Maryland
Department of the Environment

MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION
DRINKING WATER STATE REVOLVING FUND PROGRAM
FEDERAL FISCAL YEAR 2026 INTENDED USE PLAN

October 2026

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EXECUTIVE SUMMARY

The Intended Use Plan (IUP) is the document that the Maryland Water Infrastructure Financing Administration (MWIFA) submits to the United States Environmental Protection Agency (EPA) to request the Federal Fiscal Year (FFY) 2026 Capitalization Grant under the Safe Drinking Water Act (SDWA) for use in the Maryland Drinking Water State Revolving Fund (DWSRF). The Maryland DWSRF was established by amendments to the Maryland Water Quality Financing Administration Act, Title 9, Subtitle 16 of the Environment Article, Annotated Code of Maryland, to provide below-market interest rate loans and other subsidies to local governments and eligible private entities for certain eligible drinking water capital improvement projects.

In addition, in 2021, the Infrastructure Investment and Jobs Act (IIJA) (Pub. L. 117-58), provided a General Supplemental allotment, a Lead Service Line (LSL) allotment, and an Emerging Contaminants (EC) allotment to the Drinking Water SRF Program. This IUP is also the document that MWIFA submits to EPA to request Maryland's annual allotments from these appropriations.

The State of Maryland is committed to using capitalization grant funds (capitalization grants) for which MWIFA is applying to provide funding for eligible drinking water improvements and set-aside activities that will further the public health objectives of the SDWA.

For FFY26, Maryland is making grant applications to receive the following (note that EC and LSL allotments do not require a state match):

1. Base DW Capitalization Grant allotment of $7,983,000, to be matched with $1,596,600 (20%) in State funds, as required.

2. IIJA DW General Supplemental Capitalization Grant allotment of $51,711,000, to be matched with $10,342,200 (20%) in State funds, as required.

3. IIJA DW EC Capitalization Grant allotment of $15,874,000.

4. IIJA DW EC FFY22 and FFY23 reallotment of $108,000.

5. IIJA DW LSL Capitalization Grant allotment of $27,456,000.

6. IIJA DW LSL FFY22 reallotment of $927,000.

7. IIJA CW SRF EC Capitalization Grant allotment of $5,143,000, which Maryland transferred from the CW Program to the DW Program in order to fund DW projects.

8. IIJA CW SRF EC FFY23 reallotment of $12,000, which Maryland transferred from the CW Program to the DW Program in order to fund DW projects.

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The highlights of the FFY26 IUP are as follows:

Exhibit 1a: FFY26 IUP Summary

DW SRF FFY26 IUP TOTAL SOURCES		DWSRF FFY26 IUP TOTAL USES	
Federal Funds for Capital Projects-Base Grant	$ 7,983,000	Capital Projects - Loans and Grants	$ 119,336,058
State Match for Base for Capital Projects	$ 1,596,600	Federal Set-asides (Base, IIJA Supplemental General, LSL, EC)	$ 23,554,360
Federal Funds for Capital Projects-IIJA Supplemental Grant-FFY25	$ 51,711,000		
State Match for IIJA for Capital Projects	$ 10,342,200		
Funds Transferred from Water Quality SRF EC and 2023 Reallotment	$ 5,155,000		
Federal EC Grant + Re-allotments	$ 15,982,000		
Federal LSL Grant + Re-allotments	$ 28,383,000		
Est. Invest. Earnings/Repayments	$ 22,936,349		
TOTAL	**$ 144,089,149**	**TOTAL**	**$ 142,890,418**

Under this IUP, $119,336,058 (approximately 82.8%) of all the FFY26 capitalization grant allotments (including reallotments) are allocated to Drinking Water capital projects. This figure represents the capitalization grant, plus the state match and minus the set-asides for non-capital administrative work. The Federal project funds, combined with State general fund/GO bond match, loan repayments, and investment earnings, will be used to provide low interest loans and other financial subsidies for eligible DWSRF capital improvements. MWIFA will utilize the 4% set-aside from the Base allotment for eligible non-program activities. The Maryland Department of the Environment (MDE) Water & Science Administration (WSA) provided MWIFA and EPA with a separate work plan for the use of the three programmatic set-asides (2%, 10%, 15%) totaling $33,682,500 from DWSRF base and IIJA funding. MWIFA and MDE WSA maintain their authority to reserve the remaining 2%, 4%, and 10% set-asides from DWSRF Base and IIJA Grants for future eligible uses and maintains an accounting of these amounts.

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Exhibit 1b: DWSRF Set-Asides

	Capitalization Grant Allotment				
FFY→	2022	2023	2024	2025	2026
DWSRF Base	$ 12,837,000.00	$ 10,260,000.00	$ 9,683,000.00	$ 22,744,000.00	$ 7,983,000.00
DWSRF BIL General Supplemental	$ 32,960,000.00	$ 43,747,000.00	$ 47,757,000.00	$ 51,732,000.00	$ 51,711,000.00
DWSRF BIL Emerging Contaminants	$ 13,840,000.00	$ 15,874,000.00	$ 15,874,000.00	$ 15,874,000.00	$ 15,874,000.00
DWSRF BIL LSL	$ 51,934,000.00	$ 28,650,000.00	$ 29,917,000.00	$ 34,400,000.00	$ 27,456,000.00
DWSRF Base Set-Aside→	**0.02**	**0.04**	**0.10**	**0.15**	**WSP**
2022	$ 256,740.00	$ 513,480.00	$ 1,283,700.00	$ 1,925,550.00	$ 3,465,990.00
2023	$ 205,200.00	$ 410,400.00	$ 1,026,000.00	$ 1,539,000.00	$ 2,770,200.00
2024	$ 193,660.00	$ 387,320.00	$ 968,300.00	$ 1,452,450.00	$ 2,614,410.00
2025	$ 454,880.00	$ 909,760.00	$ 2,274,400.00	$ 3,411,600.00	$ 6,140,880.00
2026	$ 159,660.00	$ 319,320.00	$ 798,300.00	$ 1,197,450.00	$ 2,155,410.00
DWSRF BIL General Supplemental Set-Aside→	**0.02**	**0.04**	**0.10**	**0.15**	**WSP**
2022	$ 659,200.00	$ 1,318,400.00	$ 3,296,000.00	$ 4,944,000.00	$ 8,899,200.00
2023	$ 874,940.00	$ 1,749,880.00	$ 4,374,700.00	$ 6,562,050.00	$ 11,811,690.00
2024	$ 955,140.00	$ 1,910,280.00	$ 4,775,700.00	$ 7,163,550.00	$ 12,894,390.00
2025	$ 1,034,640.00	$ 2,069,280.00	$ 5,173,200.00	$ 7,759,800.00	$ 13,967,640.00
2026	$ 1,034,220.00	$ 2,068,440.00	$ 5,171,100.00	$ 7,756,650.00	$ 13,961,970.00
DWSRF BIL Emerging Contaminants Set-Aside→	**0.02**	**0.04**	**0.10**	**0.15**	**WSP**
2022	$ 276,800.00	$ 553,600.00	$ 1,384,000.00	$ 2,076,000.00	$ 3,736,800.00
2023	$ 317,480.00	$ 634,960.00	$ 1,587,400.00	$ 2,381,100.00	$ 4,285,980.00
2024	$ 317,480.00	$ 634,960.00	$ 1,587,400.00	$ 2,381,100.00	$ 4,285,980.00
2025	$ 317,480.00	$ 634,960.00	$ 1,587,400.00	$ 2,381,100.00	$ 4,285,980.00
2026	$ 317,480.00	$ 634,960.00	$ 1,587,400.00	$ 2,381,100.00	$ 4,285,980.00
DWSRF BIL LSL Set-Aside→	**0.02**	**0.04**	**0.10**	**0.15**	**WSP**
2022	$ 1,038,680.00	$ 2,077,360.00	$ 5,193,400.00	$ 7,790,100.00	$ 14,022,180.00
2023	$ 573,000.00	$ 1,146,000.00	$ 2,865,000.00	$ 4,297,500.00	$ 7,735,500.00
2024	$ 598,340.00	$ 1,196,680.00	$ 2,991,700.00	$ 4,487,550.00	$ 8,077,590.00
2025	$ 688,000.00	$ 1,376,000.00	$ 3,440,000.00	$ 5,160,000.00	$ 9,288,000.00
2026	$ 549,120.00	$ 1,098,240.00	$ 2,745,600.00	$ 4,118,400.00	$ 7,413,120.00

WSP Total (FFY25)
$ 33,682,500.00

Source: FFY 2022-2026 IUPs

Notes:

Set-aside uses: 2% technical assistance, 4% DWSRF admin, 10% DW program support, 15% local asistance/state activities.

WSP set-aside includes all set-asides except 4% DWSRF admin set-aside.

To provide applicants an opportunity to seek DWSRF funding, Financial Assistance Applications for drinking water (drinking water source, treatment, storage and distribution) capital projects were accepted by MWIFA from December 1, 2025, through February 7, 2026. The attached DWSRF IUP Table shows the proposed list of projects for inclusion in the FFY26 IUP for DWSRF financial assistance, including those projects that are being considered for additional subsidy (loan principal forgiveness) based on the assumed federal statutory limitations. These projects were selected from the Project Priority List (PPL) based on their Integrated Project Priority System (IPPS) ranking; compliance with technical, managerial, and preliminary financial capacity requirements; readiness to proceed to construction during a reasonable timeframe; and compliance with the following two state requirements: (1) the project is included in, or amended to, an MDE-approved County Water and Sewer Plan and (2) the project is consistent with Maryland's Smart Growth/Priority Funding Area (PFA) legislation or has received a PFA exception. Before loan execution, projects identified in the IUP will undergo a detailed financial capacity/credit analysis by MWIFA. The DWSRF loan terms are outlined below:

Current Interest Rate	Standard Rate = 50% of Market Rate Disadvantaged Community (DAC) Rate = 25% Market Rate • Market Interest Rate is defined as the average of the Bond Buyer 11-Bond Index for the month preceding the loan closing. • MDE, by policy, can change the SRF loan interest rate at any time. Interest rates are updated monthly. • The range of interest rates for the preceding fiscal year are posted on the MWIFA website.
Loan Term	Up to 30 Years (up to 40 years for DACs), not to exceed the useful life of the constructed asset. 100% principal forgiveness loans have a duration of 10 years, regardless of the life of the asset.
Loan Origination Fee	None
Loan Administrative Fee	5% of the aggregate debt service divided by the number of administrative fee payments over the life of the loan, collected annually. The administrative fee is used to help meet program operating expenses. These funds are in addition to any funds provided for DWSRF program expenses from the federal capitalization grants.

