

PROGRAM MANAGEMENT 10% SET-ASIDE WORK PLAN

STATE FISCAL YEARS 2005-2007

FEDERAL CAPITALIZATION GRANTS 2004-2007

COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT



WATER QUALITY CONTROL DIVISION

PUBLIC WATER SYSTEM SUPERVISION PROGRAM

**COLORADO PUBLIC WATER SYSTEM SUPERVISION PROGRAM (PWSS)
STATE REVOLVING LOAN FUND
PROGRAM MANAGEMENT 10% SET-ASIDE WORK PLAN
STATE FISCAL YEARS 2005-2007
ADDRESSING
FEDERAL FISCAL YEARS 2004 THROUGH 2007 CAPITALIZATION GRANTS**

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INTRODUCTION

Section 1452 (g) of the Safe Drinking Water Act Amendments of 1996 authorizes the State to use up to a total of 10 percent of its annual revolving loan fund capitalization grant allotment for State Public Water System Supervision (PWSS) program management including:

- Administering the State PWSS program (1452(g)(2)(A));
- Administering or providing technical assistance through source water protection programs except for enforcement actions (1452(g)(2)(B));
- Developing and implementing a capacity development strategy (1452(g)(2)(C)); and
- Developing and implementing an operator certification program (1452(g)(2)(D)).

40 CFR 3535(d)(2) requires that a State must provide a dollar for dollar match for expenditures made under this set-aside and that the source of these funds (in addition to the 50 percent credit provided by State program funds expended in fiscal year 1993) must be state funds (excluding PWSS match funds) or documented in-kind services.

In addition to providing the required match, a State seeking to use funds from the set-asides must, in accordance with 40 CFR 3540(c), submit work plans to EPA for approval. The work plans must describe how the set-aside funds will be expended. This document, prepared by the Drinking Water Program of the Water Quality Control Division (Division) of the Colorado Department of Public Health and Environment (Department) is the required work plan specified in 40 CFR 3540(c) for the State of Colorado for State fiscal years (SFY) 2005 – 2007. The State must also identify in its Intended Use Plan (IUP) the amount of spending authority reserved from a specific capitalization grant for future use.

In the event the available state match should decrease in future years, work plan activities would be reduced to match the available funds. The Drinking Water Program does not anticipate submitting a revised work plan under this situation. In the event that additional or substitute activities need to be conducted or equipment needs to be purchased, the work plan will be revised and resubmitted to EPA for approval if any one change exceeds \$20,000 or if individual additions to any category of expenditures in the aggregate exceed \$100,000 over the life of the work plan.

Work plans submitted for approval to EPA must, in accordance with 40 CFR 3540(c)(3), contain at a minimum the following elements:

- The annual funding amount in dollars and as percentage of the State allotment or capitalization grant;
- The projected number of work years needed for implementing each set-aside activity;
- The goals and objectives, outputs, and deliverables for each set-aside activity;
- A schedule for completing activities under each set-aside activity

- Identification and responsibilities of the agencies involved in implementing each set-aside activity, including activities proposed to be conducted by a third party; and
- A description of the evaluation process to assess the success of work funded under each set-aside activity.

ANNUAL FUNDING AMOUNT

Colorado has available matching funds as shown in Table 1.

Table 1					
Capitalization Grant Program Management Set-Aside Matching Funds					
State Fiscal Year	1993 Expenditures*	Fees/General Fund**		Laboratory Funding	Total Match
		System Fees	Operator Fees		
2005	\$253,120	\$653,493	\$10,160	\$108,500	\$1,025,273
2006	\$253,120	\$500,000	\$10,000	\$108,500	\$871,620
2007	\$253,120	\$500,000	\$10,000	\$108,500	\$871,620

