

**2015 Small Communities Grant Applicants Q&A**  
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	Question	Answer
<b>Eligibility</b>		
1	We are a small system serving about 23 homes less than 100 residents. Our system is getting older and needs upgrades as well as metering for the individual homes. Currently, there are no meters and the residents pay a flat fee for water that isn't based on usage. I would like to know if there is a possibility of applying for grant money so that we can upgrade the system with better distribution pumps, an upgraded chlorination system, installation of system shutoff valves, and meters for the individual residences. If there is a possibility, I would appreciate knowing what the process is to apply.	This system would be a candidate for the Small Communities Grant program provided that the system meets the eligibility requirements. The necessary information is located on the Grants and Loans website at <a href="https://www.colorado.gov/pacific/cdphe/small-communities-water-and-wastewater-grants">https://www.colorado.gov/pacific/cdphe/small-communities-water-and-wastewater-grants</a> .
2	Would a new building at the water treatment plant qualify?	Provided it addresses a water quality issue a new building may be eligible.
3	I believe the district meets many of the criteria to be eligible. We are in the process of decommissioning a lagoon facility and will be pumping to another entity's treatment plant through an intergovernmental agreement. Unfortunately due to high bids, the project, which is slated for completion next summer is stressing our reserve funds. We currently have a DOLA grant, a CWPDA low interest loan, and a loan from the entity receiving the waste water to finance the project, but we are still dipping into reserves uncomfortably. Would additional grant funding be available for this project? Also, when the lagoons are decommissioned, we would like to use the leftover sludge for beneficial use to remediate the site. Finally, our collection system is quite old with leaking pipes and manholes. We do what we can each year but we will undoubtedly never catch up with our cleaning, televising, and lining of pipes at the rate we are going and our old vacuum/cleaning truck. Would any of these needs be eligible for funding?	These items are potentially eligible. This grant cannot reimburse the spent reserves and can only reimburse for activities commencing on or after the execution of the contract.
4	Does a town count as a governmental agency under entity eligibility?	A town is a local government and eligible to apply.
5	I have a project currently underway. Can I apply for this grant to finish the project?	Only projects or phases of projects that have not yet been started are eligible. This grant can only reimburse for activities commencing on or after the execution of the contract.
6	Can we be reimbursed for engineering costs already spent?	This grant can only reimburse for activities commencing on or after the execution of the contract.
7	Are replacement of aging water distribution and sewer collection lines an appropriate item for the application? We have lines that are leaking, experience frequent breaks, and are over 60+ years old. Would we be eligible to apply for a project of this sort? We meet the demographic criteria.	This type of project may be eligible under this grant. Drinking water and waste water grant applications must be submitted separately.
8	Does the grant criteria allow funding of equipment that is primarily used for maintenance operations?	Operations and maintenance costs (services/equipment) are not eligible under this grant program.
<b>Financial</b>		
9	The form references 2013 data. Can we use 2014 data?	<p>The most recently completed and reported/filed fiscal year for local governments and non-governmental entities is to be used as the source of fiscal information for reviewing financial need. The fiscal year for both local governments and not-for-profit organizations is the calendar year.</p> <p>For local governments the most recent audit or application for exemption from audit required to be filed with the Office of the State Auditor will be reviewed.</p> <p>For eligible non-governmental entities, a copy of the IRS required financial filings--990 or 990EZ may be utilized. For those eligible to have filed the 990 e-postcard (annual gross receipts less than \$50,000), a copy of their 2013 financial statements including statement of revenues and expenses (also sometimes referred to as profit and loss statement) and their balance sheet (as of 12/31/2013) will be reviewed. Other supporting financial information may subsequently be requested from applicants such as debt service, amortization, or lease schedules, bank records, rate schedules, etc.</p> <p>As the applicant 2014 financial information is incomplete and not yet required to be filed (4/15/15 with the IRS or 7/31/15 with the Office of the State Auditor), the 2013 financial filings will be reviewed for determining financial need.</p>

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10	Can we use county MHI data if block data does not accurately represent our residents?	Median Household Income (MHI) information from the US Census Bureau's 2008-2012 American Community Survey (ACS 5-Year Release) will be used for census places where available. For communities without available census place data, overlapping other census geography up to county data may be substituted.
11	Is a small system disqualified if the MHI is above the state average?	MHI is one of many factors that will be used to determine a community's financial need, the applicant may get less points in the prioritization but will not be disqualified.
12	Is there a typo on the MHI section of the prioritization tables?	Yes, the 4th bullet should state 80%-100% of state MHI equates to 10 points. Greater than 100% of the state MHI receives 0 priority points for this section. This is for both drinking water and wastewater projects.
