratcliff		11/15/2023	1,000,000.00	8/30/2024	143	YES	Water System Improvements
913	003	484	Walnut Ridge		1/17/2024	147,600.00	10/15/2024	5,234	YES	Water System Improvements
913	003	484	Walnut Ridge		1/17/2024	3,452,400.00	10/15/2024	5,234	YES	Water System Improvements
		486	Bryant	5/20/2024	6/22/2023	3,548,810.00	7/15/2024	8,367	YES	Meter Replacement
		438	Mena		1/17/2024	7,750,000.00	8/12/2024	7,784	YES	Water System Improvements

<i>PPL No.</i>	<i>Total Points</i>	<i>PWS ID.</i>	<i>Entity</i>	<i>Est. Binding Commitment</i>	<i>Commission Approval Date</i>	<i>Project Cost</i>	<i>Est. Loan Closing Date</i>	<i>Population</i>	<i>Small System (Y/N)</i>	<i>Project Description</i>
		438	Mena (Iron Fork)		5/26/2021	7,000,000.00	8/12/2024	7,784	YES	Improvements at the Irons Fork Water Treatment Plant.
					Total:	760,246,989.97				

**Chart 4 - Fundable Projects: Green Project Reserve – Additional Subsidy – Disadvantaged**

Project Name	L/C Date * Estimated	Term (in years)	Interest Rate	Additional Subsidy	Disadvantaged Community		Green Project Reserve	
				Principal Forgiveness Amt	Disadvantaged eligible (Y/N)	Disadvantaged Funds	Green Project Reserve Amt (estimate)	GPR Category (estimate)
Alma - Emerging Contaminant	Feb-25	20	0.00%		YES	\$6,206,000		
Altheimer – LSL	Feb-25	20	0.00%		YES			
Altheimer – LSL	Feb-25	10	0.00%		YES	\$207,700		
Amity	Mar-25	0	0.00%		YES			
Arkadelphia-LSL	Mar-25	0	0.00%		YES			
Ashdown	Mar-25	20	4.00%		YES			
Bald Knob	Apr-25	20	1.75%		YES			
Bald Knob	Apr-25	0	0.00%		YES	\$152,200		
Bald Knob North WPFB	Apr-25	20	4.00%		YES			
Bald Knob North WPFB	Apr-25	20	0.00%		YES	\$899,776		
Batesville	Sep-24	20	1.75%		YES			
Bee Branch WA	Jun-25	20	4.00%		YES			
Bee Branch WA	Jun-25	20	0.00%		YES	\$2,622,364		
Benton County RDA#4	Jun-25	20	1.75%		YES			
Big Flat	May-25	20	1.25%		YES			
Big Flat	May-25	0	0.00%		YES	\$2,894,205		
Brinkley	Jun-25	20	1.30%		YES			

Project Name	L/C Date * Estimated	Term (in years)	Interest Rate	Additional Subsidy	Disadvantaged Community		Green Project Reserve	
Brinkley	Jun-25	0	0.00%		YES	\$918,460		
Bryant	Jul-24	20	1.75%		YES			
Camden	Jul-24	20	1.75%		YES			
Carthage	Apr-25	20	1.75%		YES	\$944,734		
Carthage	Apr-25	20	1.75%		YES			
CAW - Perla	Mar-25	20	0.00%		YES	\$1,050,000		
CAW -Perla Meters	Mar-25	20	3.98%		YES	\$318,750		
CAW -Perla Meters	Mar-25	20	1.75%		YES			
CAW-LCRR Compliance	Mar-25	0	0.00%		YES	\$1,000,000		
CAW-Perla	Mar-25	10	0.00%		YES	\$350,000		
CAW-West Pulaski	Mar-25	10	1.00%		YES	\$1,200,000		
CAW-Wilson WTP Renewal	Mar-25	0	0.00%		YES			
Cedarville Waterworks PFB of Crawford County	May-25	20	4.00%		YES			
Cherry Valley - convert to EC	May-25	20	4.00%		YES			
Clark County WFB	May-25	20	1.75%		YES	\$802,200		
Clark County WFB	Jan-25	20	0.00%		YES			
Clinton	Jan-25	20	1.75%		YES	\$6,416,494		
Community Water System Public Water Authority	Jan-25	20	0.00%		YES			
Community Water System Public Water Authority	Aug-25	20	4.00%		YES			
Conway Corp	Aug-25	20	4.00%		YES	\$7,579,609		
Conway Corp	Aug-25	20	1.75%		YES			