* Cannot exceed 50% of total matching funds

** Funding level based on a return to state general funding in 2006 at pre-2004 level pending the outcome of SB 276

- Federal fiscal year 2004 Capitalization Grant – As specified in the federal fiscal year 2004 Colorado Intended Use Plan, the capitalization grant for federal year 2004 amounted to \$13,243,000. In the event that the Colorado Public Water System Supervision program used all of the authorized 10 percent funding level, the maximum amount of the program management set-aside would be \$1,324,300. Since Colorado is reserving only \$871,617 of the 2004 capitalization grant for the program management set-aside, the 10 percent cap is not exceeded.
- Federal fiscal year 2005 Capitalization Grant - As specified in the federal fiscal year 2005 Colorado Intended Use Plan (currently under development), the capitalization grant for federal year 2005 is projected at \$13,737,700. In the event that the Colorado Public Water System Supervision program used all of the authorized 10 percent funding level, the maximum amount of the program management set-aside would be \$1,373,770. Colorado is reserving only \$1,025,273 of the 2005 capitalization grant for the program management set-aside, therefore the 10 percent cap is not exceeded.
- Federal fiscal year capitalization grants beyond federal fiscal year 2005 – At the current time, the Drinking Water Program has documented match funds sufficient to reserve \$871,620 per year through the federal fiscal 2007 appropriation even though the Act would allow the use of up to approximately \$1,373,770 per year. The funds reserved will be applied to the expenses associated with a staff of

previously approved 6.8 FTE (adjusted downward to 6.5 FTE for 2004, but adjusted upward to 6.7 for 2005 and beyond), and the projected increase of 1.9 FTE and non-staff programmatic expenses detailed in the work plan below. In the event the Drinking Water Program is able to secure additional match funds through fees, general fund appropriations, additional direct or in-kind services, it will apply the additional funds as follows. First, to meet any funding shortfall in the cost of staff that may accrue (for example, due to salary survey costs). Second, to conduct related non-staff program activities allowed by federal statute at section 1452(g)(2)(A-D). For additional expenditures in the latter category, the Drinking Water Program would amend an existing, or submit to EPA a new, work plan to cover these additional activities. As stated in the fiscal year 2004 Intended Use Plan, funds set-aside for a particular year, but not used, may be retained for future use. The Drinking Water Program is consciously allowing some unused funds to accumulate to provide for the orderly transition of staff in the event continued funding of the DWRF does not occur.

PROJECTED WORK YEARS

This work plan covers the period starting July 1, 2004, and continues until June 30, 2007. In the event that funds identified under the Program Management 10% Set-Aside to be used during the above period of performance are not fully expended, it is the Drinking Water Program's intent to use these funds in the subsequent performance period beginning in 2008. In this event, the funds approved for use in this work plan, but not expended, will be rolled forward and included in the next Program Management 10% Set-Aside work plan submitted to EPA.

GOALS AND OBJECTIVES, OUTPUTS AND DELIVERABLES

The Drinking Water Program intends to use the funds available under the Program Management 10% Set-Aside in two major ways: (1) to fund 6.7 existing and 1.9 new full time equivalent staff (FTE) to implement the additional PWSS program activities mandated or authorized by the 1996 Amendments to the SDWA; and (2) to fund PWSS program activities and expenses other than direct staff salaries.

PWSS STAFFING

The Drinking Water Program has justified, through a formal internal gap analysis, the need for staffing in the amount of 37 full time equivalents (FTE). The 37 FTE were justified based on total drinking water program needs. These staffing requirements are funded from a Drinking Water system fee program, federal grants, and set-asides from the Drinking Water State Revolving Fund capitalization grants. Under the Program Management 10% Set-Aside, 8.6 FTE will be funded. Funds from the set-asides must be used for purposes specified under the 1996 Amendments to the Safe Drinking Water Act. Funds from the Program Management 10% Set-Aside can be used for any related drinking water program purpose. Since positions funded by

the capacity development program are designed to work full time directly assisting public water systems, the portion of their time spent administering capacity development activities (e.g., contract development and management) and other drinking water program duties including any enforcement activities will be paid for from funds under the 10% program management set-aside. The exact proportion of each position’s time that will be spent performing program management activities cannot be predicted, but for planning and budgeting purposes the distribution shown in Table 2 is assumed.

