Delaware

DRINKING WATER
STATE REVOLVING FUND
DWSRF

Intended Use Plan

Draft | March 16, 2026

DELAWARE HEALTH AND SOCIAL SERVICES

Division of Public Health

Delaware

DRINKING WATER
STATE REVOLVING FUND
DWSRF

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Delaware Health and Social Services
Intended Use Plan
2025 Federal Allocation

Federal Fiscal Year (FFY) 2025
State Fiscal Year (SFY) 2026

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Executive Summary

In November 2021, Former President Biden signed the Infrastructure Investment and Jobs Act ("IIJA"), marking a significant milestone in the investment in the water sector. This law allocates $50 billion to the United States Environmental Protection Agency (EPA) to enhance the nation's drinking water and wastewater systems, representing the largest federal investment in clean water to date.

The majority of the funding will be channeled through the Clean Water and Drinking Water State Revolving Funds (SRFs), which have long been pivotal in financing water infrastructure projects across the country. Enacted as a stipulation of the 1996 Federal Safe Drinking Water Act Amendment, the Drinking Water State Revolving Fund (DWSRF) extends low-interest loans and grants to qualifying water systems for enhancing infrastructure.

The federal Safe Drinking Water Act (SDWA), amended in 1996, established the national DWSRF program to aid public water systems (PWSs) in upholding SDWA standards and safeguarding public health by financing drinking water infrastructure projects. Section 1452 of the SDWA empowers the EPA to allocate capitalization grants to state DWSRF programs. These federal grants, when combined with state matching funds, establish a sustained reservoir of financial support for drinking water infrastructure initiatives.

In accordance with the SDWA and Clean Water Act (CWA), every state is mandated to formulate an Intended Use Plan (IUP) each year. These plans serve as crucial programmatic blueprints outlining how states intend to execute their programs to fulfill legal obligations and achieve overarching objectives. Key components of the IUP encompass the prioritization of project types, the criteria and methods employed for allocating loans and additional subsidies, as well as the specific projects slated for funding. States develop these plans, solicit public feedback, and subsequently submit them to their respective EPA Regional offices for evaluation. EPA then awards capitalization grants contingent upon ensuring the state's IUP aligns with the designated utilization of funds and satisfies all requirements outlined in Title VI of the CWA or §1452 of the SDWA and associated regulations.

The Delaware Department of Health and Social Services (DHSS), Division of Public Health (DPH) administers these funds to water infrastructure projects across the state. The following document is the IUP for Delaware's DWSRF for the Federal Fiscal Year 2025 and State Fiscal Year 2026, spanning from July 1, 2026, to June 30, 2027. Public comments were available between March 25 and April 24, 2026, and promoted on the DHSS website and during a virtual public meeting held on March 25, 2026. DHSS received ~~one~~ public comment.

Background

About the Delaware Drinking Water State Revolving Fund

The Drinking Water State Revolving Fund (DWSRF), established under the 1996 Federal Safe Drinking Water Act (SDWA) Amendment, supports public water systems in maintaining SDWA standards. In Delaware, the Department of Health and Social Services (DHSS), Division of Public Health (DPH) manages these funds.

Intended Use Plan

Each state must create an Intended Use Plan (IUP) annually, outlining how they will use the funds to meet legal requirements and project goals. These plans prioritize project types, detail loan allocation criteria, and list specific projects for funding.

The Intended Use Plan (IUP) is a document that Delaware Health and Social Services (DHSS) submits annually as part of the grant application to the United States Environmental Protection Agency (EPA) to request the Drinking Water State Revolving Funds (DWSRF) Capitalization Grants under the Safe Drinking Water Act (SDWA) and Catalog of Federal Domestic Assistance (CFDA) 66.468. This was submitted by the state to EPA Region III on June 30, 2026, in the first year of availability. This IUP is for the Federal Fiscal Year 2026 (FFY2026), covering July 1, 2026, to June 30, 2027.

DHSS anticipates being eligible for $10,935,000 in federal base capitalization grant funds. DHSS will allocate the full award amount of $10,935,000 in federal funds plus $2,187,000 in state funds (20% required state match) for infrastructure improvement projects and subsidy requirements.

Additionally, DHSS anticipates being eligible for $73,448,000 in federal IIJA capitalization grant funds. There are three (3) distinct grants under the IIJA, and they include Supplemental, Lead Service Line Replacement (LSLR), and Emerging Contaminants (EC) Capitalization Grants. DHSS will allocate roughly $22,600,950 in federal funds plus $4,979,600 in state funds (20% required state match for Supplemental funds only) for infrastructure improvement projects and subsidy requirements. Up to 31% will be used for Set-Aside activity support.

All DWSRF borrowers submitted Notice of Intent (NOI) preapplications electronically on a Microsoft form, and then ranked and placed on the Project Priority List (PPL). All borrowers were then requested to submit full applications electronically to one resource mailbox for both the DWSRF and Clean Water State Revolving Fund (CWSRF), and then distributed internally to be considered for funding. The updated process is uniform for both types of borrowers. Prior to this, the potential borrower had to mail hard copies to individual offices. There is now one point of contact to approve or request more information as it relates to the application.

A virtual public meeting was held on March 25, 2026, in which this IUP was presented before the Delaware Water Infrastructure Advisory Council (WIAC) and public stakeholders. Public participation and comments were encouraged during the public meeting. DHSS posted the Fundable Project Priority List (PPL) and IUP online for public comment for 30 days. DHSS received ~~one~~ public comment. DHSS advised the EPA when the comment period occurred. Public Comments could have been submitted during the public meeting or via phone call (302-744-4817), mail (Attention: Drinking Water State Revolving Fund, 417 Federal Street, Suite 205, Dover, DE 19901), or email (DHSS_DPH_DWSRF@Delaware.gov). Visit this page for details of the WIAC meeting: https://dnrec.alpha.delaware.gov/events/water-infrastructure-advisory-council-16/.

This IUP and associated documents were available for public review and comment through April 24, 2026. ~~One~~ comment was provided to DHSS during the public review and comment period.

Delaware will apply for the full allotment of the Base, General Supplemental, Lead Service Line Replacement, and Emerging Contaminants Capitalization Grants. (See **Figure 1** showing totals for the FFY2026 DWSRF Notice of Intent (NOI) solicitation.) Every effort will be made by the program to ensure the state meets the requirements of providing loan assistance to small systems. The program has partnered with technical assistance providers to assist in the identification of and application by small water systems.

Delaware DWSRF agrees to comply with the Federal regulations, the general grant regulations at 40 CFR part 200, all applicable Federal cross-cutting authorities (e.g., Civil Rights Act Title VI), and specific conditions of the capitalization grant. Delaware DWSRF agrees to enter data into the SRF Data System no less than quarterly.

Figure 1: Cumulative FFY25 NOI Requests

	Actual Project Requests	State Match for Projects	Anticipated Federal Award for Projects
EC	$30,000,000		$7,857,000
LSL	$64,308,450		$40,693,000
Supplemental	$23,705,407	$4,979,600	$24,898,000
Base	$7,600,000	$2,187,000	$10,935,000

Delaware DWSRF Goals

Long Term Goals:

- Assist Public Water Systems (PWSs) with achieving affordable compliance and public health protection through DHSS staff strategies and contracted Set-Aside activities.
- Maintain the DWSRF in perpetuity by thoughtful use and management of the assets by expecting an adequate rate of return and positive cash flow trend, utilizing the Cash Flow Modeling prepared by the Department of Natural Resources and Environmental Control (DNREC) Environmental Finance (EF).
- Utilize resources and funds to target the most significant public health and compliance issues problems facing the State's drinking water resources.
- Manage the DWSRF fund with urgency and agency.

Short Term Goals:

- Collaborate with the DHSS Capacity Development program to assist PWSs in developing and implementing asset management plans (per AWIA 2018) via training or support from our technical assistance providers. The DWSRF program requires proof of an implemented asset management plan from PWSs for consideration of DWSRF financial support.
- Manage the NFAA account judiciously, including reallocation of WIAC approved DWSRF grant allotments annually, as need dictates.
- Provide funding to upgrade infrastructure for PWS projects in Delaware.

- Decrease public health risks in drinking water in 2026-2027 for about one-third of Delaware residents.
- Meet the Program Activity Measure of 96% of fund utilization rate, as negotiated with EPA by continuing to encourage quick spending with loan recipients and sub-grantees.
- Contract with Delaware Technical and Community College (DTCC), and Eastern Research Group, Inc. (ERG) to provide technical assistance and training to small and mid-sized municipalities to maintain and return to compliance with state and federal regulations.
- Provide operator education through contracts with DTCC.
- Provide 1:1 Asset Management assistance through ERG contracts.
- Utilize Set-Aside funds as outlined in the Work Plans.
- Hold quarterly meetings with Set-Aside recipients to monitor activity progress and evaluate expeditious spending.
- Provide support to the DNREC Source Water Protection (SWP) Crop Cover Ag Strategy.
- Provide support to the DNREC Underground Injection Control (UIC) in the implementation of two new technologies in the EQuIS and PFAS Tracing.
- Utilize resources in the DHSS Office of Engineering (OE) to ensure borrowers are following crosscutter requirements on construction projects.
- Monitor the Drinking Water to Clean Water Transfer, with EPA assistance.
- Collaborate with the awarded LSL platform software provider to provide education and training events to educate about Lead and Copper Rule Revisions (LCRR), and the Lead and Copper Rule Improvements (LCRI) software.
- Continue to revise the joint operating agreement between DHSS and DNREC

Performance Evaluation Review (PER) Action Items

The US Environmental Protection Agency (EPA) conducted its site visit between February 10, 2026, and February 11, 2026, to review the period July 1, 2024, through June 30, 2025 (State Fiscal Year (SFY) 2025). At the time of finalizing this year's IUP, DWSRF has not received the SFY25 PER.

The PER for SFY24 included the following three action items:

1. The DHSS needs to review and improve their documentation and filing processes for environmental reviews to ensure all required information is consistently maintained and accessible. Status - Resolved
2. The DHSS must fully implement their Expeditious and Timely Use Plan, which should help improve their financial indicators over time. - Resolved

DHSS has taken the necessary steps to correct all action items from the SFY24 PER.

DWSRF Infrastructure Project Selection

In February 2026, NOIs were ranked and placed in priority order based on public health protection and SDWA compliance. All projects listed on the PPL are considered equivalency projects. Projects have not yet had financial reviews. Anticipated subsidies are based on historical data only and are subject to change. **Full applications are due by July ___, 2026.** Financial reviews will be performed during evaluations of the full applications.

The Comprehensive/Fundable and by Capitalization Fund Grant Project Priority Lists (PPLs) are attached, as **Appendix A and B,** respectively.

If additional solicitations for projects occur within the year, the projects will be ranked using the approved Ranking Criteria and then placed on the PPL according to their merit and public health impact.

DHSS will use all the required subsidies. The exact amounts and projects for which those amounts will be applied will be known after **July 1, 2026,** once the State budget is final. DHSS has requested state funds to help supplement disadvantaged communities' financial burden.

Bypass Procedures

Upon written notice, DHSS can bypass a project on the fundable portion of the PPL based on the following:

- Project is withdrawn by the applicant.
- Project is not ready to proceed.
- System is unwilling to address any Significant Non-Compliance (SNC) issues.
- System is lacking technical, managerial, or financial capacity.
- System is out of compliance and demonstrates an unwillingness to correct A133 Audit, Single Audit requirements, Davis Bacon, or Buy America Build America (BABA) Act.
- System is not current on loan repayments from prior closed loans.
- An emergency project is approved.

DHSS will reinstate bypassed projects if funds become available, and the project meets all criteria above. Funds that become available due to a project bypass will be offered to the next project on the PPL.

Emergency Project Requirements

EPA allows States to establish procedures to identify and prioritize Emergency Projects under consideration for DWSRF funding.

Projects necessary to alleviate emergencies that result in an imminent threat to public health can be immediately elevated to the top of the PPL upon recommendation by DHSS and the concurrence of the WIAC. Additionally, should an emergency project arise to mitigate a public health need, and the project is not yet on the PPL, DHSS will elevate the project to NOI and review. A potential fundable project may proceed, so long as it is captured in the Annual Report and identified in the next available PPL.

As of June 2026, DHSS has not received any emergency project applications.

Ranking Criteria –

See 2026 **DWSRF Ranking Criteria,** EPA-approved changes attached as **Appendix C.**
The Ranking Criteria is outlined within the Operating Agreement.

Tie-breaking procedures

The project with the greatest number of points under the Quality Deficiencies will receive the higher ranking. If there is still a tie, the system with the greater population will receive the higher ranking, or, if the tie occurs with the same borrower, the borrower will be consulted before any decisions are made.

Subsidy Requirements

DHSS will meet minimum subsidy requirements by providing principal forgiveness or grants to: 1)

Communities identified as Disadvantaged; 2) the next most 'in need' communities as identified by the financial review and affordability criteria mentioned herein and based on project priority; and 3) applicants who meet the 2025 Additional Subsidy Provisions, Part 1) Congressional Additional Subsidy Authority Provisions. A community considered for the DWSRF Disadvantaged Community Program may receive additional subsidies to the extent that that subsidy is available and within the programmatic structure.

Disadvantaged Community (DAC) definition –
A disadvantaged community is one that:

1. Meets the Affordability Criteria; or
2. Is underserved; or
3. The project area is confined by and benefits specific census tracts where the unemployment rate is greater than or equal to 3.4% unemployed population of those greater than or equal to 16 years in the civilian labor force.

Affordability Criteria –

Income Data – 1.5 percent of MHI will be considered affordable for a single wastewater or drinking water residential user rates; 3.0 percent of MHI will be considered affordable for combined wastewater and drinking water residential user rates. Delaware's affordability criteria accounts for existing system costs relative to Operations and Maintenance (O&M) and Capital, as well as proposed project O&M and Capital costs as a function of MHI (1.5 percent water or wastewater, 3.0 percent if both services are provided) for the project area. MHI is based on the most recent census data for the municipality or county. DWSRF loan applicants whose MHI is not representative of the census data may be required to provide documentation to obtain principal forgiveness or additional subsidization. Documentation will be in the form of a representative income survey of the majority of the residents of the project area.

Underserved –

As defined in SDWA section 1459A (emphasis added): ''(2) INCLUSIONS.—The term 'underserved community' includes a political subdivision of a State that either, as determined by the Administrator— '(A) does not have household drinking water or wastewater services; or '(B) is served by a public water system that violates, or exceeds, as applicable, a requirement of a national primary drinking water regulation issued under section 1412, including— '(i) a maximum contaminant level; '(ii) a treatment technique; and '(iii) an action level."