Project Name	L/C Date * Estimated	Term (in years)	Interest Rate	Additional Subsidy	Disadvantaged Community		Green Project Reserve	
Conway County RWDD	Aug-25	20	0.00%		YES			
Cross County Regional Water System PFB	Aug-25	20	4.00%		YES			
Cushman	Aug-25	20	1.75%		YES			
Cushman	Aug-25	20	1.75%		YES	\$1,706,241		
DesArc	Sep-24	20	0.00%		YES			
DesArc	Sep-24	20	1.75%		YES			
DesArc	Sep-24	20	0.00%		YES	\$1,105,650		
DesArc	Sep-24	20	1.75%		YES	\$1,175,700		
Dorcheat	Sep-24	20	0.00%		YES			
Eudora	Jun-25	20	4.00%		YES			
Eudora	Jun-25	20	0.00%		YES	\$1,630,211		
Evening Shade	Jun-25	20	1.75%		YES	\$486,335		
Evening Shade	Jul-24	20	1.75%		YES			
Fayetteville	Jul-24	20	0.00%		YES			
Flippin	Jul-24	20	0.75%		YES			
Flippin	Nov-24	20	1.75%		YES	\$5,976,777		
Freedom Water Association	Nov-24	20	0.00%		YES			
Fulton County WA	Nov-24	20	4.00%		YES			
Fulton County WA	May-25	20	1.75%		YES	\$1,924,439		
Gillett	May-25	20	0.00%		YES	\$630,000		
Gillett	Jul-24	20	4.00%		YES			

Project Name	L/C Date * Estimated	Term (in years)	Interest Rate	Additional Subsidy	Disadvantaged Community		Green Project Reserve	
Glenwood	Jul-24	20	0.00%		YES			
Glenwood	Aug-24	20	1.75%		YES	\$2,815,931		
Grand Prairie Regional Water Distribution District	Aug-24	20	0.00%		YES			
Grand Prairie Regional Water Distribution District	Jun-25	30	1.50%		YES	\$2,116,827		
Green Forest	Jun-25	30	0.00%		YES			
Helena West Helena	Jun-25	20	1.35%		YES			
Holly Grove	Jun-25	20	4.00%		YES			
Holly Grove	Jun-25	20	4.00%		YES	\$382,509		
Horsehead Water Users Association	Jun-25	20	0.00%		YES		\$100	WATER
Humphrey - LSL	Jun-25	20	1.75%		YES		\$100	WATER
Humphrey - LSL	Jun-25	20	0.00%		YES	\$556,542	\$100	WATER
Joiner	Nov-24	20	1.75%		YES			
Joiner	Nov-24	10	0.00%		YES	\$1,115,041		
Judsonia	Nov-24	10	0.00%		YES	\$335,742		
Judsonia	Nov-24	20	1.50%		YES			
Junction City Drinking	Sep-24	20	0.00%		YES			
Junction City Drinking	Sep-24	20	1.75%		YES	\$1,913,833		
Keo - Tank	Sep-24	20	0.00%		YES			
Keo - Tank	Sep-24	20	1.75%		YES	\$377,772		
Keo - Water Improvements	Sep-24	20	0.00%		YES			
Keo - Water Improvements	Sep-24	20	1.75%		YES	\$1,185,167		

Project Name	L/C Date * Estimated	Term (in years)	Interest Rate	Additional Subsidy	Disadvantaged Community		Green Project Reserve	
Lake View	Oct-24	20	0.00%		YES			
Lake View	Oct-24	20	1.75%		YES	\$331,536		
Lonoke White PWA	Oct-24	20	0.00%		YES			
Magnolia	Oct-24	20	1.75%		YES			
Manila	Oct-24	20	0.00%		YES			
Marshall	Oct-24	20	1.75%		YES			
Marshall	Oct-24	20	1.75%		YES	\$652,875		
McGehee	Jan-25	20	1.75%		YES			
McGehee	Jan-25	20	0.00%		YES			
Mena	Aug-24	20	1.75%		YES			
Monette	Jan-25	20	1.75%		YES	\$383,541		
Monette	Jun-25	20	4.00%		YES			
Montgomery County Regional PWA	Jun-25	20	4.00%		YES			
Monticello	Jun-25	20	0.00%		YES			
Morning Star PWA	Jun-25	20	1.75%		YES			
Morning Star PWA	Jun-25	20	1.75%		YES	\$356,325		
Mountainburg	Jun-25	20	1.75%		YES			
Mountainburg	Jun-25	20	0.00%		YES	\$750,000		
Mountainburg	Jun-25	20	1.75%		YES			
Mulberry	Jun-25	20	0.00%		YES	\$7,142,983		
Nashville, City of	Oct-24	20	4.00%		YES			