Table 2		
10% PROGRAM MGMT SET-ASIDE		
POSITION		
	% FUNDED	EQUIV. FTE
DW Cap. Dev. PA (1 existing position)	60	0.6
DW Cap. Dev. Program Leader (1 existing position)	50	0.5
DW Sampler (2 existing positions)	50	1.0
DW TSU Specialists (3 existing positions)	60	1.8
DW Compliance Rule Manager (1 new position)	90	0.9
DW Compliance Data Management Specialist (1 new position)	100	1.0
DW Compliance Rule Manager (2 existing positions)	90	1.8
DW Enforcement (2 existing positions)	50	1.0
TOTAL		8.6

The Drinking Water Program is one of two major programs implemented by the Water Quality Control Division, a quasi functionally organized division that implements major water quality programs for the State of Colorado. A Division Director, Section managers and a Drinking Water Program Manager, who is supported by a Program Assistant, a Capacity Development Program Leader, and a Drinking Water Security Coordinator, guide the Drinking Water Program. Additional support for the program comes from personnel assigned to the Compliance Assurance and Data Management Unit, the Technical Services Unit, the Outreach and Assistance Unit, and staff assigned to the Laboratory Services Division. These personnel are shared between the Drinking Water Program and other water quality efforts in order to maximize the efficiency of the Water Quality Control Division’s programs. General duties attributed to the 10% Program Management Set-Aside are described below.

- ***Drinking Water Capacity Development Program Assistant (0.6 FTE Equiv.)*** - The existing program assistant position is a relatively highly skilled position responsible for

helping to integrate, implement, track and report on the myriad separate but related activities that emanate from drinking water program capacity development efforts.

Specific tasks to be performed by the program assistant would include but not be limited to: desktop publishing of materials to be provided to operators, managers and owners, preparation of briefing materials in power point format for training events and public meetings, budget tracking and reporting, accomplishments tracking, report preparation and training event planning, registration, and evaluation. These efforts will directly support the work performed by the drinking water program staff and capacity development efforts performed by other program staff.

- ***Drinking Water Capacity Development Program Leader (0.5 FTE Equiv.)*** Duties for this existing position will include: leading the capacity development strategy workgroup, development and implementation of the annual capacity development work plan; development of the program description for the Intended Use Plan; contract development and oversight for the use of third party providers; internal multi-unit coordination of capacity development efforts; preparation of technical assistance materials for public water systems; coordinating and/or providing capacity development training to system operators, owners and managers; tracking set-aside budgets and expenditures; and preparation of accomplishments reports as required by the Act.
- ***Drinking Water System Sampler (1.0 FTE Equiv.)*** - These existing positions integrate the Division's efforts in the Safe Drinking Water Act and Clean Water Act programs not only to collect independent data to verify system compliance, but to provide information to better target systems for on-site reviews. In addition, these positions assist with the sampling required of selected small public water systems by the Unregulated Contaminants Monitoring Regulation. These positions provide approximately 900 hours of field time per year. These efforts are divided between two positions, each spending half of their time on drinking water sampling.
- ***Drinking Water Technical Specialists (1.8 FTE Equiv.)*** – Individuals in these existing positions help develop the format and content of, and perform sanitary surveys (EPA 8-part) of public water systems that use surface water. Additional duties would include, but not be limited to: providing direct technical assistance to public water systems not performing within goals (with emphasis on disinfection by-products, MPA and turbidity performance); reviewing public water system designs for conformance with design criteria; providing oversight to third party compliance assistance providers; determining which undesirable conditions detected at public water systems are significant and require system follow-up within prescribed time frames; preparing and distributing technical assistance materials to assist water system owner/operators properly operate their systems; assisting public water systems interpret the results of newly required filter profiles when performance goals are not achieved; tracking system compliance with follow-up requirements; developing proposed policies and procedures; preparing enforcement referrals for systems that fail to take appropriate measures to achieve compliance; and providing expert technical testimony in the event formal enforcement becomes necessary.