Unemployment Data –

Nonpayment of residential wastewater and drinking water utility bills is normally directly associated with insufficient income and unemployment. Communities with a greater than or equal to 3.4% unemployed population, greater than or equal to 16 years in the civilian labor force, will be eligible for additional subsidy. Additional subsidy may be provided to the extent available.

In the PPL, you will find that borrowers may have been identified as DACs. If so, they will be demarcated using the identifier illustrated in **Figure 2**, which represents each of the three (3) components of the DAC definition.

Figure 2: DAC Identifiers on Project Priority List (PPL)

Disadvantaged Community Identifier
A = Affordability, pending final financial reviews
U = Underserved
C = Census Tract, pending final financial reviews

Each of the three (3) capitalization grants has additional subsidy (Ad Sub) requirements. In **Figure 3**, the anticipated totals are illustrated.

Figure 3: Anticipated Ad Sub totals

Additional Subsidy Name	Total
Emerging Contaminants (100% of total grant)	$7,857,000
Lead Service Line Replacement (49% of total grant)	$19,939,570
Supplemental DAC	$12,200,020
Base DAC	$3,827,250
Base Congressional	$1,530,900

Loan Projections

DHSS proposes to fund all projects listed on the PPL using federal and state funds, in addition to other sources, providing low-interest loans and grants to public water systems for infrastructure improvement projects.

- New commitments for SFY26 represents loans pending settlement or approval through SFY26. SFY27 represents the full FFY26 PPL and any prior PPL loans not yet approved. SFY27-28 are estimates.
- Capitalization Grant Payments for SFY25 include the remaining balances from SFY24 Grants received. SFY26-27 are assumed at SFY25 level. SFY28 represents only Base Capitalization Grant t pre SFY22 level.
- 80% of portfolio is traditional with a 20-year term at 2%, and 20% of portfolio is small community with a 30-year term at 1%.
- Principal forgiveness of $84 Million has been committed and is assumed at the minimum requirement amounts of the Cap Grant in future years.
- Assumes a $5 Million minimum cash balance.

The Delaware DWSRF FOCUS Model, in **Figure 4**, illustrates the ability of the program to fund projects beyond the capacity of federal Capitalization Grant awards.

Delaware DWSRF FOCUS Model

Financing and Cash Flow Utilization in the SRF

Version: February 28, 2025

Summary

State Fiscal Year	2025	2026	2027	2028
New Commitments	$36,260,844	$116,407,998	$70,000,000	$70,000,000
Disbursements including Loans in Construction	$77,197,403	$121,043,232	$85,487,887	$70,242,108
Loan Repayments	$11,023,496	$15,356,640	$16,810,450	$16,380,814
Capitalization Grant Payments	$113,262,093	$66,181,000	$66,181,000	$8,000,000
State Match	$5,529,200	$5,529,200	$5,529,200	$1,600,000
End of Year Cash Balance	$155,547,902	$110,808,715	$93,325,367	$46,584,074

Other Program Information

Interest Rate Policy – Effective September 2024. - Appendix E

On June 26, 2024, the Water Infrastructure Advisory Council ("WIAC") reviewed, provided input, and voted to recommend the Delaware Water Pollution Control Revolving Fund ("WPCRF or CWSRF") and the Delaware Safe Drinking Water State Revolving Fund ("DWSRF") annual interest rate policy revision for the interest rate change effective 9/1/2024, as follows:

The WIAC recommends changing the current interest and fee rates during the disbursement period of the loan (known as interest/fee during construction) from 2.0% to 0.0% for both new and existing loans in a disbursement status.

The following conditions applied to this change:

- The policy will be in effect until the receipt of the last Infrastructure Investment and Jobs Act ("IIJA") Grants or until the programs decide it necessary to change.
- These effects of the interest change will be monitored. Any significant financial impacts will be reported, and the policy will be revised as necessary.
- Should the disbursement ratios not improve as a result of this change, the policy will be revisited.
- All existing Bonds securing the loans will be amended allowing for the interest rate change with no cost to the Borrowers.

All other portions of the interest rate policy will remain the same as follows and apply to the amortization period of the loan:

The size and complexity of the CWSRF and DWSRF underscore the need to routinely analyze and track financial conditions and periodically evaluate various Fund management options.
Such an analysis was recently completed by our financial management analysts in consultation with the State's financial advisory consultant, PFM, LLC.

For the purpose of this policy, loan documents shall set forth provisions for the borrower to pay to the Department on the principal amount drawn down and outstanding from the date(s) drawn, interest and an administrative fee (collectively, interest and the administrative fee are referred to as "Fee" in the loan documents).

The payments of principal and interest are deposited into the CWSRF and DWSRF respectively. The administrative fee is deposited separately into the CWSRF or DWSRF Non- Federal Administrative Account ("NFAA"), respectively, to support each of the SRF's program expenses, wastewater and drinking water quality related expenses, and innovative wastewater and drinking water quality programs. Funds within the respective NFAAs are accounted for separately from the CWSRF and DWSRF Capital Reserve Loan Funds. Each NFAA complies with EPA's Guidance on Fees Charged on CWSRF and DWSRF loans.

The following criteria, interest rates and administrative fees apply to new public,

private/public use, investor-owned, and private/private use CWSRF and DWSRF loan applications presented for approval effective 9/1/2024 as well as all current loans in a disbursement status, until this policy is revised.

Criteria for Setting Interest Rates and Administrative Fees (1):

- Interest plus fee rates shall be set at 2.0 percent per annum.
- Administrative Fees shall be set at 50 percent the overall interest rate.
- Interest plus fee rates for all Lead Service Line Replacement loans shall be set at 0.0 percent per annum.
- A lower interest rate may be made available based on projected residential user rates as a percentage of Median Household Income (MHI) above 1.5 percent for a single wastewater or drinking water provided utility, and 3.0 percent for a combined wastewater and drinking water provided utility, only after other alternatives such as extended repayment terms, principal forgiveness or supplemental grants are exhausted.
- Should any municipal applicant demonstrate that the municipal bond rate available to its organization is lower than the collective interest rate and administrative fee set by this policy, then DNREC may match the lower bond rate by adjusting the interest rate.
- Should US Tax Reform (or other regulatory changes) have an impact on the pricing of tax- exempt bonds and their relative value to taxable bonds, this policy will be reviewed and adjusted.

Administrative Accountability and Annual Review Requirements:

- No less frequently than annually, Environmental Finance will perform a financial review of the CWSRF and DWSRF loan portfolios and make any changes to assure efficient use of funds and their perpetuity. This review shall consider factors such as the water quality and public health priorities, demand for financial assistance, availability and financial benefit of other assistance programs, state funding priorities, demographics and affordability and current market conditions.
- Environmental Finance will use financial modeling to understand how different loan terms and project types may impact the long-term growth of the CWSRF and DWSRF.

The NFAA will support DNREC EF Full Time Employee (FTEs), DHSS FTEs, Matching Planning Grants, Asset Management Grants, DHSS Laboratory supplies, water testing equipment, and contractual water testing.

Possible DWSRF Administrative Loan Fees

DWSRF Administrative Loan Fees have been waived for the 2026 PPL/applicants.

Leveraging

DHSS does not anticipate the need to reserve the right to transfer Capitalization Grant and loan repayment monies between the State's Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund programs, as necessary to ensure the full utilization of the federal assistance during this grant year.

State Match

The State Match for both the base and supplemental capitalization grants will be made using State of Delaware Bond Bill funds.

Cash Draw Ratio

As it relates to proportionality for cash draws, note that DHSS will draw the entire state match for infrastructure projects and then move on to the federal grant funds.

Cross Collateralization between SRF programs—Transfer Use

As of June 13, 2025, there is $32,460,211 available for drinking water project loans and current loan disbursement. This 'transfer back' to the DWSRF may begin in calendar year 2025 and will be on a case-by-case basis as needed. DHSS will coordinate with DNREC to receive regular account summaries. Those summaries will be reported in the next corresponding Annual Report.

Cross Collateralization between SRF programs

In FFY12 the DWSRF program transferred $27,050,176 in Federal funds and $5,410,035 in State funds to the CWSRF program. Of this, $1,298,408 was used for administrative costs (4%). This leaves $31,161,803 available for project loans.

It is the understanding between both DNREC and DHSS that these funds will be made available back to DHSS for payments on existing loans and to make additional loans when needed by the DWSRF program on a cash flow basis.

Funds for both new and existing DWSRF loans will be used in the following order: first from the Federal capitalization grants, second from the DWSRF repayment & interest fund, then when these funds are exhausted, from the previously transferred funds to the CWSRF program.

To date, no funds have been transferred back to the DWSRF program. DHSS reserves the right to transfer additional funds between the programs if needed.

DWSRF Coordination of funding priorities with State Drinking Water Enforcement Agency

The DWSRF program coordinates with the Office of Drinking Water by performing a Capacity Development review and by collaborating throughout the year to offer technical assistance to systems that are on Public Notice.

Davis-Bacon Compliance

DHSS agrees to comply with Davis-Bacon requirements as outlined in guidance distributed by EPA. Additionally. DHSS performs site inspections during construction.

Green Project Reserve

DHSS is not participating in the Green Project Reserve for 2026, as it is not in federal grant requirements. DHSS will continue to use the upcoming year to learn more about this initiative and its benefits to borrowers.

DHSS will support engagement with a green energy consultant for feasibility studies and implementation plans to support categorically green drinking water projects.

Sustainability Policy Description Fix It First

DHSS does not fund projects that are primarily for growth. Applicants are encouraged to study existing infrastructure to determine the most critical needs and then base their DWSRF applications on those needs.

Capacity Development for Loan Applicants

The DWSRF program requires the Capacity Development Program, housed in the Office of Drinking Water, to review the Capacity Development portion of each full application, work with systems to increase technical, managerial, and financial capacity; ensure the creation and maintenance of asset management plans; and report any serious, outstanding problems to the DWSRF program so that they may be addressed before loan closing.

Asset Management

DHSS will continue to require Asset Management Plans (AMPs) for DWSRF consideration and financial support. To date, more than 21 systems have started an AMP. The NFAA has funded the AMP Grant program. The maximum grant amount is $100,000. The long-term goal is to have the Capacity Development program review submitted AMPs as a new initiative.

Davis-Bacon Act Participation

All DWSRF-assisted project capitalization grants and state match funds will conform to Davis-Bacon wage determinations, wages, and activities as outlined by EPA. Borrowers must document and demonstrate efforts consistent with federal regulations.

Efficient Expenditure

- Loans- the DWSRF program will use a "First in-First Out" approach when making loan payments.
- The DWSRF program will follow the Safe Drinking Water Act's requirement at 42 U.S. Code §300j-12(g)(3) and EPA's regulations at 40 CFR §35.3550(l), by committing to expend all funds as efficiently as possible and in an expeditious and timely manner. The DWSRF program will reduce, if not eliminate, its unliquidated obligations (ULO) and expedite cash draws. The DWSRF program will draw capitalization grant funds using the state's oldest open grant.
- Set-Asides- the DWSRF program will prepare one-year set-aside budgets. During the second year of the grant, the program will review expenditures and re-budget set-aside funds for additional set-aside work or project loans per EPA approval. All funds will be expended by the end of the third year of the grant.
- See **Appendix F –** Timely and Expeditious Use Plan that was updated in FFY24.

Project Management

DHSS designates all loans to the requirements of Single Audits, DBE, Crosscutters (e.g., Civil Rights Act Title VI), Davis Bacon, Federal Funding Accountability and Transparency Act (FFATA), and BABA.

Reporting

DHSS will make all efforts to report all applicable information to: FFATA, Projects Benefits, Reports, and the Office of Water State Revolving Fund (OWSRF) portal in

accordance with applicable due dates set forth by EPA.

Ag Strategy

Please refer to the 15% Supplemental Capitalization Grant Set-Aside for information on the Cover Crop Program to learn how DHSS DWSRF Administration is meeting EPA's Ag Strategy recommendations.

Sources and Uses

See **Table 1** below illustrating the Sources and Uses of the DWSRF fund, including open grants, appropriations being applied for, match, repayments, and fee income.

DWSRF SFY 27 Sources:

Projected Fund Balance at 6/30/2026	$	235,785,385
Base Cap Grant*	$	10,935,000
Base Cap Grant State Match*	$	2,187,000
Supplemental Cap Grant*	$	24,898,000
Supplemental Cap Grant State Match*	$	4,979,600
Lead Cap Grant*	$	40,693,000
Emerging Contaminants Cap Grant*	$	7,857,000
Projected Repayments to the Fund	$	10,542,849
Projected Investment Income	$	3,000,000
Total Sources for SFY 27:	**$**	**340,877,834**

DWSRF SFY 27 Uses:

Undisbursed Loan Commitments	$	162,741,432
New Loan Commitments included New PPL	$	155,367,522
2% Technical Assistance*	$	1,468,960
4% Administration**	$	2,937,920
10% Program Management*	$	7,344,800
15% Local Assistance*	$	11,017,200
Total Uses for SFY 27:	**$**	**340,877,834**
Net Sources & Uses SFY26	**$**	**-**

*Estimated using SFY26 Amounts

**Estimated using SFY26 Amounts, excluding Base Award = 100% Projects for Construction

In consideration of projects for construction, the DWSRF program will prepare one-year budgets utilizing applications received during the program's solicitation of NOIs. If the sources exceed the uses, the program may pursue additional solicitation for projects each year. The program anticipates entering signed final loan agreements within one year of the award of the Capitalization Agreements. All funds will be expended expeditiously and by the end of the project period for the award.

Set-Aside Activities

The SDWA allows states to use part of the Capitalization grant to support Set-Aside activities. Up to 31% of each Capitalization grant may be used for Set-Aside activities.

Delaware reserves its authority to apply the remaining 2%, 4%, and 10% set-asides from prior Base Grants to future capitalization grants. Delaware also reserves its authority to bank the 2%, 4%, and 10% set-asides from future Infrastructure Investment and Jobs Act ("IIJA") - Supplemental, Emerging Contaminants, and LSL Replacement Grants. The figure below illustrates Delaware's reserve set-asides.