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A. Sources and Uses of Funds

Exhibit 2: FFY26 Sources and Uses

	Notes	Through 2025 IUP	2026 IUP
SOURCES			
Federal Capitalization Base Grants	A	$ 391,181,706	$ 7,983,000
20% State Match to Federal Capitalization Base Grants	B	$ 77,819,200	$ 1,596,600
Federal Base Re-Allotment		$ 186,000	$ -
20% State Match to Base Grants Re-Allotment		$ 37,200	$ -
Federal IIJA General Supplemental Grant		$ 176,196,000	$ 51,711,000
20% State Match to IIJA Federal Grant	C	$ 27,568,500	$ 10,342,200
Federal EC Grants		$ 61,462,000	$ 15,874,000
Federal EC Re-Allotment		$ 572,000	$ 108,000
Federal LSL Grants		$ 110,501,000	$ 27,456,000
Federal LSL Re-Allotment		$ 4,483,000	$ 927,000
Federal Stimulus ARRA Grant 08 IUP		$ 26,832,000	$ -
Federal SDWA Disadvantaged Community (12-35%)		$ -	$ -
Funds Transferred from Water Quality SRF EC and 2023 Reallotment	D	$ 21,187,580	$ 5,155,000
Investment Earnings thru SFY25 (Cap Reserve)		$ 15,235,291	$ -
Loan Principle Repayments thru SFY25		$ 194,730,973	$ -
Loan Interest Repayments thru SFY25		$ 36,696,084	$ -
Subtotal		**$ 1,144,688,534**	**$ 121,152,800**
Estimated Loan Principal (SFY26, SFY27)		$ 35,410,380	$ -
Estimated Loan Interest Repayments (SFY26, SFY27)		$ 4,596,645	$ -
Estimated Investment Earnings (SFY26, SFY27)		$ 2,416,831	$ -
Estimated Loan Principal (SFY28)		$ -	$ 18,238,414
Estimated Loan Interest Repayments (SFY28)		$ -	$ 2,587,362
Estimated Investment Earnings (SFY28)		$ -	$ 2,110,573
Reprogrammed		$ -	$ -
Subtotal		**$ 42,423,856**	**$ 22,936,349**
Total		**$ 1,187,112,391**	**$ 144,089,149**
USES			
Loan/Grant Agreements Entered (as of 06/30/26)		$ 658,382,253	$ -
Pending loans & LF disbursement on existing loans (as of 6/30/26)		$ 68,500,301	$ -
Net Reversions of total loan agreements/LF (as of 06/30/26)		$ (9,956,372)	$ -
Pending IUP 2026 Loans		$ -	$ 119,336,058
ARRA-Stimulus Fed Administrative/Set aside		$ 400,000	$ -
Base-Fed. Set-asides & In Kind (excludes ARRA & IIJA listed separately)		$ 102,635,299	$ 2,474,730
Federal Set-asides IIJA Supplemental General		$ 47,572,920	$ 13,961,970
Federal Set-asides LSL		$ 12,589,111	$ 2,802,520
Federal Set-asides EC		$ 10,452,150	$ 4,315,140
Total		**$ 890,575,662**	**$ 142,890,418**

Notes:

[A] Total federal grant awards through FFY25 Capitalization Grant, excludes ARRA, IIJA, and non-SRF grants.

[B] Includes state general fund / GO bond match through FFY25.

[C] Note 10% state match to IIJA federal grant before FFY24.

[D] Funds transferred from CWSRF to DWSRF (prior years).

B. Goals of the Maryland Drinking Water Revolving Loan Fund

1. Long-Term Goals

Achieve and/or Maintain Compliance with Safe Drinking Water Standards - Using the DWSRF project priority rating and ranking system, target financial assistance that will help water systems comply with, maintain, or meet safe drinking water standards, and address public health issues.

Coordination of Capital & Set-Aside Priorities - Coordinate State priorities under the set-aside work plan (technical assistance, source water protection, and technical, managerial & financial capacity development) to target DWSRF funding to high-priority capital projects to achieve objectives consistent with the SDWA.

Fund Perpetuity and Utilization - To provide low-interest rate financing and other subsidies to high-priority, eligible projects that are ready to proceed within a reasonable time while maintaining a perpetual source of capital funds for future projects. The goal is to achieve a fund utilization rate of at least 95%, calculated as loans executed divided by total funds. This is one Program Activity Measure (PAM) under EPA's strategic plan for the DWSRF. The DWSRF could finance approximately $144.09 Million in additional loans from capitalization grants, State match, loan repayments, and investment earnings for the 2026 IUP (excluding revenue bond leveraging and set-asides). This is in addition to the $1.19 Billion of capacity on existing IUPs (Through 2025 IUP). This analysis assumes a Maryland Federal Capitalization Base Grant of $7.98 Million, as well as IIJA General Supplemental Capitalization Grants of $51.71 Million for the 2026 IUP. The cumulative loan capacity of the DWSRF is projected to reach $1.33 Billion by 2026 IUP.

Funding Prioritization – The IPPS rating and ranking system targets financial assistance to projects that help meet Maryland's priorities for safe drinking water, as well as federal requirements to limit human exposure to lead, and perfluoroalkyl and polyfluoroalkyl substances (PFAS) and other emerging contaminants in drinking water. The IPPS focuses on the proposed project drinking water quality and quantity benefits, documented public health concerns, compliance status, cost efficiency, and other co-benefits. MWIFA transferred the FFY23 reallotment and FFY26 CWSRF EC allotment to the DWSRF to address the urgent demand shown by the number of PFAS applications to the DWSRF. This transfer provided an additional $5,155,000 to respond to this public health need.

Reasonable User Cost – To ensure projects are constructed at a reasonable cost for the users of the system, MWIFA will continue to provide disadvantaged communities (DACs) a lower interest rate and additional subsidies in the form of loan principal forgiveness. MWIFA will continue to utilize its state grant programs and coordinate with other federal and state financial assistance programs (e.g., USDA Rural Utilities Service, Community Development Block Grant, Federal Special Appropriation grants, etc.). Reasonable cost is based on the following economic metrics: (1) percent poverty, (2) unemployment, (3) median household income, and (4) population decline. (See below for additional details.)

Financial Capacity and DAC Assistance - As part of the credit/financial analysis of potential borrowers, MWIFA will continue to provide financial advisory services to system owners on the feasibility of their user rate structure and financial capacity to pay back a loan. MWIFA's financial model forecasts future operating cash flow based on existing/proposed user rates using audited financial statements and includes a 2% inflation factor for all projected out years. The model has been an effective tool to assist communities in developing affordable user rate structures and in determining additional subsidies to DACs.

2. Short-Term Goals/FFY26 IUP Operating Goals

Utility Sustainability - To provide low-cost capital financing for existing facility (fix-it-first) upgrades for drinking water system improvements necessary to achieve or maintain SDWA compliance. The FFY26 IUP funding list identifies several such projects. In addition, MWIFA continues to work closely with facility owners to maintain system financial capacity. MWIFA's credit capacity analysis includes discussions with potential loan recipients to ensure their enterprise fund remains fiscally solvent. Fiscal solvency includes reliable and dedicated sources of revenue for the debt service on capital improvements and the cost of operations and maintenance. Projects that support sustainable elements, such as asset management, or projects that

support green infrastructure, such as water/energy efficiency, are awarded sustainability points on the project rating system.

Explore the establishment of a statewide pay-for-performance contract for lead service line inventories – MWIFA, along with MDE's Water Supply Program, are in the early stages of exploring the development of a statewide lead service line inventory, which would follow the "pay for performance" model successfully implemented elsewhere to resolve "unknowns" within the system.

Maintain Sufficient Staffing Levels – Given the departure of key staffing elements in early 2025, one of the most important programmatic short-term goals is to build staff back into crucial roles and ensure sustainable program operating levels. As of June 22, 2026, key leadership positions in accounting and program management have been filled, and MWIFA has hired several more accounting and procurement staff members to alleviate the work backlog.

Broaden the Borrowing Base – With recent changes at the federal level, MWIFA is actively engaged in monitoring the risk of loss to federal funds for various programs. Many of the borrowers who are MWIFA's clients rely on these federal dollars to achieve their capital project public health and environmental goals. In times of greater uncertainty, MWIFA must try to broaden the base of loan borrowers to meet the growing needs across all of Maryland, increase the pace at which loans are closed, and decrease the number of outstanding projects to which programmed funding has already been committed. These will be operating goals in the coming fiscal year.

C. Project Selection and Fund Activities under the FFY26 IUP

Financial Assistance Applications for drinking water projects were solicited by MWIFA from December 1, 2025, through February 7, 2026 from local governments and private water system owners. Applications received were rated and ranked based on the Drinking Water Integrated Project Priority System (IPPS), reviewed for consistency with state requirements, and identified in the Maryland Drinking Water PPL for FFY26/SFY28 (Appendix A). The PPL was used to select projects for the FFY26 IUP, based on their priority ranking, their interest in DWSRF financing (including IIJA funding), and their readiness to proceed to construction within a reasonable timeframe (unless specifically requesting a planning/design phase loan).

Projects that were not consistent with the following two state requirements were bypassed as ineligible for funding during this funding cycle: 1) the project is included in, or amended to, an MDE-approved County Water and Sewer Plan and 2) the project is consistent with Maryland's Smart Growth/Priority Funding Area (PFA) legislation or has received a PFA exception. Projects with technical or managerial concerns that would not be resolved by the project were also bypassed.

Below is a summary of the sources and uses of funds:

Exhibit 3: FFY26 IUP Summary

DW SRF FFY26 IUP TOTAL SOURCES		DWSRF FFY26 IUP TOTAL USES	
Federal Funds for Capital Projects-Base Grant	$ 7,983,000	Capital Projects - Loans and Grants	$ 119,336,058
State Match for Base for Capital Projects	$ 1,596,600	Federal Set-asides (Base, IIJA Supplemental General, LSL, EC)	$ 23,554,360
Federal Funds for Capital Projects-IIJA Supplemental Grant-FFY25	$ 51,711,000		
State Match for IIJA for Capital Projects	$ 10,342,200		
Funds Transferred from Water Quality SRF EC and 2023 Reallotment	$ 5,155,000		
Federal EC Grant + Re-allotments	$ 15,982,000		
Federal LSL Grant + Re-allotments	$ 28,383,000		
Est. Invest. Earnings/Repayments	$ 22,936,349		
TOTAL	**$ 144,089,149**	**TOTAL**	**$ 142,890,418**

1. **Funding by Type of Project**

   The primary objective of the SDWA is to protect public health by providing safe and adequate drinking water through source water protection, treatment, storage and distribution. The FFY26 IUP indicates that approximately 17% of selected projects focused on drinking water treatment, 69% focused on transmission/distribution, and 14% focused on source water. No selected projects were listed in the "storage" or "other" type categories.