- ***Rule Managers (2.7 FTE Equiv.)*** - These positions are responsible for the design and implementation of the monitoring and compliance program for new regulations, communicate and negotiate effectively with systems so they understand their compliance responsibilities, assist with promulgation of Colorado Primary Drinking Water Regulations and implementation of the State's program to ensure public water systems are monitoring in accordance with requirements, and develop and present materials to support the Drinking Water Program's formal enforcement efforts. The Program Management Set-Aside will continue to support 90 % of two existing positions and one new position (0.9 FTE) beginning in SFY 05 in this area.
- ***Drinking Water Compliance Data Management Specialist (1.0 FTE Equiv.)*** – This new position will be responsible for managing the changes to the data base and report queries required by new rules, new reporting requirements, and new software programming requirements as new and more complex drinking water regulations are implemented.
- ***Drinking Water Program Enforcement Specialist (1.0 FTE Equiv.)*** – These existing positions specialize in Drinking Water Enforcement actions including administrative and civil case preparation, penalty development, settlement negotiation, close out tracking and ensuring that systems return to compliance.

PWSS PROGRAM ACTIVITIES AND RESOURCE REQUIREMENTS

In addition to the tasks to be accomplished by the Drinking Water Program staff as outlined above, funds from the 10% set-aside will be used for general program management expenses. It is impossible to itemize each of the possible legitimate expenses. However, to the extent that specific costs can currently be predicted, they are outlined below. In the event that additional activities need to be conducted or equipment needs to be purchased, the work plan will be revised and resubmitted to EPA for approval if any one item exceeds \$20,000, or if individual additions to this category of expenditures in the aggregate exceed \$100,000 over the life of the work plan.

- ***New Employee Expenses***
Office Setup – The Joint Budget Committee of the Colorado legislature assigns a cost of \$1921 for each new employee.
Computer Acquisition – The Joint Budget Committee of the Colorado legislature assigns a cost of \$1525 for each new employee to acquire a desktop computer.
- ***Existing Employee Expenses***
Vehicles – The sampler position requires the full-time availability of a properly equipped vehicle so that drinking water samples can be collected from public water systems to verify the quality of the system's self-reported data and to sample at selected small systems as required by the Unregulated Contaminants Monitoring Regulation. The annual cost of this vehicle will be supported from the 10% Drinking Water Program

Management set-aside. Currently, this cost amounts to \$4716 per year plus mileage at \$ 0.15 per mile. The total current expected annual cost for the vehicle is estimated to be \$6500 per year.

A vehicle is also required to complete sanitary surveys throughout the state. This vehicle is used by the Consumer Protection Division of CDPHE to conduct non-community ground water sanitary surveys. This vehicle cost is \$3,026 per year, plus \$2,304 in mileage for a total of \$5,330 per year.

Operational Costs –The 10 % Program Management Budget spreadsheet displays the operational costs, training, and travel in the budget. The Drinking Water Program will manage the operational, training, and travel funds to ensure that the overall 10% Program Management Set-aside budget is not jeopardized while supporting the legitimate operational, training, and travel needs of assigned program staff.

Indirect Costs – Indirect costs are based on approved rates assigned by the CDPHE, and for 2005 include 16.4 % for programs and staff and 0.7 % flow-through overhead for contracts. Indirect costs are shown in Table 3, and total \$152,453 for 2005. Future year indirect expenses are shown at these same rates, but may change, which would be reflected if and when any work plan amendments are made.