DWSRF Set-Aside Reserve Amount

Delaware Grants	2022 Allotment	2022 Request	2022 Reserve	2023 Allotment	2023 Request	2023 Reserve	2024 Allotment	2024 Request	2024 Reserve	2025 Allotment	2025 Request	2025 Reserve	2026 Allotment	2026 Request	2026 Reserve	Total Reserve
Base	$7,008,000			$5,037,000			$4,661,000			$10,935,000			$10,935,000			
2%	$140,160	$137,332	$2,828	$100,740	$0	$100,740	$93,220	$0	$93,220	$218,700	$0	$218,700	$218,700	$218,700	$0	$415,488
4%	$280,320	$263,247	$17,073	$201,480	$0	$201,480	$186,440	$0	$186,440	$437,400	$0	$437,400	$437,400	$437,400	$0	$842,393
10%	$700,800	$662,925	$37,875	$503,700	$0	$503,700	$466,100	$0	$466,100	$1,093,500	$0	$1,093,500	$1,093,500	$1,093,500	$0	$2,101,175
15%	$1,051,200	$936,362	$0	$755,550	$0	$0	$699,150	$0	$0	$1,640,250	$0	$0	$1,640,250	$1,640,250	$0	$0
Projects	$4,835,520	$5,008,134	$0	$3,475,530	$5,037,000	$0	$3,216,090	$4,661,000	$0	$7,545,150	$10,935,000	$0	$7,545,150	$7,545,150	$0	$0
Subtotals	**$7,008,000**	**$7,008,000**	**$57,776**	**$5,037,000**	**$5,037,000**	**$805,920**	**$4,661,000**	**$4,661,000**	**$745,760**	**$10,935,000**	**$10,935,000**	**$1,749,600**	**$10,935,000**	**$10,935,000**	**$0**	**$3,359,056**
Supplemental	$17,992,000			$21,055,000			$22,985,000			$24,898,000			$24,898,000			
2%	$359,840	$79,195	$280,645	$421,100	$262,485	$158,615	$459,700	$459,700	$0	$497,960	$263,675	$234,285	$497,960	$497,960	$0	$673,545
4%	$719,680	$416,849	$302,831	$842,200	$794,099	$48,101	$919,400	$794,083	$125,317	$995,920	$995,920	$0	$995,920	$995,920	$0	$476,249
10%	$1,799,200	$363,202	$1,435,998	$2,105,500	$1,197,325	$908,175	$2,298,500	$1,912,093	$386,407	$2,489,800	$2,389,901	$99,899	$2,489,800	$2,489,800	$0	$2,830,479
15%	$2,698,800	$1,183,453	$0	$3,158,250	$2,637,607	$0	$3,447,750	$2,701,980	$0	$3,734,700	$3,035,217	$0	$3,734,700	$3,734,700	$0	$0
Projects	$12,414,480	$15,949,301	$0	$14,527,950	$16,163,484	$0	$15,859,650	$17,117,136	$0	$17,179,620	$18,213,287	$0	$17,179,620	$17,179,620	$0	$0
Subtotals	**$17,992,000**	**$17,992,000**	**$2,019,474**	**$21,055,000**	**$21,055,000**	**$1,114,891**	**$22,985,000**	**$22,985,000**	**$511,724**	**$24,898,000**	**$24,898,000**	**$334,184**	**$24,898,000**	**$24,898,000**	**$0**	**$3,980,273**
Lead Service Lines	$28,350,000			$28,650,000			$30,845,000			$40,693,000						
2%	$567,000	$292,290	$274,710	$573,000	$75,214	$497,786	$616,900	$1,244,182	($627,282)	$813,860	$813,860	$0	$0	$0	$0	$145,214
4%	$1,134,000	$170,379	$963,621	$1,146,000	$1,121,736	$24,264	$1,233,800	$1,328,511	($94,711)	$1,627,720	$1,627,720	$0	$0	$0	$0	$893,174
10%	$2,835,000	$0	$2,835,000	$2,865,000	$0	$2,865,000	$3,084,500	$6,339,500	($3,255,000)	$4,069,300	$4,069,300	$0	$0	$0	$0	$2,445,000
15%	$4,252,500	$0	$0	$4,297,500	$0	$0	$4,626,750	$4,362,500	$0	$6,103,950	$6,103,950	$0	$0	$0	$0	$0
Projects	$19,561,500	$27,887,331	$0	$19,768,500	$27,453,050	$0	$21,283,050	$17,570,307	$0	$28,078,170	$28,078,170	$0	$0	$0	$0	$0
Subtotals	**$28,350,000**	**$28,350,000**	**$4,073,331**	**$28,650,000**	**$28,650,000**	**$3,387,050**	**$30,845,000**	**$30,845,000**	**-$3,976,993**	**$40,693,000**	**$40,693,000**	**$0**	**$0**	**$0**	**$0**	**$3,483,388**
Emerging Contaminants	$7,555,000			$7,640,000			$7,690,000			$7,857,000			$7,857,000			
2%	$151,100	$78,000	$73,100	$152,800	$0	$152,800	$153,800	$0	$153,800	$157,140	$0	$157,140	$157,140	$0	$157,140	$693,980
4%	$302,200	$148,426	$153,774	$305,600	$146,015	$159,585	$307,600	$138,784	$168,816	$314,280	$314,280	$0	$314,280	$314,280	$0	$482,175
10%	$755,500	$0	$755,500	$764,000	$0	$764,000	$769,000	$0	$769,000	$785,700	$0	$785,700	$785,700	$0	$785,700	$3,859,900
15%	$1,133,250	$950,000	$0	$1,146,000	$0	$0	$1,153,500	$0	$0	$1,178,550	$0	$0	$1,178,550	$0	$0	$0
Projects	$5,212,950	$6,378,574	$0	$5,271,600	$7,493,985	$0	$5,306,100	$7,551,216	$0	$5,421,330	$7,542,720	$0	$5,421,330	$7,542,720	$0	$0
Subtotals	**$7,555,000**	**$7,555,000**	**$982,374**	**$7,640,000**	**$7,640,000**	**$1,076,385**	**$7,690,000**	**$7,690,000**	**$1,091,616**	**$7,857,000**	**$7,857,000**	**$942,840**	**$7,857,000**	**$7,857,000**	**$942,840**	**$5,036,055**
GRAND	**$60,905,000**	**$60,905,000**	**$7,132,955**	**$62,382,000**	**$62,382,000**	**$6,384,246**	**$66,181,000**	**$66,181,000**	**($1,627,893)**	**$84,383,000**	**$84,383,000**	**$3,026,624**	**$43,690,000**	**$43,690,000**	**$942,840**	**$15,858,772**

See all Set Aside Work Plans as **Appendix D.**

Base Capitalization Grant Set-Asides

DWSRF is not using the Base Capitalization Grant to fund Set-Aside activities. The Base Capitalization Grant will be used to fund projects.

IIJA Supplemental Capitalization Grant Set-Asides

Small Systems Technical Assistance (2% Supplemental)

The 2% Supplemental Set-Asides will fund the required program audits, the salaries, fringe benefits, travel, supplies, contractual services, health insurance, indirect and other personnel charges of Delaware Technical Community College (DTCC), and Eastern Research Group Inc. (ERG). The 2% will also fund a DWSRF Program Planner II, who will assist public water systems serving less than 10,000 people and provide Technical Assistance geared towards supporting community water systems and municipal water systems in the State of Delaware to ensure that they meet national drinking water safety standards, thus promoting higher standards of health for Delawareans.

DTCC Workforce Development

To ensure accessibility for all interested water operators, DTCC's Environmental Training Center (ETC) offers flexible training sessions for water certification, accommodating a range of schedules and class sizes. The college provides base-level water courses, continuing education courses, endorsement courses, limited license, and sub-endorsement courses twice a semester. This structure allows operators to pursue certification at their convenience while meeting the demands of their work schedules. In collaboration with state agencies, DTCC ensures training aligns with industry standards and regulatory requirements and will provide training to public water systems serving less than 10,000 people.

ERG Education on Drinking Water

ERG will provide training on PFAS, PFOS, and Emerging Contaminants, consisting of six virtual and three in-person sessions. This training will target water operators of small and medium-sized drinking water systems serving 10,000 or fewer persons. Assist small systems through contractor personnel.

ERG Infrastructure Needs Development

ERG will assist small water systems with infrastructure planning. ERG proposes a structured, practical approach to helping small drinking water systems serving up to 3,300 people assess their infrastructure needs and develop long-term capital planning strategies. ERG will provide guided asset management support, capital improvement planning, and project implementation readiness support, delivered through a mix of remote and in-person engagements tailored to each system's capacity and needs. As part of infrastructure assessments, ERG helps systems plan for treatment upgrades tied to new regulatory drivers, including those related to PFAS and other emerging contaminants.

ERG Building Technical, Managerial and Financial (TMF) Capacity

ERG will support the long-term sustainability of Delaware's small public water systems. ERG will deliver three in-person, one-day workshops annually, focused on infrastructure funding options. ERG will tailor these workshops to systems serving 10,000 people or fewer and design them to build practical capacity in navigating SRF processes, aligning infrastructure planning with funding opportunities, and addressing documentation requirements.

DWSRF Program Administration (4% Supplemental)

The 4% Supplemental Set-Asides will be used to fund required program audits, salaries, fringe benefits, supplies, travel, contractual services, indirect and other personnel charges of DHSS DWSRF FTEs.

State Program Management (10% Supplemental)

The 10% Supplemental Set-Asides will be used to fund the salaries, fringe benefits, travel, supplies, contractual services, indirect, and other personnel charges of DHSS Delaware Public Health Laboratory (DPHL), and Office of Drinking Water (ODW).

Public Water Supply Supervision (PWSS)

- Monitor, track, and report compliance for Public Water Systems.
- Develop a plan for private drinking water labs to submit their drinking water sample results electronically.
- Ensure public water systems that are required to have a licensed water operator do so, either by directly employing an operator or by contracting with an operator.
- Continue to utilize EPA reporting under the Enforcement Response Policy and Enforcement Tracking Tool (ETT).
- Facilitate posting of all relevant public water systems information and sample results to Delaware's Drinking Water Watch public-facing webpage.
- Determine progress with the cross-connection control plan development necessary to ensure compliance at or before the compliance deadline, development of asset management plans, lead service line inventories, and awareness of PFAS Drinking Water MCL development.
- Build LCR resiliency within the PWSS Program.
- Faster response to issues related to SDWIS.

ODW Operator Certification

- Monitor, track, and report water operator licensures.
- Communicate with operators to provide assistance, training opportunities, industry and regulatory updates, and other information pertinent to drinking water.
- Expand regulatory-related training to water operators by ODW staff, including greater online training opportunities.
- Provide administrative review and processing of water operator license renewals.
- Provide support and proctoring assistance to DTCC for Drinking Water Operator examinations.

Delaware Public Health Laboratory (DPHL)

- Continue analyzing samples for the presence of Legionella.
- Purchase supplies and reagents to maintain higher levels of operational efficiencies and cost-effectiveness.
- Crosstrain for continuity of operations in the event of emergencies, including flooding
- and other weather-related events.
- Continue to perform audits for the certification of drinking water testing laboratories within Delaware.
- Continue to perform in-house testing to include test samples for chemical analysis and

bacteriological analysis.

Local Assistance and Other State Programs (15% Supplemental)

The 15% Supplemental Set-Asides will be used to fund the salaries, fringe benefits, travel, supplies, equipment, contractual services, indirect and other personnel charges of DHSS Office of Drinking Water, Office of Engineering, and Environmental Hazards and Toxicology. The 15% Set Aside will also fund DTCC and ERG.

ODW Capacity Development

- Track and identify trends in TMF capacity for all Delaware public water systems triennially.
- Assist new community water systems (CWSs) and non-transient non-community water systems (NTNCWSs) to prepare Lead and Copper Rule (LCR) compliant sampling plans upon activation as a public water system and provide assistance to achieve compliance with Lead and Copper Rule Revisions.
- Maintain increased educational efforts to prospective new systems so that initial operations are not impeded by non-compliance.
- Assist new CWSs and NTNCWs to be compliant with the SDWA for their three-year term as a new PWS in Delaware.
- Encourage and assist PWSs to develop and implement asset management plans that include best practices for asset management as required by America's Water Infrastructure Act (AWIA).

DTCC Operator Certification Proctoring

Testing for the operator certifications will take place twice a year (January/June).
The DTCC ETC will provide trained personnel to administer and proctor the certification examinations.
DTCC will also collect and grade all examinations and analyze each level of test by tracking all incorrect answers given to further validate water examinations and provide graded examinations and analyzed answers to DHSS staff.

ERG Public Awareness and Outreach on Water Issues

ERG will support DHSS and public water systems across the State of Delaware in increasing public access to accurate, understandable, and actionable information about drinking water and public health. ERG is prepared to create a range of materials to accommodate a range of needs.

IIJA Emerging Contaminants Capitalization Grant

Small Systems Technical Assistance (2% Emerging Contaminants)

This Emerging Contaminants set-aside will not be used for Set-Aside activities.

Program Administration (4% Emerging Contaminants)

DWSRF Program Administration

The 4% Emerging Contaminants Set-Asides will be used to fund the salaries, fringe benefits, contractual, travel, supplies, other personnel, and indirect costs of DHSS Environmental Hazards and Toxicology, and the Office of Engineering FTEs.

State Program Management (10% Emerging Contaminants)

The 10% Emerging Contaminants Set-Asides will be used to fund contractual services within the DHSS Division of Public Health Laboratory (DPHL).

Local Assistance and Other State Programs (15% Emerging Contaminants)

The 15% Emerging Contaminants Set-Asides will be used to fund contractual services within the DHSS Office of Drinking Water (ODW).

Lead Service Line Replacement BIL Capitalization Grant

Small Systems Technical Assistance (2% Lead Service Line Replacement)

The DWSRF Program will not be utilizing the 2% Lead Service Line Replacement Set-Asides to fund Set-Aside activities.

Program Administration (4% Lead Service Line Replacement)

DWSRF Program Administration

The 4% LSLR Set-Asides will be used to fund the salaries, fringe benefits, contractual, supplies, equipment, other, and indirect costs of Delaware DWSRF, Environmental Hazards and Toxicology, and Office of Engineering FTEs.

State Program Management (10% Lead Service Line Replacement)

DWSRF Program Management

The DWSRF Program will not be utilizing the 10% Lead Service Line Replacement Set-Asides to fund Set-Aside activities.

Local Assistance and Other State Programs (15% Lead Service Line Replacement)

DWSRF Local Assistance

The 15% Lead Service Line Replacement Set-Asides will be used to fund contractual services within the DHSS Office of Drinking Water (ODW). This Set Aside will also fund the 120Water Subscription/Awarded Vendor Lead Database subscription for Lead Service Line Inventory (LSLI) data collection to remain in compliance with the Lead and Copper Rule (LCR)/Lead and Copper Rule Revisions (LCRR)/Lead and Copper Rule Improvements (LCRI).

Public Review

A virtual public meeting was held on March 25, 2026, in which this IUP will be presented before the Delaware Water Infrastructure Advisory Council (WIAC) and public stakeholders. DHSS posted the Fundable PPL and IUP online for public comment for 30 days. DHSS received ~~one~~ public comment. DHSS advised the EPA when the comment period occurred and will share any meaningful public comments that are received. Visit this page for details of the WIAC meeting: https://dnrec.alpha.delaware.gov/events/water-infrastructure-advisory-council-16/.

