STATE OF MISSISSIPPI
LOCAL GOVERNMENTS AND RURAL WATER SYSTEMS IMPROVEMENTS BOARD
Title 33: Public Health - Local Governments & Rural Water Systems Improvements Board
Part 13: Drinking Water Systems Improvements Revolving Loan Fund Program Regulations

STATE OF MISSISSIPPI
DRINKING WATER SYSTEMS IMPROVEMENTS
REVOLVING LOAN FUND PROGRAM

FFY-2023 INTENDED USE PLAN

Approved by the Board
1/27/2023

MISSISSIPPI STATE DEPARTMENT OF HEALTH

LOCAL GOVERNMENTS AND RURAL WATER SYSTEMS

IMPROVEMENTS BOARD

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I. INTRODUCTION

A. State of Mississippi's Drinking Water State Revolving Loan Fund

The Safe Drinking Water Act Amendments of 1996 (SDWA) established the national Drinking Water State Revolving Fund (DWSRF) Program. That program allows the Environmental Protection Agency (EPA) to make capitalization (Cap) grants to states to, in turn, provide low-cost loans to public water systems to help achieve or maintain compliance with SDWA requirements. Accordingly, the State Legislature (through Section 41-3-16, MS Code of 1972 Annotated) created what is now called the Drinking Water Systems Improvements Revolving Loan Fund (DWSIRLF) Program, to receive the federal DWSRF capitalization grants from EPA, and to provide low-cost loans to the state's public water systems to finance needed infrastructure improvements. This legislation also allows the DWSIRLF, subject to the authority of State Law, to make loans that may utilize additional subsidization beyond standard DWSIRLF loans as well as setting appropriate criteria to determine eligible recipients.

That same legislation created the "Local Governments and Rural Water Systems Improvements Board" (Board), to oversee the administration of the DWSIRLF Program. The Mississippi State Department of Health (Department), as the state's drinking water primacy agency, supplies the staff and facilities necessary to administer the program. The Board is composed of the following nine (9) members: the State Health Officer, who shall serve as chairman of the Board; the Executive Director of the Mississippi Development Authority; the Executive Director of the Department of Environmental Quality; the Executive Director of the Department of Finance and Administration; the Executive Director of the Mississippi Association of Supervisors; the Executive Director of the Mississippi Municipal League; the Executive Director of the American Council of Engineering Companies; the State Director of the United States Department of Agriculture, Rural Development; and a manager of a rural water system. Each agency director may appoint a designee to serve in his or her place on the Board. The Governor appoints the rural water system manager. In the creation of the Program, it was the intent of the Legislature that the Board endeavor to ensure that the costs of administering the DWSIRLF Program are as low as possible in order to provide the water consumers of Mississippi with safe drinking water at affordable prices.

As a condition of receiving the DWSRF Cap grants, the SDWA requires that each state annually prepare an Intended Use Plan (IUP) designed to outline how a state will utilize DWSRF funds to assist in protecting public health. The DWSIRLF Fund consists of both state and federal funds. Federal funds are provided to the states in the form of awarded Cap grants. Each state's allotment of those grants is based on EPA's Needs Survey that is performed every four years. State matching funds totaling 20% of the federal grant amount to that state are required to be deposited into the Fund and have historically been provided through the issuance of bonds; however, the State legislature has provided the required State match funds as a direct agency appropriation. The purpose of this IUP is to convey

the State of Mississippi's (State) DWSRF plan for Federal Fiscal Year (FFY) 2023 to EPA, other state agencies, the State's public water supplies, and the public.

B. Program Overview

The basic framework under which the DWSIRLF Program operates is established by two documents. The first document is the Drinking Water State Revolving Fund Loan Program Operating Agreement (Operating Agreement) between the Mississippi State Department of Health and the Environmental Protection Agency, Region IV. The current Operating Agreement was agreed to by both parties and approved on March 21, 2023. The Operating Agreement establishes the basic framework of the DWSIRLF that is not expected to change from year-to-year. The second document is the IUP which describes how the State of Mississippi will use the funding received from the EPA Cap grant which is received each year.

The amount of the FFY-2023 Cap Grant from EPA for Mississippi is estimated to be $7,544,000. The Program intent to apply for the full amount of this cap grant and the BIL Supplemental cap grant. These funds must be used in the period of July 2023 through June 2027. As a condition of the FFY-2023 Cap Grant the program agrees to comply with DWSRF regulations, the general grant regulations at 40 CFR part 200, and specific conditions of the capitalization grant and to enter data into SRF Data System no less than quarterly. The FFY-2023 IUP will show in detail the goals (basic, long-term, and short-term), the structure, and the financial status of the Program; the role of the set-aside activities within the state; and most importantly, the distribution of funds towards public water system improvements projects and the criteria used to determine their ranking within the priority system. Those desiring to receive a copy of this document may contact Jonathan Diaz, Program Support Specialist, at (601) 576-7518.

The United States Congress passed the *Infrastructure Investment and Jobs Act (AKA the Bipartisan Infrastructure Law or BIL)* which was signed by the President on November 15, 2021. The bill appropriates an additional $1.902 billion to DWSRF for any eligible projects. Of the $1.902 billion additional allotment, the Program is projecting the State's 2023 allotment (1.08%) for eligible projects to be $22,422,890 with a required state contribution (10%) of $2,242,289. The maximum principal forgiveness (49%) allowable to Eligible Borrowers will be $10,987,216. The Program will take action to follow its priority and planning list to apply the funding as applicable. See Appendix K for additional details.

C. Public Input, Review, and Comment Procedures

To ensure that the public has an ample opportunity to review and comment upon the IUP, the Department and the Board follows the requirements of the "Mississippi Administrative Procedures Law" prior to final submission of the IUP to EPA. A public notice period of at least twenty-five (25) days allows for review and comment before an oral proceeding. After adoption by the Board, a second filing with the Secretary of State's Office occurs; if no additional comments are received the IUP becomes law 30 days after the second filing.

Public notice will be given in *The Clarion Ledger*, a newspaper of statewide circulation, for written and oral comments on this IUP. ***An oral proceeding is scheduled for 9:00 a.m. on February 23, 2023.*** A transcript of the oral proceeding, recording any comments and recommended solutions, will be submitted to the EPA along with the Final IUP. Those desiring to receive a copy of the oral proceeding transcript should contact Jonathan Diaz, Program Support Specialist, at (601) 576-7518. A copy of the "Mississippi Administrative Procedures Law" may be obtained from the Mississippi Secretary of State's Office and can also be found on the Mississippi State Department of Health's website at www.healthyms.com/dwsrf.

II. Goals of Mississippi's Drinking Water Systems Improvements Revolving Loan Fund (DWSIRLF) Program

The Board has established certain goals for the DWSIRLF Program with the objective of improving the Program on an ongoing basis. The goals have been classified into three categories that include basic, long-term, and short-term. These goals were developed to address the necessary requirements of federal and state regulations, as well as the state's need and desire to maintain and enhance the Program. Congress and the State of Mississippi have placed particular emphasis on assisting smaller drinking water systems under the DWSIRLF to ensure that these systems have adequate technical, managerial, and financial resources to achieve or maintain compliance and provide safe drinking water.

A. Basic Goals

1. Maintain a financially sound DWSIRLF in perpetuity; meet a portion of the drinking water needs in the state within a reasonable period of time; and fund projects in order of public health importance. Attaining these basic goals will help ensure that Mississippi's drinking water supplies remain safe and affordable, and that those public water systems that receive funding will be properly operated and maintained.

2. Determine the DWSIRLF's yearly interest rate, taking into consideration that it must be competitive with the private sector, as well as with other available funding sources within the state. This will ensure the timely use of available funds, as well as ensure sufficient income is generated to provide for the perpetuity of the Fund. Further details of loan terms and priority ranking are outlined in Sections IV and VI of this IUP.

B. Long-Term DWSIRLF Goals

1. Enhance and/or improve loan application and repayment procedures. MSDH intends to periodically evaluate the existing Program requirements and procedures to determine ways to streamline the DWSIRLF Program's application and repayment procedures, making it more user-friendly, attractive, and beneficial to loan recipients, while ensuring continued compliance with all federal and state regulations and requirements.

2. Program staff are exploring the feasibility of creating a universal web-based ranking form for all lending agencies within the state. The proposed form would ask a few simple questions, recommend a lending program based on the responses, and submit the ranking form to the appropriate agency. This could help potential loan recipients find the program that is right for their water utility, quickly and easily.

3. Continue programs to protect the State's ground water by using designated funds from the Cap grants to fund abandonment and plugging of wells. Since FFY-2012 the Program has been using the Local Assistance and Other State Programs set-asides to properly abandon inactive wells and open holes. Inactive wells and open holes are potential avenues of contamination to the aquifer and a danger to humans. This program is a worthwhile endeavor that will protect the source water of the state's water supplies.

4. Develop a tracking system to manage programmatic and financial documentation. A tracking system will provide DWSIRLF loan recipients and their representatives an opportunity to view the status and/or location of documents mailed to the Program for review and/or processing. This tracking system will also assist Program staff in tracking/monitoring program documentation reviews as well as disbursements.

5. Develop a comprehensive engineering project manager (PM) manual. The Bureau of Public Water Supply continues to make changes to the personnel involved with the DWSIRLF Program as the need arises. A comprehensive manual for project management will help ensure new PMs will have all the necessary tools and reference materials at their disposal to ensure the ongoing project flow will be uninterrupted. Since regulations change periodically, once the manual is completed it will be maintained by assigned staff.

C. Short-Term DWSIRLF Goals

1. Enhance and/or improve the Program by making it more attractive to public water systems. The evaluation of this goal will be based on input received from "one-on-one" visits with staff at engineering firms, town conferences, and general feedback obtained from loan recipients and consulting engineers during the loan process.

These meetings will be conducted with firms currently participating in the DWSIRLF Program to collect data regarding the effectiveness of the loan application process currently being implemented.

2. Explore the possibility of developing web-based checklists and forms to electronically store and process project management information.

3. Assist applicants in addressing capacity assessment deficiencies found during annual inspections by using technical solutions afforded by the technical assistance set-aside contractors. New or forthcoming regulations may make this a key goal in the future.

4. Train new staff members using available training sessions provided by EPA Region IV staff.

5. Meet special funding goals: Executive Order 13858, Strengthening Buy-American Provisions for Infrastructure Projects, may introduce additional provisions that will require additional compliance monitoring, thus creating an additional burden to the Program.

6. Automatic repayment collection system: Continue the implementation of an automatic repayment collection system; many loan recipients in the Program's repayment mode desire an automatic electronic repayment system as is available in the public sector. The DWSIRLF, by instituting this payment option, will ensure a more timely receipt of monthly repayments, as well as make the repayment process much more convenient for our loan recipients.

III. Structure of the Mississippi DWSIRLF

The Mississippi DWSIRLF is structured around three separate funds that sustain the Program and help it achieve the basic, short-term, and long-term goals. The funds are broken down further into designated accounts, each having a specific function.

A. DWSIRLF Loan/Operations Fund

Monies in the Fund support a majority of the functions of the DWSIRLF. These functions include program administration, set-aside operations, and most importantly provide disbursements to public water systems for eligible projects. The DWSIRLF is a reimbursement program, meaning that after the loan is awarded, costs associated with planning, designing, and constructing the project are reimbursed to the recipient. Cap grants from EPA, loan repayments and interest earnings are deposited into this Fund.

1. Types of Eligible Projects:

   Many types of projects are eligible for funding by the Program. For a more detailed explanation of eligible costs for projects, please reference Appendix A of the DWSIRLF Regulations.

2. Set-aside Accounts:

   The set-aside accounts reside under the umbrella of the Fund and are distinctly designated by reporting categories. A listing of the set-asides taken by Mississippi includes the following for FFY-2023:
   a. Administrative Set-aside: Provides financial support to administer the loan Program and other non-project-related activities.
   b. Small System Technical Assistance Set-aside: Provides technical assistance to small water systems.
   c. State Program Management Set-aside: Provides additional financial support to MSDH – Bureau of Public Water Supply for Public Water System Supervision Program.
   d. Local Assistance and Other State Programs: Provides funding for the implementation of a wellhead protection program.

B. DWSIRLF State Match Funds

As required by the SDWA, the State of Mississippi must match the Cap grant with state funds equaling 20% of the federal allotment. While state match monies are maintained separately from the Fund for accounting purposes, they are still considered to be under the "umbrella" protection of the DWSRF Fund.

C. Drinking Water Systems Emergency Loan Fund (DWSELF)

The Board also oversees the DWSELF Fund. This fund contains only State dollars that are utilized solely for public water supply loans which meet the definition of emergency. For further information see Appendix I.

IV. Financial Status of the DWSIRLF

This section outlines all sources of funding available to the DWSIRLF Program and indicates intended uses. This section also describes the financial assistance terms available through the Program.

A. Source and Use of Funds

Using the FFY-2022 EPA Capitalization Grant allotment for Mississippi of $7,544,000 a 20% state match of $1,508,800 is required and the FFY-2023 BIL Supplemental Capitalization Grant allotment of $22,422,890 with a 10% the state match requirement of $2,242,289 this provides an anticipated amount of $29,966,890 for both loans and set-aside activities.

The FFY-2023 "Set-aside" use for the standard Cap grant and BIL Supplemental Cap grant are outlined in Section V of this IUP. Necessary work plans showing utilization of these funds are found in the appendices of this IUP.

1. Federal Allotment

   With the FFY-2023 Capitalization Grant for Mississippi of $7,544,000 the state match requirement to federal grant funds (cash draw ratio) will ***be 20% state match funds to 80% federal grant funds; this requirement will be stated in the grant application.***

   The FFY-2023 BIL Supplemental Capitalization Grant allotment for Mississippi of $22,422,890 the state match requirement to federal grant funds (cash draw ratio) will ***be 10% state match funds to 90% federal grant funds; this requirement will be stated in the grant application.***

2. State Match Requirements

The 2023 State Legislature will authorize an appropriation or the issuance of bonds to be used as match for the FFY-2023 EPA Capitalization Grants. An amount of $3,751,089 is required to fully match the FFY-2023 EPA Capitalization Grants.

3. Loan Increase Reserve

Beginning in FFY-2003 the Board began to make loan awards after approval of the facilities plans and loan application, rather than after completion of the project design. This change in the loan award sequence increased the likelihood that bid overruns on some projects could be greater than the construction contingency included in the loan agreement. In order to be able to provide loan increases (when needed) to existing loans, the Board intends to set-aside the $1,000,000 for such loan increases; loan increases will be awarded on a first-come, first-served basis. Any funds not obligated for these purposes by the end of the fiscal year may be made available for new loan awards to the highest-ranking project(s) that is ready for loan award at the time funds become available.

4. Cash Flows

The program will utilize Cash Flow Modeling (CFM), a forecasting tool that incorporates all inflows and all outflows of the funds to provide an estimate of a state's capacity to make loans, ensuring the fullest possible utilization of all available DWSRF infrastructure financing resources. CFM will allow efficient use of funds, optimize lending capacity, inform decisions, reduce cash balances, increase funds revolving through the program, and better achieve SDWA's public health protection goals. The current model using the other funding sources above projects the program's lending capability at $350M over the next 5 years. Taking into account the fund's current cash balance and a need of cash on hand to cover a projected six months of disbursements, the program will make $100,000,000 available for loan awards for FFY 2023.