- ***Support to Capacity Development Program Efforts***

Administer Capacity Development Work plan Activities - The following topics, copied from the Capacity Development Work plan for State fiscal years 2005-2007, summarize the scope of the Drinking Water Program's capacity development efforts:

- Compliance Assistance
 - Response to public water systems questions
 - Informational materials preparation and dissemination
 - Sanitary Surveys for community and non-community public water systems
 - Consumer Confidence Report preparation
- Public Water System Assessments
 - Operational assessments using Comprehensive Performance Evaluations by a Contractor
 - Technical, Managerial, and Financial assessments by Drinking Water Staff and Water System Management
 - Technical, Managerial, and Financial onsite assessments by a Contractor
 - Source Water Assessment and Protection by Drinking Water Staff and a Contractor
- Operator Training
 - Small System Technical Assistance funded training
 - State developed regulatory training
- Technical Assistance

- Surface water Treatment Process control
 - Technical, Managerial, and Financial Toolbox
 - Radionuclide Disposal Options Toolbox
- Financial Assistance
 - SSTA Grants
 - Public Improvement District Formation Assistance for Privately Owned Public Water Systems
 - Disadvantaged Community Program loan subsidy reimbursement for State Revolving Fund Loans
- Evaluation of the Capacity Development Workplan initiatives

This work, including contract preparation, oversight, and management, will be accomplished by Drinking Water Program staff with assistance from private consultants and third party assistance providers. Contract preparation, oversight, and management will be funded by the 10% Program Management Set-Aside, while the direct assistance to systems will be funded by the Capacity Development Set-Aside.

- ***Data System Upgrade***

The Drinking Water Program is migrating from an old dBase IV database system to SDWIS-State. However, the migration and integration of data is a time and resource intensive process, and is still underway. During the completion of this data migration, and in the future, it will be necessary to support this information system with qualified and trained staff. Newly implemented and pending Drinking Water Rules, with extremely complex data requirements, make this task more complex, and requires the addition of a new Data Management Specialist (duties described in previous section).

Conversion and implementation of new software inherently comes with associated costs. Colorado will continue to budget \$65,000 per year through 2007 for contractor support, including data conversion and trouble-shooting, intra-agency support to maintain the LAN version of the database, and laboratory support to implement electronic transfer of total coliform data. The Drinking Water Program anticipates the availability of software to integrate sanitary survey inspection into the SDWIS system. The Drinking Water Program will secure electronic hand-held devices that can contain system-specific information from the central database to guide field staff in the review and documentation of field conditions. These devices would be programmed to interact directly with and upload to our central database field collected information, record the visit for tracking purposes and record both violations and capacity deficiencies into the central database. The central database would then be equipped with macro-type letters that could be used to develop the cover letter to be sent to the visited system. The system would retain the flexibility for our field staff to modify standard language for those situations where such modification is appropriate, but would rely on standardized report formats for routine situations. This process would not only save valuable professional time to be devoted to more appropriate functions, but would generate a state-wide data set that would aid with violation tracking and resolution. It would also provide the

opportunity to analyze capacity deficiencies Statewide so that necessary infrastructure improvements could be identified and resolved through SRF projects or better-directed capacity improvement activities. This would also allow the Drinking Water Program to better direct SRF project funds to the most appropriate public water systems by better considering their public health threats. Finally, the centralized data would allow Drinking Water Program staff to conceive and implement more appropriate assistance strategies. The Drinking Water Program anticipates providing a hand-held device to each of the 19 staff performing fieldwork to allow this system to be implemented. Purchase of this software, and appropriate field hardened hardware units will require \$50,000 of Program Management Set-Aside funds in FY 2005, in addition to the \$25,000 allocated in FY 2004 funds, but not yet spent. In subsequent years, replacement units have been budgeted. The Drinking Water Program has added travel and training funding for Information Technology personnel to attend seminars and conferences pertaining to SDWIS as shown in the budget.

One of the advantages of developing SDWIS-State as Colorado's drinking water database is its ability to import laboratory data electronically. An agreement has been made with the Laboratory Services Division (LSD) to develop and implement a project for electronic reporting of microbiological and chemical laboratory data into the SDWIS-State database. Up to \$10,000 is budgeted for LSD for electronic reporting for all laboratories into Colorado's SDWIS-State database.