The IUP and associated documents were available for public review and comment through April 24, 2026.

Delaware Division of Public Health Drinking Water State Revolving Fund
2026 Comprehensive/Fundable Project Priority List

PWSID #	Population Served	Fundable Project Name	Project Description	Amount	DAC - A, U, C?	Total Points	Funding Appropriation	Financing	Terms	Anticipated Subsidy
DE0000260	72	Fishhook MPH/Briggs Family Ent	The proposed project would interconnect the Fishhook MHP distribution system with a nearby public water system owned and operated by Artesian Water. The current CPCN area served by Artesian water is approximately 0.8 miles away from the Fishhook MHP. A 4 or 6 inch water main would be run between the two systems, and initially a master meter approach would be taken with a single meter at the entrance to the Fishhook MHP to supply potable water. Future decisions on complete turnover of the system ownership to Artesian would be discussed along with individual customer metering.	$ 1,700,000.00	C	595	Supp	2%	20 years	Supplemental
DE0000272	108	Shady Oak DE LLC	The proposed project will include the construction of a new water treatment building and two new production wells. The new facility will include ion exchange or filtration-based treatment, disinfection with adequate contact time, pH adjustment, electrical system, remote monitoring and control system, emergency power generation, and well-head protection. Wells will be relocated to the rear of the property near a forested buffer away from public visibility. Wellheads will be outfitted with security measures.	$ 850,000.00	U, C	555	Supp	2%	20 years	Supplemental
DE0000221	41000	Bethany Bay Water Treatment Facility	The Bethany Bay WTP Improvement Project is currently 90% complete in the design phase, with final permit approvals in progress. Tidewater Utilities, Inc. applied for Drinking Water State Revolving Fund (DWSRF) financing in 2023 during the project's preliminary planning stage and was awarded $2,300,000 in loan funding. As the project advanced, additional investigations-including hydrogeologic analysis and expanded water quality testing-identified the need to enhance the treatment approach to address elevated contaminant levels in the raw water supply. Consequently, the final design was expanded to incorporate additional treatment processes and improve overall system performance, as described above. Based on the completed design, the total estimated project cost is now $9,900,000, which exceeds the original estimate.	$ 7,600,000.00		540	Base	2%	20 years	
DE0000602	3227	Pilot Point Lead Abatement	This project consists of replacing the existing water main with a new 8" PVC water main. The distribution pipes are approximately 52 years old and are cast iron. In addition to the water main replacement work, the project will replace approximately 60 lead house service pipes. The design plans for this neighborhood explicitly call out lead service lines from the main to the meter pit. The project will install approximately 1,870 feet of 8-inch water main (connected into the existing distribution system on Cape Henlopen Drive, Tennessee Avenue, and Texas Avenue), approximately 3,240 feet of water service piping will be replaced with polyethylene piping, four fire hydrants, five valves of various sizes, and 60 new services and meter pits to residences.	$ 1,573,000.00		535	Supp	2%	20 years	
DE0000630	40000	Water Main Replacement	This project involves either replacing mains or lining the interior to minimize main breaks, improve water quality, and improve fire flow. Any water main replacement will also address fire hydrant replacement and any lead or galvanized services that may be found.	$ 2,000,000.00	C	480	Supp	2%	20 years	Supplemental
DE0000610	425	North Main Street Watermain and Lead Service Line Replacement	This project will remediate the potential of lead within the distribution system by replacing aging water service lines that are known to have lead gooseneck distribution main connections and fire hydrants containing lead components.	$ 1,830,000.00	C	455	LSLR	0%	20 years	LSLR
DE0000587	1100	Frederica Road Elevated Water Storage	The Town of Frederica is proposing a project to construct a new elevated water storage on the east side of the Murderkill River for additional system storage capacity and storage availability for the eastern water distribution system.	$ 4,874,000.00	C	425	Supp	2%	20 years	Supplemental
DE0000663	107976	Water Distribution and Transmission Improvements – Lead Removal 2026	This project consists of investigation and replacement of service lines, replacement of an undersized water main of age (>75 years of service), water service lines connected to the main, fire hydrants connected to the main, and full-width lane replacement as roadway surface restoration.	$ 13,000,000.00	A, C	395	LSLR	0%	20 years	LSLR
DE0000663	107976	Water Distribution and Transmission Improvements – Lead Removal 2026 (LSL)	This project consists of investigation and replacement of service lines, replacement of an undersized water main of age (>75 years of service), water service lines connected to the main, fire hydrants connected to the main, and full-width lane replacement as roadway surface restoration.	$ 10,000,000.00	A, C	395	LSLR	0%	20 years	LSLR

Delaware Division of Public Health Drinking Water State Revolving Fund 2026
Comprehensive/Fundable Project Priority List (cont.)

PWSID #	Population Served	Fundable Project Name	Project Description	Amount	DAC - A, U, C?	Total Points	Funding Appropriation	Financing	Terms	Anticipated Subsidy
DE0000630	40000	Lead Service Line Identification and Replacement	This project proposes to address the identification and replacement of lead service lines and fittings within our system. A consultant will compile City data along with a systematic approach to identifying possible lead service lines and recommend an approach to replacing the identified lines. Field investigation is included for confirmation of assumptions made through the identification process. This is a continuation of a current SRF project with a loan that closed in 2025.	$ 1,000,000.00	C	330	LSLR	0%	20 years	LSLR
DE0000597	3984	Central Avenue Lead Service Line Replacement Project	This project will address known and suspected lead service components associated with an existing water main segment serving residential properties along Central Avenue. The estimated number of services to be replaced is 34. The Town will fully replace the existing galvanized water services and any associated lead goosenecks with new PVC SDR-9 service lines, extending from the water main to the building connection, as applicable. This project will result in the permanent removal of lead-bearing materials from the distribution system in the project area, reduce the potential for lead release into drinking water, and improve overall system reliability.	$ 1,077,959.00	A, C	330	Supp/LSLR	2%	20 years	LSLR
DE0000602	3227	Pilottown Road - Transite Replacement	The project will install approximately 2,100 feet of 8-inch PVC water main on Pilottown Road from Canary Creek to Saint Peter's Episcopal Cemetery, install three 8-inch gate valves, and two fire hydrants with 6-inch valves and 6-inch leads. The existing water main in this area is composed of transite pipes, and records are unclear on the installation date. The existing water main varies between inside the paved road and in the grassy areas that run parallel to Pilottown Road. This project will eliminate the transite pipe.	$ 1,625,000.00		330	Supp	2%	20 years	
DE0000597	3984	West Laurel (Green St., Gibson Ave., Crockett Ave., & Webb Ave.) Water Main Replacement	The proposed project consists of upgrading existing water distribution infrastructure in the West Laurel area along Green Street, Gibson Avenue, Crockett Avenue, and Bell Avenue. The current system is served by aging 2-inch diameter water mains, which are undersized relative to modern design standards and are inadequate to reliably meet operational fire protection demands. This project will replace the existing 2-inch mains with new 6-inch diameter water mains, along with the installation of new isolation valves and fire hydrants, to improve system performance, public health protection, and fire safety. The existing 2-inch mains significantly restrict hydraulic capacity, resulting in pressure fluctuations during peak demand periods, and can lead to insufficient flow for emergency fire suppression. These conditions pose risks to public safety and limit operational flexibility. The proposed water main improvements will address existing and potential public health risks associated with distribution system quality deficiencies by correcting hydraulic limitations that contribute to water quality instability. The existing 2-inch mains restrict flow and can result in low or fluctuating system pressures, increasing the risk of contaminant intrusion during pressure loss events. Replacing the undersized mains with 6-inch water mains and installing new isolation valves will improve circulation, allow for effective routine flushing, and reduce the frequency and extent of depressurization during maintenance or emergency repairs. Collectively, these improvements strengthen distribution system integrity and enhance the system's ability to maintain reliable compliance performance, thereby providing a direct and lasting public health benefit to the community served.	$ 2,020,220.00	A, C	320	Supp	2%	20 years	Supplemental
DE0000587	1100	Frederica Road Water Main Extension	The Town of Frederica is proposing a project to extend the existing water main on the east side of the Murderkill River to a proposed water storage tank site for system storage capacity and storage availability for the eastern water distribution system.	$ 1,425,000.00	C	315	Supp	2%	20 years	Supplemental
DE0000663	107976	Emerging Contaminant/PFAS Treatment Upgrades at Wilmington 2026	This project will install PFAS removal equipment from the City's source at the Porter Plant primarily through GAC (granular activated carbon) contactors. This project includes the following major components: Construction of GAC contactors/log removal improvements in the new PFAS Treatment Facility, pumping-related equipment/components, electrical-related components, piping and valving related components, structural building additions and/or modifications, Centralized Chemical Storage and Feed Facility, SCADA/automation related programming, computer generated reporting, and all physical hardware components, and the installation of water quality testing instrumentation and laboratory, including lab-related equipment.	$ 30,000,000.00	A, C	305	EC	2%	20 years	EC

Delaware Division of Public Health Drinking Water State Revolving Fund 2026
Comprehensive/Fundable Project Priority List (cont.)

PWSID #	Population Served	Fundable Project Name	Project Description	Amount	DAC - A, U, C?	Total Points	Funding Appropriation	Financing	Terms	Anticipated Subsidy
DE0000246	6699	Lead Service Line Inventory/Replacement	The proposed project will investigate and complete test pits to identify all unknown service line material on both the publicly owned service and the privately owned service. In addition to the testing, this proposed project also aims to replace all the lead service lines to comply with the new EPA regulations regarding water service lines. There are approximately 12 known lead service lines.	$ 30,891,450.00	C	305	LSL/Supp/Base	0%	20 years	LSL
DE0000597	3984	Delaware Avenue Lead Service Line Replacement Project	The Town of Laurel proposes to undertake a Lead Service Line Replacement (LSLR) project along Delaware Avenue in Laurel, Delaware, as part of its ongoing efforts to eliminate lead-containing materials from the public drinking water system and to protect public health. This project will address known and suspected lead service components associated with an existing water main segment serving residential properties along Delaware Avenue. The estimated number of services to be replaced is 33. The Town has previously identified and replaced known lead gooseneck service connections on Oak Lane, Delaware Avenue, and 8th Street. Based on the age of the water main installation and historical construction practices, it is reasonable to believe that additional service connections along this corridor contain lead goosenecks that have not yet been identified. As part of this project, the Town will fully replace the existing galvanized water services and any associated lead goosenecks with new PVC SDR-9 service lines, extending from the water main to the building connection, as applicable. This project will result in the permanent removal of lead-bearing materials from the distribution system in the project area, reduce the potential for lead release into drinking water, and improve overall system reliability.	$ 1,130,228.00	A, C	300	Supp/LSLR	0%	20 years	Base
DE0000602	3227	Lead Service Line Inventory/Replacement	The proposed project will investigate and complete test pits to identify all unknown service line material on both the publicly owned service and the privately owned service. This project aims to replace all the lead service lines to comply with the new EPA regulations regarding water service lines. There are approximately 62 known lead service lines on the publicly owned side and 43 known lead service lines on the customer's side. The new system will eliminate lead services while providing a safer, more reliable water system.	$ 10,317,000.00		300	LSL	0%	20 years	
DE0000865	1200	Unknown Service Line Verification Project	The Town of Blades has determined there are 400 unknown service lines. The goal is to identify and verify by using the "predictive analysis" method. The project will identify unknown service line materials through visual and other EPA-approved methods. The purpose of this project is to verify "Unknown" Service Line material, identify Lead Service Lines for future removal, and remove any lead service lines. While at the meter pit verifying the service line, non-working meters will be replaced. The estimate of meters to be replaced is 250.	$ 100,000.00	C	285	LSL/Supp	0%	20 years	
DE0000654	3502	Water Treatment Facility Backwash Improvements	This project will provide the Town of Selbyville with improved backwash capabilities by providing backwash tanks to be used in conjunction with their existing iron removal filters. Currently, the Town's iron removal backwash discharges directly into an adjacent ditch, which ultimately flows to Maryland. By adding these backwash tanks and appurtenances, along with other minor piping within the older existing water treatment building, the Town will be able to remove the ditch discharge and discharge into a high-capacity pump station that will convey the backwash into tanks, which can then be slowly drained into an adjacent sanitary sewer for treatment and disposal at the Town's wastewater treatment plant.	$ 2,600,000.00	C	180	Supp	2%	20 years	Supp
				$ 125,613,857.00						

Summary/Key

Grant	Actual Project Requests	State Match for Projects	Anticipated Federal Award for Projects	Additional Subsidy Name	Anticipated Ad Sub Total
Lead Service Line Replacement (LSLR)	$64,308,450.00	$ -	$ 40,693,000.00	LSLR DAC	$19,939,570.00
Emerging Contaminants (EC)	$30,000,000.00	$ -	$ 7,857,000.00	EC	$ 7,857,000.00
Supplemental	$23,705,407.00	$ 4,979,600.00	$ 24,898,000.00	Supplemental DAC	$ 12,200,020.00
Base	$7,600,000.00	$ 2,187,000.00	$ 10,935,000.00	Base DAC	$ 3,827,250.00
	$125,613,857.00		$ 84,383,000.00	Base Congressional	$ 1,530,900.00
				Total Ad Sub	$ 45,354,740.00

Disadvantaged Community Identifier

*A = Affordability, pending final financial reviews
U = Underserved
C = Census Tract (unemployment), pending final financial reviews

Appendix B: Funding by Grant PPL

Delaware Division of Public Health Drinking Water State Revolving Fund 2026
Base Capitalization Grant Project Priority List

Ranking	Water System/Borrower	PWSID #	Population Served	Fundable Project Name	Project Description	Amount	DAC - A, U, C?	Total Points	Funding Appropriation	Financing	Terms	Anticipated Subsidy
3	Tidewater Utilities, Inc.	DE0000221	41000	Bethany Bay Water Treatment Facility	The Bethany Bay WTP Improvement Project is currently 90% complete in the design phase, with final permit approvals in progress. Tidewater Utilities, Inc. applied for Drinking Water State Revolving Fund (DWSRF) financing in 2023 during the project's preliminary planning stage and was awarded $2,300,000 in loan funding. As the project advanced, additional investigations-including hydrogeologic analysis and expanded water quality testing-identified the need to enhance the treatment approach to address elevated contaminant levels in the raw water supply. Consequently, the final design was expanded to incorporate additional treatment processes and improve overall system performance, as described above. Based on the completed design, the total estimated project cost is now $9,900,000, which exceeds the original estimate.	$ 7,600,000.00		540	Base	2%	20 years	
16	City of Seaford	DE0000246	6699	Lead Service Line Inventory/Replacement	The proposed project will investigate and complete test pits to identify all unknown service line material on both the publicly owned service and the privately owned service. In addition to the testing, this proposed project also aims to replace all the lead service lines to comply with the new EPA regulations regarding water service lines. There are approximately 12 known lead service lines.	$ 30,891,450.00	C	305	LSL/Supp/Base	0%	20 years	LSL
						$ 38,491,450.00						