2. **Additional Subsidization and Eligible Recipients**

   The FFY26 Base Capitalization Grant allotment is subject to two distinct and additive authorities requiring that a percentage of the allotment be provided as additional subsidy (e.g., loan principal forgiveness): a mandatory 14% Congressional Additional Subsidy to any DWSRF eligible recipient and a mandatory 12% to 35% SDWA Additional Subsidy for a total requirement of 26% to 49%. The FFY26 Base Capitalization additional subsidy target is $2,062,640, and MWIFA programmed $3,911,670 in additional subsidy. The FFY26 IIJA General Supplemental allotment requires that 49% of the appropriation must be provided as additional subsidy. The FFY26 IIJA General Supplemental target is $25,338,390, and MWIFA programmed $25,338,390 in additional subsidy. The FFY26 IIJA DW Emerging Contaminants allotment requires that 100% be provided as additional subsidy, and the FFY26 IIJA Lead Service Line allotment requires that 49% of the allotment be provided as additional subsidy. MWIFA programmed $30,729,530 in additional subsidies for these funds. Additional subsidies are provided to eligible projects in priority ranking order with readiness to proceed to construction until the statutory limit is reached. It has been MWIFA's policy to provide additional subsidy in the form of loan principal forgiveness from the Base program to DACs in an amount up to 50% of the financed amount, not to exceed $1.5 Million; however, the Administration reserves the right to revise this policy by increasing this amount should circumstances warrant.

   MWIFA's current DAC eligibility criteria, as approved by EPA, are as follows:

   At least two of the following four criteria are required to qualify as a disadvantaged community:

   - Project is physically located and benefits a community with a poverty level above 110% of the statewide poverty rate; and/or
   - Project is physically located and benefits a community with median household income (MHI) less than 80% of State MHI; and/or

- Project is physically located and benefits a community with an unemployment rate above 120% of the State unemployment rate; and/or
- Project is physically located and benefits a community with a "change in population < -1.2%.

In addition to the above criteria, if the statutory limit for additional subsidy has not been reached, up to 25% of the loan amount as loan principal forgiveness may also be provided to projects in priority ranking order with readiness to proceed where the water user rate would increase by more than 20% to achieve financial capacity as determined by MDE.

Modification of the DAC Applicability in Certain Situations Related to LSL Funding

Maryland's criteria for designating communities as disadvantaged have always emphasized economic factors related to affordability. The first three criteria used to identify disadvantaged communities (DACs) derive from economic statistics measuring poverty, median household income (MHI) and the percentage of unemployment. The fourth criterion relates to population loss (although not directly an economic indicator, it tends to influence the impact on user rates as the population of ratepayers decreases, which influences affordability as remaining payers struggle to service infrastructure debt).

Recognizing affordability issues associated with lead service line (LSL) financing in particular, Maryland broadened the application of its DAC definition. One characteristic of LSL work is that it is quite different from regular capital projects financed with State Revolving Fund (SRF) loans. LSL work tends to be very expensive and can involve working on both public property and the homeowners' property (i.e., private property). Costs associated with lead service line replacement (LSLR) can impact some individuals disproportionately. While these costs may be concentrated in specific locations, their impact of those costs often spread across the service area's ratepayers. MHI tends to mask differences between highly disparate socio-economic subsections of a service area. In highly urbanized, older communities with pockets of less wealthy, under-resourced populations, individuals or subcommunities can incur LSLR costs with a disproportionate impact. MHI creates a normalized income which may lead to the service area as a whole being assessed as non-DAC. To remedy this affordability issue, Maryland expanded eligibility for principal forgiveness (also known as additional subsidy) in some situations to alleviate the impact of the cost increases across a large service area.

Maryland plans three activities to decrease financial burden on communities across the state and to balance the need to expeditiously deliver LSL funding to communities that need it.

- Broaden DAC criteria such that if pockets of disadvantaged areas exist within a large service area which is not categorized as DAC, then Maryland will apply the disadvantaged status to the whole service area.
- Convert some loans in smaller rural areas of the state to grants so that costs associated with loan closings, and the time lost to do so, can be minimized.
- Provide technical assistance to those communities that require assistance to access the funds.

The above efforts will lead to greater accessibility of funding across the state. By making water infrastructure debt more affordable, this measure reduces the financial burden on DAC ratepayers while benefiting all ratepayers, including less affluent pockets within larger service areas and remote, under-resourced communities. These proposed changes will have significant public health benefits.

3. Assistance to Small Systems Requirement

The SDWA specifies that a minimum of 15% of all dollars (capitalization grant, State match, repayments, bond proceeds, investment earnings, transferred funds from CWSRF to DWSRF) credited to the DWSRF project fund shall be used to provide assistance to small systems. The project list includes $75,003,892 (or 63%) for small systems - far exceeding that goal.

4. Administrative Expenses

In this FFY26 IUP, MWIFA requests 4% of federal base program funds to supplement loan fees for DWSRF program administration (see Exhibit 4).

Exhibit 4: Administrative Expenses to Fund Engineering Capital Projects Program (ECPP) Staff

Category		Federal Cap Grant	Non-Federal Match	Total	Notes
Salary	RCE (2 staff)	180,676.00	-	180,676.00	Salary for Maryland Dept. of the Environment staff: RCE = 2 Regulatory Compliance Engineers, Grade/Step 20/10. 100% time on project for 12 months. Estimated RCE annual salary is $90,338.
Fringe	RCE (2 staff)	72,271.00	-	72,271.00	Fringe at 40% includes: Social Security, Unemployment, Health Insurance, and Retirement.
Indirect	RCE (5 staff)	66,373.00	-	66,373.00	Indirect rate is 26.24%.
Travel	In-State	-	-	-	Travel is not anticipated.
	Out of State	-		-	
Other	Conference/workshops charges/fees	-	-	-	Other: Budget is for grant-funded staff to participate in conferences/workshops conducted by other entities that require fees for participation. No funds are budgeted for food/refreshments or fees in FFY26.
	Training	-		-	
Match			-	-	Match is provided by state GO bonds and is included in the application but is not included in this budget.
	Total	319,320.00	-	319,320.00	

5. Program Income (Non-Federal)

MWIFA charges loan fees equal to 5% of annual debt service, which are used for administrative expenses in addition to the 4% of federal DW capitalization grant set-aside. The details related to the program income revenue and expenses are provided each year in the annual report. During FFY26, MWIFA estimates the fee revenue to be approximately $0.93 Million.

D. Project Scope of Work/Public Health Benefits – FFY26 IUP Projects

The following are examples of the types of projects selected for financial assistance in the FFY26 IUP.

Town of Bel Air, MD PFAS Exposure Reduction in Harford County. A private water distribution system has been proactive in sampling for PFAS after MDE conducted sampling in 2022. Results have shown elevated contaminants and the owners applied and are scheduled to mitigate PFAS. The Bel Air System provides an average of 1.50 mgd to approximately 5,200 customer connections in 2025. The population served by the Bel Air System is estimated to be approximately 14,500. Approximately 85% of the customer base is residential. The recipient, Maryland American Water (MDAW), proposes to construct granular activated carbon (GAC) adsorbers for the removal of PFAS compounds at the Bynum Well station. The improvements will be constructed on MDAW's existing site located adjacent to Bynum Run Park and the Town of Bel Air Public Works facility at the eastern edge of the system.

Woodbine Village Mobile Home Park LLC PFAS/PFOA Mitigation, in Carroll County is another PFAS/PFOA project to mitigate contaminants operated by a Mobile Home Park (MHP), which had high levels of PFAS in drinking water. The project will connect a private system to the public water distribution system, which is under

PFAS regulatory limits and has a centralized water treatment facility should the MHP need to more actively treat PFAS contaminants in the future. The proposed project's scope includes installation of a meter vault, connective water piping between the town and MHP, and valves to connecting infrastructure from the MHP. This project is one of several PFAS remediation projects on this year's IUP. In fact, out of the 38 drinking water projects, eleven involve remediation efforts for PFAS.

Friendsville Water Improvement Project, located in the Town of Friendsville, Garrett County, Maryland. The water system is owned and operated by the Garrett County Sanitary District Inc. and currently serves approximately 221 customers within the incorporated limits of the Town of Friendsville. The existing system consists of a surface water intake on the Youghiogheny River, a conventional sand filtration Water Treatment Plant (WTP) with a permitted average withdrawal of 73,000 gallons per day (gpd) and a maximum daily withdrawal of 150,000 gpd, a treatment capacity of approximately 120,000 gpd, a 300,000-gallon concrete water storage tank constructed in 1976, and a distribution system comprised primarily of 4-inch, 6-inch, and 8-inch ductile iron water mains. The project will develop two groundwater source wells; construct a new WTP and connect to the existing water system; and construct a new water tank and decommission the existing water tank. The project will remedy deficiencies in the existing water supply and distribution system, improve long-term source water reliability, enhance emergency response capability, and ensure continued compliance with state and federal regulations. The project is also in a disadvantaged community as determined by MDE standards relating to median household income, unemployment, and population growth, which provides access to preferential funding terms and increases a project's relative priority.

E. Minority Business Enterprises/Women's Business Enterprises (M/WBE) Participation

The EPA and MDE negotiated fair share goals for FFYs 2024, 2025, and 2026 based on the Maryland Department of Transportation 2018 disparity/availability study. Based on these negotiations, MDE set goals of 22% MBE and 16% WBE for the "construction" category (total 38% M/WBE). MWIFA will continue to use these negotiated goals for all DWSRF projects funded in the upcoming year.

These goals will be applicable to all projects financed using DWSRF (loans, loan principal forgiveness). MDE provides DWSRF applicants an insert for inclusion in procurement/bid documents, which outlines the M/WBE (%) goals and the affirmative/positive steps necessary to show a good faith effort consistent with federal regulations under 40 CFR Part 33. Failure to meet the M/WBE goals does not preclude the use of the SRF, as long as the good faith efforts can be demonstrated and documented. It is important that the loan recipients and their prime contractors undertake the necessary affirmative/positive steps to assure that M/WBE firms are afforded the opportunity to participate in SRF projects. All subcontractors selected to participate in the project are also subject to these Good Faith Efforts requirements when further subcontracting or dividing a scope of work. M/WBE Program details and forms are available on MDE's web site at https://mde.maryland.gov/programs/water/wqfa/pages/mwbe.aspx.

F. Assurances

The Department agrees to comply with the Federal program requirements as outlined in the Operating Agreement between EPA and MDE, amended as of April 2014, and further updated as of February 2016, as well as grant conditions in each Capitalization Grant Agreement.

G. Binding Commitments

The projected binding commitments will occur at or around construction start date indicated for each project listed in the attached Table. Prior to the execution of the loan, Maryland law requires that any proposed financing be approved by the Board of Public Works (BPW), an authoritative three-member fiscal panel comprised of the State's Governor, the Comptroller and the Treasurer. All SRF projects are subject to and must obtain pre-approval by the BPW to encumber the programmed funds, and this is a prerequisite to form a loan agreement or receive a state or federal grant.