B. Financial Planning Process

In accordance with the Board's desire to maintain a financially sound DWSIRLF loan Fund in perpetuity, while at the same time meeting a substantial portion of the drinking water needs in the state within a reasonable period of time, the following financial decisions were made regarding the Fund:

1. Efficient Bond Management

The Board intends that the MSDH apply for the entire state Cap grant allotment under the federal DWSRF, including the set-asides described in Section V below.

State bond proceeds obtained shall be deposited into the DWSIRLF Fund and shall be used as the state match for federal DWSRF Cap grants.

2. Interest Rate Determination

It is the Board's intention to adjust interest rates such that the demand will equal the funds available. In order to ensure that this interest rate will be at or below the prevailing market rates at the time a loan is made, this rate will be compared to the twenty-year (20) triple-A rated, tax-exempt insured revenue bond yield published by fmsbonds, Inc. (fmsbonds Online, https://www.fmsbonds.com/market-yields/).

3. Investment

Investment Procedures for Excess Cash - According to the State Treasurer, the excess cash in the Fund is invested by the State Treasurer in securities prescribed in Section 27-105-33, et. Seq., of the Mississippi Code of 1972 Annotated, as amended. The securities in which state funds may be invested include certificates of deposit with qualified state depositories, repurchase agreements (fully secured by direct United States Treasury obligations, United States Government agency obligations, United States Government instrumentalities or United States Government sponsored enterprise obligations), direct United States Treasury obligations, United States Government agency obligations, United States Government instrumentalities or United States Government sponsored enterprise obligations, and any other open-ended or closed-ended management type investment company or investment trust registered under the provisions of 15 U.S.C. Section 80(a)-1 et. Seq, provided that the portfolio is limited to direct obligations issued by the United States of America, United States Government agency obligations, United States Government instrumentalities or United States Government sponsored enterprise obligations and to repurchase agreements fully collateralized by the securities listed above for repurchase agreements.

C. Financial Terms of Loans

The following terms will be used for the purpose of making loans to the public water systems within the State of Mississippi.

1. Funding Limit

Under state law, the Board has the discretion to set the maximum amount for DWSIRLF loans. For FFY-2023 the Board has set a maximum loan amount of $5,000,000 per borrower. The Board may allow (on a case-by-case basis if requested by the borrower and the need has been justified) the maximum loan limit to be exceeded by a vote of the Board. Furthermore, during FFY-2023, no more than one loan per borrower will be allowed. At the end of the fiscal year, if funds are available, systems previously receiving an award during FFY-2023 may obtain an additional award(s) or an increase to a previous FFY-2023 award, if no other eligible systems are evident.

2. Interest Rate

   All loan terms will be the lesser of 1.95% annual interest rate or the twenty-year (20) triple-A rated, tax-exempt insured revenue bond yield published by fmsbonds, Inc., compounded monthly, with a standard 20-year term. The maximum loan amortization allowable will be 30 years, or 40 years for disadvantaged communities (the *America's Water Infrastructure Act of 2018*). These maximums may not, however exceed the design life of the project. Interest will accrue based on the current loan agreement in conjunction with the DWSIRLF Regulations.

3. Administration Fee

   THIS IS NOT AN ADDITIONAL FEE TO OUR LOAN RECIPENTS. This revenue is diverted from the interest portion of loan repayments to defray administrative costs related to the program. The program will collect up to 5% of the initial loan principal or the total amount of interest due over the life of the loan, whichever is less, to defray administrative cost. This fee will be collected from the interest portion of loan repayments on all FFY-2023 loans.

4. FFY-2023 Appropriation Special Provisions

   The Federal 2023 appropriations bill has not been finalized and the final EPA FFY-2023 Cap Grant allotment amounts, and any additional federal requirements are not known. It is anticipated that subsidization requirements will be required for the FFY-2023 Cap Grant; the subsidization is expected to be in the form of "principal forgiveness", "negative interest rates", or a combination of the two. The anticipated amount of subsidization is expected to be a minimum of 26% of the Cap Grant amount. If the FFY-2023 Cap Grant is $7,544,000 the subsidization amount would be $1,961,440 (26%) of the Cap Grant amount. Furthermore, all loans made with all or part FFY-2023 federal appropriation funds-will include the Davis-Bacon Act, American Iron and Steel, and signage requirements. Appropriate language will be added to all FFY-2023 loan agreements identifying the additional responsibilities for loan recipients. "Green Infrastructure" requirements are not expected to be an appropriation requirement. However, the Program will continue to encourage those types of projects to seek funding from the DWSIRLF.

5. Other Related Issues

   a. *Type of Assistance Provided:* The assistance to be provided under the DWSIRLF Program will be loans to public, tax-exempt entities which are authorized under state law to collect, treat, store, and distribute piped water for human consumption; able to enter into a DWSIRLF loan agreement; and have the ability to repay the DWSIRLF loan. With the funds provided through the FFY-2023 federal appropriation, the DWSIRLF program will be able to make loans that will have an amount of "principal forgiveness", if the loan recipient is designated a disadvantaged community. To ensure that the assistance is

dispersed as far as possible, the Board has set a limit ($500,000) which a loan recipient may receive in subsidy for one loan. When the mandatory 26% subsidy requirements have not been met by awards, the Board may allow (on a case-by-case basis if requested by the borrower and the need has been justified) the limit to be exceeded by a vote of the Board. Once the limit of the appropriation subsidy funds has been reached for FFY-2023, loans will return to the DWSIRLF's standard terms without principal forgiveness. In all cases, loans will be for the construction of eligible drinking water production, treatment, and distribution facilities.

b. *Project Costs Eligibility:* Eligible/allowable project costs will include those costs that are eligible, reasonable, necessary, and allocable to the project, within the established project scope and budget, in conformance with the DWSIRLF regulations and approved by MSDH.

c. *Loan Participation:* DWSIRLF loan participation will be at 100% of eligible project costs, less any funding made available from other agencies for these same eligible project costs.

d. *Pre-Award Costs:* Project costs incurred prior to loan award will be DWSIRLF loan eligible provided:
   i. The debt is for work under a construction contract for which the "Notice to Proceed" was issued on or after October 1, 2023, and the DWSIRLF loan is awarded by September 30, 2023.
   ii. The project is in compliance with all applicable DWSIRLF Program regulations and obtains MSDH approval of all applicable documents prior to award of the DWSIRLF loan.
   iii. The prospective loan recipient agrees that by incurring costs prior to loan award, it proceeds at its own risk and relieves the Board, the Department, and the Department's staff of all responsibility and liability should such costs later be determined unallowable for any reason or should such funding not become available for any reason.
   iv. The prospective loan recipient agrees that by incurring costs prior to loan award, no future commitment of funding a refinanced project is provided.

e. *Priority List:* The FFY-2023 Priority List expires on September 30, 2023. Projects listed in the FFY-2023 Priority List that do not receive funding by this date will not be funded under the FFY-2023 funding cycle and will be subject to the requirements of subsequent IUPs and Priority Lists. Detailed information for the FFY-2023 DWSIRLF projects is shown in Section VIII of this IUP. To facilitate the use of FFY-2023 federally appropriated funds, the priority list may be adjusted to allow funds to be disbursed according to the federal requirements.

V. Set-Aside Activities

The SDWA allows each state to set-aside up to 31 percent of its federal Cap grant to support non-project-related drinking water programs which includes administration of the loan program, technical assistance to public water systems, state program management, and other special activities. The FFY-2023 EPA Capitalization Grant amount of $7,544,000, the state plans to use $2,052,095 of the FFY-2023 Federal Capitalization grant to support the non-project-related drinking water programs activities. The state plans to utilize $2,460,652 of the BIL Supplemental Cap Grant amount for set-aside activities. These non-project-related programs will be operated by MSDH within the agency itself or through contracts with other agencies or organizations. Contracts between the MSDH and other agencies or organizations will be approved by the Board. Work plans showing how the set-asides funds will be expended are included as appendices within this IUP; additionally, progress reports will be included in the Annual Report. The state has elected not to take any additional set-asides from the FFY-2023 Local Assistance and Other State Programs set-aside but reserves the right to make revisions to utilize additional funds from this set-aside.

A. Administration

The SDWA-DWSRF amendments in the 2017 Water Infrastructure Improvements for the Nation Act (Pub. L. 114-332) (2017 WIIN Act – EPA memorandum dated June 6, 2017) states that the Administrative Set-Asides that can be taken (the greatest of: $400,000, 1/5 percent of the current valuation of the fund, or an amount equal to 4 percent of all grant awards to the fund for the fiscal year). The State plans to use the maximum allowable for "Administrative" purposes from the FFY2023 Cap Grant. The State also plans to use the 2.58% for "Administrative" purposes from the FFY2023 BIL Supplemental Cap Grant. Costs beyond this amount will be paid from the funds generated by the 5% administrative fee taken from loan repayments.

The state will continue to exercise its right to reserve the administrative amounts from previous Cap Grants. Reserving previous years' 4% administrative set-aside can ensure that the Program will continue to operate with an adequate DWSIRLF staff for proper management of the Program.

B. Small System Technical Assistance

The state will use the Small Systems Technical Assistance (Up to 2%) set-aside from the FFY-2023 Cap Grant and the BIL Supplemental Cap Grant to provide technical assistance to public water systems serving areas with populations of 10,000 or less. With approval by the Board, the state intends to use this set-aside to fund contracts for the following activities: Special Technical Assistance to Referred Systems; Board Management Training for Water System Officials; On-Site Technical Assistance; PEER Review Program; Hands-on Operator Training; and Asset Management Training. Each of these activities is described in detail in the State of Mississippi's Small Systems Technical Assistance Set-Aside Work Plan included as Appendix E to this IUP.

C. State Program Management

The state intends to use the full 10% set-aside from the FFY-2023 Cap grant, as authorized by Section 1452(g) (2) of the Safe Drinking Water Act of 1996 for State Program Management. The funds will be used for Public Water System Supervision (PWSS) activities conducted under Section 1443(a) of the Act. These activities are described in more detail in the State of Mississippi's State Program Management Set-aside Annual Work Plan included as Appendix F to this IUP.

The SDWA-DWSRF amendments in the 2018 Water Infrastructure Improvements for the Nation Act (Pub. L. 114-332) (2017 WIIN Act – EPA memorandum dated June 6, 2017) removed the requirement for the State 1:1 match for the 10% State Program Management set-aside.

D. Local Assistance and Other State Programs

The state intends to use $750,000 of the 15% set-aside amount which is allowed from the FFY-2023 Cap grant to provide funding for wellhead protection projects throughout the state. These funds will be used to properly abandon inactive wells that pose a risk to existing active public water supply source water wells, as well as the environment. See Appendix G.

The state intends to use $2,242,289 of the 15% BIL Supp set-aside amount which is allowed from the FFY-2023 Cap grant to provide funding for consolidation and regionalization projects throughout the state. These funds will be used to survey the State's drinking water system to identify, plan, and assist water systems in consolidation or regionalization to create a more sustainable model that best serves the consumers of Mississippi's drinking water. See Appendix L.

VI. Priority System

The SDWA provides the state with the flexibility to determine how to best utilize the Cap grant. To meet the particular and unique issues facing the public water systems in Mississippi, SDWA requirements allow states to give priority to those projects which:

1. address the most serious risk to human health.
2. are necessary to ensure compliance with the SDWA requirements.
3. assist systems most in need, on a per household basis.

A. Funding and Ranking Rationale

Projects will be placed on the fundable portion of the Priority List according to both priority ranking and readiness to proceed. The term "ready to proceed" means that all loan application requirements established in the Program regulations are met, and all documents necessary for loan award are approved. If a project cannot reasonably be expected to meet

the Priority System deadlines, then the project will not be placed on the current year's Priority List but will be placed on the Planning List. It is the Board's judgment with input from the DWSIRLF staff as to when a project is ready to proceed. Loans will be awarded to projects (within available funds) that are above the funding line on the current year's Priority List, that have met all Priority System deadlines and are ready to proceed. Additionally, when potential loan recipients are deciding on the needs for their public water supplies, they should ensure that all public health and state safe drinking water laws are followed. If a state regulation becomes an additional requirement of Mississippi's public water supplies, appropriate planning and design of the project(s) will be necessary in order to receive funding. However, if it is understood that a proposed project is designed to meet specific SDWA compliance requirement(s) unrelated to a state requirement, the Board may waive the state requirement upon request from the potential loan recipient. This waiver would require concurrence from the Bureau of Public Water Supply.

1. Funding Lists and Bypass Procedure

   Should any projects on the FFY-2023 Priority List (which are above the funding line) fail to comply with the deadlines in Section D, the project shall be bypassed, and the funds reserved for said project will be released. Released funds will first be made available to listed projects, to ensure that all projects above the funding line meeting priority system deadlines are funded. Any remaining funds will be made available to the highest-ranking project(s) shown below the funding line that is ready for loan award at the time funds become available. If no projects above the funding line are ready for loan award at the time funds become available, projects shown below the funding line will be funded on a first-come, first-served basis as they become ready for loan award and until the released funds are awarded. This same process will continue as each deadline passes and released funds become available.

2. FFY-2023 Green Infrastructure Requirement

   The FFY-2023 federal appropriation is not expected to require that a percentage of the funds appropriated for the Revolving Funds be designated for projects that exhibit the elements of green infrastructure, water efficiency improvements, energy efficiency improvements or other environmentally innovative projects. However, projects that wish to be classified in the following elements will be reported as green infrastructure to the EPA through its "Project and Benefits Report Database" and noted in the future annual report. Projects may exhibit one or more of the "green" elements and the details of the project's "green" content will be identified in the business case required for each project if the recipient so chooses.

   - **Green infrastructure projects** include a wide array of practices at multiple scales; green infrastructure projects will manage wet weather and will maintain and restore natural hydrology by infiltrating, evapotranspiring, and harvesting and using storm water. On a regional scale, green infrastructure is the

preservation and restoration of natural landscape features, such as forests, floodplains, and wetlands, coupled with policies such as infill and redevelopment that reduce overall imperviousness in a watershed. On the local scale, it may consist of site- and neighborhood-specific practices, such as bio-retention, trees, green roofs, permeable pavements, and cisterns.

- **Water efficiency projects** are designed to use improved technologies and practices to deliver equal or better services with less water. It encompasses conservation and reuse efforts, as well as water loss reduction and prevention, to protect water resources for the future.

- **Energy efficiency projects** are designed to use improved technologies and practices to reduce the energy consumption of water projects, use energy in a more efficient way, and/or produce/utilize renewable energy.

- **Environmentally innovative projects** include projects that demonstrate new and/or innovative approaches to deliver services or manage water resources in a more sustainable way.

Projects desiring to be classified as "green" will be judged for eligibility based on the guidance supplied by the EPA and that is available at our website www.healthyms.com/dwsrf. Systems desiring "Green Infrastructure" classification will be required to present a "business case" establishing justification for the classification request. Guidance for establishing a "business case" is available to assist potential loan recipients in preparation of the documentation.

3. Loan Decreases

Any funds recovered from loan decreases during the year will be used:

a) first to fund bid overruns, if funds from the loan increase reserve are not sufficient to cover the bid overruns;
b) then to ensure that all projects above the funding line meeting the priority system deadlines are funded (for at least the amount shown on the priority list); and
c) then to fund other loans and/or increases on a first-come, first-served basis.