Summary/Key
Disadvantaged Community Identifier
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C = Census Tract (unemployment), pending final financial reviews

Delaware Division of Public Health Drinking Water State Revolving Fund 2026
Supplemental Capitalization Grant Project Priority List

Ranking	Water System/Borrower	PWSID #	Population Served	Fundable Project Name	Project Description	Amount	DAC - A, U, C?	Total Points	Funding Appropriation	Financing	Terms	Anticipated Subsidy
1	EPA/DREC	DE0000260	72	Fishhook MPH/Briggs Family Ent	The proposed project would interconnect the Fishhook MHP distribution system with a nearby public water system owned and operated by Artesian Water. The current CPCN area served by Artesian water is approximately 0.8 miles away from the Fishhook MHP. A 4 or 6 inch water main would be run between the two systems, and initially a master meter approach would be taken with a single meter at the entrance to the Fishhook MHP to supply potable water. Future decisions on complete turnover of the system ownership to Artesian would be discussed along with individual customer metering.	$ 1,700,000.00	C	595	Supp	2%	20 years	Supplemental
2	Shady Oak DE LLC	DE0000272	108	Shady Oak DE LLC	The proposed project will include the construction of a new water treatment building and two new production wells. The new facility will include ion exchange or filtration-based treatment, disinfection with adequate contact time, pH adjustment, electrical system, remote monitoring and control system, emergency power generation, and well-head protection. Wells will be relocated to the rear of the property near a forested buffer away from public visibility. Wellheads will be outfitted with security measures.	$ 850,000.00	U, C	555	Supp	2%	20 years	Supplemental
4	Lewes Board of Public Works	DE0000602	3227	Pilot Point Lead Abatement	This project consists of replacing the existing water main with a new 8" PVC water main. The distribution pipes are approximately 52 years old and are cast iron. In addition to the water main replacement work, the project will replace approximately 60 lead house service pipes. The design plans for this neighborhood explicitly call out lead service lines from the main to the meter pit. The project will install approximately 1,870 feet of 8-inch water main (connected into the existing distribution system on Cape Henlopen Drive, Tennessee Avenue, and Texas Avenue), approximately 3,240 feet of water service piping will be replaced with polyethylene piping, four fire hydrants, five valves of various sizes, and 60 new services and meter pits to residences.	$ 1,573,000.00		535	Supp	2%	20 years	
5	City of Newark	DE0000630	40000	Water Main Replacement	This project involves either replacing mains or lining the interior to minimize main breaks, improve water quality, and improve fire flow. Any water main replacement will also address fire hydrant replacement and any lead or galvanized services that may be found.	$ 2,000,000.00	C	480	Supp	2%	20 years	Supplemental
7	Town of Frederica	DE0000587	1100	Frederica Road Elevated Water Storage	The Town of Frederica is proposing a project to construct a new elevated water storage on the east side of the Murderkill River for additional system storage capacity and storage availability for the eastern water distribution system.	$ 4,874,000.00	C	425	Supp	2%	20 years	Supplemental
11	Town of Laurel	DE0000597	3984	Central Avenue Lead Service Line Replacement Project	This project will address known and suspected lead service components associated with an existing water main segment serving residential properties along Central Avenue. The estimated number of services to be replaced is 34. The Town will fully replace the existing galvanized water services and any associated lead goosenecks with new PVC SDR-9 service lines, extending from the water main to the building connection, as applicable. This project will result in the permanent removal of lead-bearing materials from the distribution system in the project area, reduce the potential for lead release into drinking water, and improve overall system reliability.	$ 1,077,959.00	A, C	330	Supp/LSLR	2%	20 years	LSLR
12	Lewes Board of Public Works	DE0000602	3227	Pilottown Road - Transite Replacement	The project will install approximately 2,100 feet of 8-inch PVC water main on Pilottown Road from Canary Creek to Saint Peter's Episcopal Cemetery, install three 8-inch gate valves, and two fire hydrants with 6-inch valves and 6-inch leads. The existing water main in this area is composed of transite pipes, and records are unclear on the installation date. The existing water main varies between inside the paved road and in the grassy areas that run parallel to Pilottown Road. This project will eliminate the transite pipe.	$ 1,625,000.00		330	Supp	2%	20 years	
13	Town of Laurel	DE0000597	3984	West Laurel (Green St., Gibson Ave., Crockett Ave., & Webb Ave.) Water Main Replacement	The proposed project consists of upgrading existing water distribution infrastructure in the West Laurel area along Green Street, Gibson Avenue, Crockett Avenue, and Bell Avenue. The current system is served by aging 2-inch diameter water mains, which are undersized relative to modern design standards and are inadequate to reliably meet operational fire protection demands. This project will replace the existing 2-inch mains with new 6-inch diameter water mains, along with the installation of new isolation valves and fire hydrants, to improve system performance, public health protection, and fire safety. The existing 2-inch mains significantly restrict hydraulic capacity, resulting in pressure fluctuations during peak demand periods, and can lead to insufficient flow for emergency fire suppression. These conditions pose risks to public safety and limit operational flexibility. The proposed water main improvements will address existing and potential public health risks associated with distribution system quality deficiencies by correcting hydraulic limitations that contribute to water quality instability. The existing 2-inch mains restrict flow and can result in low or fluctuating system pressures, increasing the risk of contaminant intrusion during pressure loss events. Replacing the undersized mains with 6-inch water mains and installing new isolation valves will improve circulation, allow for effective routine flushing, and reduce the frequency and extent of depressurization during maintenance or emergency repairs. Collectively, these improvements strengthen distribution system integrity and enhance the system's ability to maintain reliable compliance performance, thereby providing a direct and lasting public health benefit to the community served.	$ 2,020,220.00	A, C	320	Supp	2%	20 years	Supplemental
14	Town of Frederica	DE0000587	1100	Frederica Road Water Main Extension	The Town of Frederica is proposing a project to extend the existing water main on the east side of the Murderkill River to a proposed water storage tank site for system storage capacity and storage availability for the eastern water distribution system.	$ 1,425,000.00	C	315	Supp	2%	20 years	Supplemental
16	City of Seaford	DE0000246	6699	Lead Service Line Inventory/Replacement	The proposed project will investigate and complete test pits to identify all unknown service line material on both the publicly owned service and the privately owned service. In addition to the testing, this proposed project also aims to replace all the lead service lines to comply with the new EPA regulations regarding water service lines. There are approximately 12 known lead service lines.	$ 30,891,450.00	C	305	LSL/Supp/Base	0%	20 years	LSL
17	Town of Laurel	DE0000597	3984	Delaware Avenue Lead Service Line Replacement Project	The Town of Laurel proposes to undertake a Lead Service Line Replacement (LSLR) project along Delaware Avenue in Laurel, Delaware, as part of its ongoing efforts to eliminate lead-containing materials from the public drinking water system and to protect public health. This project will address known and suspected lead service components associated with an existing water main segment serving residential properties along Delaware Avenue. The estimated number of services to be replaced is 33. The Town has previously identified and replaced known lead gooseneck service connections on Oak Lane, Delaware Avenue, and 8th Street. Based on the age of the water main installation and historical construction practices, it is reasonable to believe that additional service connections along this corridor contain lead goosenecks that have not yet been identified. As part of this project, the Town will fully replace the existing galvanized water services and any associated lead goosenecks with new PVC SDR-9 service lines, extending from the water main to the building connection, as applicable. This project will result in the permanent removal of lead-bearing materials from the distribution system in the project area, reduce the potential for lead release into drinking water, and improve overall system reliability.	$ 1,130,228.00	A, C	300	Supp/LSLR	0%	20 years	Base
19	Town of Blades	DE0000865	1200	Unknown Service Line Verification Project	The Town of Blades has determined there are 400 unknown service lines. The goal is to identify and verify by using the "predictive analysis" method. The project will identify unknown service line materials through visual and other EPA-approved methods. The purpose of this project is to verify "Unknown" Service Line material, identify Lead Service Lines for future removal, and remove any lead service lines. While at the meter pit verifying the service line, non-working meters will be replaced. The estimate of meters to be replaced is 250.	$ 100,000.00	C	285	LSL/Supp	0%	20 years	
20	Town of Selbyville	DE0000654	3502	Water Treatment Facility Backwash Improvements	This project will provide the Town of Selbyville with improved backwash capabilities by providing backwash tanks to be used in conjunction with their existing iron removal filters. Currently, the Town's iron removal backwash discharges directly into an adjacent ditch, which ultimately flows to Maryland. By adding these backwash tanks and appurtenances, along with other minor piping within the older existing water treatment building, the Town will be able to remove the ditch discharge and discharge into a high-capacity pump station that will convey the backwash into tanks, which can then be slowly drained into an adjacent sanitary sewer for treatment and disposal at the Town's wastewater treatment plant.	$ 2,600,000.00	C	180	Supp	2%	20 years	Supp
						$ 51,866,857.00						

Summary/Key
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DELAWARE HEALTH AND SOCIAL SERVICES
Division of Public Health

Delaware Division of Public Health Drinking Water State Revolving Fund 2026
Emerging Contaminants Capitalization Grant Project Priority List

Ranking	Water System/Borrower	PWSID #	Population Served	Fundable Project Name	Project Description	Amount	DAC - A, U, C?	Total Points	Funding Appropriation	Financing	Terms	Anticipated Subsidy
15	City of Wilmington	DE0000663	107976	Emerging Contaminant/PFAS Treatment Upgrades at Wilmington 2026	This project will install PFAS removal equipment from the City's source at the Porter Plant primarily through GAC (granular activated carbon) contactors. This project includes the following major components: Construction of GAC contactors/log removal improvements in the new PFAS Treatment Facility, pumping-related equipment/components, electrical-related components, piping and valving related components, structural building additions and/or modifications, Centralized Chemical Storage and Feed Facility, SCADA/automation related programming, computer generated reporting, and all physical hardware components, and the installation of water quality testing instrumentation and laboratory, including lab-related equipment.	$ 30,000,000.00	A, C	305	EC	2%	20 years	EC
						$ 30,000,000.00						

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Delaware Division of Public Health Drinking Water State Revolving Fund 2026
Lead Service Line Replacement Capitalization Grant Project Priority List

Ranking	Water System/Borrower	PWSID #	Population Served	Fundable Project Name	Project Description	Amount	DAC - A, U, C?	Total Points	Funding Appropriation	Financing	Terms	Anticipated Subsidy
6	Town of Magnolia	DE0000610	425	North Main Street Watermain and Lead Service Line Replacement	This project will remediate the potential of lead within the distribution system by replacing aging water service lines that are known to have lead gooseneck distribution main connections and fire hydrants containing lead components.	$ 1,830,000.00	C	455	LSLR	0%	20 years	LSLR
8	City of Wilmington	DE0000663	107976	Water Distribution and Transmission Improvements – Lead Removal 2026	This project consists of investigation and replacement of service lines, replacement of an undersized water main of age (>75 years of service), water service lines connected to the main, fire hydrants connected to the main, and full-width lane replacement as roadway surface restoration.	$ 13,000,000.00	A, C	395	LSLR	0%	20 years	LSLR
9	City of Wilmington	DE0000663	107976	Water Distribution and Transmission Improvements – Lead Removal 2026 (LSL)	This project consists of investigation and replacement of service lines, replacement of an undersized water main of age (>75 years of service), water service lines connected to the main, fire hydrants connected to the main, and full-width lane replacement as roadway surface restoration.	$ 10,000,000.00	A, C	395	LSLR	0%	20 years	LSLR
10	City of Newark	DE0000630	40000	Lead Service Line Identification and Replacement	This project proposes to address the identification and replacement of lead service lines and fittings within our system. A consultant will compile City data along with a systematic approach to identifying possible lead service lines and recommend an approach to replacing the identified lines. Field investigation is included for confirmation of assumptions made through the identification process. This is a continuation of a current SRF project with a loan that closed in 2025.	$ 1,000,000.00	C	330	LSLR	0%	20 years	LSLR
11	Town of Laurel	DE0000597	3984	Central Avenue Lead Service Line Replacement Project	This project will address known and suspected lead service components associated with an existing water main segment serving residential properties along Central Avenue. The estimated number of services to be replaced is 34. The Town will fully replace the existing galvanized water services and any associated lead goosenecks with new PVC SDR-9 service lines, extending from the water main to the building connection, as applicable. This project will result in the permanent removal of lead-bearing materials from the distribution system in the project area, reduce the potential for lead release into drinking water, and improve overall system reliability.	$ 1,077,959.00	A, C	330	Supp/LSLR	2%	20 years	LSLR
16	City of Seaford	DE0000246	6699	Lead Service Line Inventory/Replacement	The proposed project will investigate and complete test pits to identify all unknown service line material on both the publicly owned service and the privately owned service. In addition to the testing, this proposed project also aims to replace all the lead service lines to comply with the new EPA regulations regarding water service lines. There are approximately 12 known lead service lines.	$ 30,891,450.00	C	305	LSL/Supp/Base	0%	20 years	LSL
17	Town of Laurel	DE0000597	3984	Delaware Avenue Lead Service Line Replacement Project	The Town of Laurel proposes to undertake a Lead Service Line Replacement (LSLR) project along Delaware Avenue in Laurel, Delaware, as part of its ongoing efforts to eliminate lead-containing materials from the public drinking water system and to protect public health. This project will address known and suspected lead service components associated with an existing water main segment serving residential properties along Delaware Avenue. The estimated number of services to be replaced is 33. The Town has previously identified and replaced known lead gooseneck service connections on Oak Lane, Delaware Avenue, and 8th Street. Based on the age of the water main installation and historical construction practices, it is reasonable to believe that additional service connections along this corridor contain lead goosenecks that have not yet been identified. As part of this project, the Town will fully replace the existing galvanized water services and any associated lead goosenecks with new PVC SDR-9 service lines, extending from the water main to the building connection, as applicable. This project will result in the permanent removal of lead-bearing materials from the distribution system in the project area, reduce the potential for lead release into drinking water, and improve overall system reliability.	$ 1,130,228.00	A, C	300	Supp/LSLR	0%	20 years	Base
18	Lewes Board of Public Works	DE0000602	3227	Lead Service Line Inventory/Replacement	The proposed project will investigate and complete test pits to identify all unknown service line material on both the publicly owned service and the privately owned service. This project aims to replace all the lead service lines to comply with the new EPA regulations regarding water service lines. There are approximately 62 known lead service lines on the publicly owned side and 43 known lead service lines on the customer's side. The new system will eliminate lead services while providing a safer, more reliable water system.	$ 10,317,000.00		300	LSL	0%	20 years	
19	Town of Blades	DE0000865	1200	Unknown Service Line Verification Project	The Town of Blades has determined there are 400 unknown service lines. The goal is to identify and verify by using the "predictive analysis" method. The project will identify unknown service line materials through visual and other EPA-approved methods. The purpose of this project is to verify "Unknown" Service Line material, identify Lead Service Lines for future removal, and remove any lead service lines. While at the meter pit verifying the service line, non-working meters will be replaced. The estimate of meters to be replaced is 250.	$ 100,000.00	C	285	LSL/Supp	0%	20 years	
						$ 69,346,637.00						

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Appendix C 2024 DWSRF PPL Ranking Criteria Approval

From: Kresse, Brianna (DHSS)
To: Schulingkamp, Joseph
Subject: RE: Changes to Ranking Criteria
Date: Thursday, January 23, 2025 4:26:05 PM
Attachments: FW DPH General Notice for March Register - Drinking Water State Revolving Fund (for Secretary Manning"s ReviewSignature).msg
image001.png
image002.png
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image007.png

Hi Joe,

Please see attached the email approving the general notice and ranking criteria to be released for public comment in the March *Register* publication (Monthly Register of Regulations - Delaware Regulations - State of Delaware).