H. Public Review of the Draft FFY26 IUP

The public comment period started on July 23, 2026. On that date, an email was sent to all applicants who submitted Financial Assistance Applications (and interested parties) informing them of the availability of the Draft IUP/PPL on MDE's website. The interested parties list includes representatives from state and local government, environmental consultants/engineers, community groups, neighborhood associations, environmental organizations and the general public. Additionally, MWIFA provided email notification to the following Maryland Commissions/Committees to share with their membership and interested parties' lists: the Children's Environmental Health and Protection Advisory Council and the Bay Restoration Fund Advisory Committee. MWIFA also coordinates with MDE's Communications Office to ensure that the draft IUP documents are shared via the Department's various social media accounts. MWIFA will also share the draft IUP with the Maryland General Assembly.

Public comments were accepted through September 6, 2026. MWIFA was available to answer any questions during the comment period to ensure the public fully understood what was being proposed in the IUP. MWIFA received no comments for DWSRF IUP.

How to Contact MWIFA

Please visit our website for further information about our State and Federal Funding Programs at:

https://mde.maryland.gov/programs/water/WQFA/Pages/index.aspx

If you have questions or wish to have more information, please contact:

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APPENDIX A

Maryland DWSRF Final Project Priority List for FFY 2026 IUP

State Fiscal Year 2026
(July 1, 2025 – June 30, 2026)

Maryland Water Infrastructure Financing Administration
FY 2026 Drinking Water Project Priority List

Version August 7, 2026

Rank / Points	Project Title / Project No.	Problem	Project Description	Applicant	County	Size	Ben. Pop.	Constr. Start	Public?(Y/N)	Compliance?	Disadv.?	PFAS/EC?	LSL?	Loan Int.?	Funding Request	Total Project Cost	Leg. Dist / Cong. Dist
1 / 125	Plumpton Park Zoo Water Extension / DW0038	Plumpton Park Zoo is experiencing nitrate maximum-contaminant-level violations, risking health impacts to nearby communities.	Design and build a 14,180 LF water main extension via directional drilling and open-cut installation.	Town of Rising Sun	Cecil	S	3,500	2027-09-01	Y	N	N	N	N	Y	$3,903,160	$3,903,160	35B / 1
2 / 105	Herring Creek Water Main Interconnect / DW0046	The Riddle Farm and Mystic Harbour service areas lack redundancy and experience pressure loss and water shortages, requiring consolidation.	Construct 3,000 LF of 8-inch main and 1,050 LF of 14-inch directional-drill main to interconnect the two systems.	Worcester County, Maryland	Worcester	S	2,490	2026-10-01	Y	N	N	N	N	Y	$2,944,150	$2,944,150	38C / 1
3 / 100	Woodbine Village PFAS PFOA Mitigation / DW0037	Elevated PFOA and PFOS levels have been found in the groundwater source for Woodbine Village drinking water.	Conduct a pilot study to determine the efficacy of granular activated carbon (GAC), the proposed treatment solution.	Woodbine Village, LLC	Carroll	S	130	2027-05-01	N	Y	N	Y	N	Y	$710,000	$1,540,000	05 / 3
4 / 100	Eckhart Waterline Replacement / DW0019	The aging water supply system suffers frequent leaks and main breaks, with water loss as high as 30%.	Replace 40,000 LF of water lines along with water meters and service lines in the project area.	Allegany County Commissioners	Allegany	S	1,200	2028-04-01	Y	N	Y	N	N	Y	$11,600,000	$11,600,000	01B / 6
5 / 100	Manchester Water Treatment Improvements / DW0053	PFAS concentrations exceed the newly proposed EPA MCL for the permitted wells within the Patapsco watershed.	Build a new treatment system in a new building and connect the Park Ridge and Patricia Court wells via new supply mains.	Town of Manchester	Carroll	S	5,900	2027-10-01	Y	Y	N	Y	N	Y	$12,339,430	$12,367,930	05 / 2
6 / 95	Monocacy Elementary School / DW0054	Elevated PFAS was detected in the school's drinking water in 2024 by MDE and an MCPS contractor.	Design and install a PFAS removal system.	Montgomery County Public Schools	Montgomery	S	250	2028-05-01	Y	Y	N	Y	N	Y	$200,000	$200,000	15 / 6
7 / 90	White House Road Water Extension / DW0057	The White House Road community relies on wells and has petitioned the county to join the municipal water supply.	Install 960 LF of 8-inch and 410 LF of 2-inch main plus 18 connections and laterals, reimbursed by the community.	Anne Arundel County, Maryland	Anne Arundel	L	44	2028-03-01	Y	N	N	N	N	Y	$1,331,000	$1,331,000	33B / 5
8 / 90	Bradford Estates WTP PFAS Remediation / DW0005	The area served by the Bradford Estates WTP exceeds the PFAS MCL, requiring action to protect public health and meet future standards.	Design and install two ion-exchange treatment vessels to remove PFAS and achieve MCL compliance.	Frederick County, Maryland	Frederick	S	178	2026-08-26	Y	Y	N	Y	N	N	$1,300,000	$1,300,000	04 / 6
9 / 85	Friendsville Water Improvement Project / DW0026	Surface-water quality is impaired and equipment is aging, requiring hardened water lines, replaced meters, and an upgraded treatment plant.	Carry out a four-phase project to drill new wells for redundancy, upgrade the WTP, build a new storage tank, and upgrade the distribution system.	Garrett County Sanitary District, Inc.	Garrett	S	622	2027-06-01	Y	N	Y	N	N	Y	$6,811,900	$8,174,000	01A / 6
10 / 85	Fountaindale WTP PFAS Remediation / DW0033	The Fountaindale WTP has exceeded EPA's proposed PFOS MCL, requiring proactive treatment to protect public health and maintain compliance.	Install a dual-vessel PFAS/PFOS removal system with a pre-treatment cartridge to remove short- and long-chain compounds and solids.	Frederick County, Maryland	Frederick	S	2,643	2026-10-01	Y	Y	N	Y	N	N	$903,346	$903,346	04 / 6
11 / 85	PFAS Remediation Design and Construction at Park Water Treatment Plant - Salisbury / DW0010	All of the city's wells show detectable PFAS, with levels at Park WTP's wells 10 and 14 as high as 13 ppt.	Design and build a new 4 MGD treatment plant at Park WTP using a combined GAC/IX process to remove PFAS.	City of Salisbury	Wicomico	L	39,232	2029-01-01	Y	Y	Y	Y	N	N	$58,000,000	$58,601,820	37A / 1
12 / 80	Gorman Water Source Project / DW0030	One of the Gorman community's two wells collapsed in 2021, causing insufficient water supply.	Install two pump stations, 38,500 LF of 6-inch PVC water line, and a 60,000-gallon concrete storage tank.	Garrett County Sanitary District, Inc.	Garrett	S	368	2026-08-01	Y	N	Y	N	N	Y	$14,440,000	$14,654,286	01A / 6
13 / 80	Running Brook and Misty Meadows I PFAS Filtration System Installation / DW0067	PFAS has been detected in wells serving the Running Brook community and part of the Misty Meadows community.	Install a resin filtration system capable of removing PFAS at 17,000 gallons per day.	Running Brook Corp.	Cecil	S	460	2026-12-01	N	Y	Y	Y	N	N	$5,236	$5,236	35B / 1
14 / 80	Emmitsburg West Main Street Water Line Replacement / DW0004	The town's 70+ year-old, rapidly deteriorating water lines are causing pressure-compliance and water-quality problems.	Design and replace about 5,300 ft of varied-diameter water lines in the West Main Street area.	Town of Emmitsburg	Frederick	S	2,770	2027-04-01	Y	N	N	N	N	Y	$2,800,000	$2,800,000	02A / 6
15 / 79	PFAS Treatment at Bynum Well Station / DW0058	PFAS/PFOA in the Bel Air area served by MD American Water exceeds EPA's MCL, requiring treatment to maintain compliance and protect public health.	Plan, design, and install granular activated carbon adsorption filters at the Bynum Well Station to remove PFAS.	Maryland American Water Company	Harford	L	15,500	2027-12-01	N	Y	Y	Y	N	N	$5,000,000	$5,000,000	Multiple / 1
16 / 77	Campus Hills Water Works PFAS Treatment Project / DW0013	PFAS has been detected in the aquifer serving the Campus Hills community, requiring treatment to maintain compliance and protect public health.	Install an on-site anion-resin filtration system to remove PFAS from the drinking water supply.	Campus Hills Water Works, Inc.	Harford	S	383	2026-09-01	N	Y	Y	Y	N	N	$315,000	$365,000	35A / 1
17 / 75	Chestnut Hill Extension to Public Water / DW0016	Chestnut Hill residents rely on private wells within a designated onsite-wastewater management problem area.	Connect Chestnut Hill to the county water distribution system with 2,100 LF of 8-inch pipe and 28 connections.	Anne Arundel County, Maryland	Anne Arundel	L	83	2028-09-01	Y	N	N	N	N	Y	$2,981,000	$2,981,000	30B / 05
18 / 75	Wedgewood Drive Water Main Replacement / DW0055	Aging 57-year-old cast-iron mains with frequent breaks and corroded pipes pose a public-health concern.	Construct approximately 1.91 miles of new 8"–12" water main.	Washington Suburban Sanitary Commission (WSSC)	Prince George's	L	425	2027-05-01	Y	N	N	N	N	Y	$4,883,237	$4,883,237	26 / 4
19 / 75	Newark New WTP & Well / DW0047	The system has no redundant well, and the outdated WTP filters lack capacity and suffer major corrosion with potential for pinhole leaks.	Add VFDs on the new well pumps, install a new SCADA and control system for automation and remote control, and add two filters for redundancy.	Worcester County, Maryland	Worcester	S	445	2027-10-01	Y	N	N	N	N	Y	$2,921,840	$5,471,840	38A / 1
20 / 75	Town of Queenstown Drinking Water Infrastructure Improvements Project / DW0072	Queenstown's 80-year-old drinking water infrastructure is deteriorating and no longer meets flow-pressure standards.	Build a new well and treatment facility, refurbish existing storage tanks, and construct new water connections.	Town of Queenstown	Queen Anne's	S	705	2027-08-01	Y	N	N	N	N	Y	$8,090,680	$12,073,680	36 / 1
21 / 75	Braddock Road Water Main Replacement (Project 2024-22-W) / DW0008	The aging system has corroded lines, frequent breaks, and inadequate flow, requiring increasingly frequent repairs.	Replace 4,000 LF of 8-inch and 4,021 LF of 6-inch water line, plus valves, blow-offs, and service lines.	Mayor and City Council of Cumberland	Allegany	L	4,079	2027-08-01	Y	N	Y	N	N	Y	$3,230,591	$3,235,541	1B / 6
22 / 70	PFAS Mitigation for Sandy Hook Wells No. 1 and 2 / DW0042	PFAS levels at Sandy Hook Wells 1 and 2 exceed the proposed 2027 MCLs.	Add treatment processes and equipment to meet the proposed 2027 PFAS MCLs.	Washington County Board of County Commissioners	Washington	S	168	2026-07-26	Y	N	Y	Y	N	N	$1,000,000	$1,070,000	02A / 6