13	When will DOLA's decision concerning the certificate of financial need be made available to applicants? Will the Division seek these certificates first, before doing any further evaluation of the application?	Each applicant will be notified about the status of their application after the prioritization process is finalized. An applicant will be provided reasoning if the project did not get funded. These reasons could include financial need, project eligibility or low prioritization. DOLA's analysis of financial need is part of the review process and will be done in tandem with the other technical reviews.
14	Where can applicants access current information concerning the financial standards indicated in the RFA? Specifically, where can be found the information that DOLA will use concerning the following: a. Current statewide user rates for drinking water and wastewater b. Median home values in a community c. Statewide median home values d. Statewide median household debt e. Median household debt in a community	DOLA has access to data through the State Demographer's Office and the US Census. Other information required from applicants has been included in the grant application and application checklist.
15	Why was this fiscal analysis not conducted as part of a pre-application or pre-qualification process? Doing so would have prevented ineligible applicants from dedicating additional resources towards preparation of the larger grant application.	This is a new grant program and was not established with a pre-qualification step. This feedback may be utilized in the future issuance of request for applications.
16	If an applicant has a loan approved but has yet to draw on all the available monies how should that loan be accounted for in question 7.c?	The total amount of the loan should be reflected as "total long term drinking water system debt."
17	When determining debt, can an applicant that operates both water and wastewater systems take their general long-term debt and assign half of the debt to their water system and half of the debt to their water system (i.e. Application Form Sections 7c and 24c)?	Provided there are no other financial records reflecting each system's debt separately but please be sure to note that was how it is being reported.
18	Number 3- indebtedness - where it shows < 2% area MHI would Zero qualify for points?	Less than 2% is 20 points using the calculation identified (divide the system debt by the taps and then divide by the MHI).
19	Number 4- Match contribution - can we use the amount we have already paid out for engineering for this project as a match? And we can use money we may be borrowing to meet some costs concerning this project as a match?	The match is encouraged but not required. Match funds are directly related to the project for which you are seeking grant funds. Borrowed funds are eligible matching funds. While a match is not required, the percent of local match contribution is an evaluation factor in the project prioritization criteria.
20	Can funds be moved between work plan/budget categories during the project. For instance, if \$\$ are left in one activity, can they be used in another activity?	Funds may be moved between activities. Up to \$5,000 can be adjusted with pre-approval from the project manager of the Grants and Loans Unit. Amounts in excess of \$5,000 may require a contract amendment requiring sign off by all parties of the original contract. When additional scope (activity) is added, a contract amendment may be required.
21	Our water association is a state non-profit incorporated in the late 1970's. We do not have a federal tax ID # or a DUNS #. Do we need one to apply?	Applicants need to be able to provide a completed IRS W9 form in order to submit a complete application. The W-9 requires an employer identification number (EIN). The state requires this information in order for the entity to receive funds from the state. The DUNS number is a registration with Dun & Bradstreet required for grant applicants for awards made on or after October 1, 2003. The DUNS number is a supplement to other identifiers, such as the EIN and may not be used in place of an EIN on the W-9 form. Applicants are encouraged to contact a professional for guidance (perhaps the association CPA or attorney).
22	Is the total match the amount that we are willing to put into the project? I assume that funds from the Association's savings account would count as part of the match. Is there a minimum?	The match is encouraged but not required. Match funds are directly related to the project for which you are seeking grant funds. While a match is not required, the percent of local match contribution is an evaluation factor in the project prioritization criteria. The pledged amount applicants savings/reserves would count toward your match.
23	Regarding acceptable method(s) to estimate representative MHI of a transient, non-community system that is spread across multiple geographical census blocks, and is primarily comprised of persons age 65 or over. Could this system factor in age brackets as found on US City Facts from data taken from the 2010 US Census as an alternative to DOLA ACS data sources that may misrepresent the unique community of users?	Median Household Income (MHI) information from the US Census Bureau's 2008-2012 American Community Survey (ACS 5-Year Release) will be used for census places where available. For communities without available census place data, overlapping other census geography up to county data may be substituted.
24	I want to make sure that the matching grant amounts pertain to a % of the grant funds requested, not a % of the total project cost. For example: \$552,000 grant requested, \$171,120 match (31% of requested funds) so that points would be awarded for >30% match	The match percentage is calculated against the total project cost. In this example, the total project cost is \$723,120 with a \$171,120 match. This would equate to a 23.7% match.

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25	As part of the supporting financial documentation, do you want the entire 67 page audited financial statement? Or does the 3-page independent auditor's report suffice?	If the application is for a governmental agency, the audit report is acceptable. If the application is for a not-for-profit private organization, the full audited financial statement must be submitted.
26	If we do not submit the IRS form 990 and instead use the 1120 do you want the entire form or just the first page showing income and signatures?	The entire form.