Thank you,

Brianna
Brianna Kresse
Public Health Treatment Program Administrator
Drinking Water State Revolving Fund

Appendix D 2025 DWSRF Set-Aside Work Plans

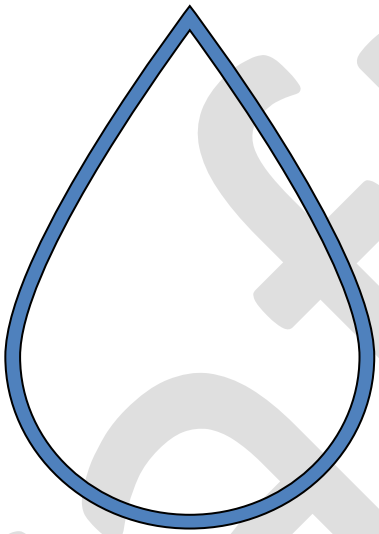
Delaware

DRINKING WATER STATE REVOLVING FUND (DWSRF)

Appendix D
DWSRF Workplans
Federal Fiscal Year 2026
State Fiscal Year 2027

DWSRF Work Plans

Delaware Drinking Water State Revolving Fund



Background:

This document contains the work plans that the Delaware Drinking Water State Revolving Fund (DWSRF) and their partners across the state will accomplish this year. Delaware Health and Social Services (DHSS) submits the Set-Asides work plans annually as part of the grant applications to the U.S. Environmental Protection Agency (EPA) to request the DWSRF Capitalization Grants under the Safe Drinking Water Act (SDWA) and Catalog of Federal Domestic Assistance (CFDA) 66.468.

The Base Grant will not be used to fund Set Aside activities. The Infrastructure Investment and Jobs Act ("IIJA") Supplemental, Lead Service Line Replacement, and Emerging Contaminants Grants will be used to fund the following set-asides, 2% Technical Assistance, 4% DWSRF Administration, 10% State Program Management, and 15% Local Assistance/Other Programs.

Supplemental IIJA Capitalization Grant
2% Small System Technical Assistance

The 2% Supplemental Set Aside will be used to fund required program audits, and the salaries, fringe benefits, travel, health insurance, supplies, contractual services, indirect and other personnel charges of DHSS DWSRF FTEs.

Eastern Research Group, Inc. (ERG)

Education on Drinking Water

ERG is a trusted and experienced provider of drinking water operator training, having delivered hundreds of successful workshops, webinars, and in-person sessions for EPA, state agencies, and operators nationwide. In partnership with Delaware Health and Social Services (DHSS), ERG proposes to continue providing virtual and in-person training sessions to Delaware drinking water operators to ensure that the most up-to-date information on treatment technologies, best treatment practices, and emerging contaminant regulations are available to operators.

ERG proposes to serve Delaware operators through educational training sessions. Virtual training sessions will occur at least quarterly over the contract period and will last a minimum of two hours each. Each session will focus on a different, targeted topic related to water treatment, best practices, or emerging contaminants, with final topics and agendas decided in consultation with DHSS. Any of the training offered by ERG in FY26 or FY27 can be repeated in FY28 to share the content with more operators if needed. Each session will accommodate up to 30 participants, and CEU hours will be secured for all training. ERG proposes to provide the following services, targeted to operators of small or medium drinking water systems serving 10,000 or fewer people per year.

ERG's training approach focuses on making each session relevant and applicable to operators in the field. Our interactive, scenario-based training sessions have helped hundreds of operators navigate regulatory requirements and improve system operations. Building on their experience designing and delivering comprehensive, state-specific PFAS and emerging contaminant training, ERG's trainers will develop tailored content for Delaware's predominantly small groundwater systems, aligned with DHSS priorities.

Potential Training Topics

ERG's training program covers a range from basic skills for new operators to advanced water treatment technologies, including training on non-treatment compliance issues. The specific topics will be chosen based on input from DHSS.

Potential training topics may include:

- Sanitary Survey and Inspection Preparation
- Cross Connection Control Plan Development and Management
- Drinking Water Sampling and Sampling Plan Development
- Risk Communication and Public Engagement for PFAS and Emerging Contaminants
- Risk Communication and Public Engagement for Lead Service Line Replacements
- Funding for Emerging Contaminant Projects
- Providing FY 27 training sessions again for a new audience.

Training on treatment may include:

- Surface water treatment
- Groundwater treatment
- Corrosion control

- Disinfection

Other training topics that can enhance understanding of how water systems operate including treatment, addressing emerging contaminants, and controlling contamination in the distribution system.

- Training targeted to a specific regulation or set of regulations (e.g., requirements for transient systems, microbial suite of regulations, distribution regulations)
- Total Organic Carbon Removal and Disinfectant Byproduct Reduction in the distribution system.

Eastern Research Group, Inc. (ERG)

Infrastructure Needs Development

ERG proposes a structured, practical approach to helping small drinking water systems assess their infrastructure needs and develop long-term capital planning strategies. ERG proposes to continue to provide guided asset management support, capital improvement planning, and project implementation readiness support, delivered through a mix of remote and in-person engagements tailored to each system's capacity and needs. As part of infrastructure assessments, we help systems plan for treatment upgrades tied to new regulatory drivers, including those related to PFAS and other emerging contaminants.

ERG will continue outreach to Delaware communities known to have received Asset Management Grants (AMG). This outreach helps DHSS determine the work completed to date, the status of their asset management activities, and their need for additional assistance.

Assistance will be offered to systems to update or create an asset management plan and to develop an Excel-based asset management tool to improve asset tracking and support regular asset management plan updates.

Outreach efforts during FY27 will include:

- Contacting small communities identified by DHSS to get a status update on their AMG and asset management activities.
- Engaging with small communities and providing assistance as needed with plan updates and tool development.
- Reaching out to communities identified by DHSS to offer support in applying for the AMG.

To ensure the long-term sustainability of Delaware's small public water systems, ERG will build on progress made in FY27 support. The focus will be on helping these systems assess their infrastructure inventories, develop AMPs, and create long-term capital planning strategies. ERG plans to continue its practical, adaptive approach from the initial year of the contract, as we cannot predict which systems will require asset management assistance. This will involve close collaboration with DHSS, as in the initial year, to identify specific needs and tailor assistance accordingly.

ERG will continue assisting DHSS in evaluating the current status of public water systems in asset management. This involves identifying systems that have obtained an AMG, have developed an AMP, and are actively managing assets. Additionally, ERG will continue engaging with systems flagged by DHSS that have not yet applied for an AMG but may benefit from funding to create a plan and implement asset management.

ERG will continue to participate in meetings with DHSS to discuss proposed support and approach and to identify target candidates for assistance.

ERG will continue to provide guided asset management support, capital improvement planning, and project implementation readiness support, delivered through a mix of remote and in-person engagements tailored to each system's capacity and needs.

For systems requiring asset management support, ERG can provide some or all of the services listed below.

Additionally, ERG will assist systems in applying for AMGs if they currently lack funding for asset management and planning. Our recommended service model includes support for one or more of the following for any water system identified by DHSS as needing and willing to participate in technical assistance:

- Guided support for completion of our Excel-based AMT or similar tool, which facilitates development of an asset inventory, criticality assessment, and prioritization of assets for repair or replacement.
- Support for the development of a structured AMP.
- Support for the development of a capital improvement plan (CIP).

Systems may overlap across these services based on DHSS priorities, and remote support levels can be scaled up to include additional systems if requested.

ERG will continue contacting systems identified by DHSS that have received the AMG. The goal is to obtain updates on how the grant funds have been used and whether the systems have developed AMPs that support long-term capital planning and eligibility for Drinking Water State Revolving Fund loans.

ERG will offer support, either in person or remotely, to help systems update their asset management plans as needed. Additionally, ERG will continue to contact small systems that haven't applied for the AMG and may be unaware of the Asset Management Incentive Program to inform them of opportunities for asset management improvement and to provide assistance with applications. After initial contact, ERG will provide in-depth support, helping systems assess infrastructure needs, develop detailed plans to support ongoing assessments into the future, develop a structured plan for infrastructure repair and replacement, and access infrastructure funding.

ERG will continue to communicate with the systems that received assistance during the contract's initial year to provide further guidance as needed remotely.

Asset Inventory Support

For systems without asset management planning in place, ERG will begin by helping the system complete an initial asset inventory and an associated evaluation of asset condition, vulnerability, criticality, and priorities.

ERG provides a consistent, structured process to support asset management. For completion of an initial asset inventory and associated evaluation of asset condition, vulnerability, criticality, and priorities, ERG will:

- Communicate with selected systems to outline proposed support and participate in a kick-off call with the system and DHSS to review the proposed support, anticipated outcome, level of participation required from the system, and documentation review needs.
- Collect and review existing documentation, including the most recent sanitary survey; source, treatment, and distribution maps; any available system construction records; system standard operating procedures that address infrastructure management; any existing planning documents; and other relevant material.
- Meet with system staff, including system operators, O&M staff, and other relevant staff, either virtually or in person, to discuss current planning processes and validate record interpretation, including how infrastructure information is used in decision-making and what additional context or institutional knowledge may not be captured in the existing documentation.
- Support entry of critical system assets into a user-friendly AMT. ERG will use the Small Community Assistance Planning tool that was developed for EPA Region 7. Based on our experience, the tool is simple, easy to use, and is flexible enough to accommodate gaps in information that can be filled in over time.

Following initial coordination with the system, next steps could include:

- Using information provided by the system to populate the tool, and share outcomes and recommendations with the system during a subsequent working session.

- Conduct a training session for the system, after which the system can input their data and ERG can review the inputs and provide recommendations for updates or revisions.
- Hold an in-person working session (approximately 4 hours) with the system, to work through populating the tool together. In some cases, the system may need to seek additional documentation and complete the tool independently, but this working session provides adequate training and guidance to facilitate those final entries by the system.

Asset Management Plan Development

For systems that have already developed an asset inventory and who wish to pursue development of a full-scale AMP, ERG will use the information compiled to:

- Develop an AMP scope, goals and objectives, and timeline, and identify an asset management leader or leaders to direct and service as champions for AMP development and implementation.
- Review, summarize, and if needed expand information compiled through the tool completion step above or other means, and summarize current asset inventory; asset condition and performance; current asset value, remaining useful life, and replacement cost; and asset criticality and risk.
- Establish basic level of service goals, articulating the service the system strives to provide with its assets, and establish measures for tracking performance over time.
- Evaluate options for providing service and meeting goals at the lowest cost possible.
- Identify funding options for needed O&M and capital improvement activities.
- Document all of the above in a written plan, as well as a process for continual review and improvement of the plan.

Capital Improvement Planning Support

ERG will provide guided support to develop a CIP that outlines infrastructure projects needed to ensure long-term system performance and reliability. Our process is based on EPA's general CIP guidance and tailored for small systems' capacity and documentation needs.

Our approach for CIP development support will generally include:

- Facilitating an initial assessment of the system's infrastructure (source, treatment, storage, and distribution) to identify aging components, reliability risks, and regulatory drivers for future capital projects, if not already completed by the system.
- Supporting system staff in completing a Capital Improvement Project Detail form for each proposed project, documenting the project's goal, justification, scope, cost estimate, and timeline in clear, non-technical language. This includes ensuring all included projects meet the definition of capital expenditures, such as system upgrades, major rehabilitation, or new infrastructure, and not routine O&M expenses.
- Assisting with cost estimation, using methods such as contractor input, vendor quotes, or the system's past project experience, and reviewing the budget year, completion timeline, and impact on annual operating costs.
- Supporting system staff in compiling the documented projects into a CIP tracking spreadsheet or database, organized by priority level (e.g., high for health/compliance, medium for system reliability).
- Providing governance and implementation guidance, including how to present the draft CIP to utility management, boards, or the public for review and approval; how to establish procedures for updating the CIP annually in coordination with the budgeting process; and how to ensure the CIP is accessible to state regulators upon request.

Eastern Research Group, Inc. (ERG)

Building Technical Managerial and Financial (TMF) Capacity

Building strong technical, managerial, and financial capacity is essential to ensuring that Delaware's small public water systems can operate reliably and sustainably over the long term. By investing in targeted training, hands-on technical support, and practical tools for effective system management, ERG can help utilities navigate operational challenges, comply with regulatory requirements, and plan strategically for future needs.

Strengthening financial capacity through improved budgeting, asset management, and access to funding opportunities helps systems make informed decisions about maintenance, upgrades, and long-term investments. By fostering well-rounded capacity across these key areas, the program empowers systems to enhance performance, protect public health, and maintain resilient, sustainable operations for the communities they serve.

ERG has extensive experience in designing and implementing initiatives that strengthen the technical, managerial, and financial capacity of small public water systems. Our team includes engineers, utility management specialists, financial specialists, and training experts. ERG has created tools, guidance, and training that help systems optimize operations, improve management practices, and enhance financial planning. With a full-service team skilled in curriculum design, facilitation, analysis, and technical communication, we deliver TMF support that is accessible and actionable to support the long-term sustainability of Delaware's small public water systems.

ERG proposes to deliver in-person or virtual workshops or system training focused on infrastructure funding options and technical, managerial, and financial (TMF) capacity development. ERG will tailor these workshops to systems serving 10,000 people or fewer and design them to build practical capacity in navigating SRF processes, aligning infrastructure planning with funding opportunities, and addressing documentation requirements. ERG will continue to support DHSS by engaging in regular meetings to discuss priorities, proposed activities, and approaches that will have the greatest impact.