Any funds not obligated for these purposes may be made available for new loan awards ready to proceed on a first-come, first-served basis.

4. Match for Special Appropriations Project (SPAP) Grants

On October 10, 2001, EPA issued policy memorandum DWSRF 02-01 to notify regions and states of a change in policy regarding the use of DWSRF monies for providing local match for SPAP grants. This change in EPA policy will allow the

state to use non-federal, non-state match DWSIRLF funds to provide loans that can be used as local match for SPAP grants awarded for drinking water projects.

These non-federal, non-state match DWSIRLF loan funds may be made available to eligible SPAP grant recipients that are on the priority list for use as local match funds for their SPAP grants, provided the grant is for loan eligible work. Such projects will be funded in accordance with the Priority System and until all non-federal, non-state match monies have been obligated or demand for such funds has been met.

5. Subsidization from FFY-2023 Federal Appropriation

The FFY-2023 EPA Capitalization Grant mandates a minimum of 26% and maximum 49% of the Grant be provided as additional subsidization to disadvantaged communities. Based on the Grant of $7,544,000, a minimum of $1,961,440 in subsidization is required. The DWSIRLF's subsidization will be in the form of "Principal Forgiveness" (PF) to individual public water supplies that are considered disadvantaged communities, and which received reimbursements with Federal Cap grant funds during the construction of the project. If the amount of PF which a project is eligible exceeds the amount of Federal Cap grant funds which it received, the amount of PF extended will be limited to the amount of Federal Cap grant funds used for reimbursement.

Subsidization may be used over a two-year period. Subsidization remaining from a previous year may be awarded to loans which are eligible for PF over a two-year period. Subsidization for FFY-2023 may be awarded to projects eligible for PF in FFY-2023 and FFY-2024.

Disadvantaged Community Program

a. DWSRF Capitalization Grant funds

During FFY-2023, the following Principal Forgiveness (PF) methodology will be used to meet the requirements of both the America's Water Infrastructure Act of 2018, the Consolidated Appropriations Act of 2020, and *Infrastructure Investment and Jobs Act of 2021* for providing subsidy for disadvantaged systems. A minimum of 26% subsidy will be made available and up to 49% can be subsidized to eligible recipients.

The amount of PF for which a potential "Loan Recipient" (LR) may be eligible will be determined by calculating the percentage of the "Median Household Income" (MHI) of the potential LR versus the MHI of the State of Mississippi ***($49,111)*** as a whole.

90% < LR MHI < 100% - 15% Principal Forgiveness
80% < LR MHI < 90% - 25% Principal Forgiveness

70% < LR MHI < 80%	- 35% Principal Forgiveness
LR MHI < 70%	- 45% Principal Forgiveness

PF will be extended to projects until all mandated subsidy funds are obligated. Due to the limited amount of PF funds, the maximum amount of PF funds a loan recipient may receive for a project will be set at $500,000. The amount of PF given will be assigned at loan award after the project goes to the bid phase. Once this happens, the amount of PF assigned can only change if the project's costs increase, PF is still available, PF assigned has not reached the specified maximum, and the Board approves a waiver allowing additional subsidization. Once subsidy funds are depleted, only standard loans will be made with DWSIRLF funds.

In the event that a LR declines their loan that includes PF, the released PF may be reallocated to other projects for the present fiscal year that are eligible for PF, or the PF may be carried over to projects for the next fiscal year.

If returned PF funds are reallocated to projects awarded during the existing fiscal year. The reallocation of PF will be given first to projects which did not receive their full allowable amount based on the above table up to the maximum allowed limit.

If all projects have received their full allowable amount, returned PF funds may be reallocated to projects awarded PF during the existing fiscal year based on a percentage of the individual LR's initial loan amount to the total loan amount of loans awarded PF during the fiscal year.

In all cases, the amount of PF which is awarded to a project may not exceed the amount of Federal Cap grant funds which the project was reimbursed during the construction of the project.

b. BIL Supplemental Funds

During FFY-2023, the following Principal Forgiveness (PF) methodology will be used to meet the requirements of the Infrastructure Investment and Jobs Act of 2021. The annual BIL Supplemental grant is to be subsidize at 49% with those subsidies as assistance agreements of 100% principal forgiveness or grants. Potential Loan Recipients ranked highest on the program's *Priority List* serving a population with a Median Household Income less than $49,111 (MS MHI) will be eligible to receive 100% principal forgiveness loans to the extent funding allows. The FFY 2023 BIL Supplemental allotment for the Program is $22,422,890. The maximum principal forgiveness (49%) allowable to eligible borrowers will be $10,987,216.

B. Priority System Categories

Emergency Projects

The Project Priority List may be amended during the year for declarations of emergencies designated by the Governor (pursuant to §33-15-11(b)(17)) or the State Health Officer (pursuant to §41-26-1 et sec.). The emergency project must meet all eligibility and loan requirements, but the additional public review and comment requirement may be waived. Once an emergency has been declared and the project is determined eligible, Emergency projects will take priority over all other project categories. Any emergency project must be documented in the DWSRF Annual Report and is subject to EPA oversight review.

Standard DWSRF Projects

Projects in Category I are funded each year to the extent funds are available. Projects in Categories II through XI are ranked in priority order; that is, all Category II projects are ranked higher than Category III projects, etc. Ranking is established in like manner through all remaining categories. Adjustments are made as necessary to comply with small community set-aside provisions of the Federal SDWA and as established by the Board [Section 1542(a) (2) of SDWA]. As stated previously, the order of Categories II - XI is intended to give highest priority to those projects that address the most serious risks to human health. Projects within each category will be ranked as described in Section C.

1. *Category I - Segmented Projects*
   This category of projects includes any remaining segments of projects that previously received funding for an integral portion of that project and are necessary for the entire project to be functional. Projects will be funded under this category in order of their regular priority ranking provided they meet the deadlines established in Section D.

   In order to maintain continuity, the Board intends to make some amount of funds available for each ongoing-segmented project. Preference in the amount of funds to be provided will be given to the projects that received the earliest loan award for their initial segment.

2. *Category II - Previous Year Certified Projects*
   Priority for this category will be given to the previous year Category II projects to the maximum extent practicable. This category of projects includes projects that: (1) were listed immediately below the funding line on the previous year's Priority List within an amount of approximately 25% of that year's total available funds; (2) met all Priority System deadlines in the previous fiscal year; and (3) were not funded due to lack of DWSIRLF funds or did not receive an assurance of CDBG, ARC, RUS, or other match funding in the previous fiscal year. Within this category, projects will be ranked according to the current Priority Ranking Criteria.

3. *Category III - Primary Drinking Water Standards*
   This category includes projects to facilitate compliance with Primary Drinking Water Standards. To qualify for this category, projects must correct deficiencies resulting in non-compliance with the primary drinking water standards. Depending on the nature of the project, additional treatment requirements may be necessary as part of the proposed project.

4. *Category IV - One Well*
   This category includes projects to provide additional water supply to systems that have neither a backup well nor an MSDH-approved emergency tie-in to another system to ensure safe drinking water; thereby protecting the health of the existing population. Depending on the nature of the project, additional treatment requirements may be necessary as part of the proposed project.

5. *Category V – Pressure Deficiencies*
   This category includes projects to correct documented deficiencies that result in existing systems routinely failing to maintain minimum acceptable dynamic pressure. Experience has shown that failure of water systems to maintain minimum acceptable dynamic pressure is the major cause of system contamination in Mississippi. System contamination that results from inadequate water system pressure is considered by the MSDH to be one of the most serious drinking water-related threats to public health in Mississippi.

6. *Category VI - Source Water Protection Projects*
   This category includes projects to manage potential sources of contaminants/pollutants and/or prevent contaminants/pollutants from reaching sources of drinking water. To be eligible for loan participation, potential contaminants/pollutants and source water protection areas must have been identified in the public water systems source water assessment plan report (swapr) prepared by the mississippi department of environmental quality's groundwater planning branch (deq-gpb). If the public water system has not received its swapr from the deq-gpb yet, or has documentation that may change its swap, it shall provide in the facilities plan suitable documentation of potential sources of contaminants/pollutants that is acceptable to the deq-gpb before the project will be deemed eligible.

   The projects will be ranked: first in order of the highest source water classification that would be negatively impacted by source water contaminants; secondly, within each classification in order of the public water systems susceptibility assessment ranking as determined by the deq-gpb; and thirdly, within each susceptibility assessment ranking in order of the highest number of connections served by the public water system. Source water classifications will be ranked in the following order: surface water sources; shallow (generally ≤ 300' in depth) unconfined water wells; shallow (generally ≤ 300' in depth) confined water wells; and deep confined water wells.

7. *Category VII - System Capacity Expansion to Serve Existing Unserved Residences/Businesses*
   This category includes projects to either expand existing system capacity or construct a new drinking water system to ensure safe drinking water (source, treatment and/or distribution) to serve existing residences/businesses in currently unserved areas.

8. *Category VIII - Back-up Water Supply Sources Projects*
   This category includes projects to provide additional supply to systems with insufficient back-up water supply sources to ensure safe drinking water, and thereby protect the health of the existing population. As a minimum, a system using ground water should be able to lose any one of the wells supplying the system and still maintain minimum acceptable dynamic pressure throughout the entire system.

9. *Category IX – Existing Facilities Upgrades (Meeting Primary Standards)*
   This category includes projects to rehabilitate, replace, protect or upgrade deteriorated, worn, aged or obsolete equipment, facilities, etc., to assure continued, dependable operation of water systems where such systems are already meeting Primary Drinking Water Standards. Depending on the nature of the project, additional treatment requirements may be necessary as part of the proposed project.

10. *Category X - Fluoride Addition*
    This category is for projects that either rehabilitate existing fluoride treatment facilities at well or treatment plant sites or add new facilities to existing well or treatment plants.

11. *Category XI - Secondary Drinking Water Standards Projects*
    This category includes projects to provide treatment that brings systems into compliance with Secondary Drinking Water Regulations. Depending on the nature of the project, additional treatment requirements may be necessary as part of the proposed project.

12. *Category XII – Consolidation Projects*
    This category includes projects to consolidate separate systems into a single system for purposes other than those related to Categories II through IX. Consolidation will also be considered in establishing priority ranking within all categories, as described in the Priority Ranking Criteria in Section C.

13. *Category XIII – Other*
    This category includes projects that do not meet the criteria of any other listed category and have been determined loan eligible in accordance with the DWSIRLF loan program regulations.

C. Priority Ranking Criteria

The criteria for ranking Standard DWSRF projects within each category is intended to give priority to projects that: (1) benefit the most people per dollar expended; (2) assist systems most in need on a per household affordability basis as required by the SDWA (3) use consolidation with other systems to correct existing deficiencies and improve management; (4) take into consideration the system's current capacity; (5) encourage participation in short-term and long-term technical assistance programs; and (6) encourage an Asset Management Plan participation in the Drinking Water Needs Survey. These considerations are addressed by the Priority Ranking Criteria in the following manner:

1. *Benefit/Cost*
   Benefit/Cost points assigned to each project will be determined using the following formula:

   $$\textit{Benefit/Cost Points} = \frac{\textit{Number of benefiting connections}}{\textit{Total eligible cost of improvements (in \$1.0 millions)}}$$

   The number of benefiting connections must be included in the facilities plan submitted by the applicant; be defined as the sum of individual connections **currently experiencing deficiencies that will be corrected by the improvement;** and include only existing residences, businesses, and public buildings. Applicants must furnish information (including hydraulic analysis, if necessary) to support their estimate of the number of benefiting connections. The total eligible cost is in millions of dollars (i.e., $800,000 = $0.8 M).

2. *Affordability Factor*
   An affordability factor will be assigned to each project to reflect the relative needs of applicants on a per household basis. The Benefit/Cost points calculated in Section C.1. will be adjusted using the affordability factor in the following formula:

   Adjusted Benefit/Cost Points = (Affordability Factor) x (Benefit/Cost Points)

   The affordability factor used in the calculation is defined as the ratio of the "Median Household Income" (MHI) for the State of Mississippi ($49,111) to the MHI for the affected community. The affordability factor used in the calculation will be no less than 1.0 and no greater than 1.5.

3. *Consolidation*
   Any project that includes consolidation (ownership and management) of separate existing systems into a single system will receive consolidation points equal to 0.5 times the Adjusted Benefit/Cost points assigned to the project. The purpose of assigning consolidation points is to promote reliability, efficiency and economy of scale that can be achieved with larger water systems while discouraging the proliferation of numerous separate small systems with their inherent inefficiencies

and limitations. Projects, in any priority category, that do not include consolidation will receive zero consolidation points in the final calculation of total priority points.

Consolidation Points = 0.5 x (Adjusted Benefit/Cost Points)

4. *System Capacity*
   Any project that includes scope of work to address critical design capacity issues (systems that are currently overloaded or within two (2) years of reaching their current design capacity, as determined by MSDH) will receive additional priority points equal to 25% of the Adjusted Benefit/Cost points assigned to the project. Documentation of the system capacity analysis and recommendations to address the design capacity issues must be addressed in the facilities plan to be eligible for these additional priority points.

   System Capacity Points = 0.25 x (Adjusted Benefit/Cost Points)

5. *Participation in Short-Term & Long-Term Assistance Programs*
   The MSDH, with the Board's approval, has contracted with Mississippi State University Extension Service to provide both short-term and long-term assistance to designated water systems in the state based on their scores on the latest Capacity Assessment Form (CAF). This assistance is provided at no cost to the water systems.

   Participation by the water systems in these assistance programs is voluntary; however, any water system that has participated in either of these assistance programs within the past two years will be eligible to receive additional priority points equal to 5% of their Adjusted Benefit/Cost Points. Water systems that have implemented all the recommendations made by Mississippi State University Extension Service will receive additional priority points equal to 5% of their Adjusted Benefit/Cost Points for a total of 10%. Documentation of participation in either of these assistance programs and implementation of the recommendations made by Mississippi State University Extension Service must be included in the facilities plan before additional priority points will be granted.

   *Assistance Points = __**__ x (Adjusted Benefit/Cost Points)*

   ** *5% if the water system participates in the assistance, or 10% if the water system participates in the assistance and implements all recommendations*

6. *Asset Management Plan*

   Any water system certifying and providing support of their Asset Management Plan's implementation or maintenance to MSDH will be eligible to receive additional priority points equal to 10% of their Adjusted Benefit/Cost Points.

Asset Management Plan = 0.10 x (Adjusted Benefit/Cost Points)

7. *Ranking Within Each Category*
   Within each category, projects will be ranked in order based on the total points assigned the project using the following formula:

   Total Priority Points = Adjusted Benefit/Cost Points + Consolidation Points + System Capacity Points + Assistance Program Points + Needs Survey Points

   Projects receiving the most priority points will be given the highest ranking on the Priority List. In case of a tie in the number of priority points, projects with the lowest median household income will receive the highest ranking.

8. *Small Community Set-Aside*
   Following completion of the ranking process, the Priority List will be reviewed to determine if at least 15% of available funding for projects above the funding line is for public water systems which regularly serve fewer than 5,000 people, which the Board has defined as a small community for the purposes of this set-aside. If this is not the case, the Priority List will be adjusted by exchanging the lowest ranking projects above the funding line that serve 5,000 or more with the highest-ranking projects below the funding line that serve fewer than 5,000, until the 15% requirement is satisfied.