- ***Policies and Procedures Updates***

The Drinking Water Program has many drinking water program policies and procedures that are in need of updating and revision as a result of the significant program revisions evolving from the 1996 Amendments to the Safe Drinking Water Act. The process of making these changes is resource intensive both from technical and process perspectives. Both internal and external stakeholders must contribute to the process. Internally, the Drinking Water Program relies on the Drinking Water Program Advisory Team to help establish revision priorities and to coordinate content. While it is not feasible or desirable to rely on contractor-provided technical assistance to develop or revise our actual program policies and procedures, dedicated technical and administrative contractor support would greatly improve staff effectiveness. Such assistance would both support the Advisory Team's efforts and assist with the policy revision process. With respect to the revision of policies and procedures, the contractor would conduct the following kinds of functions: perform research; gather, summarize and propose responses to comments on draft documents; and manage the planning, assist with the execution of, and follow-up to stakeholder meetings as necessary to identify outstanding issues for Drinking Water Program staff to resolve. Accordingly, the Drinking Water Program anticipates securing the services of a contractor to help Drinking Water Program staff update the following types of materials or issues: drinking water program regulations and policies; microscopic particulate analysis method standardization; drinking water system design criteria manual and review process update; and field performance evaluation of turbidity

monitoring efficacy for bag and cartridge filters. For initial planning purposes, the Drinking Water Program is budgeting \$50,000 annually to support this activity.

- ***Training***

The growth in both the programmatic and technical complexity of the drinking water program demands that staff be provided the opportunity to stay abreast so they can continue to provide value to our regulated customers and consumers at large. There currently is no plan or budget allocated to this activity. The Drinking Water Program intends that its Drinking Water Program Advisory Team will address training needs and recommend the amount and kind of training activities that are appropriate for various staff of the program. Initially, the Drinking Water Program is estimating approximately \$14,000 per year will be reserved for this effort. This amount, subject to change as more direct experience is gained is predicated on the following assumptions and logic. With new positions, there are approximately 36 FTE assigned to the drinking water program. Professional certification programs such as the American Academy of Environmental Engineers (AAEE) require on-going education and participation in professional activities at a rate of 20 professional development hours per year. Drinking water plant operators and distribution system operators require from 4 to 10 hours per year of continuing education to maintain their certification depending on the level of their certification. Considering the overall mix of professional versus technician level staff in the drinking water program and the complexity and high number of new regulations that must be implemented, it seems reasonable to expect that training at an average level of 15-20 hours (estimate based on 2 days per person, or 72 days total) per year is needed. A conservative estimate of average direct training costs at \$200 per training day would require a total of \$14,400 per year. Approximately one half of these training events could be held out of state requiring travel, estimated at \$700 for a two day event, so travel cost associated with this training has been conservatively estimated at \$11,900 per year.

- ***Equipment***

Infocus Projector – The capacity development staff will be required to provide training both to internal staff and public water system owners and operators on the requirements of the new regulations. The Drinking Water Program anticipates taking advantage of the flexibility and utility of using Power Point software to develop and deliver training materials as hard copy handouts and as visual presentations. The Drinking Water Program currently has one projector, and anticipates the need for another to support the increased training and technical assistance. Current cost estimate is approximately \$3000 initially with \$200/year allocated to bulb replacement costs.

Laptop Computer/Docking Station – The Drinking Water Program will need to purchase an additional laptop computer to pair with the new projector to support training events. In addition, laptops are used by the program manager and associated capacity development staff need to communicate via email and conduct work while on travel and efficiently integrate this work with other office-based work. It is

expected that a well-equipped laptop will cost approximately \$3,500 including necessary peripherals and software.