ERG's approach centers on providing technical assistance and capacity-development services that can be tailored to the needs of DHSS and participating water systems. This work will begin with a kick-off meeting with DHSS and SRF program staff to identify training goals, gather relevant application materials, and identify potential partners (such as the U.S. Department of Agriculture's Rural Development Program's opportunity for Special Evaluation Assistance for Rural Communities and Households (SEARCH) in Delaware), building on work completed and lessons learned in FY27.

Proposed services may include the development and delivery of TMF capacity-building workshops for multiple systems, one-on-one technical assistance, and self-assessment tools to support systems in evaluating and strengthening their TMF capacity. Workshops may be refreshed or adapted from previous training efforts, incorporating updated content, new regulatory or funding developments, and lessons learned from prior delivery.

Training sessions may include customized agendas, interactive exercises, and participant materials designed to help systems navigate infrastructure planning and funding processes. This can include, for example, walk-throughs of funding applications, facilitated planning discussions, or guided exercises that help systems identify their challenges and next steps.

To support professional development, ERG will coordinate with DHSS operator certification staff to ensure attendees can receive CEUs for attending the training. ERG will prepare and submit course approval applications and distribute CEU certificates to participants.

For in-person workshops, ERG will manage all logistics, including venue coordination, A/V, and facilitation. Workshops will be led by a team of two ERG trainers. While one trainer is presenting, the other will manage the presentation equipment and assist with fielding questions from the attendees. In advance of, during, and after trainings, ERG will assess participant understanding and satisfaction through surveys, knowledge checks, and feedback loops to support continuous improvement and inform future training efforts.

Workshop content will focus broadly on strengthening system capacity to plan for and access infrastructure funding, including navigating eligibility requirements, understanding planning and procurement expectations,

and exploring available funding sources. Additional companion materials may be developed to help systems conduct TMF self-assessments and identify pathways to improve long-term sustainability. Content can be tailored to focus on building the knowledge and skills needed to pursue infrastructure funding, including but not limited to Drinking Water State Revolving Fund (DWSRF) loans and grants, particularly in the context of PFAS and emerging contaminant challenges. Topics will include eligibility and application requirements for the DWSRF, such as required planning documents, project timelines, procurement steps, and submission procedures. ERG can also provide an overview of sources of funding, such as the DWSRF Matching Planning Grant Application or USDA's Rural Development SEARCH program, that may be able to help fund water infrastructure planning documents, preliminary engineering reports, project design, permitting, and construction.

In addition to multi-system trainings, one-on-one assistance could be made available for systems seeking more individualized support. This can include help with using self-assessment tools, clarifying TMF concepts, or working through specific questions related to funding readiness. Feedback mechanisms, such as surveys or informal knowledge checks, can be incorporated throughout the process to support continuous improvement and inform future capacity-development activities.

Delaware Technical and Community College (DTCC)

Workforce Development

The DTCC Environmental Training Center (ETC) will provide:

- Tuition assistance for continuing education for approximately 70 Operators-In-Training and licensed water operators that include DTCC's 2026-13, 2027-11, and 2027-12 semesters
- Tuition assistance for the Base Level Water Operators Course to approximately thirty (30) new operators, including DTCC's 2027-11 and 2027-12 semesters
- Provide tuition assistance to guarantee the execution of a fall and spring Base Level Water Course
- Provide tuition assistance to thirty-five (35) water operators seeking endorsements, provide tuition assistance to twenty-four (24) water operators seeking limited license and sub-endorsement certifications, and provide tuition assistance to guarantee the execution of a fall and spring Limited License Water Operators Certification Course.
- DTCC ETC will recruit students through advertisements in the local press to enter a drinking water training program.

4% Administration and Technical Assistance

Administration and Technical Assistance

The 4% Supplemental Set Aside will be used to fund required program audits, and the salaries, fringe benefits, travel, health insurance, supplies, contractual services, indirect, and other personnel charges of DHSS DWSRF FTEs.

10% State Program Management

The 10% Supplemental Set Asides will be used to fund the salaries, fringe benefits, travel, supplies, health insurance, contractual services, indirect and other personnel charges of DHSS Office of Drinking Water (ODW), and DHSS Division of Public Health Laboratory (DPHL).

Office of Drinking Water (ODW)

Capacity Development-Operator Certification

Costs of maintaining the Operator Certification program remain low. However, updates and enhancements to the program are underway and may elicit temporary funding increases.

Relationship to On-Going Program

The Operator Certification program ensures that operators of Delaware's public water systems are properly

trained and therefore able to operate their water systems in compliance with the Safe Drinking Water Act (SDWA).

Progress Made To-Date
Currently, there are 120 Approved Sampler/Tester-only individuals and approximately 443 active licensed water operators:
Water Supply Operator (Base Level) - 365
Distribution Operator - 7
Limited License - 30
Grandfather License - 9
Operator in Training (OIT) - 2
Reciprocal License - 30

Future Plans
Delaware Department of Health and Social Services (DHSS) will continue to administer the Operation Certification program in coordination with the Advisory Council for Certification of Public Water Systems Operators and the Office of Drinking Water (ODW).
Objectives and Outputs

- Monitor, track, and report water operator licensures to the U.S. Environmental Protection Agency (EPA).
- Communicate with operators by offering help, training opportunities, industry and regulatory updates, and other information pertinent to drinking water.
- Expand regulatory-related trainings to water operators by ODW staff, including greater online training opportunities.
- Provide administrative review and processing of water operator license renewals.
- Provide support to third-party technical assistance partners for Drinking Water Operator examinations.
- Assist licensed water operators in obtaining the proper endorsements for the water systems they operate.
- Maintain licensed water operator data in a database.
- Plan and prepare for updating the aging database.

Outcomes and Benefits

- Regulatory oversight of all water operator licensure via ODW staff
- The vast majority of Delaware public water systems requiring a licensed water operator will adhere to the requirements, currently at a rate of 99%.
- Information about important drinking water topics reaches a large segment of the drinking water professional community.
- The number of water operator examinations and passing rates will be monitored for use in decision-making regarding examination quality and effectiveness.
- License renewal and associated continuing education compliance will be tracked and maintained administratively via a database.
- Increased Base-level Operator and Endorsement examinations and training opportunities for Delaware licensed water operators.
- Improved and enhanced operator certification database and data management to replace aging and failing ACESS database.

Evaluation
ODW will meet with the Drinking Water State Revolving Funds (DWSRF) office quarterly to review deliverable accomplishments. Successes and barriers will be evaluated, and adjustments will be made accordingly.

Office of Drinking Water (ODW)

Public Water Supply Supervision

The set-aside funds are used to supplement the Public Water Supply Supervision (PWSS) Program in carrying out activities, including staff training, enforcement of SDWA regulations, data management, laboratory certification, and compliance assistance.

Progress Made To Date

The PWSS Program has helped Delaware's public water systems maintain compliance with SDWA regulations and health-based standards, resulting in 98% compliance. This program has also assumed responsibility for oversight and compliance for the Lead and Copper Rule (LCR)/Lead and Copper Rule Revisions (LCRR)/Lead and Copper Rule Improvements (LCRI). Each Environmental Health Specialist II is responsible for all LCR-related compliance for all water systems within their assigned territories.

Future Plans

The PWSS Program will work with applicable stakeholders on the installation and implementation of electronic submittals of drinking water sample results analyzed by private Delaware-certified drinking water laboratories through DW-SFTIES that is under development. The program is also continuing its investigation of options for performing electronic sanitary surveys in the field and an electronic Consumer Confidence Report Writer (CCRW) platform to further assist water systems in complying with the Consumer Confidence Rule (CCR). The PWSS Program has successfully contracted directly with a third-party vendor for Safe Drinking Water Information System (SDWIS) upgrades, new product implementation, and ongoing maintenance, as well as to assist with the SDWIS to DW-SFTIES transition. Staff will also attend the Data Management Users Conference (DMUC), where the focus is on data management for drinking water, and where they will have the opportunity to learn more about what other states are doing with regard to data management and the challenges they face.

Objectives and Outputs

- Monitor, track, and report compliance for approximately 454 public water systems (PWS)
- Develop a plan for private drinking water labs to submit their drinking water sample results electronically.
- Ensure public water systems that are required to have a licensed water operator do so, either by directly employing an operator or by contracting with an operator
- Continue to utilize EPA reporting under the Enforcement Response Policy and Enforcement Tracking Tool (ETT)
- Facilitate posting of all relevant public water systems information and sample results to Delaware's Drinking Water Watch (DWW) public-facing webpage.
- Continue with cross-connection control plan development necessary to ensure compliance after the compliance deadline, development of asset management plans, lead service line inventories, and training/awareness of final per- and polyfluoroalkyl substances (PFAS) drinking water MCLs.
- Continue to build LCR/LCRR/LCRI resiliency within the PWSS Program by providing training and mentoring to staff.
- Continued improvement in response to issues related to SDWIS.

Outcomes and Benefits

- Approximately 95% of Delaware's population served by public water systems will receive water that meets all health-based standards.
- Electronic submittals for private laboratory sample results will allow for improved efficiency in storing and reporting drinking water sample data.
- PWS with an ETT score of 11 or greater will be monitored quarterly and offered technical assistance and/or increased enforcement.
- PWS and the public will have access to sample results for all PWS through the Drinking Water Watch

platform.
- Lead service line (LSL) inventories will assist with the removal of all LSLs in Delaware to assure lead-free drinking water.
- Cross-connection control plans will reduce/prevent the unnecessary contamination of public drinking water systems.
- Training and awareness of the final PFAS rule to control PFAS in drinking water and the environment will promote discussion regarding monitoring, control technologies, and outreach for public water systems and the public.
- Improve overall LCR compliance and rule management resiliency.
- Improve response efficiency for SDWIS upgrades and maintenance of the SDWIS database.

Evaluation

ODW will meet with DWSRF quarterly to review deliverable accomplishments. Successes and barriers will be evaluated, and adjustments will be made accordingly.

Delaware Public Health Laboratory (DPHL)

Delaware Public Health Laboratory

Relationship to On-Going Program

The Delaware Public Health Laboratory is within the Department of Health and Social Services, Division of Public Health. The primary responsibilities of the Laboratory, regarding the Safe Drinking Water Act, is to ensure the safety of drinking water sources to protect public health through the detection of microbiological and chemical contaminants. DPHL upholds these responsibilities by providing analysis and valid results to Delaware's regulatory agency (Office of Drinking Water).

Progress Made To-Date

The Delaware Public Health Laboratory continues to ensure consistency, reliability, and quality of all analytical work involving drinking water samples obtained from public and private sources. Beyond the routine work, the laboratory has made significant strides in expanding its testing capacity by embarking on advanced methodologies such as EPA method 525.3 for pesticides and digital PCR analysis for the detection of Legionella (both to be fully implemented in 2026).

- Now that all instruments and reagents have been purchased, the analyst has been working diligently with the instrument vendor (Agilent), EPA Region III, as well as public health labs in other states (Arkansas, Nebraska) to move forward with method implementation for 525.3.
- A method for the detection of Legionella pneumophila utilizing the digital PCR method was implemented in 2025. After the purchase of the automated extractor, analysts were able to successfully extract and yield results for Legionella *pneumophila,* which led to full implementation. The primary analyst will continue to work on the extraction and recovery of Legionella *longbeachae*, Legionella species, and Legionella pneumophila Serogroup 1 to expand the test panel.

Future Plans

- Implement additional methods for pesticides (i.e., EPA 505, and EPA 525.3 to detect more analytes), which will include the purchase of reagents required for analysis.
- Implement and validate updated US EPA-approved methodologies per the Clean Water Act 1972.
- Achieve certification for EPA method 525.3.
- Implement and validate a digital PCR method to detect Legionella *pneumophila* Serogroup 1 and Legionella species in drinking water that will permit preliminary results within 24-48 hours of submission.
- Continue utilizing EPA Method 533 for the detection of PFAS in drinking water, this will include the maintenance of the LC/MS-MS, reagents, consumables, and supplies.
- Achieve certification of EPA method 533.

- Pursue grant funds to maintain updated technologies, including equipment (instruments, incubators, autosamplers, balances, waterbaths, chillers, vacuums) software, and supplies (reagents, standards, acids, gases, vials, filters, syringes, pipette tips, pipettes, consumables) as required by the US EPA program. Refer to the budget request for the estimated cost for supplies, reagents, instrument gases, and maintenance contracts.
- Purchase new equipment or software for equipment to maintain higher levels of operational efficiencies and cost effectiveness (Refer to budget request for estimated cost).
- Maintain compliance with US EPA and state standards and regulations.
- Continue to perform the responsibilities of the certification officer program for the state of Delaware. This includes sending staff members to Certification Officer training and the 5-year refresher training.
- Ensure that the Delaware Public Health Laboratory meets all certification testing standards defined by the US EPA through proficiency testing and triennial on-site inspections by the US EPA.
- Ensure that the laboratory is cooperating and integrating with associated programs to ensure the best use of funding, personnel, and equipment.
- Hire a Laboratory Manager to oversee the implementation, validation, and ongoing operation of analytical methods used to detect emerging contaminants. The Laboratory Manager will be responsible for ensuring regulatory compliance, maintaining quality assurance and quality control standards, supervising laboratory personnel, and coordinating method development and optimization. This role will also monitor evolving regulatory requirements and scientific advancements related to emerging contaminants, ensuring the laboratory remains current, accurate, and responsive to public health and environmental needs. The Laboratory Manager will report directly to the Environmental Drinking Water Lab Manager (Analytical Chemist IV).

Objectives and Outputs

- Continue analyzing samples for the presence of *Legionella* utilizing screening and molecular methods (Refer to budget request for estimated cost).
- Continue to purchase instruments, software, supplies, consumables, and reagents to maintain higher levels of operational efficiencies and cost effectiveness. (Refer to budget request for approximate cost for supplies, consumables, reagents, instrument replacement, and software upgrades with install, training, and warranty extension.).
- Continue to cross-train for continuity of operations in the event of emergency situations, including flooding and other weather-related events.
- Estimated amount of laboratory tests that will be performed from July 2027 to June 2028:
    - Samples for chemical analysis 24,4789
    - Samples for bacteriological 8,098
    - Tests reported 110,723
- The Delaware Public Health Laboratory will continue to perform audits for the certification of drinking water testing laboratories within Delaware and continue to support two additional positions to allow time to perform external laboratory certification audits.
- Continue to support salary positions for environmental staff (Chemists, Microbiologists, Environmental Control Tech III, and Laboratory Manager II) as well as the Supply, Storage, and Distribution Tech I, whose role as the lab courier allows us to receive EPA-regulated samples for testing in a timely manner while abiding by EPA compliance rules for sample transport.