D. Priority System Deadlines

1. By October 1, 2022, a complete DWSIRLF facilities plan, prepared in accordance with the DWSIRLF loan program regulations, must be submitted to MSDH.
   A complete DWSIRLF facilities plan includes: all Intergovernmental Review (IGR) agency comments; proof of publication of advertisement for public hearing; a transcript of the public hearing comments; copies of any comments received from the public; and a summary of how each comment was addressed. The loan applicant should provide a copy of the facilities plan to USDA - Rural Utilities Service (RUS); if the loan applicant has an existing debt with RUS, their approval to incur the additional debt must be obtained and provided as part of the plan.

   Any significant changes made to the facilities plan (i.e., changes in the chosen alternative location of the facility, cost increases that substantially affect the financial capability of the loan recipient) after this date will be considered a first submittal of the facilities plan. The loan applicant will then be in violation of the Priority System deadline and the project will be placed on the planning portion of the priority list. If the change is made after adoption of the IUP, funds reserved for this project may be released and made available to other projects.

   This deadline also applies to all projects competing for released funds during FFY-2023 and to be able to qualify for the Previous Year Certified Projects Category in the FFY-2023 IUP.

2. By May 1, 2023, a completed DWSIRLF loan application and all associated documents as described in the DWSIRLF regulations must be submitted to the Department. Prior to preparing these documents, the potential applicant and/or its registered engineer must request and receive a DWSIRLF application and guidance. It is recommended that they request a pre-application conference with DWSIRLF staff as early in the application process as practical. This deadline also applies to all projects competing for released funds during FFY-2023 and to be able to qualify for the Previous Year Certified Projects Category in the FFY-2023 IUP.

3. By August 1, 2023, all approvable documents and responses to comments necessary for loan award must be submitted to the Department for its review and approval. This deadline also applies to all projects competing for released funds during FFY-2023 and to be able to qualify for the Previous Year Certified Projects Category in the FFY-2023 IUP.

VII. FFY-2023 PRIORITY LIST

FINAL

Fiscal Year - 2023 Mississippi Drinking Water Systems Improvements Revolving Loan Fund Program Priority List

Project	Project Description	Zip Code	Priority Points	Service Area Population	Eligible PF Amount	Green Project	Loan Amount Requested	Statewide Cum. $
Category III: Primary Drinking Water Standards Projects								
Jackson, City of	Filter Rehab	39215	1206	155000	$402,500	$0	$46,024,700	$46,024,700
Friars Point, Town of	Pressure Deficiencies	38631	662	1200	$500,000	$0	$850,000	$46,874,700
Doddsville, Town of *	Well Rehab, New Tie In, New Water Main	38736	180	215	$307,562	$0	$683,470	$47,558,170
Shuqualak, Town of	Extending Public Water Service to Unserved Areas	39361	176	575	$500,000	$0	$2,844,000	$50,402,170
Category IV: One Well Projects								
Benoit, Town of	New Well	38725	151	498	$500,000	$0	$1,843,500	$52,245,670
Winterville Water Association	New Water Well	38703	64	108	$456,435	$0	$1,014,300	$53,259,970
Category V: Pressure Deficiencies Projects								
Vaiden, Town of	New Filters, New Water Mains, New Meters	39176	1664	2503	$382,500	$0	$850,000	$54,109,970
Bay St. Louis, City of	New Well	39520	1342	9284	$300,000	$0	$2,000,000	$56,109,970
Batesville, City of	New Well/ Storage Tank	38606	1268	9973	$500,000	$0	$4,482,780	$60,592,750
Pisgah Water Association, Inc. *	New Water Well and Distribution Improvements	39047	508	2144	$0	$0	$1,600,000	$62,192,750
Category VII: System Capacity Expansion to Serve Existing Unserved Residences/Businesses								
West Harrison Water and Sewer	Improve Water Distribution System	39571	125	17210	$307,632	$0	$1,230,529	$63,423,279
Jackson Co. Utility Authority *	Service to Existing Unserved Areas	39567	94	12000	$0	$0	$1,587,500	$65,010,779
Harrison County Utility Authority	Service to Existing Unserved Areas	39503	31	624	$360,000	$0	$2,400,000	$67,410,779
Jackson Co. Utility Authority *	Consolidation	39567	28	6600	$0	$0	$1,270,000	$68,680,779
Category VIII: Back-up Water Supply Sources Projects								
Meridian, City of *	New Well	39301	2794	36347	$500,000	$0	$6,699,116	$75,379,895
Rocky Creek Utilities, Inc. *	New Elevated Storage Tank	39452	561	2200	$158,100	$0	$1,054,000	$76,433,895
Wiggins, City of *	Water Distribution Improvement/ New Well	39577	440	4390	$500,000	$0	$3,773,463	$80,207,358
Harrison County Utility Authority	Service to Existing Underserved Area	39503	62	850	$360,000	$0	$2,400,000	$82,607,358

FINAL

Fiscal Year - 2023 Mississippi Drinking Water Systems Improvements
Revolving Loan Fund Program Priority List

Project	Project Description	Zip Code	Priority Points	Service Area Population	Eligible PF Amount	Green Project	Loan Amount Requested	Statewide Cum. $
Category IX: Existing Facilities Upgrade (Meeting Primary Standards)								
Clarkdale Water Association *	SCADA Upgrade	39301	22133	4000	$12,868		$0	$51,470	$82,658,828
Evergreen Water Association	Water Main Replacement	39043	10127	3100	$0		$0	$110,000	$82,768,828
Pearl, City of	Water Well	39208	5422	26500	$0		$0	$2,200,000	$84,968,828
Highway 28 Water Association	Distribution Improvements	39111	5327	1500	$36,750		$0	$105,000	$85,073,828
Crystal Springs, City of *	Rehab/ Replacement of Existing Facilities	39059	5271	5050	$138,880		$0	$396,800	$85,470,628
Ebenezer Water Association	Water Main Replacement	39095	4608	765	$0		$0	$83,000	$85,553,628
Star Water Company	Distribution Improvements	39167	3830	993	$0		$0	$100,000	$85,653,628
Natchez Water Works *	Rehab/ Replacement of Existing Facilities	39121	3756	15792	$500,000		$0	$3,250,000	$88,903,628
Hattiesburg, City of *	Rehab/ Replacement of Existing Facilities	39403	3741	45951	$500,000		$0	$5,573,133	$94,476,761
----------$100,000,000 Funding Line----------								
Hattiesburg, City of *	Rehab/ Replacement of Existing Facilities	39403	3598	45951	$500,000		$0	$5,573,133	$100,049,894
Hattiesburg, City of *	Rehab/ Replacement of Existing Facilities	39403	3598	45591	$500,000		$0	$5,573,133	$105,623,027
Union Water Association	Distribution Improvements/ Elevated Tank Rehab	39151	2673	750	$11,025		$0	$73,500	$105,696,527
N.E. Itawamba Water Assn. *	Rehab/ Replacement of Existing Facilities	38847	2100	4700	$364,725		$0	$810,500	$106,507,027
Central Yazoo Water Association	Elevated Water Tank & SCADA Upgrades	39194	1876	9960	$0		$0	$1,500,000	$108,007,027
Brookhaven, City of *	Rehab/ Replacement of Existing Facilities	39206	1482	12500	$500,000		$0	$3,870,350	$111,877,377
Midway Community Water Assn. *	Rehab/ Replacement of Existing Facilities	39039	1476	1680	$0		$0	$700,000	$112,577,377
Lorman Waterworks Association	Treatment Plant/ Distribution Improvements	39096	1274	2000	$433,800		$0	$964,000	$113,541,377
Alcorn Co. Water Association #1	300,000 Gal Storage Tank/upgrade Facilities	38834	1214	6500	$445,585		$0	$1,273,101	$114,814,478
Alcorn Co. Water Association #2	Renovate Elevated tanks/Replace Water Lines	38834	1181	6500	$305,522		$0	$872,920	$115,687,398
Copiah Water Association*	Water System Improvements	39083	1111	6400	$500,000		$0	$2,007,002	$117,694,400
Crystal Springs Water Service *	Water System Improvements	39059	1083	5050	$500,000		$0	$1,931,368	$119,625,768
Utica, Town of *	Rehab/ Replacement of Existing Facilities	39175	1059	1085	$294,427		$0	$654,282	$120,280,050
Bernard Bayou industrial District	Paint 2 Elevated Storage Tanks	39503	846	6000	$0		$0	$354,675	$120,634,725
Braxton, Town of	Treatment Plant	39044	794	775	$45,000		$0	$300,000	$120,934,725
Hattiesburg, City of *	Rehab/ Replacement of Existing Facilities	39403	638	45951	$500,000		$0	$5,951,500	$126,886,225
Hattiesburg, City of *	Rehab/ Replacement of Existing Facilities	39403	638	41951	$500,000		$0	$5,951,500	$132,837,725
Hattiesburg, City of *	Rehab/ Replacement of Existing Facilities	39403	638	45951	$500,000		$0	$5,951,500	$138,789,225
Magee's Creek Water Assn. *	Water System Improvements	39667	598	7194	$219,800		$0	$628,000	$139,417,225
Clarkdale Water Association *	Water Distribution and Radio Meters	39301	551	4000	$500,000		$0	$2,066,000	$141,483,225

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Fiscal Year - 2023 Mississippi Drinking Water Systems Improvements
Revolving Loan Fund Program Priority List

Project	Project Description	Zip Code	Priority Points	Service Area Population	Eligible PF Amount	Green Project	Loan Amount Requested		Statewide Cum. $
Union, City of *	Rehab/ Replacement of Existing Facilities	39365	442	1897	$460,013		$0	$3,066,750	$144,549,975
Raymond, City of *	Replace Water Mains/Hydrants/Rehab Storage Tank	39154	324	2894	$0		$0	$2,400,000	$146,949,975
Crawford, Town of	Elevated Tank Rehabilitation	39743	257	631	$500,000		$0	$2,086,400	$149,036,375
Jumpertown ,Town of *	Rehab/ Replacement of Existing Facilities	38829	242	1150	$500,000		$0	$2,458,600	$151,494,975
Stonewall, Town of *	Rehab/ Replacement of Existing Facilities	39363	220	933	$500,000		$0	$3,300,725	$154,795,700
Raymond, City of	Replace Water Mains/ Hydrants/ Rehab Storage	39154	207	2894	$500,000		$0	$3,750,000	$158,545,700
West Jackson Co. Utility District *	Rehab/ Replacement of Existing Facilities	39564	205	29000	$0		$0	$12,215,220	$170,760,920
Hickory, Town of	New Well/ Elevated Tank/ Pipe Extension	39332	189	1000	$500,000		$0	$4,629,771	$175,390,691
Highway 98 East Water Association *	Replace Approx. 50,000 LF Water Mains	39429	172	1650	$500,000		$0	$1,220,000	$176,610,691
L & F Water Association	Rehab Tank/ Treatment Facilities	39098	167	0	$0		$0	$3,600,000	$180,210,691
Crenshaw, Town of	Elevated Storage Tank, Distribution Improvements	38621	163	588	$500,000		$0	$3,169,810	$183,380,501
Winterville Water Association *	Rehab/ Replacement of Existing Facilities	38703	130	90	$233,100		$0	$518,000	$183,898,501
West Harrison Water & Sewer	Installation of New Water Connections	39571	125	20000	$307,583		$0	$1,230,330	$185,128,831
Sardis, City of	Distribution Improvements	38666	101	1756	$500,000		$0	$1,788,550	$186,917,381
Copiah Water Association *	Rehab/ Replacement of Existing Facilities	39083	99	2200	$500,000		$0	$4,100,000	$191,017,381
Poplar Springs Water District *	Rehab/ Replacement of Existing Facilities	39114	88	1188	$500,000		$0	$4,534,031	$195,551,412
Rocky Creek Utilities *	Rehab/ Replacement of Existing Facilities	39452	85	2200	$500,000		$0	$3,503,948	$199,055,360
Okalona, City of *	Rehab/ Replacement of Existing Facilities	38860	73	2700	$500,000		$0	$2,592,250	$201,647,610
Kiln Utility & Fire District of	Rehab Approx.10.3 Miles of Water Dist. System	39556	47	6349	$440,370		$0	$2,935,797	$204,583,407
Rose Hill Water Association *	Rehab/ Replacement of Existing Facilities	39356	43	1188	$500,000		$0	$2,028,345	$206,611,752
Harrison County Utility Authority	Distribution Improvements	39503	21	624	$500,000		$0	$6,950,000	$213,561,752
Copiah Water Association	Rehab/Replacement of Existing Facilities		7	1062	$500,000		$0	$2,783,000	$216,344,752
Category XIII: Other									
Jackson, City of	GIS Model		48255	155000	$402,500		$0	$1,150,000	$217,494,752
Verona, City of *	New Generator	38879	18098	3019	$54,900		$0	$122,000	$217,616,752
Bay Springs, Town of	Surveying & Inventory of Lead Service Lines		1725	1723	$450,000		$0	$1,000,000	$218,616,752
Mount Olive, Town of	Survey & Inventory Lead Service Lines	39119	102	982	$450,000		$0	$1,000,000	$219,616,752

Note: Projects listed will also be eligible for ARPA funding through State programs. Their status and interest in our program may be affected by their ability to secure this funding.

Note: See section VI.B. of this document for more details. Applications exceeding $5,000,000 amount require further approval by the Board. See section IV.C.1 of this document.

FFY-2023 Planning List

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Fiscal Year - 2024 and After Planning List
Mississippi Drinking Water Systems Improvements Revolving Loan Fund Program

(Projects included on the Planning List did not meet the September 30, 2022, deadline for submission of a complete facilities plan, or had multiple requests and asked to be placed on the Planning List. These projects have been ranked on the Planning List based on information provided on the Request for Ranking Form. A determination of project eligibility cannot be completed until the facilities plan has been submitted and reviewed.)

