



Department of Health and Human Services
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Drinking Water Program

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VERY SMALL SYSTEM COMPLIANCE PROJECT LOAN (VSSCL)

A qualifying water system may receive up to a \$60,000 loan covering project costs up to \$50,000 with an additional \$10,000 allotted for engineering fees, for infrastructure projects that are needed to achieve compliance with a current or future standard of the Safe Drinking Water Act, excluding the Total Coliform Rule. The loan needs to meet all requirements for a standard construction loan including contract documents, environmental review, capacity review, Davis-Bacon wage rates, American Iron and Steel (AIS), and other applicable requirements. The loan term would be set at 100 percent principal forgiveness.

Qualifying systems include all community systems (except those regulated by the Public Utilities Commission) with a population of 100 or less and all not-for-profit, non-transient, non-community water systems. For community public water systems that are Manufactured Housing Communities, the population shall be based on "licensed sites" as defined by the State of Maine Manufactured Housing Board.

Systems do not need to be on the project priority list. Projects cannot be the result of a failure to maintain an existing treatment system. Projects can consist of developing a new well, the installation of treatment, and/or other construction project that resolves a compliance requirement (not Total Coliform related). Consolidation with another water system could be funded with a Consolidation Grant. Consolidation with another Public Water System regulated by the Maine Public Utilities Commission will be considered if the cost of the connection is less or equal to the cost of installing water treatment and if the small water system ceases to be a public water system.

What types of projects are eligible? Projects that must be completed to meet a current or future Safe Drinking Water Act Rule requirement are eligible for a Very Small System Compliance Loan (VSSCL). This includes public water systems with Radon levels above 4,000 pCi/L for Community systems and 40,000 pCi/L for Non-Transient, Non-Community (NTNC) systems (*Maine has a Maximum Exposure Guideline (MEG) of 4,000 pCi/L for Community systems*). The loan may be used to purchase capital items or for engineering design of a water treatment system. All equipment or materials purchased must remain the property of the water system or other public entity. Examples of eligible projects may include, but are not limited to:

- ◆ Installation of a replacement well in order to meet a current or future Safe Drinking Water Act Rule, excluding the Total Coliform Rule,
- ◆ Installation of a water treatment system in order to meet a current or future Safe Drinking Water Act Rule, excluding the Total Coliform Rule.

Which water systems are eligible? All community public water systems (except those regulated by the Public Utilities Commission) with a population of 100 or less, and all not-for-profit, non-transient, non-community (NTNC) water systems. Examples include mobile home parks, apartment buildings, nursing homes, and not-for-profit schools.

What project costs are eligible for reimbursement? Costs associated with the project that can be paid with loan funds include engineering services (up to \$10,000 maximum), contractor labor, materials, equipment, and legal fees associated with the creation of the loan. Materials and costs for operation and maintenance are not eligible for reimbursement.

How much money will be awarded? Individual loans will be awarded up to \$60,000 total, with \$50,000 available for project costs and \$10,000 for engineering. For a project estimate (not including engineering) that exceeds \$50,000, the owner is responsible for paying costs in excess of \$50,000 first, before VSSCL funds are provided, ensuring the completion of the compliance related project. Funding for a project exceeding \$50,000 (not including engineering) may be accomplished by the owner applying to the Maine Municipal Bond Bank for the estimated full project cost, with the Drinking Water Program providing \$50,000, and additionally up to \$10,000 in engineering cost, as principal forgiveness.

For project estimates that exceed \$50,000 in total cost (not including engineering), if the final project cost is less than expected after the owner has paid funds up-front, and VSSCL project expenditures (not including engineering) total less than \$50,000, then initial costs paid by the owner may be reimbursable, enabling up to the full \$50,000 project expense related principal forgiveness to be provided.

VSSCL funds can only pay for construction completed after the date of the VSSCL project approval provided by the Maine Drinking Water Program.

What types of projects are not eligible? Loans will not be awarded for projects which involve the maintenance of water system infrastructure, maintenance of treatment facilities, or costs that are part of normal system operation. Also, the water system may not be reimbursed for its own equipment use or water system employee labor costs, even if the work is in support of an eligible project. Loans will not be awarded retroactively for completed projects.