Project Name	L/C Date * Estimated	Term (in years)	Interest Rate	Additional Subsidy	Disadvantaged Community		Green Project Reserve	
North Garland County Regional Water Dist.	Sep-24	20	4.00%		YES			
North Garland County RWD	Jul-24	20	1.75%		YES	\$4,486,304		
North Garland County RWD	Jul-24	20	1.75%		YES			
Northeast Yell County Water Association	Jul-24	20	4.00%		YES			
Pocahontas	Aug-24	20	0.00%		YES	\$12,891,313		
Poyen	May-25	20	1.75%		YES	\$558,600		
Poyen	May-25	20	1.75%		YES			
Poyen	May-25	20	4.00%		YES			
Prescott	Aug-24	20	0.00%		YES	\$349,699		
Prescott	Aug-24	20	4.00%		YES			
Ratcliff	Aug-24				YES			
Rison	Aug-24	20	1.75%		YES			
Rison	Aug-24	20	0.00%		YES	\$1,351,787		
Rison	Aug-24	20	4.00%		YES			
Saline Regional Public Water Authority	Jul-24	20	1.75%		YES			
SE Bradley County	Sep-24	20	1.75%		YES	\$505,323		
Sevier County - Sevier County Water Association	Aug-24	20	0.00%		YES			
Sevier County - Sevier County Water Association	Aug-24	20	1.75%		YES	\$434,153		
Southwest WUPWA	Aug-24	20	4.00%		YES			
SWARWFB of Hempstead County	Sep-24	20	1.75%		YES			
SWARWFB of Hempstead County	Sep-24	0	0.00%		YES	\$1,083,382		

Project Name	L/C Date * Estimated	Term (in years)	Interest Rate	Additional Subsidy	Disadvantaged Community		Green Project Reserve	
Tri-County Regional Water Distribution District	Sep-24	20	1.75%		YES			
Tri-County RWDD	Sep-24	20	4.00%		YES			
Walnut Ridge	Oct-24	20	0.00%		YES			
Walnut Ridge	Oct-24	20	1.75%		YES		\$100	WATER
Winslow	Nov-24	20	0.00%		YES			
Winslow	Nov-24	10	3.50%		YES	\$1,536,951	\$100	ENERGY
Wynne-LSL	Feb-25	20	0.00%		YES			

## XVI. Appendices:

### Appendix A – Project Priority List

#### Priority Setting Procedures for Drinking Water State Revolving Loan Fund

Priority Points shall be used for ranking proposed drinking water projects for eligibility for funding from the Drinking Water State Revolving Loan Fund (Fund). Arkansas will update and post the PPL as necessary (up to 4 times) in State Fiscal Year 2025 to reflect new projects. To see the most current publish PPL go to our [website](#).

Due Date	Publish Date
June 30, 2024	July 15-31, 2024
September 6, 2024	September 15-30, 2024
Starting in Calendar Year 2025	
February 15	March 1
May 15	June 1
August 15	September 1
October 15	November 1

The points system presented below will be used.

A project otherwise determined to be eligible under the Fund may not receive funding for improvements that were not included in the original project for which priority points were assigned. The additional unranked improvements must rely on alternate funding sources for these improvements or wait for the next funding cycle for a new point's assessment. Fundable projects proposing to omit specific improvements for which points were assigned must show that this will not compromise public health and will not otherwise impair the water system's capacity when compared to the original project. Acceptable downsized projects will be reassessed and re-ranked under the priority ranking system, possibly resulting in a lower priority status.

PRIMARY MCL VIOLATIONS FACTORS	POINTS
1. Surface Water or Groundwater under the direct influence of surface water with no filtration	100
2. Treatment technique violations, microbiological MCL violations	
a. Total points for first two violations	100
b. Points for additional violations after first two	5
c. Points for imminent violation of future regulation	50
3. Acute Chemical Violations	
a. Total points for first two violations	100
b. Points for additional violations after first two	5
c. Points for imminent violation of future regulation	50
4. New Service Areas for area(s) with contaminated private drinking water sources	
a. Points for microbial contamination	100
b. Points for acute chemicals	100
c. Points for other chemicals	50
5. Chemical MCL Violations	
a. Total points for first two violations	50
b. Points for additional violations after first two	5
c. Points for imminent violation of future regulation	50
d. Points for lead service lines	100
SOURCE VULNERABILITY FACTOR	POINTS