Project	Project Description	Zip Code	Priority Points	Service Area Population	Eligible PF Amount	Green Project	Loan Amount Requested	Statewide Cum. $
Category III: Primary Drinking Water Standards Projects								
Mound Bayou, City of	Pressure Deficiencies	38762	741	1500	$0	$0	$850,000	$850,000
Category VII: System Capacity Expansion to Serve Existing Unserved Residences/Businesses								
Jackson Co. Utility Authority *	Service to Existing Unserved Areas	39567	63	75000	$0	$0	$4,127,500	$4,977,500
Category VIII: Back-up Water Supply Sources Projects								
Aberdeen, Town of	400 GP Well/100,000 Gal. Elev.Tank/Rehab Lines	39730	2128	6415	$500,000	$0	$1,481,949	$6,459,449
Cason Water Association	Surface Water Connection	38858	1623	4543	$38,250	$0	$1,244,500	$7,703,949
Mt. Olivet Water Association	New Well/Paint Elevated Tank	38606	708	1300	$129,010	$0	$516,040	$8,219,989
Braxton, Town of	Construction of New Well	39044	288	775	$122,850	$0	$819,000	$9,038,989
Category IX: Existing Facilities Upgrade (Meeting Primary Standards)								
Hernando, City of	Treatment Plant Upgrades and Distribution Impro	38632	7626	15000	$0	$0	$931,000	$9,969,989
CS&I Water Association *	Rehab/ Replacement of Existing Facilities	39150	6450	945	$0	$0	$80,000	$10,049,989
Carthage, City of *	Rehab/ Replacement of Existing Facilities	39051	5079	5075	$0	$0	$567,000	$10,616,989
Clarksdale Public Utilities *	Rehab/ Replacement of Existing Facilities	39814	4654	17962	$0	$0	$2,375,000	$12,991,989
Double Ponds Water Association	Treatment Plant Rehab/ Elevated Tank Rehab	39474	4575	2500	$0	$0	$240,000	$13,231,989
West Tallahatchie Utilities Assn. *	Rehab/ Replacement of Existing Facilities	38966	2282	7500	$0	$0	$1,643,067	$14,875,056
Clinton, City of *	New Well/ Distribution Improvements	39056	2010	28100	$0	$0	$4,084,100	$18,959,156
Midway Community Water	Distribution Improvements	39039	1667	1680	$0	$0	$620,000	$19,579,156
Bear Creek Water Assn., Inc.	Replace Tank With New 2 Mil Gal Tank	39046	1534	45000	$0	$0	$4,890,000	$24,469,156
Webb, Town of *	Repair/Rehab Water Tank	38966	1250	586	$105,840	$0	$235,200	$24,704,356
H&H Water System, Inc. *	Distribution Improvements	39080	1030	3012	$0	$0	$1,050,000	$25,754,356
Isola, Town of *	Rehab/ Replacement of Existing Facilities	38754	903	713	$0	$0	$465,000	$26,219,356
Clarksdale Public Utilities *	Replacing Wells and Distribution	39814	732	17962	$500,000	$0	$15,110,000	$41,329,356
Casey Jones Water Association *	Rehab/ Replacement of Existing Facilities	39179	713	1112	$0	$0	$900,000	$42,229,356
Shannon, Town of *	Rehab/ Replacement of Existing Facilities	38868	691	1850	$0	$0	$1,079,325	$43,308,681

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Fiscal Year - 2024 and After Planning List
Mississippi Drinking Water Systems Improvements Revolving Loan Fund Program

Project	Project Description	Zip Code	Priority Points	Service Area Population	Eligible PF Amount	Green Project	Loan Amount Requested	Statewide Cum. $
Metcalfe, Town of *	Rehab/ Replacement of Existing Facilities	38760	678	1125	$424,125	$0	$942,500	$44,251,181
Bolton, Town of *	Rehab/ Replacement of Existing Facilities	39041	665	640	$0	$0	$337,681	$44,588,862
Acona Water Association *	Rehab/ Replacement of Existing Facilities	39095	604	1550	$0	$0	$1,419,800	$46,008,662
East Madison Water Assn.,Inc. *	Distribution Improvements	39046	544	7265	$0	$0	$5,000,000	$51,008,662
Mendenhall, City of	New 500 GPM Well/250,000 Gal Tank/Treatment	39114	476	2504	$500,000	$0	$2,634,100	$53,642,762
Topisaw Creek Water Assn. *	Rehab/ Replacement of Existing Facilities	39662	473	4910	$477,750	$0	$3,185,000	$56,827,762
Magnolia, City of *	Rehab/ Replacement of Existing Facilities	39652	471	2420	$500,000	$0	$2,798,860	$59,626,622
Greenville, City of *	Rehab Facilities	38701	459	30000	$500,000	$0	$40,000,000	$99,626,622
Looxahoma Water Assn. *	Distribution Improvement/ AMR Upgrade	38668	457	686	$0	$0	$500,000	$100,126,622
Lake Eddins *	Rehab/ Replacement of Existing Facilities	39347	419	294	$500,000	$0	$1,369,941	$101,496,563
Big Field Water Association *	Rehab/ Replacement of Existing Facilities	38646	371	599	$0	$0	$852,057	$102,348,620
Multi-Mart Water Association *	Rehab/ Replacement of Existing Facilities	39452	345	950	$83,293	$0	$333,172	$102,681,792
Lumberton, City of	Replace Existing Water Lines/Mains	39455	328	2200	$500,000	$0	$3,453,197	$106,134,989
Culkin Water District *	Rehab/ Replacement of Existing Facilities	39183	324	11409	$500,000	$0	$10,473,600	$116,608,589
Fannin Water Association *	New 300,000 Gal Tank	39047	297	6500	$0	$0	$3,372,320	$119,980,909
Morton, City of	New Well/ New Water Mains/ Rehab Tank	39117	292	7000	$0	$0	$7,000,000	$126,980,909
East Laflore Water & Sewer District	Rehab/ Replacement of Existing Facilities	38930	264	5161	$0	$0	$11,168,871	$138,149,780
Cross-Roads Water Assn.	Rehab/ Replacement of Existing Facilities	38916	221	1600	$0	$0	$3,057,336	$141,207,116
Pachuta, Village of *	Rehab/ Replacement of Existing Facilities	39347	165	143	$426,665	$0	$948,145	$142,155,261
McCarley Water Assn. *	Rehab/ Replacement of Existing Facilities	38943	153	647	$0	$0	$2,394,289	$144,549,550
Neely Utilities	New Storage/ Extend to Unserved Area		132	499	$0	$0	$1,343,992	$145,893,542
Starkville, City of	Replace Existing Water Main		110	25339	$0	$0	$1,850,000	$147,743,542
Pittsboro, Town of *	Rehab/ Replacement of Existing Facilities	38951	100	1077	$0	$0	$4,055,512	$151,799,054
Morgan City Water Assn. *	Rehab/ Replacement of Existing Facilities	38946	97	250	$0	$0	$1,552,953	$153,352,007
Valley Park Water Association, Inc. *	Water System Improvements	39177	23	448	$175,077	$0	$500,221	$153,852,228

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Fiscal Year - 2024 and After Planning List
Mississippi Drinking Water Systems Improvements Revolving Loan Fund Program

Project	Project Description	Zip Code	Priority Points	Service Area Population	Eligible PF Amount	Green Project	Loan Amount Requested	Statewide Cum. $
Category XII: Consolidation Projects								
Jackson Co. Utility Authority *	Consolidation	39567	118	12000	$0	$0	$3,810,000	$157,662,228
Jackson Co. Utility Authority *	Consolidation	39567	76	75000	$0	$0	$31,750,000	$189,412,228
Jackson Co. Utility Authority *	Consolidation	39567	71	75000	$0	$0	$1,270,000	$190,682,228
Jackson Co. Utility Authority *	Consolidation	39567	32	6600	$0	$0	$279,400	$190,961,628
Jackson Co. Utility Authority *	Consolidation	39567	0	12000	$0	$0	$2,540,000	$193,501,628

Note: See section VI.B. of this document for more details. Applications exceeding $5,000,000 amount require further approval by the Board. See section IV.C.1 of this document.

VIII. EXPECTED PUBLIC HEALTH OUTCOMES & PERFORMANCE MEASURES

The objective of this program is to disperse all available loan and grant funds in a timely manner to achieve the public health protection benefits resulting from the projects identified in the FFY-2023 IUP, and to ensure compliance with loan agreements, as required by state and federal laws and regulations.

By implementing the FFY-2023 IUP and funding projects shown on the FFY-2023 Priority List (Section VII), the Board will have the means to plan for and fund projects that will address the most serious public health risks facing the public water supply systems in the state. Funding of the system projects will be determined by the amount of funding to be received for FFY-2023.

The success of the DWSIRLF Program will be defined by the ability of the MSDH to successfully meet commitments in the FFY-2023 DWSRF Work Plan.

Additionally, the majority of the projects as proposed should have minimal impact on the environment due to the nature of their design. Where necessary, appropriate environmental reviews will occur and proper permitting through the Mississippi Department of Environmental Quality will be required to ensure minimal impact on the environment.

APPENDICES

APPENDIX A - FFY-2023 BEGINNING OF THE YEAR ANTICIPATED FUNDS REPORT FOR THE MISSISSIPPI DRINKING WATER IMPROVEMENTS REVOLVING LOAN FUND (DWSIRLF) PROGRAM

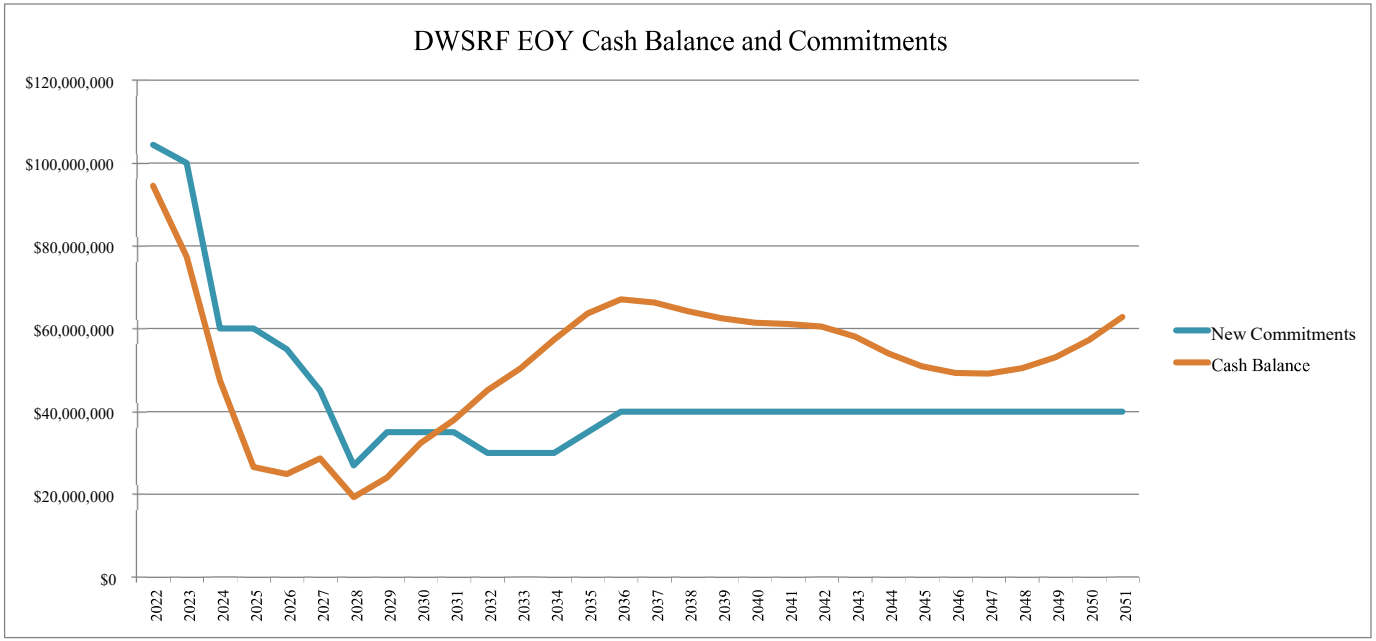
FOCUS (Financial Operations and Cash-flow Utilization in the SRF) Model - Mississippi DWSRF

Version Date: Sept. 30, 2022

Cash Balance	$117,600,000.00
Active Projects	$65,000,000
Loans	$39,370,045
Total Commitments	$104,370,045

SUMMARY

Mississippi SFY	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
New Commitments	$104,370,045	$100,000,000	$60,000,000	$60,000,000	$55,000,000	$45,000,000	$27,000,000	$35,000,000	$35,000,000	$35,000,000
Disbursements	$64,361,421	$57,269,492	$75,603,772	$74,583,333	$59,427,083	$55,677,083	$46,583,333	$34,479,167	$32,083,333	$35,000,000
Loan Repayments	$15,882,135	$17,072,564	$17,889,095	$20,128,775	$22,469,261	$24,182,231	$26,433,982	$28,395,004	$29,716,230	$29,765,043
Capitalization Grant Payments	$22,533,986	$26,912,000	$32,800,000	$36,471,323	$38,508,054	$38,508,054	$11,000,000	$11,000,000	$11,000,000	$11,000,000
State Match	$4,506,797	$3,445,600	$4,310,000	$7,294,265	$7,701,611	$7,701,611	$2,200,000	$2,200,000	$2,200,000	$2,200,000
Fee Income	$308,153	$1,118,627	$1,826,927	$2,620,211	$3,337,005	$3,501,886	$3,250,667	$2,828,395	$2,441,700	$1,741,275
End of Year Cash Balance	$94,523,019	$77,340,971	$47,568,294	$26,573,212	$24,887,558	$28,664,873	$19,305,522	$24,011,359	$32,434,256	$37,989,299


DWSRF EOY Cash Balance and Commitments
$120,000,000
$100,000,000
$80,000,000
$60,000,000
$40,000,000
$20,000,000
$0
2022
2023
2024
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2040
2041
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2046
2047
2048
2049
2050
2051
New Commitments
Cash Balance

APPENDIX B - PROJECTED SCHEDULE OF OUTLAYS FOR CAPITALIZATION GRANT SET-ASIDES

FFY 2022 Cap Grant & BIL Supplemental

Federal Set-Asides	FFY 2023 Q1	FFY 2023 Q2	FFY 2023 Q3	FFY 2023 Q4	Totals
Administrative	$101,449	$101,449	$101,449	$101,449	$405,797
	$124,526	$124,526	$124,526	$124,526	$498,102
Small System Tech Assist.	$35,474	$35,474	$35,474	$35,474	$141,898
	$7,438	$7,438	$7,438	$7,438	$29,750
State Program Management.	$188,600	$188,600	$188,600	$188,600	$754,400
	$0	$0	$0	$0	$0
Local Asst. & Other St. Programs	$187,500	$187,500	$187,500	$187,500	$750,000
	$483,200	$483,200	$483,200	$483,200	$1,932,800
Base Cap. Grant Total:	$513,024	$513,024	$513,024	$513,024	$2,052,095
BIL Supplemental Cap. Grant Total:	$615,163	$615,163	$615,163	$615,163	$2,460,652
Total:	$1,128,187	$1,128,187	$1,128,187	$1,128,187	$4,512,747

FFY 2023 Cap Grant & BIL Supplemental

Federal Set-Asides	FFY 2024 Q1	FFY 2024 Q2	FFY 2024 Q3	FFY 2024 Q4	Totals
Administrative	$101,449	$101,449	$101,449	$101,449	$405,797
	$124,526	$124,526	$124,526	$124,526	$498,102
Small System Tech Assist.	$35,474	$35,474	$35,474	$35,474	$141,898
	$7,438	$7,438	$7,438	$7,438	$29,750
State Program Management.	$188,600	$188,600	$188,600	$188,600	$754,400
	$0	$0	$0	$0	$0
Local Asst. & Other St. Programs	$187,500	$187,500	$187,500	$187,500	$750,000
	$483,200	$483,200	$483,200	$483,200	$1,932,800
Base Cap. Grant Total:	$513,024	$513,024	$513,024	$513,024	$2,052,095
BIL Supplemental Cap. Grant Total:	$615,163	$615,163	$615,163	$615,163	$2,460,652
Total:	$1,128,187	$1,128,187	$1,128,187	$1,128,187	$4,512,747

Appendix C - Projected Payment (Federal Letter of Credit) Schedule
(Schedule of Increases to ACH Ceiling)