- ***Program Excellence***

The Colorado Drinking Water Program aspires to excellence. The Program's goal is to ensure that Colorado public water systems consistently provide safe drinking water to all their consumers – 24 hours a day, every day. At the same time, the program's budget and resources are severely limited, making it vital that all program resources be used most effectively. At the current time, the program has no formal mechanisms in place to help it gauge its effectiveness and make improvements where appropriate. The program anticipates securing the services of third party consultants such as peer groups organized by the Association of State Drinking Water Administrators (ASDWA), the Colorado Performance Excellence Program (CPEX) which follow the pattern of the Baldrige National Quality Program and/or an experienced contractor to help assess overall program effectiveness and develop feedback processes. Feedback would be solicited from internal and external customers to assist with program evaluation, benchmarking and improvement efforts. It is anticipated that this effort will occur sporadically during the period of this work plan. Those infrequent years where a third party makes evaluations of the program will require more funding support than those years in which the program is solely implementing an established improvement program. For budgeting purposes, the Drinking Water Program is earmarking approximately \$25,000 annually for this effort.

BUDGET

A summary of activities, their associated costs and timing of activities is provided in Table 3 of this document as an Excel spreadsheet.

IDENTIFICATION AND RESPONSIBILITIES OF AGENCIES

All of the work described in the above narrative and summarized in the preceding table will be conducted by or directly under contract to the Colorado Department of Public Health and Environment. The Laboratory Services Division will perform the automated transfer of monitoring data to the SDWIS-State database subject to the oversight of the Water Quality Control Division. All new staff will be assigned to the Water Quality Control Division, and all other work identified will be performed directly by staff assigned to the Water Quality Control Division or contracted to third parties through contracts managed by staff of the Drinking Water Program.

The PWSS State Revolving Fund Program is implemented under terms of a Memorandum of Agreement between the State and EPA Region VIII. The agencies representing the State include: the Water Quality Control Division of the Colorado

Department of Public Health and Environment, the Division of Local Government of the Department of Local Affairs, and the Colorado Water Resources and Power Development Authority.

STATE PROGRAM MANAGEMENT 10% SET-ASIDE EVALUATION PROCESS

The activities and staff that will be added to the Drinking Water Program as a result of funding from the 10% Program Management Set-Aside will be closely aligned with basic programmatic responsibilities. Such activities will include new regulation promulgation and implementation for all of the new requirements discussed in the narrative above. Each new FTE will be performing work in accordance with a formal State of Colorado position description qualification process and an annual work plan. Each individual will receive a formal annual evaluation in accordance with Department requirements. To the extent that these staff, contract efforts or equipment contributes to required programmatic responsibilities, their accomplishments (or lack thereof) will be subject to EPA programmatic oversight and evaluation. In addition, the Drinking Water Program, using resources from the 10% program management set-aside, will administer a capacity development program. This program is developed with significant input of a diverse workgroup, which will assess program progress. The capacity development program is required to assess and report accomplishments to the Governor on a recurring basis.