27	What is the specific process and form of application for obtaining the required certificate of financial need from the Division of Local Government in the Department of Local Affairs?	After the application deadline, the certificate of financial need assessment will be completed by DOLA based on the information submitted in the application and regular filings with the state and State Demographer's office. No separate application is required. The certificate of financial need will then be utilized in the eligibility assessment of the application.
28	We anticipate that our current water company will go through changes in its make up once we get funding help and begin our project. Should we use our current shareholders number for our MHI and other things or what we anticipate being our new, lower, number of shareholders?	Please use current numbers. Additional impacts can be mentioned in the application as a result of the project, but the metrics are established based on the current numbers.
29	Is there a 20% local match required for this grant program?	There is not a 20% match requirement for the Small Community Water and Wastewater grant program. While a match is not required, the percent of local match contribution is an evaluation factor in the project prioritization criteria.
<b>Technical</b>		
30	We have already submitted a basis of design report. Does it need to be approved by the application deadline to count for "readiness to proceed" points?	Only submission of the BDR is required for point credit.
31	What type of supporting documentation would CDPHE like to receive to validate an assertion at 100% of the service area is metered?	Please submit the latest three meter readings. This will then be compared to how many taps are on the system.
32	Does the completion of a preliminary engineering report gain any points in the 'Readiness to Proceed' section? Can that be denoted even if it is not listed on the application? Should a copy of the PER accompany the application?	A preliminary engineering report is not required for this grant and will not factor into the prioritization. A basis of design or process design report does impact readiness to proceed in the prioritization evaluation.
33	Number 6- Is E-coli considered a regulated contaminant?	E. coli would count for either 20 or 5 prioritization points depending on the specifics under the total coliform rule in regulation 11- section 11.17. Please refer to section 11.45 for a table of all "regulated contaminants". <a href="https://www.colorado.gov/pacific/sites/default/files/Regulation-11.pdf">https://www.colorado.gov/pacific/sites/default/files/Regulation-11.pdf</a>
34	Is question #8 asking if we are currently testing thru CDPHE?	Question 8 is asking if during the course of testing, are there exceedances. Routine testing with normal results would not factor into the prioritization.
35	Is item #9 in the drinking water project point ranking table additive, similar to item #6?	The prioritization points in Item #9 are not additive.
36	Number 9- what is considered low water pressure?	Water pressure standards are found on the water quality control website at <a href="https://www.colorado.gov/pacific/cdphe/wq-public-water-system-design-approval">https://www.colorado.gov/pacific/cdphe/wq-public-water-system-design-approval</a> . This section is also posted below.  8.2 SYSTEM DESIGN - 8.2.1 Pressure - All water mains, including those not designed to provide fire protection, must be sized after a hydraulic analysis based on flow demands and pressure requirements. The system must be State of Colorado September 1, 2013 Design Criteria for Potable Water Systems 104 designed to maintain a minimum pressure of 20 psi (140 kPa) at ground level at all points in the distribution system under all conditions of flow. The normal working pressure in the distribution system must be at least 35 psi (240 kPa) and should be approximately 60 to 80 psi (410 - 550 kPa). Near storage tanks, the water main pressure will be less than the required pressures stated above. The Department expects water systems to mitigate the low pressure around storage tanks and to minimize the amount of distribution main impacted.
37	We are assisting an applicant in putting together their Small Community Assistance grant application. Their project is purely related to their distribution system. They have some old pipes that they need to replace and some new piping to install to create a loop between the two old dead-end pipes. Normally they would not be needing to get any design approval from the Water Quality Control Division. However, since they are going to be seeking funding from the Small Community Grant Fund what type of design approvals should they plan for?	The applicants should plan for self-certification approval, and plans and specs approval for line projects.
<b>Administrative</b>		
38	What are the reporting and procurement requirements? Are they similar to the SRF program?	This grant program is funded solely by state cash funds and are not subject to federal requirements such as Davis Bacon, DBE, American Iron and Steel do not apply to state cash funds. However, there will be required contract monitoring that will include deliverables and quarterly reporting.

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39	Should we submit a separate application for each activity or lump them together?	One project typically includes several major activities (identified in the work plan). Please refer to the example in the RFA. Separate, stand alone projects should submit individual applications to allow for evaluation and prioritization on their own merit.
40	Who is the authorized official? Are they an elected official or could the town manager be that official?	The signing authority for a town is typically designated through resolution and is usually the town mayor. The signor does not need to be the project contact but they need to have delegated signature authority.
41	Should the budget amount reflected on the work plan be the total project budget for each activity or just the small community grant portion of the funds?	The work plan and associated costs should only be for the grant monies. Those amounts are eventually utilized in the contract document. The total project costs are shown on the budget form.
42	Should the budget sheet show the total project budget with a breakdown of matching and grant requested dollars?	Yes, the total activity costs on the budget sheet indicate whether matching or grant funds will be utilized.