FFY-2023

FFY-2022	1st Quarter	$1,886,000	$1,886,000
Cap Grant	FFY-2023	$4,842,000	$4,842,000
No. 1 of 4			$6,728,000
FFY-2022	2nd Quarter	$1,886,000	$3,772,000
Cap Grant	FFY-2023	$4,842,000	$9,684,000
No. 2 of 4			$13,456,000
FFY-2022	3rd Quarter	$1,886,000	$5,658,000
Cap Grant	FFY-2023	$4,842,000	$14,526,000
No. 3 of 4			$20,184,000
FFY-2022	4th Quarter	$1,886,000	$7,544,000
Cap Grant	FFY-2023	$4,842,000	$19,368,000
No. 4 of 4			$26,912,000

FFY-2024

FFY-2023	1st Quarter	$1,886,000	$1,886,000
Cap Grant	FFY-2024	$4,842,000	$4,842,000
No. 1 of 4			$6,728,000
FFY-2023	2nd Quarter	$1,886,000	$3,772,000
Cap Grant	FFY-2024	$4,842,000	$9,684,000
No. 2 of 4			$13,456,000
FFY-2023	3rd Quarter	$1,886,000	$5,658,000
Cap Grant	FFY-2024	$4,842,000	$14,526,000
No. 3 of 4			$20,184,000
FFY-2023	4th Quarter	$1,886,000	$7,544,000
Cap Grant	FFY-2024	$4,842,000	$19,368,000
No. 4 of 4			$26,912,000

APPENDIX D - PROJECTED SCHEDULE OF DRAWDOWNS AGAINST FEDERAL LETTER OF CREDIT
(ACH DRAW SCHEDULE)

FFY-2023

Outlay Quarter	Federal Outlay Amount	Cumulative Outlay Amount
1st Quarter	$1,886,000 $4,842,000	$1,886,000 $4,842,000 $6,728,000
2nd Quarter	$1,886,000 $4,842,000	$3,772,000 $9,684,000 $13,456,000
3rd Quarter	$1,886,000 $4,842,000	$5,658,000 $14,526,000 $20,184,000
4th Quarter	$1,886,000 $4,842,000	$7,544,000 $19,368,000 $26,912,000

FFY-2024

Outlay Quarter	Federal Outlay Amount	Cumulative Outlay Amount
1st Quarter	$1,886,000 $4,842,000	$1,886,000 $4,842,000 $6,728,000
2nd Quarter	$1,886,000 $4,842,000	$3,772,000 $9,684,000 $13,456,000
3rd Quarter	$1,886,000 $4,842,000	$5,658,000 $14,526,000 $20,184,000
4th Quarter	$1,886,000 $4,842,000	$7,544,000 $19,368,000 $26,912,000

APPENDIX E - MISSISSIPPI SMALL SYSTEMS TECHNICAL ASSISTANCE SET-ASIDE WORK PLAN

INTRODUCTION

The Mississippi State Department of Health (MSDH), Bureau of Public Water Supply (Department), proposes to use the Small Systems Technical Assistance Set-Aside of the DWSRF in an assistance and training program directed at improving the technical, managerial, and financial capabilities of small community public water systems in the state. The goal of this program is to assure that assistance is provided to all small community public water systems that require such assistance to maintain adequate technical, financial, and managerial capabilities necessary to comply with requirements of the SDWA.

SELECTION PROCESS

The current technical assistance contracts expire on June 30, 2023.

Prior to the expiration of the existing contracts an Invitation for Bids (IFB) for the technical assistance contracts will be sent out to potential contractors. All proposals will be evaluated by the Department and recommendations for award will be presented to the Board (at a regularly scheduled Board meeting); all contracts will be awarded.

The contracts for technical assistance are currently awarded to:

- Small Systems Technical Assistance (long-term and intermediate technical assistance) – Communities Unlimited;
- Board Management Training Monitoring and Coordination for Water System Officials - Mississippi State University Extension Service;
- Hands-On Operator Training - MS Water and Pollution Control Operators Association;
- PEER Review Program for Public Water Supplies - Mississippi Rural Water Association, Inc.;
- Asset Management - Mississippi Rural Water Association, Inc.

PROGRAM ACTIVITIES

The technical assistance program consists of five major categories of activities that will be accomplished through contracts with qualified organizations that are experienced in providing the type of support required by each activity. These categories may be updated and/or revised as a result of work plan reviews that will be conducted annually during the life of the program. Amendments will be submitted whenever activities or budgets change and when required to extend the term of the work plan.

Small Systems Technical Assistance:

Comprehensive and Intermediate technical assistance shall be provided to an equivalent of twelve (12) small public water systems annually.

1. **Long-term technical assistance:**
   Comprehensive assistance must be provided to a minimum of six (6) small public water systems for the contract period. The MSDH – Bureau of Public Water Supply will provide the contractor a list of systems that are to receive this assistance. Within 30 days of the start date for that contract year, the contractor will identify, with the help of MSDH, systems that will receive comprehensive technical assistance, complete an initial assessment of the needs of each system and develop a work plan for each water system. The contractor shall submit an assessment and work plan for each system to MSDH for approval prior to initiating technical assistance. MSDH shall use its latest report of Capacity Ratings of Public Water Systems, along with the recommendations of MSDH staff and the contractor, to identify those public water systems that are to receive this assistance.

Activity Objective - provide long-term on-site comprehensive technical assistance to resolve problems identified by contractor. A minimum of six (6) systems will be chosen from a prepared list.

Reporting/Evaluation - written progress reports using a format approved by MSDH will be furnished monthly to MSDH and members of the Board by the contractor. The reports shall identify progress made on the work plan developed for each system. The contractor shall meet with the Board on a quarterly basis to update the Board on accomplishments under this contract and answer any questions the Board might have regarding the implementation of this contract.

2. **Intermediate technical assistance:**
   This assistance is selective in nature and consists of one or more additional contact or non-contact hours for public water systems previously receiving short-term assistance or systems not requiring comprehensive long-term assistance. Selection of systems will be based on the list supplied by MSDH for the remaining public water systems from the initially prepared list.

   Intermediate technical assistance projects will be counted toward the minimum twelve (12) required comprehensive projects at a ratio of 2:1 (two intermediate projects will be the equivalent of one comprehensive project).

Activity Objective - provide intermediate on-site technical assistance to selected systems covering the subject(s) determined by the contractor to be most needed.

Reporting/Evaluation - written progress reports using a format approved by MSDH will be furnished monthly to MSDH and members of the Board by the contractor. The reports shall identify the assistance provided to each system. The contractor shall meet with the Board on a quarterly basis to update the Board on accomplishments under this contract and answer any questions the Board might have regarding the implementation of this contract.

Coordination and Monitoring of Board Management Training for Water System Officials:

Section 41-26-101 of the Mississippi Code of 1972, Annotated, states "Each member elected or reelected after June 30, 1998, to serve on a governing board of any community public water system, except systems operated by municipalities with a population greater than ten thousand (10,000), shall attend a minimum of eight (8) hours of management training within two (2) years following the election of that board member. If a board member has undergone training and is reelected to the board, that board member shall not be required to attend training. The management training shall be organized by the MSDH. The management training shall include information on water system management and financing, rate setting and structures, operations and maintenance, applicable laws and regulations, ethics, the duties and responsibilities of the association and other organizations. The Department shall develop and provide all training materials. To avoid board members having to interfere with their jobs or employment, management training sessions may be divided into segments and, to the greatest extent possible, shall be scheduled for evening sessions. The Department shall conduct management training on a regional basis." The contractor shall: serve as the coordinator for MSDH in regards to all activities related to the implementation of the training program in the state; randomly attend training sessions to ensure the established curriculum is being followed and that the curriculum is relevant and effective; manage the Board Member Training Curriculum Review Committee; continue to update the established computerized database to accurately track the most current status of each board member attending the program; and other related duties.

Activity Objective - manage those activities related to the effective training of the members of the governing boards of small community public water systems.

Reporting/Evaluation - Randomly attend at least two sessions/contract year/training organization unannounced and furnish both MSDH and the Board members a written report within 7 days of attendance including the following information: review of presentation by trainer(s); any needed remedial action; attendee comments; attendance roster; and other related items. Written and oral quarterly reports shall be furnished to MSDH and the Board members that include: attendee evaluation of the trainers and training material; contractor evaluation of trainer(s); attendee comments; attendance rosters; needed remedial action; curriculum review committee meetings; itemized costs of training organization(s). Monthly reports containing the above information shall be submitted to MSDH along with the invoices for work performed under the contract. MSDH, affected board members, and affected entities shall be provided with periodic reports listing those board members who have not completed the board member training and the time remaining for completion of the training.

Hands-On Operator Training:

The Contractor will provide practical, applied, "hands-on" training for public water system operators in the State of Mississippi. MSDH defines hands-on operator training for the purposes of this contract as training that provides functional instruction in the necessary skills and knowledge to be able to better fulfill the job requirements of a drinking water system

operator. The hands-on training will include a comprehensive approach (lecture plus physical, hands-on sessions with equipment) for all operators attending the training. Trainings are to include equipment/props pertinent to the training topic(s) as a part of the training discussion.

Activity Objectives - Provide a minimum of fourteen (14) hands-on operator training sessions within the year.

Reporting/Evaluation - written quarterly reports using a format approved by MSDH on Hands-On Operator Training. The reports shall include but are not limited to: a) details of sessions conducted; b) number of attendees and their comments; c) related problems that occurred during or as a result of a training session and any solution(s); d) an itemized list of the costs incurred by the training organization; and e) other related items. The contractor shall meet with the Board on a quarterly basis to update the Board on accomplishments under this contract and answer any questions the Board might have regarding the implementation of this contract.

Peer Review Assistance:

Through the use of trained volunteers, this assistance will be conducted on-site with the systems either selected from a list provided to the contractor by MSDH or with prior MSDH approval. A cooperative agreement between the contractor and the Mississippi Water and Pollution Control Operators' Association will help provide qualified volunteers to serve as peer review team members. There will be a goal of a minimum of fourteen (14) Peer reviews per contract year with a minimum of three (3) peer reviews per quarter. Each volunteer shall be paid $75 per day for each actual peer review in which the volunteer participates. The contractor will maintain a directory of trained volunteers.

Activity Objectives - provide short-term (less 8 contact hours) on-site technical assistance to selected systems covering the subject(s) determined by the contractor to be most needed.

Reporting/Evaluation - copies of all completed peer review reports will be provided to both MSDH and the Board within 30 days of completion of each peer review. Written progress reports using a format approved by MSDH will be furnished monthly to MSDH and members of the Board by the contractor. The name of the system undergoing the peer review shall be removed and be identified by a code only known to the contractor. The report shall include: an assessment of which type of capacity was the worst at the time of the visit; a listing of all suggested remedial action; officials present shall be listed by title; an evaluation form (previously approved by MSDH) rating the assistance provided that was completed by the system; any conditions currently or potentially endangering public health; and any other related items. The contractor shall meet with the Board on a quarterly basis to update the Board on accomplishments under this contract and answer any questions the Board might have regarding the implementation of this contract.

Asset Management Training:

The Contractor will provide practical, applied, asset management training for public water system operators in the State of Mississippi using the guidance provided by the EPA in its publication titled "Asset Management: A Best Practices Guide". Training will be provided at three different locations in the state, one per Public Health Region and will be provided at no cost to attendees.

Activity Objectives - provide asset management training to water system operator statewide. Reporting/Evaluation - written quarterly reports using a format approved by MSDH. The reports shall include but are not limited to: a) details of sessions conducted; b) number of attendees and their comments; c) related problems that occurred during or as a result of a training session and any solution(s); d) an itemized list of the costs incurred by the training organization; and e) other related items. The contractor shall meet with the Board on a quarterly basis to update the Board on accomplishments under this contract and answer any questions the Board might have regarding the implementation of this contract.

AGENCY RESPONSIBILITIES

The MSDH will conduct Small Systems Technical Assistance Set-aside activities through Board approved contracts with providers who will be selected following procedures of the State of Mississippi's Department of Finance and Administration Public Procurement Review Board. Contracts of a regulatory nature will be handled solely by MSDH. All providers will report to and be responsible to the MSDH for all contract activities. No additional full time equivalent (FTE) requirement is anticipated for state agencies to implement the provisions of this set-aside.

APPENDIX F - Mississippi State Program Management Set-Aside Annual Work Plan

Section 1452(g)(2) - Safe Drinking Water Act Amendments of 1996

PUBLIC WATER SYSTEM MANAGEMENT PROGRAM BACKGROUND

This work plan describes how the Drinking Water State Revolving Fund (DWSRF) State Program Management set-aside funds will be expended to support the Public Water Systems Supervision (PWSS) Program.

After review of the Draft FFY-2023 Intended Use Plan (IUP) by the Local Governments & Rural Water Systems Improvements Board (Board), the Board will authorize the publication of a legal notice in *The Clarion-Ledger* for the IUP. The notice will request the public to provide comments on the Draft FFY-2023 Intended Use Plan (IUP). The IUP reserves 10% of the state's Drinking Water State Revolving Fund (DWSRF) capitalization grant for the State Program Management activities to support the MSDH PWSS Program as allowed under Section 1452(g)(2) of the SDWA Amendments of 1996.

After a public notice period of at least twenty-five (25) days, an oral proceeding will be held to receive and consider comments from the public on the Draft IUP. After the resolution of any comments from the public, the Final FFY-2023 IUP will be presented to the Board for adoption at their next scheduled Board meeting. After adoption by the Board, a second filing with the Secretary of State's Office occurs. The Final FFY-2023 IUP will be effective thirty (30) days from the date of the second filing with the Secretary of State's Office.

FUNDING AMOUNT (Standard Capitalization Grant)

The state reserves 10% ($754,400) of the FFY-2023 DWSRF capitalization grant as a set-aside for State Program Management activities of the PWSS Program. The reserved amount will offset the salary, fringe, and indirect cost expenses of a portion of the PWSS personnel positions in the PWSS Program.

NUMBER OF FTE's PROJECTED FOR IMPLEMENTING THIS SET-ASIDE

The state projects twenty-eight (28) full time equivalents (FTE) will be required to implement the FFY-2023/2023 PWSS Program.

GOALS, OBJECTIVES, OUTPUT, AND DELIVERABLES

One of the set-asides authorized under the 1996 SDWA amendments is the management of the state program, which can be funded by up to 10% of the federal allotment. These funds will support public water system supervision program activities as required to maintain state primacy and to support the activities of the DWSIRLF. MSDH's PWSS Work Plan outlines in detail the aspects of the PWSS that are supported by this set-aside. Items covered by the

set-aside include: (1) State Primacy Requirements, (2) Non-Primacy Requirements, and (3) Auxiliary Services.

Primacy Requirements

As required to maintain state primacy, MSDH maintains the PWSS programs on an ongoing or as-needed basis. These programs include: revising current primacy programs by adopting new Federal regulations as needed; coordinating for Mid-Year and End-of-Year review with EPA Regional Office; maintaining a sanitary survey program with discrepancy follow-up; participating in state data verification audits; ensuring public water systems (PWSs) are utilizing approved laboratories and a certification program for those laboratories is in place; participating in the EPA Regional oversight; operating in accordance with requirements of the National Primary Drinking Water Regulations; maintaining an active water system design and construction plan and specification review program; ensuring labs used by PWSs within the state are capable of the workload created by regulations; participating in PWS and PWSS training on rule requirements; informing EPA Region 4 of any special state initiatives under the rules or provisions of the SDWA; maintaining records for all rule/policies, enforcing reporting and record keeping as required; maintaining appropriate administrative penalty authority; implementing the PWS definition; attending State/EPA planning and implementation meetings; ensuring that newly permitted PWSs have design/construction capable of compliance with the present and upcoming SDWA regulations; ensuring analytical methods are being applied to demonstrate compliance with the regulations; notifying (if necessary) EPA of intent not to adopt or implement any portion of the rules; and responding to EPA requests for information or verification of state rules implementation.