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23 / 70	WC-1199 Ashburton Pumping Station Rehabilitation / DW0006	The aging Ashburton pumping station needs rehab and upgrades for continued reliable operation and to support an administratively ordered project.	Modify the pump station, rehabilitating its hydraulic, mechanical, electrical, and structural systems and adding an emergency generator.	Mayor and City Council of Baltimore	Baltimore City	L	1,800,000	2026-04-01	Y	Y	Y	N	N	N	$27,422,000	$86,972,512	41 / 7
24 / 70	WC-1199 Ashburton Pumping Station Rehabilitation / DW0078	The aging Ashburton pumping station needs rehab and upgrades for continued reliable operation and to support an administratively ordered project.	Modify the pump station, rehabilitating its hydraulic, mechanical, electrical, and structural systems and adding an emergency generator.	Baltimore County	Baltimore City	L	1,800,000	2026-04-01	Y	Y	N	N	N	Y	$39,137,632	$86,972,512	41 / 7
25 / 65	District Heights Water Main Replacement - Phase 1 / DW0017	Repeated breaks and tuberculation buildup affect the 71-year-old cast-iron distribution system.	Construct approximately 2.36 miles of new 2"–8" water main to replace the existing system.	Washington Suburban Sanitary Commission (WSSC)	Prince George's	L	640	2027-04-01	Y	N	N	N	N	Y	$5,482,377	$5,482,377	25 / 4
26 / 65	Carmody Hills Water Main Replacement / DW0007	Repeated breaks in the 81-year-old cast-iron distribution system, plus tuberculation buildup, reduce flow and discolor water at the tap.	Install 2.5 miles of new 6"–12" water main.	Washington Suburban Sanitary Commission (WSSC)	Prince George's	L	760	2027-08-01	Y	N	N	N	N	Y	$5,170,000	$5,170,000	24 / 4
27 / 65	Glenarden Water Main Replacement / DW0044	A history of breaks and leaks affects the 62-year-old transmission mains, limiting drinking-water quantity.	Replace the small mains with larger-diameter mains to better ensure sufficient flows.	Washington Suburban Sanitary Commission (WSSC)	Prince George's	L	848	2028-07-01	Y	N	N	N	N	Y	$7,023,897	$7,023,897	24 / 4
28 / 65	Town of Grantsville Water System Improvements / DW0074	Grantsville's 1989 water treatment plant has reached the end of its useful life and needs full replacement, along with source redundancy.	Replace the water treatment plant, upgrade SCADA, add resiliency, and incorporate some green components.	Town of Grantsville	Garrett	S	1,000	2027-07-01	Y	N	Y	N	N	Y	$4,375,911	$7,265,000	01A / 6
29 / 65	Frostburg Water Resiliency Project: New Well and Pump Station / DW0063	Frostburg needs source redundancy due to surface-water drought conditions and interdependent regional systems.	Plan and design a new well and pump station to create redundancy for reliable drinking water.	City of Frostburg	Garrett	S	9,800	N/A	Y	N	Y	N	N	N	$127,500	$255,000	01A / 6
30 / 64	Brookridge Water Treatment Plant PFAS Removal / DW0012	Both of the Brookridge WTP's well sources have PFAS/PFOS levels above EPA's proposed MCL, requiring action to maintain compliance and protect public health.	Design, pilot-test, and install a granular activated carbon (GAC) filtration system to remove PFAS/PFOS.	Burgess and Commissioners of Middletown	Frederick	S	587	2027-02-04	Y	Y	N	Y	N	N	$152,863	$1,077,863	04 / 6
31 / 64	Well 15 and 16 Water Treatment Plant PFAS Removal / DW0056	Middletown wells 15 and 16 have PFAS/PFOS levels above EPA's proposed MCL, requiring proactive work to maintain compliance and protect public health.	Prepare an engineering report, complete design, and install filtration equipment to remove PFAS/PFOS.	Burgess and Commissioners of Middletown	Frederick	S	880	2027-08-01	Y	Y	N	Y	N	N	$2,250,000	$2,250,000	04 / 6
32 / 60	Misty Meadow II PFAS Filtration Project / DW0009	PFAS has been detected in the wells serving the Misty Meadow community, prompting proactive treatment to protect public health.	Install a resin filtration system capable of removing PFAS at 7,000 gallons per day.	Centaur Partners Inc.	Cecil	S	100	2026-12-01	N	N	Y	Y	N	N	$5,136	$5,136	35B / 1
33 / 60	Undersized Water Main Replacement / DW0062	Undersized water mains have caused sediment buildup that affects water quality and appearance.	Replace 3,400 LF of 4-inch main with 8-inch pipe to add redundancy and remove the undersized pipes.	Town of Rising Sun	Cecil	S	170	2027-07-01	Y	N	N	N	N	Y	$1,855,100	$1,855,100	35B / 1
34 / 60	Perrywood Estates Water Main Replacement / DW0064	Perrywood Estates' 60-year-old, mostly cast-iron mains suffer frequent breaks, low flow, and poor quality from corroded, undersized pipes.	Rehabilitate or replace approximately 2.24 miles of 3"–8" mains, house connections, and large services with related vaults.	Washington Suburban Sanitary Commission	WSSC	L	278	2027-09-01	Y	N	N	N	N	Y	$6,576,117	$6,576,117	14 / 4
35 / 60	Shores of Calvert Water Distribution Replacement / DW0001	Deteriorated 50-year-old water mains cause frequent breaks, leaks, and unstable pressure, raising contamination and compliance concerns.	Replace 8,300 LF of 6-inch and 700 LF of 4-inch water main within the Shores of Calvert system's existing service area.	Board of County Commissioners of Calvert County	Calvert	S	325	2027-03-01	Y	N	N	N	N	Y	$2,064,000	$2,264,000	27B / 5
36 / 60	Hillcrest Heights Water Main Replacement-Phase 1 / DW0027	The 69-year-old cast-iron infrastructure suffers frequent breaks, corrosion, and tuberculation, posing a public-health concern.	Construct approximately 1.83 miles of new 0.75"–12" water main.	Washington Suburban Sanitary Commission (WSSC)	Prince George's	L	405	2027-08-01	Y	N	N	N	N	Y	$7,129,257	$7,129,257	26 / 4
37 / 60	Highfield Water Development, Well No. 1 / DW0031	Well No. 1 was taken offline when Fort Ritchie closed, and the county now proposes to return it to service for the property's redevelopment.	Bring Well No. 1 back online, rehabilitating it to current standards and replacing its instrumentation and treatment equipment.	Washington County Board of County Commissioners	Washington	S	1,400	2026-09-26	Y	N	Y	N	N	Y	$760,000	$860,000	01B / 6
38 / 60	Highfield Water Development, Spring 2 and Well No. 9 / DW0032	Spring 2 and Well 9 were idled in 2020 due to low demand, which has since risen as the Fort Ritchie property is redeveloped.	Bring Well 9 and Spring 2 back online to provide drinking water for the redevelopment.	Washington County Board of County Commissioners	Washington	S	1,400	2026-07-26	Y	N	Y	N	N	Y	$1,000,000	$1,120,000	01B / 6
39 / 59	PFAS Mitigation for Mt. Aetna Well No. 2 / DW0040	PFAS levels at Mt. Aetna Well No. 2 exceed the proposed 2027 MCL limits.	Add treatment processes and equipment to comply with the proposed 2027 PFAS MCLs.	Washington County Board of County Commissioners	Washington	S	400	2026-07-26	Y	N	Y	Y	N	N	$1,000,000	$1,070,000	02B / 6
40 / 55	Newark Lead Service Line Replacement & Cross-Connection Control / DW0048	Lead-contaminated services on an undersized 1970s 4-inch main cause constant pressure issues and a high risk of lead entering the public system.	Upgrade 72 homes with double-check valves and backflow prevention and reconnect their services to a newer 8-inch main.	Worcester County, Maryland	Worcester	S	445	2027-04-01	Y	N	N	N	Y	Y	$848,020	$848,020	38A / 1
41 / 55	Kemp Mill Estates Water Main Replacement / DW0035	Most Kemp Mill mains are 59-year-old cast iron experiencing frequent breaks, low flow, and poor water quality from corroded, undersized pipes.	Rehabilitate or replace approximately 2 miles of 4"–12" mains and related meter and PRV vaults.	Washington Suburban Sanitary Commission	WSSC	L	620	2027-09-01	Y	N	N	N	N	Y	$5,175,685	$5,175,685	19 / 8
42 / 55	Town of Smithsburg Water System Improvements / DW0075	The town's water system dates to 1930 and experiences frequent leaks, breaks, and pressure issues.	Replace 3,915 LF of 12-inch, 7,535 LF of 8-inch, and 230 LF of 6-inch water line.	Town of Smithsburg	Washington	S	3,250	2027-08-01	Y	N	N	N	N	Y	$6,327,800	$7,228,000	02A / 6
43 / 55	Town of St. Michaels Drinking Water Redundancy Project / DW0060	St. Michaels' 85-year-old drinking water infrastructure, combined with a lack of redundancy, causes shortages, failures, and poor water quality.	Build a new treatment facility, wellhead, and pumping system with disinfection, plus a new 12-inch well to supplement Wells 2 and 3.	Town of St. Michaels	Talbot	S	3,500	2027-02-01	Y	N	Y	N	N	Y	$2,583,000	$2,768,000	37B / 1