43	Will the grant recipient have the ability to change the initial project slightly if they run up against cost/budget issues? For example, if the original project description included 4 items, and they could not manage the total project costs, could one of those items be omitted without it being an issue?	Funds may be moved between activities. Up to \$5,000 can be adjusted with pre-approval from the project manager of the Grants and Loans Unit. Amounts in excess of \$5,000 may require a contract amendment requiring sign off by all parties of the original contract. When additional scope (activity) is added, a contract amendment may be required.
44	I have a general question on page 1 of application, it asks for Financial officer. Is the Financial officer our local Bank's Financial officer, or is it the Financial officer of who we are planning obtaining a loan from to complete project?	The financial officer fields would be utilized if there is an individual that will be the contact for the finance/accounting/legal functions for the organization.
45	Are the progress report dates on the work plan strictly examples? Or are those expectations of CDPHE?	The quarterly reporting dates will be the same for all projects under this grant (i.e. January, April, July, and October 20th).
46	Are the proposed projects to be segregated into two categories; water projects and wastewater projects, or will all projects compete against each other?	Water and wastewater will compete only within their respective categories.
47	The second page of work plan and instructions states "If awarded, CDPHE staff will review the contents of the proposed work plan table and will contact you to discuss concerns..." emphasis added. Does that mean that the work plan tables will not be reviewed during the application review process, but will only be reviewed if an application receives grant approval?	The work plan is a critical piece of information, and will be utilized in the evaluation and understanding of project. If the project receives funding, CDPHE staff will then utilize the work plan for confirmation and appropriate adjustments that will become the basis for the scope of work in the contract.
48	Can the CDPHE provide an application form as a word document that can be filled in and saved, rather than the pdf version?	The word document form is available along with the Q&A on our website. CDPHE prefers the pdf version submission, but will accommodate the word version.
49	On Page 6 of the application form, is the "Other Information" section only for the wastewater applications or is that applicable for drinking water applications as well?	The "Other Information" section applies to all projects.
50	On pages 4 and 6 of the Application Form we are to indicate whether the "... project has received prior state loan and/or grant funding in the past 24 months." In this case does "project" refer to the project that is the subject of this grant application, or can/shall it refer to a larger improvements project for which the activities to be supported by this grant application are a part? By way of illustration, if a community has a water project to replace a water storage tank, and they have already done a preliminary report that they may have gotten grant funds for, but now are applying for the Small Community Assist grant to support their construction engineering efforts - is the "Project" the water storage tank improvement project, or is the "Project" the construction engineering phase?	In this example, the water storage tank improvement is the project. The small communities grant is for the planning, design and construction of public water systems and domestic wastewater treatment works.
51	I am assuming that communities have to submit separate grant requests for water and wastewater projects under the Small Community Assistance grant program regardless of whether their projects are fairly small, i.e. PERS- is that correct?	Applications for drinking water projects must be separate from wastewater projects. Preliminary engineering reports are not required for this program.

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52	Finally, we are curious as to whether when deciding on funding the review committee would consider part of the grant proposal for funding. For example: our first objective is our highest priority to bring us into compliance with State standards; the four other objectives, while necessary, to improve delivery, etc are secondary . Would a decision ever be made to fund a part of the grant request?	The intent is to correct water quality issues with this grant program. If other objectives will assist in preventing future issues or are otherwise "necessary for the protection of public health and water quality" they may be included in the request. Portions of the project will be evaluated based upon the eligibility criteria.
53	Is there anything to preclude one applicant from being awarded a grant from the fund for both a water project and a wastewater project that are applied for separately?	One applicant may be awarded both a drinking water project and a wastewater project if they were both selected based upon the prioritization.
54	The Work Plan Instructions indicate under 6. DELIVERABLES that all funds must be expended no later than December 31, 2017. The WORK PLAN TEMPLATE shows a DELIVERABLE Completion Date of no later than Oct. 30, 2015 for submitting final engineering design documents via email to the CDPHE engineering section manager - is this a required completion date for this item even if the ultimate deadline of December 31, 2017 is met?	All grant monies need to be expended by Dec. 31, 2017. The final engineering deliverable date is an example only. Please utilize dates that align with the specific project. The work plan will be finalized if funding is awarded, and the dates will be aligned during the contracting process for inclusion into the final scope of work document.
55	Are we supposed to fill out the Work Plan Table Template now, or not unless funds are granted? If now, the PDF I have does not allow text like the rest of the application. Is the intention I print this part out and hand write it or do you have a PDF available where I can enter text directly in to the template?	The work plan must be submitted with the grant application, failure to submit the workplan results in an incomplete application and will be disqualified. The work plan is available as a word document on the website at the following location <a href="https://www.colorado.gov/pacific/cdphe/small-communities-water-and-wastewater-grants">https://www.colorado.gov/pacific/cdphe/small-communities-water-and-wastewater-grants</a> .