Additionally, MSDH will provide annual summaries of the status of: each effective variance and exemption to EPA; community PWSs that are allowed to monitor less frequently than monthly; and non-community PWSs that are allowed to monitor less frequently than quarterly to EPA. MSDH will also oversee and enforce requirements for rules and regulations adopted with approved federal primacy. These regulations include the SDWA and all applicable rules present and future, primacy packages, and extension agreements of the SDWA.

Non-primacy Requirements

In addition to the requirements of the PWSS program, monies from this set-aside provide support to activities that are of a non-primacy nature. Those activities are not required to maintain state primacy. However, to run a highly effective, efficient program and most importantly protect the public health, these activities are vital.

Capacity Development (CD) Program

As required by the SDWA, each state is required to develop and implement a Public Water System Capacity Development Program in order to receive full funding annually under the DWSRF Program. Public water system capacity assessment is a full evaluation of the PWS's technical, managerial, and financial ability to provide safe drinking water to

its customers by complying with all state and Federal regulations. In accordance with the Federal requirements, MSDH has developed and implemented a CD program for both new and existing PWSs. The MSDH CD program takes the form of a rating that each community water system (CWS) and non-transient non-community water system (NTNCWS) receives at their annual sanitary survey. The criteria used in the rating system incorporate laws, regulations, and other valuable information to evaluate the areas of technical, managerial, and financial capacity. The program is also designed to evolve from year-to-year through an annual meeting of an advisory committee that will make suggestions as to possible changes and/or additions to the rating criteria. As required by regulation, an annual report is made to the Governor on the efficacy of the strategy and progress towards improving the capacity of PWSs in the state. Additionally, annual documentation of ongoing implementation of the CD strategy is to be provided with DWSRF Capitalization Grant application.

Unregulated Contaminant Monitoring Rule

This particular aspect of the PWSS involves informing systems with populations greater than 10,000 in the state monitoring plan of their responsibilities to monitor for Unregulated Contaminant Monitoring Rule; assisting the EPA in sampling systems in the state monitoring plan as determined by the state and EPA in the UCMR Partnership Agreement; adding vulnerable systems to the plan for monitoring UCMR List 3 contaminants based on guidance; review UCMR data from public water systems to ensure that it meets quality assurance and PWS reporting requirements necessary; informing EPA of potential changes needed in the data and, with mutual agreement of the state and EPA, make changes to the data; and responding as requested by the EPA for information on verification of state UCMR implementation.

Operator Certification

As mandated by the SDWA to maintain full funding for the DWSIRLF, operator certification is an essential part of the PWSS program. Activities required to maintain the operator certification program include: providing documentation and evaluation of ongoing program implementation for all annual program submittals subsequent to the initial submittal; supply as required certification of changes and documentation of those change that are made to the regulations of statutes; perform internal and external program reviews as required by state law.

Source Water Assessment Program

On an annual basis, MSDH reports to EPA on Source Water Assessment Program implementation activities. Beginning December 1, 2009, all groundwater systems began either **Source Water Monitoring** or **4-Log Compliance Monitoring**. Additionally, Mississippi is required to conduct routine sanitary surveys of all public water systems and identify significant deficiencies. The Rule also requires systems to take corrective actions for significant deficiencies and for source water fecal contamination.

Auxiliary Services

These services include various aspects related to data management, compliance, and enforcement of the PWSS Program.

Information Management and the Safe Drinking Water Inspection System (SDWIS)/Fed Reporting

These ongoing activities include: overseeing and enforcing requirements of data management and the Safe Drinking Water Inspection System (SDWIS) /Fed reporting; reporting the state's PWSS inventory at least annually to SDWIS/Fed; reporting the state's violations and enforcement actions at least quarterly; participating in EPA/state data managers conference calls; identifying the data manager and alternate for the purpose of making secure transmissions of data intended for SDWIS/Fed through EPA's Central Data Exchange; establishing and following quality assurance procedures to ensure that PWS data eventually entered in SDWIS/Fed is of the highest reliability and maximum value to the public.

Inspection Strategy

This activity includes overseeing and enforcing requirements of the regulatory requirements.

Management System for Non-compliant Systems

These activities include overseeing and enforcing requirements of management systems for non-compliant systems; provide current versions of its enforcement response guide; assurances that the EPA has up-to-date information.

Rule Task Force

This requires participation in the Rule Writing Task Force and Rule Workshops.

Enforcement and Management of Significant Non-compliers (SNC's)

Activities of this auxiliary service include overseeing and complying with the requirements of management significant non-compliers (SNC's); and reporting the state's response to instances of significant noncompliance at public water systems.

The commitments as stated here and in the PWSS Work plan are adopted as commitments of the State Program Management set-aside.

SCHEDULE FOR COMPLETING ACTIVITIES

The schedule for completing State Program activities under this work plan will be the schedule established by dates entered in the "Date Due" column of the MSDH PWSS Work plan.

AGENCY RESPONSIBILITIES

The MSDH is the agency responsible for implementing required activities under the State Program Management set-aside.

EVALUATION PROCESS TO ASSESS THE SUCCESS OF SET-ASIDE ACTIVITIES

The success of State Program Activities will be defined by the ability of the MSDH to successfully meet commitments in the PWSS Work Plan. Quarterly and annual reports/submittals required by the PWSS program include documentation and evaluation of ongoing program implementation and success in meeting stated commitments.

APPENDIX G - LOCAL ASSISTANCE AND OTHER STATE PROGRAMS ANNUAL WORK PLAN

Section 1452(g)(2) - Safe Drinking Water Act Amendments of 1996

INTRODUCTION

The Mississippi State Department of Health (MSDH), Bureau of Public Water Supply (Department), will use the Local Assistance and Other State Programs Set-aside of the DWSRF in a wellhead protection and assistance program. The program will be eliminating inactive wells and/or open holes which pose a contamination risk to the state's groundwater aquifers, by properly abandoning them in accordance with state guidelines. Local governments realize that the inactive wells/open holes pose a risk of contamination to the groundwater which may be utilize via their active wells; however, funds to properly abandon wells/holes are limited. The financial assistance provided through this set-aside will allow the state, by way of contractual agreement(s), to identify and then properly abandon inactive wells/open holes posing contamination risks to the state's groundwater aquifers.

SELECTION PROCESS

The contract for coordination of the decommissioning/properly closing inactive water wells/open holes was bid and awarded; the current contract runs until June 30, 2023. A new contract for the decommissioning/properly closing inactive water wells/open holes is currently being developed in accordance with new State contracting requirements.

An Invitation for Bids (IFBs) for the coordination of the decommissioning/properly closing inactive water wells/open holes was sent to qualified potential contractors. Bids received were reviewed by the Department to select the lowest and best bid for the agency. Recommendations for award of a contract were presented to the Board at their regularly scheduled Board meeting; following authorization by the Board, the coordination contract was awarded.

The contracts for the coordination and decommissioning/properly closing inactive water wells/open holes currently reside as following:

The first contract (the coordination contract) - Engineering Service.

The second contract (closure contract) – is currently being developed in accordance with new State contracting requirements.

PROGRAM ACTIVITIES

The activities described herein will be accomplished through a four-part process: Identification of wells / holes needing proper abandonment for the protection of aquifers and the overall public health; communication with public water supply that owns well/hole to encourage proper abandonment; mobilization of well contractor to identified site to perform the work; and confirmation that the work has been completed.

Identification – The contractor will use a list provided by the Department through a cooperative effort with the Mississippi Department of Environmental Quality Office of Groundwater Resources (MDEQ) to identify wells or open holes owned by particular water systems to be abandoned. Wells/holes deemed high risk by MDEQ will be sought out first for abandonment. Upon completion, wells/holes that are considered medium risk will be addressed next, then low risk.

Communication – Staff from the contractor will meet with system officials to encourage them to properly abandon existing inactive wells or open holes posing risk of contamination to their water system and aquifer. This is considered essential to successfully achieving the goal of abandoning those wells/holes posing risk.

Mobilization – Once the communication phase has been completed, staff of the MSW&MW, the licensed well driller contractor and the well closure coordinator will mobilize to the selected site and commence with the proper abandonment of the well/hole. This will be accomplished in accordance with established guidelines set forth by the MDEQ Office of Groundwater. When the abandonment is complete, the well contractor will contact the well closure coordinator to inform them of project completion.

Confirmation – Staff of the well closure coordinator will perform site visits to confirm proper abandonment of the wells/holes. When the abandonment is confirmed, the well closure coordinator will notify the Department to ensure that each abandoned well matches invoices submitted for payment.

SCHEDULE FOR COMPLETING ACTIVITIES

The schedule for completing Local Assistance and Other Program activities under this work plan will be the schedule established by set contractual dates.

AGENCY RESPONSIBILITIES

The MSDH will be monitoring contractors throughout the process to ensure effective completion of contractual assignments.

EVALUATION PROCESS TO ASSESS THE SUCCESS OF SET-ASIDE ACTIVITIES

The success of this set-aside will be defined by the ability of the MSDH through the solicited contractor(s) to remove by proper abandonment wells or open holes that potentially pose a risk to existing water supplies and the aquifers which supply the well water.

APPENDIX H - COORDINATION SCHEDULES FOR JOINTLY FUNDED PROJECTS

FFY-2023 DWSIRLF COORDINATION SCHEDULES FOR JOINTLY FUNDED PROJECTS			
These schedules are designed to help assure coordination between the DWSIRLF Program and the Appalachian Regional Commission (ARC) Grant Program, Community Development Block Grant (CDBG) Program, and Rural Utilities Service (RUS) Loan/ Grant Program. These schedules are, however, subject to change due to the timing of federal appropriations or program changes.			
	Schedule Item(s)/Deadline(s)		
Date(s)	**ARC**	**CDBG**	**RUS***
May 1, 2022	Mississippi Appalachian Regional Office (MARO) notifies potential applicants & local Planning & Development Districts of the September 1, 2022, deadline for submitting complete ARC grants applications.	(N/A)	(N/A)
Sept 1, 2022	All FY-2023 ARC project applications due at MARO in Tupelo, MS by 5:00 p.m. Proposals received afterward will only be considered as "back-up" projects.	(N/A)	(N/A)
Oct 1, 2023**	Deadline for loan applicant to submit a complete DWSIRLF facilities plan to MS State Department of Health (MSDH). The plan must reflect anticipated ARC funding and must indicate if the loan applicant intends to proceed with the project; 1) only if ARC funds are received, or 2) regardless of ARC funding. **	Deadline for loan applicant to submit a complete DWSIRLF facilities plan to MS State Department of Health (MSDH). The plan must reflect anticipated CDBG funding and must indicate if the loan applicant intends to proceed with the project; 1) only if CDBG funds are received, or 2) regardless of CDBG funding. **	Deadline for loan applicant to submit a complete DWSIRLF facilities plan to MS State Department of Health (MSDH). The plan must reflect anticipated RUS funding and must indicate if the loan applicant intends to proceed with the project; 1) only if RUS funds are received, or 2) regardless of RUS funding. **
Oct, 2023	MS State Dept. of Health (MSDH) notifies MARO of loan applicants who have submitted complete facilities plans which indicate anticipated FY-2023 ARC funding.	MS State Dept. of Health (MSDH) notifies Mississippi Development Authority (MDA) of loan applicants who have submitted facilities plans which indicate anticipated FY-2023 CDBG funding.	MS State Dept. of Health (MSDH) notifies U. S. Department of Agriculture, Rural Utilities Service (RUS) of loan applicants who have submitted facilities plans which

	MARO notifies MSDH of ARC grant applicants who submitted pre-applications which indicate anticipated FY-2023 DWSIRLF funding.		indicate anticipated FY-2023 RUS funding

Date(s)	ARC	CDBG	RUS
Nov 15, 2023	MARO completes review of FY-2023 projects and briefs Governor on proposed Priority 1 and Priority 2 project lists, as well as projects not eligible to be funded.	(N/A)	(N/A)
Nov 15-30, 2023	MARO notifies local Planning & Development Districts of projects that have been selected for the P1 (fundable priority list). MARO will copy MSDH on these notification letters if grantee has indicated that it is pursuing DWSIRLF loan funds for the project. MSDH will not award a DWSIRLF loan until this notification from MARO is provided.	(N/A)	(N/A)
Oct 18, 2023	(N/A)	CDBG program application workshops. ***	(N/A)
Nov, 2023	MSDH advertises Draft DWSIRLF FFY-2023 Intended Use Plan for public comment.	MSDH advertises Draft DWSIRLF FFY-2023 Intended Use Plan for public comment.	MSDH advertises Draft DWSIRLF FFY-2023 Intended Use Plan for public comment.
Dec 30, 2023	Deadline for all FY-2023 Priority 1 documentation and forms to be submitted to MARO.	(N/A)	(N/A)

Date(s)	ARC	CDBG	RUS
Dec, 2023	Board adopts FFY-2023 DWSIRLF Intended Use Plan accounting for anticipated ARC award amounts if identified in facilities plan.	Board adopts FFY-2023 DWSIRLF Intended Use Plan, accounting for anticipated CDBG award amounts if identified in facilities plan. CDBG public facilities applications, along with one copy of the DWSRLF loan application with maps and appropriate attachments will be accepted from 12/7/2023 until 8/2023	Board adopts FFY-2023 DWSIRLF Intended Use Plan, accounting for anticipated RUS award amounts if identified in facilities plan.
Jan 20, 2023	(N/A)	Deadline for a CDBG grant applicant to submit a water viability review form to MDA.	(N/A)
Jan, 2023	MSDH notifies MARO of projects included on Final FFY-2023 Priority List that anticipate receiving FFY-2023 ARC funds.	MSDH notifies MDA of projects included on the Final FFY-2023 Priority List that anticipate receiving FFY-2023 CDBG funds.	MSDH notifies RUS of projects included on the Final FFY-2023 Priority List that anticipate receiving FFY-2023 RUS funds.