1. Vulnerable to point or non-point upstream discharge	
a. Microbiological	25
b. Industrial, agricultural, or mineral	15
c. Unprotected watershed	15
CONSOLIDATION / INTERCONNECTION FACTOR	POINTS
1. Consolidation with an existing system	
< 40 service connections	50
41 – 200	40
201 - 1,320	30
1,321 - 4,000	20
> 4,000	10
2. Interconnection with an existing system	
< 40 service connections	25
41 – 200	20
201 - 1,320	15
1,321 - 4,000	10
> 4,000	5
AFFORDABILITY FACTOR	POINTS
1. Total Population Served: Service Connections < 1,321	10
2. Affordability Ratio	
a) > 2.49 %	15
b) 2.0 % - 2.49 %	12
c) 1.5 % - 1.99 %	9
d) 1.0 % - 1.49 %	6
e) <1.0 %	3
OTHER DEFICIENCIES FACTOR	POINTS
1. Secondary MCL violation	25
2. Fluoridation start-up	5
3. Quantity deficiencies	
Continual/frequent outages	25
Peak demand/daily shortages	20
Peak demand/seasonal shortages	10
Peak demand/sporadic shortages	5
3. Design deficiencies	
Disinfection	10
Chemical Feed	8
Mixing	8
Clarification	8
Filtration	8
Storage	8
Distribution/low pressures	10
Distribution/deteriorated mains	8
Distribution/unaccounted for water	8
Treatment capacity	8

Intake structure	8
Well construction	10
<b>BONUS POINTS</b>	<b>POINTS</b>
1. Board Member or City Council Training in the past 5 years	15
2. Up-to-date Asset Management Plan	10

### Eligibility for Priority Points

Projects for public water systems shall not be eligible for points in any category unless they meet the requirements specified below for that category. Should two or more projects accumulate the same number of points, priority will be given beginning with the project serving the least population and moving to the project serving the next higher population, until all projects with that point total are prioritized.

It should be noted that discretion will be used in the awarding of points in the following categories. If a public water system is accumulating violations due to negligence or inattention on the part of the system, points will not be awarded. The system must be taking reasonable actions to achieve compliance.

### Primary MCL Violations Factors

- 1) Surface Water or Ground Water under the direct influence of surface water with inadequate filtration.
  - a) Points will be awarded only for a water system that currently is required by the Safe Drinking Water Act to provide filtration, and the system does not have a filtration system that complies with the Safe Drinking Water Act regulations. In the case of consolidating systems where the project applicant does not qualify, but one of the consolidating systems does, then points will be awarded based on the consolidating system. If there are multiple consolidating systems within the same project which are SW or GWUDI, then an additional five points will be awarded for each system after the first.
- 2) Treatment technique violations and microbiological MCL violations.
  - a) Points will be awarded only for a water system that has had more than one treatment technique or microbiological MCL violation of the Safe Drinking Water Act during the eighteen months preceding the date of the most recent ranking questionnaire.
  - b) Each microbiological MCL violation and treatment technique violation will be counted as an individual violation, even if they occur in the same month. Points can be awarded for multiple violations of the same type or in combination with other violation types, (e.g., if a system had both a microbiological MCL and a treatment technique violation in the same month, they would get points for two violations in that month.).
    - i) 100 points total will be awarded for the first two violations.
    - ii) Five points will be awarded for each additional violation.
    - iii) 50 points may be awarded to a project whose purpose is to prevent a future NPDWS treatment technique or microbiological violation based upon promulgated EPA regulations or EPA regulations which are essentially final, but not yet promulgated.
- 3) Acute Chemical & Chemical MCL violations.
  - a) Points will be awarded only for a water system that currently has contamination from a Safe Drinking Water Act regulated contaminant, or other chemical contaminant for which no MCL has been adopted, which presents an acute health risk to consumers, based on EPA standards, health advisories, or other peer reviewed health risk studies found acceptable to the Department.
    - i) 100 points will be awarded for the first two violations.
    - ii) Five points will be awarded for each additional violation.
    - iii) 50 points may be awarded to a project whose purpose is to prevent a future NPDWS violation based upon promulgated EPA regulations or EPA regulations which are essentially final, but not yet promulgated.
    - iv) 100 points may be awarded to a project whose purpose is to locate or replace lead service lines.
- 4) New Service Area for Area(s) with contaminated Private Drinking Water Sources. Points may be awarded for a project to provide public drinking water service to an unserved area provided that:
  - a) At least 10% of the private water sources in the project area are sampled at random for microbiological contamination, and at least 50% of those samples are coliform positive; or