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44 / 50	Fair Hill WTP PFAS Treatment / DW0020	Fair Hill WTP wells 1, 3, and 4 exceed EPA's PFOA MCL, with monitoring and treatment requirements phasing in by 2029.	Design and install a new granular activated carbon (GAC) PFAS-removal system at the existing WTP.	Maryland Department of Natural Resources	Cecil	S	25	2027-10-01	Y	N	Y	Y	N	Y	$2,930,000	$2,930,000	36 / 1
45 / 50	Breezewood Drive Water Main Replacement / DW0011	Repeated breaks in the 65-year-old cast-iron distribution system make replacement necessary to provide safe water and reduce leakage and disruption.	Construct approximately 0.99 mile of new 10"–12" water main.	Washington Suburban Sanitary Commission (WSSC)	Prince George's	L	102	2027-04-01	Y	N	Y	N	N	Y	$2,912,458	$2,912,458	22 / 4
46 / 50	Berlin Lead Service Line Replacement Phase 1B / DW0071	Berlin has about 99 known lead pipes and seeks to meet the EPA and MDE zero-lead MCL.	Replace all approximately 99 known lead service lines along Broad Street and Bay Street.	Town of Berlin	Worcester	S	255	2027-03-01	Y	N	Y	N	Y	N	$2,546,400	$2,565,545	38A / 1
47 / 50	Town of Hebron Drinking Water Storage and Redundancy Project / DW0045	The system has inconsistent water quality, no reserve storage, and no redundancy.	Build a 300,000-gallon water tower, a treatment facility with disinfection, two 200 GPM wells, and 8-inch main to the existing system.	Commissioners of Hebron	Wicomico	S	1,113	2028-01-01	Y	N	Y	N	N	Y	$11,762,000	$11,762,000	37A / 1
48 / 50	Town of Union Bridge Lead Service Line Inventory / DW0043	The material of 52 service lines remains unknown after an initial records review, requiring action to comply with the LCRR.	Excavate and identify the 52 unknown-material water lines and update the lead service line inventory.	Town of Union Bridge	Carroll	S	1,200	2026-10-26	Y	N	Y	N	Y	N	$55,000	$55,000	5 / 2
49 / 50	Trappe Main Street Watermain Replacement / DW0052	A water main was identified as deficient during development of the service line inventory and requires replacement.	Install new 8-inch C-900 PVC water main and service lines on the northern section of Main Street.	Town of Trappe	Talbot	S	1,200	2027-06-26	Y	N	Y	N	N	Y	$1,559,100	$1,566,000	37B / 1
50 / 50	Denton Water System LCRI: Lead Line Replacement / DW0029	Lead is present in the drinking water, requiring compliance with EPA's Lead and Copper Rule Improvements (LCRI).	Replace approximately 596 service lines, each about 75 LF of 1.5-inch line.	Town of Denton	Caroline	S	6,343	2028-04-01	Y	N	Y	N	Y	Y	$19,376,700	$19,444,950	37B / 1
51 / 50	Easton Utilities Water Treatment Plant / DW0018	The 30+ year-old water treatment plant risks critical failure and lacks adequate capacity.	Replace the Glebe WTP with a climate-resilient, redundant plant and upgrade the wells and sand filters.	Easton Utilities	Talbot	L	21,000	2027-06-01	Y	N	N	N	N	Y	$12,025,000	$12,752,000	37B / 1
52 / 50	WC-1377 Ashburton Low Lift Pumping Station Rehabilitation / DW0070	The transformers and switchgear are over 30 years old with several components in poor condition.	Upgrade the power supply and controls, including replacing a 2000 kVA transformer and updating feeders, starters, and instrumentation.	Mayor and City Council of Baltimore	Baltimore City	L	1,800,000	2028-06-01	Y	N	Y	N	N	Y	$14,314,595	$30,371,000	41 / 7
53 / 50	WC-1377 Ashburton Low Lift Pumping Station Rehabilitation / DW0079	The transformers and switchgear are over 30 years old with several components in poor condition.	Upgrade the power supply and controls, including replacing a 2000 kVA transformer and updating feeders, starters, and instrumentation.	Baltimore County	Baltimore City	L	1,800,000	2028-06-01	Y	N	N	N	N	Y	$12,114,992	$30,371,000	41 / 7
54 / 45	Mount Aetna Waterline Replacement Project / DW0039	Undersized small-diameter lines cannot provide adequate flow in the Mount Aetna system.	Replace the undersized lines with 5,600 LF of 6-inch water line and related valves.	Washington County Board of County Commissioners	Washington	S	400	2026-07-26	Y	N	Y	N	N	N	$500,000	$525,000	02B / 6
55 / 45	Clear Spring Water Meters / DW0073	Clear Spring has only one employee and contracts out meter reading, and a 2021 audit found a 26.8% water-loss rate.	Replace 277 meters and install a radio meter-reading system.	Town of Clear Spring	Washington	S	1,100	2026-10-26	Y	N	N	N	N	Y	$364,266	$364,266	01C / 6
56 / 45	WSSC Lead Service Line Replacement Program / DW0036	Of 478,371 records evaluated, WSSC expects about 5,300 service lines to be identified as lead or galvanized requiring replacement.	Replace known lead/GRR lines under a five-year plan, with public and private mitigation and community outreach.	Washington Suburban Sanitary Commission	WSSC	L	13,250	2026-03-01	Y	N	Y	N	Y	Y	$125,354,001	$152,563,567	Multiple / Multiple
57 / 45	RC Willson Transmission Main Replacement / DW0024	The 90-year-old water transmission pipe is subject to breaks.	Replace the aging 24-inch mains with two new 36-inch ductile-iron mains.	City of Hagerstown	Washington	L	108,600	2027-10-01	Y	N	Y	N	N	Y	$15,000,000	$17,250,000	01C / 6
58 / 45	WC-1243 Cromwell Pump Station Improvements / DW0068	The aging Cromwell pumping station is a necessary part of the system for providing safe, reliable drinking water.	Repair, replace, and rehabilitate the station's equipment, systems, and structure, including the chlorination system.	Mayor and City Council of Baltimore	Baltimore (Co)	L	1,420,696	2025-05-01	Y	Y	Y	N	N	Y	$7,357,229	$74,949,616	08 / 3
59 / 45	WC-1243 Cromwell Pump Station Improvements / DW0077	The aging Cromwell pumping station is a necessary part of the system for providing safe, reliable drinking water.	Repair, replace, and rehabilitate the station's equipment, systems, and structure, including the chlorination system.	Baltimore County	Baltimore (Co)	L	1,420,696	2025-05-01	Y	Y	N	N	N	Y	$50,576,001		08 / 3
60 / 40	Jones Creek Water Main Replacement / DW0034	The existing water main is exposed ductile iron running through stormwater culverts under a road and railroad, posing freezing and failure risks and violating crossing requirements.	Replace the main at Route 13 and Jones Creek with a new one meeting modern regulations.	Somerset County Sanitary District, Inc.	Somerset	S	187	2027-08-01	Y	N	Y	N	N	Y	$402,100	$402,100	38A / 1
61 / 40	Hebron Lead Service Line Replacements / DW0050	Unverified service lines dating as far back as 1941 are presumed to be lead.	Replace approximately 325 lead service lines.	Town of Hebron	Wicomico	S	815	2027-10-01	Y	N	Y	N	Y	Y	$3,187,500	$3,187,500	37A / 1
62 / 40	Howard County Lead Service Line Stewardship Program / DW0059	Howard County has 16% unknown-material pipes, some suspected to contain lead, and must proactively comply with the Lead and Copper Rule Improvements.	Plan and design an approach to identify the remaining unknown service-line materials for future replacement.	Howard County DPW	Howard	L	8,673	2027-10-26	Y	N	Y	N	Y	N	$4,576,112	$4,576,112	Regional / 3
63 / 40	Easton Utilities Lead Service Line Inventory / DW0051	The town needs to complete its lead service line inventory.	Implement LeadCAST predictive modeling and data-driven targeted field verification.	Easton Utilities	Talbot	L	21,000	2027-06-01	Y	N	N	N	Y	N	$80,500	$268,360	37B / 1
64 / 40	WSSC Lead Service Line Inventory / DW0049	Of 478,371 records reviewed, WSSC has 8,878 services of unknown material and 1,286 classified as galvanized.	Field-verify the remaining unknowns and GRRs, routinely update the inventory, and work toward risk mitigation.	Washington Suburban Sanitary Commission	WSSC	L	25,265	2025-10-01	Y	N	Y	N	Y	Y	$15,500,874	$28,629,700	Multiple / Multiple

Maryland Water Infrastructure Financing Administration
FY 2026 Drinking Water Project Priority List