Date(s)	ARC	CDBG	RUS
Feb 1, 2023	MARO sends project applications to ARC-Washington to start final funding approval process.	(N/A)	(N/A)
Feb 16, 2023	(N/A)	CDBG public facilities applications, along with one copy of the DWSIRLF loan application with maps and appropriate attachments, will be accepted from 2/16/2023 until 4:00 p.m. on 2/17/2023.	(N/A)
Feb- Jun, 2022	ARC-Washington starts the final funding approval process and awards ARC grants during the spring or summer of 2023.	(N/A)	(N/A)

Date(s)	ARC	CDBG	RUS
Mar, 2023	(N/A)	MDA provides notification to MSDH that complete CDBG applications have been received.	(N/A)
May 1, 2023**	Deadline for loan applicants to submit a completed DWSIRLF loan application to MSDH for the total DWSIRLF eligible costs, less the amount of anticipated ARC award to be applied to DWSIRLF eligible costs. **	Deadline for loan applicants to submit a completed DWSIRLF loan application to MSDH for the total DWSIRLF eligible costs, less amount of anticipated CDBG award to be applied to the DWSIRLF eligible costs. ** (NOTE: If the loan recipient is pursuing a CDBG grant to cover part of the cost of construction, the loan recipient has the option to include the anticipated CDBG grant amount in the detailed cost breakdown in the application or may request 100% DWSIRLF funding with the possibility of amending the loan application later if the loan recipient is awarded a CDBG grant prior to receipt of bids for construction. However, the DWSIRLF loan application must be consistent with the DWSIRLF facilities plan for the project.)	Deadline for loan applicants to submit complete DWSIRLF loan applications to MSDH for the total DWSIRLF eligible costs, less amount of anticipated RUS award to be applied to DWSIRLF eligible costs. ** (NOTE: If the loan recipient is pursuing an RUS grant/loan to cover part of the cost of construction, the loan recipient has the option to include the anticipated RUS grant/loan amount in the detailed cost breakdown in the application or may request 100% DWSIRLF funding with the possibility of amending the loan application later if the loan recipient is awarded an RUS grant/loan prior to receipt of bids for construction. However, the DWSIRLF loan application must be consistent with the DWSIRLF facilities plan for the project)

Date(s)	ARC	CDBG	RUS
May, 2023	(N/A)	MDA provides notification to MSDH of which projects fall within the funding range for CDBG grants for construction contingent upon matching funds being in place. (NOTE: MSDH will not award a DWSIRLF loan until this notification from MDA is provided.)	(N/A)
Jun, 2023	MSDH provides notification to MARO that complete DWSIRLF loan applications have been received.	MSDH provides notification to MDA that complete DWSIRLF loan applications have been received. MDA provides conformation to MSDH of which projects fall within the funding range for CDBG grants for construction contingent upon matching funds being in place.	MSDH provides notification to RUS that complete DWSIRLF loan applications have been received.
(Upon Grant Award)	MARO provides notification to MSDH that ARC awards have been made.	MDA provides notification to MSDH that CDBG awards have been made.	RUS provides notification that RUS awards have been made
Aug 1, 2023**	All approvable documents and responses to comments necessary for loan award must be submitted to MDEQ for review and approval. **	All approvable documents and responses to comments necessary for loan award must be submitted to MDEQ for review and approval. **	All approvable documents and responses to comments necessary for loan award must be submitted to MDEQ for review and approval. **

Date(s)	ARC	CDBG	RUS
May-Sep, 2023	Loan applicants receive DWSIRLF loan awards from MSDH. The amount of the loan will be the total DWSIRLF eligible cost less the ARC award amount to be applied to DWSIRLF eligible costs.	Loan applicants receive DWSIRLF loan awards from MSDH. The amount of the loan will be the total DWSIRLF eligible cost less the CDBG award amount to be applied to DWSIRLF eligible costs.	Loan applicants receive DWSIRLF loan awards from MSDH. The amount of the loan will be the total DWSIRLF eligible cost less the RUS award amount to be applied to DWSIRLF eligible costs. If loan applicant desires DWSIRLF loan award prior to RUS award, loan applicant must provide MSDH with a copy of letter from RUS which states their project will be funded only contingent upon receipt of DWSIRLF matching funds. MSDH will not award a DWSIRLF loan until that notification from RUS is provided.
(Upon Loan Award)	MSDH sends a copy of the award letter to MARO.	MSDH sends a copy of the award letter to MDA.	MSDH sends a copy of the award letter to RUS.

* **General Guidance regarding DWSIRLF/RUS coordination:** The RUS is an agency of the United States Department of Agriculture which provides loans and grants for water and wastewater projects. Eligible applicants must be public entities, nonprofit organizations, or Indian tribes that serve communities with populations under 10,000. RUS funds may be used in conjunction with other Federal, State, or local funds. Applications for RUS funds will be accepted at any time during the year and involve an environmental review that includes public notifications and comment periods. RUS projects are funded at any time during the year as long as funds are available. RUS funds are allocated by Congress in October of each year and are usually spent as complete applications are received. Therefore, it is generally to the applicant's advantage to file applications earlier in the year. To receive an application package or other information, contact Rural Utilities Service, 100 West Capitol Street, Suite 831, Jackson, MS 39269; telephone: (601) 965-5460; fax: 844-325-7034.

** **FFY-2023 DWSIRLF Priority System Deadline**

*** **"To Be Announced" (Date has not yet been set.)**

APPENDIX I - DRINKING WATER SYSTEMS EMERGENCY LOAN FUND PROGRAM

Section 41-3-16, Mississippi Code of 1972, as amended, created the Drinking Water Systems Emergency Loan Fund Program (DWSELF). This program provides loans to counties, municipalities, districts, or other (tax exempt) water organizations for emergency construction, repair, or replacement of drinking water facilities. This entirely state-funded loan program provides a ready funding source for such emergency projects without the federal cross-cutter requirements required in the Drinking Water Systems Improvements Revolving Loan Fund (DWSIRLF) Program, thereby saving valuable time and expense. The Board encourages eligible water organizations throughout the state to utilize this program whenever emergency drinking water projects are needed.

The basic provisions of this program are: 1) a current interest rate of 2.0%; 2) a maximum single loan amount as determined by the Board; 3) a maximum repayment period of five (5) years; and 4) the project must meet the definition of an emergency as established in the program regulations. It is also important to note that loan recipients do not pay interest during the original construction period (capitalized interest), and that loan repayments do not begin until after project completion.

Allowable costs for the project <u>may not</u> be incurred prior to the budget period established in the loan agreement, which <u>may not</u> begin more than 30 days prior to receipt of the loan application.

Costs for the project will be paid on a reimbursement basis, based upon the actual allowable expenditures of the loan recipient.

APPENDIX J - CERTIFICATIONS

In addition to the assurances included below, the state acknowledges that there are additional assurances that the state has agreed to in both the Operating Agreement between the State and EPA Region IV and the annual capitalization grants. These two documents are hereby incorporated into this IUP by reference.

1. The state certifies that all drinking water facility projects in this IUP identified in Section VII as being subject to the federal cross-cutting requirements are or will be in compliance with all such requirements prior to the state entering into an assistance agreement with the recipient.

2. The state certifies that it will make an annual report to the Regional Administrator on the actual uses of the funds and how the state has met the goals and objectives for the previous two fiscal years as identified in the IUPs; and to annually have conducted an independent audit of the funds to be conducted in accordance with generally accepted government accounting standards.

3. The state certifies that this IUP will be subjected to public review and comment prior to final submission to EPA. The state certifies that it will follow the "Mississippi Administrative Procedures Law" in seeking public review and comments on this IUP. A copy of the "Mississippi Administrative Procedures Law" can be obtained from the Mississippi Secretary of State's Office and can be found on the Mississippi State Department of Health's website at www.healthyms.com/dwsrf.

   Through this public review process, the State, Board, and Program hope to include a diverse set of potential interested parties, including community groups, neighborhood associations, environmental organizations, environmental justice organizations, and public health groups, that represent a broad spectrum of community interests.

   An oral proceeding will be held to receive written and oral comments on this IUP. A transcript of the public hearing recording the comments and recommended solutions will be submitted to EPA along with the Final IUP. Anyone desiring to receive a copy of the oral proceeding transcript should contact Jonathan Diaz, Program Support Specialist, at (601) 576-7518 to request copies.

4. The state certifies that all drinking water facility projects in this IUP are on the project Priority List developed pursuant to the requirements of Section 1452(b)(3)(B), SDWA.

5. The state certifies that it will enter into binding commitments for 120% of the amount of each payment (LOC) under the capitalization grant within one year after receipt of each payment (LOC).

6. The state certifies that it will commit and expend all Drinking Water Systems Improvements Revolving Loan Fund (DWSIRLF) Program monies as efficiently as possible, and to disburse the funds in a timely and expeditious manner.

7. The state certifies that it will conduct environmental reviews on all DWSIRLF cross-cutter equivalency projects in accordance with the State Environmental Review Process (SERP).

8. The state certifies that prior to adding any new projects to the "FFY-2023 and After Planning List" for the purpose of funding such a project during FFY-2023 that the state will follow the "Mississippi Administrative Procedures Law" in amending this IUP to allow for public review and comments.

9. The state certifies that it has developed and implemented a Capacity Development (CD) strategy to assist public water systems in acquiring and maintaining technical, managerial, and financial capacity as required in Section 1420(c) of the 1996 Amendments to the SDWA. This CD program is currently approved by EPA.

10. The state certifies the State's Operator Certification Program is currently approved by EPA.

11. The State is committed to and ensures that program's activities comply with Title VI of the Civil Rights Act of 1964

APPENDIX K – INFRASTRUCTURE INVESTMENT AND JOBS ACT

Sections of the Infrastructure Investment and Jobs Act (H.R. 3684) that impact the Drinking Water SRFs:

I. **Funding**
The bill appropriates $30.713 billion for the Drinking Water State Revolving Funds (SRFs) over five years. (This is actual funding.) (See Division J – Appropriations, Title VI Department of Interior, Environment and Related Agencies, State and Tribal Assistance Grants: Starts on page 2,565 of the bill.)

II. **Reauthorization & Policy**
The bill includes The Drinking Water and Wastewater Infrastructure Act (S. 914) which reauthorizes funding levels for the SRFs and amends SRF provisions in the Clean Water Act and the Safe Drinking Water Act. (See Division E – Drinking Water and Wastewater Infrastructure: Starts with Section 50001 on page 1,887 of the bill.)

III. Buy America / Buy American
The bill expands domestic preference procurement provisions for programs across government, including the SRFs. (See Division G – Other Authorizations, Title IX Build America, Buy America: Starts with 70901 on page 2,303 of the bill.)

I. Funding

The bill provides three pots of funding for SRFs over the next five years:

- Any Eligible Project:
  - $11,713,000,000 for the Drinking Water SRF for any eligible project.
- Lead Remediation:
  - $15 billion for the Drinking Water SRF for lead service line replacement, including planning, identification, and design (includes inventories).
- Emerging Contaminants Remediation:
  - $4 billion for remediation of emerging contaminants with a focus on PFAS/PFOA for the Drinking Water SRF.

Key points for <u>this supplemental appropriation</u>:

- Funding is intended to be <u>in addition</u> to annual appropriations.
- Funding is available "until expended."
- State match is not required for appropriations dedicated to lead service line replacement and remediation of emerging contaminants.
- State match is 10% for 2022-2023 and 20% for 2024-2026 for appropriations for any eligible project.
- 100% of the capitalization grant for emerging contaminants must be used for additional subsidy. A flat 49% of the annual capitalization grant for any eligible project and lead service line replacement must be used for additional subsidy.

- Additional subsidy must be provided in the form of assistance agreements with 100% principal forgiveness or grants.

Year	Drinking Water SRF Any Eligible Project	State Match	Mandated Additional Subsidy
2022	$1,902,000,000	10%	49%
2023	$2,202,000,000	10%	49%
2024	$2,403,000,000	20%	49%
2025	$2,603,000,000	20%	49%
2026	$2,603,000,000	20%	49%
Total	**$11,713,000,000**		
Year	**Drinking Water SRF Emerging Contaminants**	**State Match**	**Mandated Additional Subsidy**
2022	$800,000,000	0%	100%
2023	$800,000,000	0%	100%
2024	$800,000,000	0%	100%
2025	$800,000,000	0%	100%
2026	$800,000,000	0%	100%
Total	**$4,000,000,000**		
Year	**Drinking Water SRF Lead**	**State Match**	**Mandated Additional Subsidy**
2022	$3,000,000,000	0%	49%
2023	$3,000,000,000	0%	49%
2024	$3,000,000,000	0%	49%
2025	$3,000,000,000	0%	49%
2026	$3,000,000,000	0%	49%
Total	**$15,000,000,000**		
Total	**$30,713,000,000**		

II. Reauthorization & Policy

The bill includes The Drinking Water and Wastewater Infrastructure Act of 2022 (S. 914) which passed the U.S. Senate on Thursday, April 29, by a vote of 89 – 2 (9 not voting). The bill contained the following provisions. (Policy provisions apply to annual appropriations, not supplemental appropriations in the bill.)

Funding

- Reauthorizes Drinking Water SRFs at the same levels for the next five years:
  - 2022: $2.4 billion
  - 2023: $2.75 billion

    - 2024: $3 billion
    - 2025 and 2026: $3.25 billion
- Reauthorizes SWIFIA: $5 million annually for the next five years, 2023 through 2026.

Additional Subsidy

- Defines additional subsidization as "forgiveness of principal, grants, negative interest loans, other loan forgiveness, and through buying, refinancing, or restructuring debt" for both SRFs and excludes loans with 0% or higher interest are not additional from being considered additional subsidy.
- Mandates minimum additional subsidy for as long as there are eligible applications:
    - Drinking Water SRFs: Increases additional subsidy from 6% to 12% of the capitalization grant for additional subsidy for disadvantaged communities.

III. Buy America / Buy American

The legislation also expands domestic preference procurement requirements for SRF projects from American Iron and Steel to construction materials and manufactured products.

APPENDIX L - LOCAL ASSISTANCE AND OTHER STATE PROGRAMS ANNUAL WORK PLAN

Section 1452(g)(2) - Safe Drinking Water Act Amendments of 1996

INTRODUCTION

The Mississippi State Department of Health (MSDH), Bureau of Public Water Supply (Department), will use the Local Assistance and Other State Programs Set-aside of the DWSRF in a Consolidation Regionalization assistance program. The program will be surveying the State's drinking water system to identify, plan, and assist water systems in consolidation or regionalization to create a more sustainable model that best serves the consumers of Mississippi's drinking water.

SELECTION PROCESS

The contract for coordination of the program will run on a State Fiscal Year Basis. A contract is currently being developed in accordance with State contracting requirements.

A Request for Qualifications will be advertised statewide. Qualifications received will be reviewed by the Department to select the best qualified candidate for the agency. Recommendations for award of a contract will be presented to the Board at their regularly scheduled Board meeting; following authorization by the Board, the coordination contract will be awarded.

PROGRAM ACTIVITIES

The activities described herein will be accomplished through a four-part process: **identification** of potential consolidation or regionalization opportunities; **communication** with public water supply; **mobilization** of contractor to identified site to develop plans and specifications; and **confirmation** that the work has been performed.

Identification – The contractor will survey the State's drinking water system to identify water systems that would benefit from consolidation or regionalization to create a more sustainable model that best serves the consumers of Mississippi's drinking water.

Communication – Staff from the contractor will meet with system officials to inform them of the program, explain what consolidation or regionalization looks like for their system, and encourage them to consider the possibility of taking advantage of funding through our program.

Mobilization – Once the communication phase has been completed and the system request to move forward, staff of the contractor will mobilize to the selected site and commence with the plan and design of the proposed project.

Confirmation – Staff of the contractor will provide the BPWS Regional Engineers with drafts of the plans and specifications.

SCHEDULE FOR COMPLETING ACTIVITIES

The schedule for completing Local Assistance and Other Program activities under this work plan will be the schedule established by set contractual dates.

AGENCY RESPONSIBILITIES

The MSDH will be monitoring contractors throughout the process to ensure effective completion of contractual assignments.

EVALUATION PROCESS TO ASSESS THE SUCCESS OF SET-ASIDE ACTIVITIES

The success of this set-aside will be defined by the ability of the MSDH through the solicited contractor(s) to identify, plan, and assist water systems in consolidation or regionalization to create a more sustainable model that best serves the consumers of Mississippi's drinking water.