- b) At least 10% of the private water sources in the project area are sampled at random for a regulated acute chemical contaminant, and at least 50% of those samples exceed the Maximum Contaminant Level or Action Level specified by EPA; or
  - c) At least 10% of the private water sources in the project area are sampled at random for other chemical contaminants and at least 50% of those samples exceed the Maximum Contaminant Level or Action Level specified by EPA.
- 5) Chemical MCL Violations. Points will be awarded only for a water system that currently has contamination from a Safe Drinking Water Act regulated contaminant at a level which exceeds the MCL or Action Level specified by EPA and has not already received points under "Acute Chemical Violations."
- a) Each chemical MCL violation will be counted as an individual violation, even when multiple violations occur in the same reporting period. Points can be awarded for multiple violations of the same type (inorganic, organic, radiochemical, etc.) or in combination with other violation types, (e.g., if a system had both an arsenic MCL and a barium MCL in the same reporting period, they would get points for two violations in that reporting period.).
    - i) 50 points will be awarded for the first two violations.
    - ii) Five points will be awarded for each additional violation.
    - iii) 50 points may be awarded to a project whose purpose is to prevent a future NPDWS violation based upon promulgated EPA regulations or EPA regulations which are essentially final, but not yet promulgated.

### Source Vulnerability Factors

- 1) Source Vulnerable Due to Contamination from a point or non-point Source Discharge (with the potential to cause microbiological contamination). Points will be awarded only to a surface water source where there exists identifiable point or non-point discharges which can be documented to result in, or can potentially result in, instances where the raw water coliform concentrations exceed the limitations set forth in Section IX.A of the "Rules and Regulations Pertaining to Public Water Systems," or otherwise cause significant microbiological contamination of the source water.
  - a) Source Vulnerable Due to Contamination from Industrial Operations. Points will be awarded for a water source where analyses indicate the occasional presence of hazardous chemicals from an industrial source. In the case of a water system utilizing a ground water source, points will be awarded when documentation is provided that a contaminant plume exists in the source aquifer and is approaching the wellhead.
  - b) Source Vulnerable Due to Contamination from Agricultural Operations. Points will be awarded for a water source where analyses indicate the occasional presence of agricultural chemicals. Points will be awarded in the case of a water system utilizing a ground water source, only when analyses indicate the occasional presence of contaminants of agricultural origin in the source water or documentation of a contaminant plume in the source aquifer which is approaching the wellhead.
  - c) Source Vulnerable Due to Potential Contamination from Oil, Gas, or Mineral Operations. Points will be awarded for a surface water source where analyses indicate the occasional presence of contaminants from oil, gas, or mineral operations. Points will be awarded for a ground water source where the recharge area contains oil, gas, or mineral operations that have caused a plume of contamination that is approaching the water supply wellhead.
  - d) Source with Inadequate Buffer Zone. Points will be awarded for a surface water source where the required 300-foot buffer zone required under the Arkansas Rules and Regulations Pertaining to Public Water Systems has not been obtained. Points will be awarded for a groundwater source where the 100-foot radius buffer area zone required in these regulations has not been obtained.

### Consolidation/Interconnection Factor

- 1. Consolidation with an Existing System. Points will be awarded only for systems which agree to legally merge with another water system which is fully compliant with Safe Drinking Water Act water quality regulations or will become compliant because of the merger. In cases where multiple systems will consolidate, point assignments will be based upon the number of service connections of the smallest system. Extra points for additional consolidating systems under the same project will be assigned at a rate of 10% of the original rate for each additional consolidating system.
- 2. Interconnection with an Existing System. Points will be awarded only for systems which propose an interconnection and water purchase agreement with another water system, which is SDWA compliant, as a means of resolving a water quantity or quality problem for which points are awarded. In cases where multiple systems will interconnect,

point assignments will be based upon the number of service connections of the smallest system. Extra points for additional systems under the same project will be assigned at a rate of 10% of the original rate for each additional consolidating system.

3. Projects are eligible for either consolidation points or interconnection points, but not both.

### **Affordability Factor**

1. Total Population Served. Points will be awarded for systems serving fewer than 1,321 service connections.
2. Affordability Ratio. Points will also be awarded based on the value of the Affordability Ratio, calculated as the current average yearly residential rate, based on a usage of 4,000 gallons of water per month, divided by the Median Household Income. The Median Household Income shall be based on the entire service area of the project water system using the most current information available.