Version August 7, 2026

Rank / Points	Project Title / Project No.	Problem	Project Description	Applicant	County	Size	Ben. Pop.	Constr. Start	Public?(Y/N)	Compliance?	Disadv.?	PFAS/EC?	LSL?	Loan Int.?	Funding Request	Total Project Cost	Leg. Dist / Cong. Dist
65 / 35	Windy Hills Wells, Treatment Building, & Water Main Extensions (Paris Oaks Rehabilitation Project) / DW0025	The Paris Oaks facility is in poor condition and difficult for operators to access due to its location and limited space.	Build a new water station with two well pump systems and a treatment building, plus 420 LF of 10-inch PVC main to bypass the decommissioned station.	Board of County Commissioners of Calvert County	Calvert	S	223	2026-11-01	Y	N	N	N	N	Y	$2,800,000	$3,141,456	27B / 5
66 / 35	Myersville 8-Inch Water Main Replacement / DW0002	The ductile-iron pipe linking the town to its treatment plant is deteriorating and partly exposed along a streambed, requiring proactive replacement for reliability.	Replace the 8-inch ductile pipe with new 8-inch pipe on a new underground route away from the streambed.	Town of Myersville	Frederick	S	2,900	2027-11-01	Y	N	N	N	N	Y	$715,486	$715,486	04 / 6
67 / 35	WC-1285R Caroline Street & Vicinity Water Main Replacements / DW0069	Aged, unlined cast-iron pipes are deteriorating, causing poor water quality, bacterial growth, reduced capacity, and higher maintenance costs.	Rehabilitate or replace approximately 20,270 LF of 3"–12" drinking water mains and valves in Baltimore.	Mayor and City Council of Baltimore	Baltimore City	L	5,586	2026-03-15	Y	N	Y	N	N	Y	$6,990,617	$19,553,812	45 / 7
68 / 35	Delmar Water Treatment Plant Control Improvements / DW0076	All redundant pumps are controlled by a single VFD, creating a single point of failure that could halt potable water production.	Update the well and clearwell booster-pump controls and install redundant VFDs to eliminate the single points of failure.	Town of Delmar	Wicomico	S	6,588	2027-07-01	Y	N	Y	N	N	Y	$146,300	$147,400	38B / 1
69 / 35	Ridgely Forest Tank Project / DW0014	The system has only one storage tank and needs redundancy with the existing Leslie tank and better pressure for water quality.	Plan, design, and build a 250,000-gallon elevated storage tank near Ridgely Forest Drive and Route 7.	Town of North East	Cecil	S	10,738	2028-03-01	Y	N	N	N	N	Y	$2,130,000	$2,130,000	35B / 1
70 / 35	Potomac Main Zone Pipeline Project / DW0066	The aged, undersized discharge mains at the Potomac plant risk failure with only partial redundancy for maintenance and repairs.	Provide redundant finished-water discharge mains and upgrade the pumping station to reliably serve 1.35 million customers.	Washington Suburban Sanitary Commission	WSSC	L	1,591,996	2029-06-01	Y	N	N	N	N	Y	$120,628,000	$120,628,000	Multiple / Multiple
71 / 30	Chesapeake Heights - Dares Beach Water Distribution Replacement Phase 2A Interconnection / DW0022	The Chesapeake Heights and Dares Beach systems are interconnected only on the north side, limiting redundancy and flexibility during outages and repairs.	Build a looped interconnection between the two systems, including 5,800 LF of 8-inch waterline.	Board of County Commissioners of Calvert County	Calvert	S	705	2027-01-01	Y	N	N	N	N	Y	$1,500,000	$1,650,000	27C / 5
72 / 30	Somerset County Smart Water Meter Upgrades / DW0028	Existing Somerset County water meters are failing and reporting inaccurately.	Replace the oldest 600 residential and 20 larger vault meters with smart meters and add two tower-mounted antennas.	Somerset County Sanitary District, Inc.	Somerset	S	1,500	2027-08-01	Y	N	Y	N	N	Y	$950,400	$950,400	38A / 1
73 / 30	Lambert Ave., Hillside Dr. & Lower Church St. Water Line Replacements / DW0041	The aging piping and service laterals are noncompliant and require proactive replacement to maintain compliance and water quality.	Replace about 2,925 LF of 6-inch main with new 8" and 12" main, plus 37 service laterals and meter vaults.	Town of New Windsor	Carroll	S	1,920	2026-09-01	Y	N	N	N	N	Y	$1,400,000	$1,400,000	05 / 2
74 / 30	Advanced Meter Infrastructure Upgrade - Prince Frederick / DW0021	The county's aging one-way meter technology limits real-time monitoring, loss detection, and proactive infrastructure management.	Install AMI-compatible meters, supporting communications infrastructure, and software to enable system-wide AMI in Prince Frederick.	Board of County Commissioners of Calvert County	Calvert	S	2,500	2027-01-01	Y	N	N	N	N	Y	$2,000,000	$2,000,000	27C / 5
75 / 30	Edgemont Reservoir Repair and Rehab Project / DW0023	Seepage threatens the raw water supply at Edgemont Reservoir, which provides emergency potable water during high-demand periods and outages.	Repair seepage at the toe line and rehabilitate the intake tower, including piping, valves, and automation.	City of Hagerstown	Washington	L	108,600	2027-06-01	Y	N	N	N	N	Y	$30,000,000	$34,100,000	02A / 6
76 / 25	Powellton Avenue Well Backup Power / DW0015	The Powellton Avenue well, the system's highest producer, has no backup power, leaving it highly vulnerable during outages.	Prepare and install an emergency generator and automatic transfer switch to provide backup power for the well.	Town of Berlin	Worcester	S	5,590	2027-04-01	Y	N	Y	N	N	Y	$252,700	$254,600	38A / 1
77 / 15	Timber Grove PFAS Filtration Project / DW0061	PFAS has been detected in the wells serving the Timber Grove Mobile Home Park community, prompting proactive treatment.	Install a resin filtration system capable of removing PFAS at 7,000 gallons per day.	Crue Investments Corp.	Cecil	S	120	2026-12-01	N	N	N	Y	N	N	$4,771	$4,771	35B / 1
78 / 10	PFAS and Water Quality Treatment Pilot Study at the Potomac Water Filtration Plant / DW0065	The Potomac Water Filtration Plant has no PFAS treatment, and its existing treatment is unreliable during drought, algal blooms, and high-turbidity events.	Pilot-test several improved treatment trains for PFAS, emerging contaminants, and traditional contaminants.	Washington Suburban Sanitary Commission	WSSC	L	0	2026-07-01	Y	N	N	Y	N	Y	$5,750,000	$5,750,000	15 / 8
79 / 0	Andorick Acres Water Main Extension / DW0003	The Andorick Acres community relies on private wells and has petitioned the county to connect to the municipal water system.	Install 4,100 LF of water main, laterals, and 54 new meters, with residents reimbursing the county for the cost.	Anne Arundel County, Maryland	Anne Arundel	L	135	2028-08-01	Y	N	N	N	N	Y	$5,763,000	$5,763,000	31 / 3

Maryland Water Infrastructure Financing Administration: Project List Abbreviation Glossary

FFY 2026/SFY 2028 Clean Water & Drinking Water State Revolving Fund Project Priority Lists (PPLs)

Abbreviation	Definition
AMI	Advanced Metering Infrastructure
Ben. Pop.	Benefitting population (of a certain project)
BNR	Biological Nutrient Removal
CIPP	Cured-In-Place Pipe
DAF	Dissolved Air Flotation
ENR	Enhanced Nutrient Removal
FM	Force Main
GAC	Granular Activated Carbon
GPD	Gallons Per Day
GPM	Gallons Per Minute
GRR	Galvanized Requiring Replacement (service line)
H2S	Hydrogen Sulfide
I&I	Inflow and Infiltration
IX	Ion Exchange
LCRI/LCRR	Lead and Copper Rule Improvements (Revisions)
Leg. Dist/Cong. Dist	(State) Legislative District and Congressional District
LF	Linear Feet
MCL	Maximum Contaminant Level
MGD	Million Gallons per Day

Abbreviation	Definition
MLSS	Mixed Liquor Suspended Solids
MS4	Municipal Separate Storm Sewer System
NFPA	National Fire Protection Association (NFPA 820 Standard)
NPDES	National Pollutant Discharge Elimination System
PFAS	Per- and Polyfluoroalkyl Substances
PFOA	Perfluorooctanoic Acid
PFOS	Perfluorooctane Sulfonate and Perfluorooctanesulfonic Acid
PRV	Pressure Reducing Valve
PVC	Polyvinyl Chloride
SBR	Sequencing Batch Reactor
SCADA	Supervisory Control and Data Acquisition
SF	Square Feet
SP(S)	Sewage Pump (Station)
TN	Total Nitrogen
TP	Total Phosphorus
UV	Ultraviolet (Disinfection)
VFD / VFDs	Variable Frequency Drive(s)
WRF	Water Reclamation Facility
WRRF	Water Resource Recovery Facility
WTP	Water Treatment Plant
WWTP	Wastewater Treatment Plant

APPENDIX B

DWSRF Integrated Project Priority System (IPPS)

State Fiscal Year 2026
(July 1, 2025 – June 30, 2026)

Approved by U.S. EPA on November 24, 2010
Revision 1 approved by U.S. EPA on November 14, 2012
Revision 2 approved by U.S. EPA on November 28, 2016
Revision 3 approved by U.S. EPA on January 11, 2023
Revision 4 approved by U.S. EPA on December 19, 2023

Maryland Department of the Environment

Integrated Project Priority System for Drinking Water Capital Projects

Overview:

This document outlines the criteria and procedures for prioritizing drinking water projects into a single list known as the "Project Priority List" (PPL) to provide funding through the Maryland Water Infrastructure Financing Administration (MWIFA), a unit formerly known as "Maryland Water Quality Financing Administration (MWQFA)," within Maryland Department of the Environment (MDE). Financial assistance programs administered by MWIFA to fund drinking water projects include the Drinking Water Revolving Loan Fund (DWSRF or DWRLF) as authorized in the Safe Drinking Water Act (SDWA) Amendments of 1996 (including funds that are authorized to flow through the DWSRF, such as the Bipartisan Infrastructure Law of November 2021), and the Water Supply Financial Assistance Program as enabled by Environment Article 9-420 to 9-426. Please go to MWIFA's home page for details about these programs.

The SDWA grants authority to states to provide DWSRF funding toward community water systems (CWS) and nonprofit noncommunity water systems, provided the system: 1) has the technical, managerial, and financial capability to ensure compliance with the requirements of SDWA and 2) is in compliance with any requirement of a national primary drinking water regulation or variance. Per 40 Code of Federal Regulations §35.3520 for DWSRF, systems in significant noncompliance may be funded, provided that:

- The purpose of the assistance is to address the cause of the significant noncompliance and will ensure that the systems return to compliance; or
- The purpose of the assistance is unrelated to the cause of the significant noncompliance and the systems are on enforcement schedules (for maximum contaminant level and treatment technique violations) or have compliance plans (for monitoring and reporting violations) to return to compliance.

In accordance with the SDWA, priority for use of these funds is based upon the degree of public health risk, compliance with the SDWA, affordability and sustainability criteria. Consistent with these priority criteria, the Maryland rating and ranking system is composed of the six sections described below. Projects will be prioritized based on points accrued in these categories. Each section is assigned a specified maximum number of points. Each applicable section will be scored. All items that apply in each section may receive points; however, the sum of all possible points awarded within each section cannot exceed the assigned maximum number of points. A maximum of 210 total points can be awarded to any project.

The following drinking water projects are not eligible for funding:

1. Projects that are not included in and consistent with the County Water and Sewerage Plan;
2. Projects that are not consistent[1] with Priority Funding Area (PFA) law or have not received a PFA exception;
3. Projects needed primarily for fire protection;
4. Projects needed primarily to serve future population growth. Projects must be sized only to accommodate a reasonable amount of population growth expected to occur over the useful life of the facility;
5. Projects for systems that lack adequate technical, managerial and financial capacity, unless the proposed projects will allow the system to develop adequate capacity;

[1] "Consistent" means that the entire project and the area it serves is located within a PFA.

6. Projects for systems serving more than 10,000 people that lack (a) a Water Conservation Plan containing all elements outlined in the MDE guidance document and (b) a water audit for the previous year, unless the project is to reduce exposure to perfluoroalkyl and polyfluoroalkyl substances (PFAS) or emerging contaminants (ECs), to conduct a lead service line (LSL) inventory, and/or for LSL replacement(s) (LSLRs);
7. Projects for systems that lack a completed Capacity Management Plan, if applicable based on the elements outlined in the MDE guidance document, unless the project is to reduce exposure to PFAS or ECs, to conduct an LSL inventory, and/or for LSLRs.

Project Rating Procedure and Criteria:

MDE's Water Supply Program (WSP) and MWIFA will evaluate each project application using a "project score sheet." The procedure described below contains references to section numbers used on the score sheet. Projects will be rated and ranked on the PPL in descending order based on the total points awarded on the score sheet. A maximum of 210 points can be awarded to any project. In case of tied scores, projects will be ranked based on population served (smallest to largest). Supporting documentation must be provided.

Section I - Resolving Drinking Water Quality Problems (Maximum 45 pts. Points will be awarded based on the project's primary purpose and only in the subsection specific to that purpose (i.e., A, B, or C)

A. Project Purpose is Addresses PFAS/EC (Maximum 45 pts.)

Concentration

The following Concentration points will be awarded based on a single sample result under the MDE PFAS monitoring program:

Ten (10) points will be assigned to a project that addresses water sources in which the Perfluorooctanoic Acid (PFOA) concentration is above 4 ppt, based on EPA's proposed MCL, and/or;

Ten (10) points will be assigned to a project that addresses water sources in which the Perfluorooctanesulfonic Acid (PFOS) concentration is above 4 ppt, based on EPA's proposed MCL, and or;

Ten (10) points will be assigned to a project that addresses water sources in which the Hazard Index Value, as calculated by the formula below, is above 1 HI.

Hazard Index Value = GenX/10 + PFBS/2000 + PFNA/10 + PFHxS/9

where each compound is calculated in parts per trillion (ppt).

A project is eligible to receive up to a maximum of 30 points in this section.