Outcomes and Benefits

- The Delaware Public Health Laboratory continues to provide reliable, accurate, timely, and consistent monitoring for the drinking water program in Delaware. To ensure the health and safety of the citizens and visitors of Delaware.
- The Laboratory continues to maintain preparedness for emergency response and disaster in cooperation with other emergency responders, including the 31st Civil Support Team (US National Guard) in

Delaware.

- Among programs, the Delaware Public Health Laboratory is ensuring that our role meets all the needs and requirements for the successful implementation of other components that influence and affect drinking water covered by the Delaware Department of Health and Social Services.

Evaluation

The Delaware Public Health Laboratory meets and exceeds all EPA requirements and maintains certification for analyzing drinking water samples by the US EPA.

15% Local Assistance and Other State Programs

The 15% Supplemental Set Asides will be used to fund the salaries, fringe benefits, travel, supplies, health insurance, contractual services, indirect and other personnel charges of DHSS Office of Drinking Water (ODW), Office of Engineering (OE), Environmental Health and Toxicology (EH&T), Delaware Technical Community College (DTCC), and Eastern Research Group, Inc. (ERG).

Office of Drinking Water (ODW)

Capacity Development Program NEW systems

Relationship to Ongoing Program

This portion of the Capacity Development program assists new drinking water system owners/operators and DWSRF applicants in building technical, managerial, and financial (TMF) capacity.

Progress Made To Date

All new and newly discovered PWS that will be regulated by ODW have been given TMF assistance, thus ensuring that PWS can operate and/or maintain compliance with SDWA regulations. Since the initial implementation of the Capacity Development Program in Delaware, all DWSRF loan applicants are assessed for TMF needs and assisted in any areas identified as insufficient.

Future Plans

- Track and identify trends in TMF capacity for all Delaware PWS triennially.
- Assist new community water systems (CWS) and non-transient non-community water systems (NTNCWS) to prepare LCR compliance monitoring sampling plans upon activation as a public water system and aid with achieving compliance with LCRR and LCRI.
- Maintain increased educational efforts to prospective new systems so that initial operations are not impeded by non-compliance.
- Assist new CWS and NTNCWS to be compliant with the SDWA for their three-year term as a new PWS in Delaware
- Encourage and assist PWS to develop and implement asset management plans that include best practices for asset management as required by America's Water Infrastructure Act (AWIA).
- Continue with contractual staff for continued development and implementation of a voluntary cybersecurity assessment program, as well as other assigned duties/projects.

Objectives and Outputs

- Assist all proposed PWSs to ensure that the water system owner/operator has demonstrated adequate TMF capacity, and that the water meets all applicable SDWA requirements prior to operating.
- Monitor and assist new PWS in LCR/LCRR/LCRI compliance and related activities.
- Report the names of new and proposed PWS for the semi-annual DWSRF Set-Aside reports.
- Assist new CWS and NTNCW in their compliance with the requirement to operate under the supervision of a Delaware-licensed water operator.
- Continue the development of a voluntary cybersecurity assessment program to assist water systems with cybersecurity initiatives.

Outcomes and Benefits

- 100% of new water systems will open and remain in compliance with the SDWA for their three-year term as a new PWS in Delaware
- 100% of new PWS will receive assistance with LCR/LCRR/LCRI compliance requirements.
- New PWSs identified in need of assistance shall be referred to third-party technical assistance providers.
- Ensure cybersecurity resiliency to protect public health.

Office of Drinking Water (ODW)

Capacity Development Program EXISTING Systems

Relationship to Ongoing Program

This portion of Capacity Development assists existing water systems with maintaining technical, managerial, and financial capacity.

Progress Made To Date

The Capacity Development Program has provided technical and managerial assistance to existing PWS to facilitate compliance with the LCR, the CCR, and other regulatory requirements under the SDWA. The number of existing systems out of compliance with the requirement to operate under the purview of a licensed water operator remains low. Added contract staff to develop and implement a voluntary cybersecurity assessment program.

Future Plans

- Improve compliance with the SDWA by facilitating a better understanding of the regulations, including the LCR Revisions, CCR, and other state and federal regulations in development.
- Refer existing PWS with a score of 5 or greater on the ETT list to technical assistance providers.
- Encourage and assist PWS to develop and implement asset management plans that include best practices for asset management as required by AWIA.

Objectives and Outputs

- Provide in-depth training in CCR report creation to technical and managerial staff of CWSs in Delaware to facilitate a better understanding of requirements and to increase compliance with the CCR.
- Assist existing PWS with an ETT score of 11 or higher or that are identified through routine regulatory activities conducted by ODW.
- Evaluate and report the TMF capacities of at least one-third of Delaware's water systems.
- Monitor, evaluate, train, and assist PWS and operators in LCR compliance, schedules, and reporting to include LCRR/LCRI compliance requirements.
- Track and report existing PWS appearing on the ETT report with scores of 5 and greater proactively to technical assistance providers to facilitate achieving compliance.
- Continue to develop/improve a voluntary cybersecurity assessment program to assist water systems with cybersecurity initiatives.

Outcomes and Benefits

- PWS will be better equipped to create and distribute CCR reports per the requirements of the SDWA.
- All existing PWS with an ETT score of 11 or higher and those that are otherwise identified as needing assistance will be offered TMF assistance.
- One-third of Delaware's PWS will be assessed for TMF capacities.
- Delaware's CWS and NTNCWS will be monitored, evaluated, and assisted in LCR sampling compliance, schedules, and reporting; training will be conducted on LCR compliance and on LCRR/LCRI compliance requirements.
- Existing PWS will be offered TMF capacity assistance to achieve compliance.

- Ensure cybersecurity resiliency to protect public health.

Evaluation
ODW will meet with DWSRF Program representative(s) quarterly to review deliverable accomplishments. Successes and barriers will be evaluated, and adjustments will be made accordingly.

Delaware Technical Community College (DTCC)

Operator Certification Proctoring

Testing for the operator certifications will take place twice a year, once in January and once in June. The Delaware Technical Community College Environmental Training Center (ETC) will reserve a room at the DTCC Terry Campus and provide trained personnel to administer and proctor the certification examinations. DTCC will also collect and grade all examinations and analyze each level of test by tracking all incorrect answers given to further validate water examinations and provide graded examinations and analyzed answers to DHSS staff.

Eastern Research Group (ERG)

Public Awareness and Outreach

Effective communication is essential for ensuring that the public and water utilities clearly understand the funding and technical assistance opportunities available to support safe, sustainable drinking water systems. By proactively sharing clear, accessible information, the program can help communities and utilities better navigate complex requirements, access needed resources, and strengthen system capacity. When concerns about drinking water quality or system operations arise, timely and transparent communication helps reduce confusion, prevent misinformation, and maintain public trust. Strong, consistent outreach not only builds confidence in regulatory processes but also empowers utilities and consumers to make informed decisions that protect public health and support long-term system sustainability.

ERG has deep experience planning, developing, and executing public awareness and education campaigns for state and federal government clients that effectively reach target audiences. Our multidisciplinary team includes marketing experts, researchers, behavioral scientists, and technical experts who infuse all our outreach strategies and creative products with subject matter insights and data. Our full-service creative team includes content and digital strategists, writers, graphic designers, and editors who create products that resonate.

ERG proposes to support DHSS and public water systems statewide by expanding public access to clear, accurate, and actionable information about drinking water and public health, while building on the work completed in FY27 to address DHSS's ongoing needs.

ERG is prepared to create a range of materials to accommodate a range of needs:

- Content to educate drinking water systems about opportunities to access funding and technical assistance through the DWSRF program.
- Templates for drinking water systems to use to disseminate information to their customers.
- Content that water systems can use to communicate more effectively with their customers, as well as content that state or local health-related organizations can disseminate.
- Content for a variety of formats and channels.
- Both proactive and reactive information materials: some designed to bolster general awareness or get out ahead of a known issue (for example, building awareness before health-based PFAS standards are in place), with others designed to help water systems and other partners respond when an issue arises.

ERG will continue to support DHSS by engaging in regular meetings to discuss priorities, proposed activities, and the outreach materials that will have the greatest impact. These conversations will guide the development of products that directly address the state's most pressing needs. ERG's design philosophy centers on creating

materials that are relevant, accessible, and visually engaging, ensuring they resonate with intended audiences and can be easily used by DHSS and its partners. Building on efforts from the prior fiscal year, this approach aligns with DHSS's ongoing commitment to protecting public health and ensuring access to safe, reliable drinking water.

Working collaboratively, ERG and DHSS will identify outreach gaps, define priority messages, and determine the most effective formats and channels for reaching key stakeholders. Each product will be developed using a structured communication planning process that ensures clarity, strategic alignment, and usability.

For all products ERG develops, they will use a team of ERG staff who collectively provide expertise in drinking water regulations, drinking water treatment, environmental epidemiology (exposure, health effects, risk), health communication, technical writing and editing, and graphic design. This team collaboratively develops and designs products that are accurate, clear, and visually appealing.

For each outreach material developed, ERG will work closely with DHSS to define the communication elements needed to guide effective design and content development. This includes clarifying outreach goals, defining target audiences, identifying key messages, and outlining appropriate communications tactics and trusted messengers. This planning step will serve as the foundation for producing clear, meaningful, and actionable materials.

ERG will develop these plans using the following established, repeatable process:

- Assess existing materials. ERG will begin by reviewing the existing state and partner outreach on drinking water and health to identify available resources, understand current messaging, and avoid duplication.
- Conduct an audience analysis. Developing effective outreach materials begins with a strong understanding of the intended audiences.
- Document communication goals and objectives. ERG will work with DHSS to define clear goals and objectives for each product. These goals will guide the direction of the material and ensure alignment with DHSS's broader outreach and public health priorities.
- Confirm target audience. Using our audience research, we will concisely summarize target audiences and their needs, preferences, behaviors, and values. We will identify where these audiences are in the traditional marketing funnel (Figure 1).
- Develop key messages. We will define our messages, which should encompass the problem, solution, and "ask"—what we want the audience to do.
- Identify priority products and outreach tactics. ERG will recommend the most impactful outreach materials and the channels best suited for distributing them. The focus will be on reaching audiences where they naturally access information and on leveraging trusted messengers and established partnerships.
- Lay out a plan and schedule. Once we understand the products we should prioritize, we will document a phased schedule for completing them. Our schedule will include time for quality control, editing, design, and layout (especially for anything to be desktop published by a professional ERG designer), and client review.

Drinking Water Communications Support

ERG will work with the DHSS to raise awareness of emerging contaminants, lead service line replacement programs, and critical water health issues with clear, understandable messages that meet audiences where they are. For non-technical audiences, that includes writing in plain language, using simple analogies to explain tricky concepts like statistical risk, avoiding technical jargon, and replacing scientific terms that mean different things to non-scientists (for example, words like "error" or "bias"), and creating clear and compelling maps and graphs to visualize data. ERG communications experts will follow best practices to create attractive, understandable products that preserve technical accuracy and stand up to public scrutiny.

With these needs and principles in mind, ERG can develop a mix of the following materials to be used by state programs as well as water systems of all sizes and source water types in the state:

A suite of educational materials and social media content

These materials will be intended for dissemination to the public by trusted state and local organizations. They will be designed to improve understanding of public health topics related to drinking water.

Possible components and formats include, but are not limited to:

- Brochures, infographics, fact sheets about specific contaminants addressing:
  - The health effects of exposure, how consumers can protect themselves, new standards, and other topics.
- Exposure pathways, chronic exposure, and risk.
- A set of premade social media posts, optimized for the most widely used platforms with concise messages, accompanying visuals, and a "call to action" such as a hyperlink to learn more.
- Digital "explainer" materials to share through social media or embed on a partner website.
- Videos, training materials, guides, and webinars that can be shared with utilities and their customers.
- Case studies highlighting successful projects or utility initiatives.

ERG can develop these materials as a cohesive family of products, with consistent tone, "look and feel," and branding that we will establish up front with DHSS. The reading level will be appropriate for a public audience.

Toolkit

A toolkit of materials and reusable content that water providers can use to more effectively communicate with their customers. Components could include, but not be limited to:

- Standard language about specific contaminants and their health effects included in consumer confidence reports, public notifications of a violation, or elsewhere.
- Bill inserts, newsletters, email templates.
- Answers to frequently asked questions, such as what people can do to protect themselves against particular hazards.
- A slideshow template for community meetings, partially populated with basic information about drinking water monitoring, notification requirements, standards for particular contaminants of concern, exposure and health effects, and how people can protect their health.

Any drinking water provider could use this information, but we will especially target smaller systems that might not have the combination of drinking water, health, writing, and design/publishing capabilities that we can offer. Similar to the public campaign materials described above, the amount and format of what we create for this toolkit will be informed by the initial landscape assessment and bounded by the budget available.

Support for community meetings

ERG has experience in designing and leading a variety of community-level meetings and educational efforts. ERG can provide facilitation for community meetings and workshops focused on capacity development, funding, emerging contaminants, lead service line replacement programming, and other relevant topics. Additionally, ERG has experience developing materials for community meetings and can provide support materials, including handouts, presentations, scripts, etc.

Emerging Contaminants IIJA Capitalization Grant
2% Small System Technical Assistance

The DWSRF Program will not be utilizing the 2% Emerging Contaminants Set-Asides to fund Set-Aside

activities.

4% Administration and Technical Assistance

The 4% Emerging Contaminants Set-Asides will be used to fund the salaries, fringe benefits, contractual, travel, supplies, indirect, and other personnel costs of DHSS Environmental Hazards and Toxicology (EH&T), and Office of Engineering (OE) FTEs.

10% State Program Management

The 10% Emerging Contaminants Set-Asides will be used to fund contractual services within the DHSS Division of Public Health Laboratory (DPHL).

15% Local Assistance and Other State Programs

The 15% Emerging Contaminants Set-Asides will be used to fund contractual services within the DHSS Office of Drinking Water (ODW).

Lead Service Line Replacement IIJA Capitalization Grant

2% Small System Technical Assistance

The DWSRF Program will not be utilizing the 2% Lead Service Line Replacement Set-Asides to fund Set-Aside activities.

4% Administration and Technical Assistance

The 4% Lead Service Line Replacement Set-Asides will be used to fund the salaries, fringe benefits, health insurance, indirect and other personnel charges of DHSS Office of Drinking Water (ODW), Office of Engineering (OE), Environmental Health and Toxicology (EH&T), and DWSRF program.

10% State Program Management

The DWSRF Program will not be utilizing the 10% Lead Service Line Replacement Set-Asides to fund Set-Aside activities.

15% Local Assistance and Other State Programs

The 15% Lead Service Line Replacement Set-Asides will be used to fund contractual services within the DHSS Office of Drinking Water (ODW).

Appendix E 2024 Updated Interest Rate Policy Approval

Appendix F Timely and Expeditious Use Plan