### **Other Factors – Public Health Improvements or Deficiencies**

1. Secondary MCL Violations. Points will be awarded only for those water systems where analyses document that a violation of an MCL for any of the Secondary Drinking Water Standards has occurred.
2. Fluoridation start-up. Points will be awarded for those water systems installing fluoridation to the treatment process.
3. Quantity Deficiencies
  - a. Continual Shortage (Frequent Outages). Points will be awarded only for a water system that experiences frequent complete pressure losses, which are the result of demand exceeding supply, and are not the result of main break, equipment failure, lack of proper maintenance, or other operational failures.
  - b. Shortage During Peak Demand Period (Daily). Points will be awarded only for a water system that frequently experiences minimal pressures due to daily demand exceeding supply.
  - c. Shortage During Peak Demand Period (Seasonal). Points will be awarded only for a water system that has to routinely issue conservation orders during heavy use periods or experiences minimal pressures during heavy use periods.
  - d. Occasional Shortage During Peak Demand Period. Points will be awarded only for a water system that, once or twice a year, experiences some pressure loss due to peak demand.
4. Design Deficiencies
  - e. Inadequate Disinfection. Points will be awarded for a water system that either does not disinfect or does not continuously disinfect due to equipment failure or lack of adequate feed rate capacity. Points may also be awarded for inadequate chlorine contact time (CT) as defined by regulation.
  - f. Inadequate Chemical Feed. Points will be awarded only for a water system that is unable to either reliably or consistently feed adequate chemicals to meet treatment objectives.
  - g. Inadequate Mixing. Points will be awarded only for a water system whose rapid mixing detention time is inadequate based on Department design standards.
  - h. Inadequate Clarification. Points will be awarded for a water system whose clarification process is functioning improperly due to inadequate detention time, using Department accepted design standards. Points will be awarded for a water system where improper functioning is occurring due to mechanical or structural failure.
  - i. Inadequate Filtration. Points will be awarded for a water system whose filtration process is functioning improperly due to excessive filtration rates, damaged underdrains, or other physical plant defects. Points shall not be awarded under this section if points were awarded under the section pertaining to filtration of surface water or groundwater under the direct influence of surface water.
  - j. Inadequate Storage. Points will be awarded only for a water system whose usable storage is less than one day's average system demand.
  - k. Inadequate Distribution (Low Pressures). Points will be awarded only for a water system that has areas of chronic low pressure due to localized peak demands.
  - l. Inadequate Distribution (Deteriorated Mains). Points will be awarded only for a water system that has chronic consumer complaints that can be directly tied to the deterioration of cast iron, galvanized, or other metal piping, or has frequent main breaks due to deteriorated pipe.

- m. Inadequate Distribution (Unaccounted for Water). Points will be awarded only for a water system that has unaccounted for water at a level that exceeds 10% of average daily production.
- n. Inadequate Treatment Unit Capacity. Points will be awarded only for a system whose plant, or individual process units in the plant, are undersized for process flow rates determined by using Department accepted design standards.
- o. Inadequate Intake Structure. Points will be awarded only for a water system whose intake structure is either unable to deliver an adequate quantity of water or whose intake structure will not allow for adjustment of withdrawal depth.
- p. Improper Well Construction. Points will be awarded only for a water system whose well is vulnerable to surface drainage into the well from improper wellhead and appurtenances construction or inadequate casing and/or grouting.

### Bonus Points

- 1. Board Member or City Council training in the past five years. Points will be awarded to systems for training.
- 2. Up-to-date Asset Management Plan. Points will be awarded only for a water system whose Asset Management Plan is current.

### Appendix B - EPA Assurances

Arkansas's Intended Use Plan includes the following assurances as required by the EPA DWSRF Program Guidelines and 40 C.F.R. §35.3550.

- 1. Assurance that the State has the authority to establish a fund and to operate the DWSRF program in accordance with the Safe Drinking Water Act.
  - The Arkansas Safe Drinking Water Fund Act (ACT 772 of 1997), the Arkansas Natural Resources Commission Regulation XV and the Interagency Agreement between the Arkansas Department of Health (ADH), ADFA and the Natural Resources Division establishes the proper authority, assigns responsibilities, and sets up the necessary funds to manage the SDWA, section 1452 programs.
- 2. Assurance that the State will comply with State statutes and regulations.
  - The State of Arkansas agrees to comply with all State statutes and regulations that are applicable to DWSRF funds, including Federal Capitalization Grant funds, state match, interest earning, bond proceeds and repayments, and funds used for set-aside activities.
- 3. Assurance that the State has the technical capability to operate the program.
  - Since 1961, Arkansas Natural Resources Commission has administered State financial assistance programs. The Natural Resources Division currently manages both the DWSRF and the CWRLF programs.
  - Except for Administration, the ADH manages the set-aside programs. There were 22 new staff positions created upon the availability of the initial set-aside funds. ADH has been granted primacy from the EPA to administer the State Public Water Supply Supervision program and continues to receive favorable reviews from the EPA Region 6 staff.
  - The ADFA manages the banking, fund accounting and auditing requirements. It has administered the CWRLF program since 1987 and many other state and federal financial assistance programs. No new staff positions are anticipated.
- 4. Assurance that the State will accept Federal Capitalization Grant funds in accordance with a payment schedule.
  - The State of Arkansas agrees to accept the federal grant payments in accordance with the negotiated payment schedule and use those payments for the activities of the DWSRF and State set-aside programs under SDWA Section 1452.
  - Arkansas has requested that the **2024 base cap grant** be allocated in three payments during FFY 2024. Arkansas agrees to accept grant funds that will be released by EPA utilizing the ASAP payment method. Access to these funds will be in accordance with the following schedule:

Payment Quarter

Payment Date

Payment Amount

FFY 2024	/	Quarter -2	01/01/2025	\$1,860,001.00
FFY 2024	/	Quarter -3	04/01/2025	\$1,860,001.00
FFY 2024	/	Quarter -4	07/01/2025	\$1,860,001.00

- Arkansas has requested that the 2024 BIL-General (BIL-G) cap grant be allocated in three payments during FFY 2024. Arkansas agrees to accept grant funds that will be released by EPA utilizing the ASAP payment method. Access to these funds will be in accordance with the following schedule:

<u>Payment Quarter</u>			<u>Payment Date</u>	<u>Payment Amount</u>
FFY 2024	/	Quarter -1	10/01/2024	\$9,173,333.00
FFY 2024	/	Quarter -2	01/01/2024	\$9,173,333.00
FFY 2024	/	Quarter -3	04/01/2024	\$9,173,333.00

- Arkansas has requested that the 2024 BIL-Lead Service Line (BIL-LSL) cap grant be allocated in four payments during FFY 2024 and 2025. Arkansas agrees to accept grant funds that will be released by EPA utilizing the ASAP payment method. Access to these funds will be in accordance with the following schedule:

<u>Payment Quarter</u>			<u>Payment Date</u>	<u>Payment Amount</u>
FFY 2024	/	Quarter -3	04/01/2025	\$11,324,750.00
FFY 2024	/	Quarter -4	07/01/2025	\$11,324,750.00
FFY 2025	/	Quarter -1	10/01/2025	\$11,324,750.00
FFY 2025	/	Quarter -2	01/01/2025	\$11,324,750.00

- Arkansas has requested that the 2024 BIL Emerging Contaminant (BIL-EC) cap grant be allocated in four payments during FFY 2024. Arkansas agrees to accept grant funds that will be released by EPA utilizing the ASAP payment method. Access to these funds will be in accordance with the following schedule:

<u>Payment Quarter</u>			<u>Payment Date</u>	<u>Payment Amount</u>
FFY 2024	/	Quarter -2	01/01/2025	\$3,049,000.00
FFY 2024	/	Quarter -3	04/01/2025	\$3,049,000.00
FFY2024	/	Quarter-4	07/01/2025	\$3,049,000.00

- Assurance that the State will enter binding commitments with assistance recipients to provide assistance from the Fund.
  - Binding commitments must be made in an amount equal to the amount of each capitalization grant payment and accompanying State match that is deposited into the Fund and must be made within one year after the receipt of each grant payment.
  - A state may make binding commitments for more than the required amount and credit the excess towards the binding commitment requirements of subsequent grant payments.
  - If a state is concerned about its ability to comply with the binding commitment requirement, it must notify the RA and propose a revised payment schedule for future grant payments.
- Assurance that the state will deposit all Federal Capitalization Grant funds in the fund or set-aside accounts.
  - The State of Arkansas agrees to deposit all the Federal Capitalization Grant funds into the Drinking Water State Revolving Fund account except for those portions of the grant that Arkansas intends to use for set-aside purposes authorized under the SDWA (Section 1452(a)(1)(b)). Funds for set-aside activities will be placed in separate accounts inside the SDWF but outside the DWSRF account.
- Assurance that the state will provide an amount at least equal to 20 percent of the Federal Capitalization Grant (state match) in the Fund.