Capacity

If points are awarded in the Concentration section above, additional points will be awarded in addition to the above points where:

The water source(s) supplies 100% of the system's drinking water (additional 15 pts.), or
The water source(s) supplies 50-100% of the system's drinking water (additional 10 pts.), or
The water source(s) supplies 25-50% of the system's drinking water (additional 7 pts.), or
The water source(s) supplies less than 25% of the system's drinking water (additional 4 pts.).

If a community water system with detected PFAS levels will interconnect with another system with detected PFAS levels, points will be combined for both systems as part of the ranking, not to exceed the maximum of 45 points.

Population

An additional five (5) points will be assigned to projects awarded points in Section A that serve water systems with a population less than or equal to 10,000, subject to the maximum of 45 points in this section.

B. Project Purpose is LSL Inventory or LSLR(s)[2] (Maximum 45 pts.)

Thirty (30) points will be assigned to a service line inventory in which any portion of the water distribution system service lines were installed before March 30, 1989[3].

(OR)

Twenty-five (25) points will be assigned to a project that replaces LSLs, in which any portion of the water distribution system service lines were installed before March 30, 1989 and the project does not include premise plumbing.

If the LSLs being replaced meet any of the following conditions, additional points will be awarded as shown (multiple categories earn multiple additional points):

- are known/confirmed LSLs (additional 10 pts.),
- are for non-profit non-transient non-community water system(s) that specifically serve children under 6 years of age and/or pregnant women (additional 5 pts.),
- had a lead action level exceedance in the past (additional 5 pts.).

(OR)

Thirty (30) points will be awarded to a project that replaces LSLs, including replacement of lead pipes in premise plumbing, in which any portion of the building was built before March 30, 1989. System must be a non-profit non-transient non-community water system and must own all of its premise plumbing to be eligible.

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[2] To be eligible for replacement under the BIL DWSRF LSLR funding, service lines must be made of lead or galvanized pipe. To define a "lead service line" for the purpose of this appropriation, EPA will use an amended version of the Lead and Copper Rule Revisions' regulatory definition, which is, "…a service line made of lead, which connects the water main to the building inlet. A lead service line may be owned by the water system, owned by the property owner, or both. For the purposes of this subpart, a galvanized service line is considered a lead service line if it ever was or is currently downstream of any lead service line or service line of unknown material. If the only lead piping serving the home or building is a lead gooseneck, pigtail, or connector, and it is not a galvanized service line that is considered an LSL the service line is not a lead service line." To be eligible under the BIL DWSRF General or the DWSRF base program funding, service lines may be made of any material. https://www.epa.gov/dwsrf/frequent-questions-about-bil-state-revolving-funds#LSLR

[3] For public water systems that currently have corrosion control as part of their water treatment, water sampling for lead at taps within buildings for the purposes of identifying the materials of the service line will not be eligible for funding for LSL inventory projects.

If the LSLs being replaced meet any of the following conditions, additional points will be awarded as shown (multiple categories earn multiple additional points):

- are known/confirmed LSLs (additional 10 pts.),
- specifically serve children under 6 years of age and/or pregnant women (additional 5 pts.),
- had a lead action level exceedance in the past (additional 5 pts.).

(AND)

An additional five (5) points will be assigned to projects awarded points in Section B that serve water systems with a population less than or equal to 10,000, subject to the maximum of 45 points in this section.

C. **Project Purpose is Other than PFAS/EC or LSLs (Maximum 45 pts.)**

Forty five (45) points will be assigned to a project which eliminates an acute water quality problem, other than specified above. As used here, an acute water quality problem is one which poses immediate and ongoing health hazards to water consumers. Examples include confirmed waterborne disease outbreaks as determined by the Maryland Department of Health and Mental Hygiene (DHMH), public health emergencies as determined by the MDE, E.coli/fecal coliform bacteria contamination, nitrate contamination, or high level of any contaminant which presents an immediate risk to health, or persistent violation of the treatment technique requirements of the Surface Water Treatment Rules for systems using surface water or systems using ground water that has been found to be under the direct influence of surface water (GWUDI).

Thirty (30) points will be assigned to a project which eliminates a chronic water quality problem, other than specified above. As used here, a chronic water quality problem is one which poses long-term health hazards to water consumers. Examples include persistent violation of a maximum contaminant level (MCL) at a concentration which does not present an immediate risk to health such as total coliform bacteria, volatile organic chemicals, synthetic organic chemicals, or lead and copper action level exceedances.

Ten (10) points will be assigned to a project which eliminates a persistent exceedance of secondary drinking water standards.

Ten (10) points will be assigned to a project which eliminates a potential water quality problem. As used here, a potential water quality problem is one which is likely to result in public health hazards, such as poor water quality that is not an MCL violation.

An additional five (5) points will be assigned to projects awarded points in Section C that serve water systems with a population less than or equal to 10,000, subject to the maximum of 45 points in this section.

Section II - Resolving Drinking Water Quantity Problems (Maximum 40 pts; select as many as apply)

Forty (40) points will be assigned to a project which resolves continuous (generally during all periods of operation) water shortages or pressure loss.

Thirty (30) points will be assigned to a project which resolves periodic (such as during seasonal high use) water shortage or pressure loss.

Twenty (20) points will be assigned to a project which resolves occasional (occurring less frequently than a seasonal event) water shortage or pressure loss.

Twenty (20) points will be assigned to a project that provides for a needed water source redundancy.

Section III - Infrastructure Replacement/Improvement (Maximum 40 pts; select as many as apply)

Forty (40) points will be assigned to a project that provides for consolidation of two or more public water systems.

Thirty (30) points will be assigned to a project that provides for extension of water service to an unserved area with individual wells with documented severe water shortage or documented acute/chronic water quality problems unless the project is part of a consolidation (as described above).

Twenty (20) points will be assigned to a project that replaces/improves treatment facilities or source water-related structures.

Fifteen (15) points will be assigned to a project that replaces/improves deteriorating transmission/distribution water mains.

Fifteen (15) points will be assigned to a project that replaces/improves or adds pumping facilities.

Fifteen (15) points will be assigned for new/replacement of storage tanks.

Ten (10) points will be assigned to a project that replaces/improves system control or automation.

Ten (10) points will be assigned to a project that provides for redundancy of facility components not specified above, such as power supply.

Ten (10) points will be assigned to a project that provides for any other improvements not mentioned above that ensure compliance with the SDWA and will have a positive impact on the system's operation and reliability (e.g. monitoring/testing equipment; safety/security improvement; installation of metering devices; improvements related to meeting disinfection contact time (CT) requirements; necessary coating/painting of old storage tank interior; resolution of water quality problems resulting from "dead end" lines; treatment residuals management; any other necessary project element that is identified in the sanitary survey of the system and supported/recommended by MDE WSP staff).

Section IV - MDE Order/Directives (Maximum 30 pts; select only one)

Thirty (30) points will be assigned to a project that addresses an existing consent or administrative (i.e., legal) order or a U.S. Environmental Protection Agency (EPA) Enforcement Targeting Tool score of 11 or higher.

Twenty (20) points will be assigned to a project that addresses an MDE directive (e.g., corrective action notification letter) regarding significant sanitary deficiencies or an MDE notice of violation.

Ten (10) points will be assigned to a project that addresses any other directive-related issues not mentioned above such as MDE WSP staff communication with the system owner/operator regarding deficiencies of water system, particularly communication of the WSP staff involved in the sanitary survey of the water system.

Section V - Water Conservation and Other Beneficial Practices (Maximum 15 pts; select as many as apply)

Ten (10) points will be assigned to a project that provides for the implementation of a Water Conservation Plan containing all elements outlined in the MDE guidance document, for small public water systems with a population of 10,000 people or fewer.

Ten (10) points will be assigned to a project that provides for water reuse.

Five (5) points will be assigned to a project that provides a water audit completion for the previous year for small public water systems with a population of 10,000 people or fewer.

Five (5) points will be assigned to a project that provides for leak detection studies.

Five (5) points will be assigned to a project that provides for cross-connection control.

Five (5) points will be assigned to a project that provides for any other beneficial practices not mentioned above, such as water saving devices, special water-related research/studies, or project that includes green practices.

Section VI - Affordability, Cost-Efficiency, and Sustainability Impact (Maximum 40 pts)

Affordability

Ten (10) points will be assigned if the current water user rate is greater than 1.25% of community median household income (MHI) or

Five (5) points will be assigned if the current water user rate is between 1.00% & 1.25% of the community MHI.

Cost-Efficiency

Ten (10) points will be assigned if the capital cost of the project per Equivalent Dwelling Unit (EDU) served by the project is less than or equal to $15,000 or

Five (5) points will be assigned if the capital cost of the project per Equivalent Dwelling Unit (EDU) served by the project is greater than $15,000 but less than or equal to $35,000.

Sustainability

Five (5) points will be assigned to a project whose owner has (and submits) an accepted Asset Management Plan for the system.

Ten (10) points will be awarded to a project for which at least 50 percent of the project cost or project scope must serve, protect, or benefit an Environmental Justice or overburdened community as identified by a Final EJ Score Percentile (Distribution Across Maryland) of 75 or more using MDE's Environmental Justice Tracking Tool.

Five (5) points will be assigned to a project that includes sustainable green elements (e.g., Leadership in Energy and Environmental Design (LEED) rating, WaterSense certified products, positive climate change impact), or will achieve energy/water reduction or source water protection.

Approved by U.S. EPA on November 24, 2010
Revision 1 approved by U.S. EPA on November 14, 2012
Revision 2 approved by U.S. EPA on November 28, 2016
Revision 3 approved by U.S. EPA on January 11, 2023
Revision 4 approved by U.S. EPA on December 19, 2023

Public Participation:

A 30-day public comment period for draft Revision 4 IPPS began on October 16, 2023 and ended at midnight on November 14, 2023. Draft Revision 4 was emailed to MWIFA's contact list at the start of the comment period and posted for the full 30 days on MWIFA's website.

Comments and questions on Draft Revision 4 IPPS were accepted via e-mail to mde.wqfa_announcement@maryland.gov. All comments received were included in a responsiveness summary, which was submitted along with the final document to the U.S. Environmental Protection Agency and to those who submitted comments.

APPENDIX C

Public Comment Responsiveness Summary

State Fiscal Year 2026
(July 1, 2025 – June 30, 2026)

Maryland Department of Environment
Maryland Water Infrastructure Financing Administration
Final Federal Fiscal Year 2026 Intended Use Plan
Maryland Drinking Water State Revolving Fund

MDE did not receive any comments during the public comment period (July 23, 2026 – September 6, 2026).

APPENDIX D

Assistant Attorney General Certification

State Fiscal Year 2026
(July 1, 2025 – June 30, 2026)

Maryland Department of Environment
Maryland Water Infrastructure Financing Administration
Final Federal Fiscal Year 2026 Intended Use Plan
Maryland Drinking Water State Revolving Fund

The document is attached separately.