What is the deadline for applications? Water systems may apply at any time. If more requests for money are received than we have allocated for the Very Small System Compliance Loan Program, funds will be made available on a first come first served basis and the ability of the applicant to implement the improvements on a timely basis.

A Project Engineer (Maine Professional Engineer) is required to manage the VSSCL project. Due to inherent challenges involved with meeting federal requirements for loan funds, a Maine Professional Engineer is required to manage the project. Up to \$10,000 of VSSCL funds are available to pay for engineering services. The engineer will be responsible for overseeing all aspects of the project including providing a project estimate and completing requirements related to the loan: Capacity Review, Environmental Review, Plans & Specs sign-off and submittal to the DWP for review and approval, Davis Bacon Wages, American Iron and Steel requirements, competitive quotes for materials and services, and other applicable requirements.

If I am awarded a loan, how do I get reimbursed? First, submit a VSSCL project application to the Maine Drinking Water Program (see below) to obtain approval for the overall project. Work with the engineer to complete applicable federal requirements for the loan and submit a loan application to the Maine Municipal Bond Bank. Once the loan is approved and in place, the project is approved for construction, and construction proceeds. A Pay Requisition for reimbursement of funds must be prepared by the engineer, reviewing and approving eligible expenses, and submitted to the Maine Drinking Water Program. The pay requisition shall include:

1. The standard DWSRF pay requisition form, available from the Drinking Water Program
2. Documentation of the project work completed.
3. Copies of **paid** invoices for reimbursable costs up to the award amount; and
4. Copies of at least three written quotes for any materials or services
5. Davis Bacon and American Iron and Steel documentation as necessary.
6. The ACH form for electronic reimbursement with a copy of a voided check

How can I get more information? Contact Eduard Chenette at (207) 592-0456 or e-mail Eduard.Chenette@maine.gov.

Very Small System Compliance Project Application

Please complete this form and return to the Maine Drinking Water Program. Contact Eduard Chenette at (207) 592-0456 or e-mail Eduard.Chenette@maine.gov with questions.

PWS NAME: _____	PWSID#: _____		
CONTACT: _____	TELEPHONE: _____		
E-MAIL ADDRESS: _____	DATE: _____		
ADDRESS: _____	TOWN/CITY: _____	STATE: _____	ZIP CODE: _____

1. **Describe the Project;** *Include brief description of proposed improvements, existing treatment if any, project cost estimate and implementation schedule.*

2. **Describe any Cost Sharing.** *Will any other source of funds contribute money to fund a portion of the project costs?.*

3. **Previous loans/and grants.** *Has this systems received previous SRF Project funding?*

Signature: _____ **Title:** _____

Print Name: _____ **Date:** _____

**MAIL OR EMAIL
APPLICATION TO:**

DRINKING WATER PROGRAM
11 STATE HOUSE STATION
286 WATER STREET, 3RD FLOOR
AUGUSTA, ME 04333-0011
Attn: McKenzie Parker

Eduard.Chenette@maine.gov



Terry Hayes, *Executive Director*
Tel: 207-622-9386

In order to process your payment request the following information is required

ACH Authorization Agreement for Payment Requisitions

ACCOUNT INFORMATION

Financial Institution: _____

Routing Number: _____ (use all 9 digits) Checking

Account Number: _____

Account Name: _____

AUTHORIZATION AGREEMENT

I (we) hereby authorize the Maine Municipal Bond Bank to initiate entries into the bank account specified above and, if necessary, to electronically debit the account to correct erroneous entries. I certify the account allows these transactions. Furthermore, I certify that the above listed account number accurately reflects the intended receiving account. I agree that ACH transactions comply with all applicable laws. I Certify that I am an authorized signer for the account indicated above and that I have authority to authorize this/these transactions.

WaterSystem Name: _____

Employee Printed Name: _____

Employee Signature: _____

Date: _____

Note: Digital or Electronic Signatures are not acceptable

Return completed form with Payment Requisition