- The State of Arkansas agrees to provide an amount into the DWSRF equaling at least 20% of the amount of each Federal Capitalization Grant.
8. Assurance that the state will deposit net bond proceeds, interest earning, and repayments into the Fund.
    - The State of Arkansas agrees to credit the applicable proportion of net bond proceeds and interest earnings, and the DWSRF borrower's principal and interest repayments into the Arkansas DWSRF.
    - The State of Arkansas also agrees to deposit any 1452(k) (1) loans principal and interest repayments into the Arkansas DWSRF.
  9. Assurance that the state will match Federal Capitalization Grant funds uses for 1452(g) (2) set-asides.
    - The State of Arkansas agrees to provide 100% state match funds equaling its Federal Capitalization Grant for 1452(g) (2) set-asides.
  10. Assurance that the state will use Generally Accepted Accounting Principles (GAAP).
    - The State of Arkansas agrees to establish fiscal controls and accounting systems, according to GAAP as promulgated by the Governmental Accounting Standards Board, that are sufficient to account for and report DWSRF Program activities.
  11. Assurance that the state will have the fund and set-aside accounts audited annually in accordance with Generally Accepted Government Auditing Standards (GAGAS).
    - The State of Arkansas agrees to conduct an annual audit on the Arkansas Safe Drinking Water Fund in accordance with GAGAS.
  12. Assurance that the state will adopt policies and procedures to assure that borrowers have a dedicated source of revenue for repayments (or in the case of a privately owned system, demonstrated that there is adequate security).
    - The State of Arkansas requires all DWSRF borrowers to have a dedicated source of revenues for repayments (or in the case of a privately owned system, demonstrated that there is adequate security) per Arkansas Natural Resources Commission Title XV.
  13. Assurance that the state will commit and expend funds as efficiently as possible and in an expeditious and timely manner.
    - The State of Arkansas agrees to commit and expend all funds allotted under SDWA section 1452 "as efficiently as possible" (Section 1452(g) (3)) and in an expeditious and timely manner.
    - Federal EPA/ACH payments shall be expended within 16 quarters from scheduled payment dates. The Bond proceeds shall be expended within three years from the bond issue dates. The State Match funds shall be expended in a prudent and expeditious managerial manner.
  14. Assurance that funds will be used in accordance with the IUP.
    - The State of Arkansas agrees to expend DWSRF funds in accordance with the IUP (Section 1452(b)) that has undergone public review and comment.
  15. Assurance that the state will provide EPA with an annual report.
    - The State of Arkansas DWSRF agrees to complete and submit an annual report with available financial information to the Region within 90 days after the end of the States reporting period.
  16. Assurance that the state will comply with all Federal cross-cutting authorities.
    - The State of Arkansas agrees to ensure that all applicable Federal cross-cutting authorities will be complied with.
  17. Assurance that the state will comply with the American Iron and Steel (AIS) requirements.
    - P.L. 114-113, The Consolidated Appropriations Act, 2016, includes an American Iron and Steel (AIS) requirement in section 424 that requires Clean Water State Revolving Loan Fund and Drinking Water State Revolving Fund assistance recipients to use iron and steel products that are produced in the United States for projects for the construction, alteration, maintenance, or repair of a public water system or treatment works if the project is funded through an assistance agreement executed beginning January 17, 2014 (enactment of the Act), through September 30, 2016 (the end of Federal Fiscal Year 2016).
  18. Assurance that the state will comply with the Build American Buy American (BABA) requirements.
    - On November 15, 2021, IJA, Pub. L. No. 117-58, which includes the Build America, Buy America Act (BABA). Pub. L. No. 117-58, §§ 70901-52, was signed into law. BABA strengthens Made in America Laws and will bolster America's industrial base, protect national security, and support high-paying jobs. BABA requires that no later than May 14, 2022, 180 days after the enactment of the IJA, the head of each covered Federal

agency shall ensure that “none of the funds made available for a Federal financial assistance program for infrastructure, including each deficient program, may be obligated for a project unless all of the iron, steel, manufactured products, and construction materials used in the project are produced in the United States.”

19. Assurance of Competency.

- In 2013, EPA Issued the directive FEM 2012-2 Rev. 1, requiring organizations generating or using environmental measurement data under EPA-funded agreements to submit documentation of their competency prior to performing new grant-funded work. The directive is effective for grants totaling more than \$200,000 and issued or renewed after October 1, 2013. The goal of the directive is to assure that organizations (and their grantees/contractors) performing environmental data operations have effective quality management systems and the technical competence to generate valid environmental data.
- Competency is demonstrated through the Arkansas Department of Health’s Quality Management Plan (QMP) submitted to and approved by EPA annually. The QMP provides descriptions of the quality policies, including all requirements described in EPA QA/R-2. The Arkansas Department of Health QA manger will ensure implantation of the directive through coordination with the individual EPA Programmatic Project Officers. The ADH also submits to and receives approval from EPA a Quality Assurance Project Plan (QAPP) every four years. The QAPP address the collection of environmental data made during water quality monitoring and sanitary survey program activities.

20. Signage

- Arkansas agrees to comply with all BIL and Base SRF Signage Guidance to enhance public awareness of EPA assistance agreements nationwide.

21. Arkansas will comply with the following federal requirements:

- Federal Socioeconomic Crosscutters (DBE etc.);
- Federal Environmental crosscutters;
- Federal Funding Accountability and Transparency ACT (FFATA) reporting;
- Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (2 CFR Part 200).

22. Equivalency

- Crosscutter equivalency standards are applied to each Section 212 project. Each project will be subject to a technical review which is sufficient to determine compliance with the equivalency requirements. However, in the event Build America, Buy America (BABA) Act domestic sourcing requirements are judged to be an equivalency item, equivalency may be implemented in this FY or a future SFY.