Table 3: SUMMARY OF ACTIVITIES, SCHEDULE AND EXPENSES

	Inception thru																			
	2004	2005	2006	2007	2008															
Prior Yrs Remaining Balance	1,066,104	1,330,093	1,197,154	1,028,358	883,425															
Annual Allocation of Funds	871,617	1,025,273	871,620	871,620	871,620															
Total Annual Expenditures (Actual)	607,628	1,158,212	1,040,415	1,016,553	1,020,278															
Remaining Available Funds	1,330,093	1,197,154	1,028,358	883,425	734,767															
Assumptions																				
Inflation	5.0%																			
Onsite Indirect	16.4%																			
Offsite Indirect	10.9%																			
Flowthrough Indirect	0.7%																			
	SFY 2005					SFY 2006					SFY 2007					SFY 2008				
Personal Services	Position	FTE	Budget	Actual	Variance	Position	FTE	Budget	Actual	Variance	Position	FTE	Budget	Actual	Variance	Position	FTE	Budget	Actual	Variance
DW Program Assistant I	\$ 44,538	0.60	\$26,723		\$26,723	\$ 44,538	0.60	\$26,723		\$26,723	\$ 44,538	0.60	\$26,723		\$26,723	\$ 44,538	0.60	\$26,723		\$26,723
DW Cap Dev Prog Lead (EPS II)	\$ 74,291	0.50	\$37,146		\$37,146	\$ 74,291	0.50	\$37,146		\$37,146	\$ 74,291	0.50	\$37,146		\$37,146	\$ 74,291	0.50	\$37,146		\$37,146
DW Prog Sampler (EPST I)	\$ 68,376	1.00	\$68,376		\$68,376	\$ 68,376	1.00	\$68,376		\$68,376	\$ 68,376	1.00	\$68,376		\$68,376	\$ 68,376	1.00	\$68,376		\$68,376
DW Tech Experts (PE I)	\$ 70,333	1.80	\$126,599		\$126,599	\$ 70,333	1.80	\$126,599		\$126,599	\$ 70,333	1.80	\$126,599		\$126,599	\$ 70,333	1.80	\$126,599		\$126,599
DW CADM (EPS II)	\$ 75,565	0.90	\$68,009		\$68,009	\$ 75,565	0.90	\$68,009		\$68,009	\$ 75,565	0.90	\$68,009		\$68,009	\$ 75,565	0.90	\$68,009		\$68,009
DW CADM (EPS II)	\$ 82,335	0.90	\$74,102		\$74,102	\$ 82,335	0.90	\$74,102		\$74,102	\$ 82,335	0.90	\$74,102		\$74,102	\$ 82,335	0.90	\$74,102		\$74,102
DW CADM (EPS II)	\$ 73,500	0.90	\$66,150		\$66,150	\$ 73,500	0.90	\$66,150		\$66,150	\$ 73,500	0.90	\$66,150		\$66,150	\$ 73,500	0.90	\$66,150		\$66,150
DW CMDM (EPS II)	\$ 70,000	1.00	\$70,000		\$70,000	\$ 70,000	1.00	\$70,000		\$70,000	\$ 70,000	1.00	\$70,000		\$70,000	\$ 70,000	1.00	\$70,000		\$70,000
DW Enforcement (PS II)	\$ 41,344	0.50	\$20,672		\$20,672	\$ 41,344	0.50	\$20,672		\$20,672	\$ 41,344	0.50	\$20,672		\$20,672	\$ 41,344	0.50	\$20,672		\$20,672
DW Enforcement (EPS III)	\$ 97,908	0.50	\$48,954		\$48,954	\$ 97,908	0.50	\$48,954		\$48,954	\$ 97,908	0.50	\$48,954		\$48,954	\$ 97,908	0.50	\$48,954		\$48,954
SUB-TOTAL		8.60	\$606,730	\$0	\$606,730		8.60	\$606,730	\$0	\$606,730		8.60	\$606,730	\$0	\$606,730		8.60	\$606,730	\$0	\$606,730
Indirect			\$ 99,504	\$ -	\$ 99,504			\$ 99,504	\$ -	\$ 99,504			\$ 99,504	\$ -	\$ 99,504			\$ 99,504	\$ -	\$ 99,504
Total Personal Services			\$ 706,233	\$ -	\$ 706,233			\$ 706,233	\$ -	\$ 706,233			\$ 706,233	\$ -	\$ 706,233			\$ 706,233	\$ -	\$ 706,233
Operating & Travel																				
New Staff Office Setup and Computer Replacement			\$ 3,500		\$ 3,500			\$ 10,000		\$ 10,000			\$ -		\$ -			\$ -		\$ -
Vehicle Costs - Sampling			\$ 6,500		\$ 6,500			\$ 6,500		\$ 6,500			\$ 6,500		\$ 6,500			\$ 6,500		\$ 6,500
Vehicle Costs - Sanitary Survey			\$ 5,330		\$ 5,330			\$ 5,330		\$ 5,330			\$ 5,330		\$ 5,330			\$ 5,330		\$ 5,330
Travel (Program Operations)			\$ 15,000		\$ 15,000			\$ 15,000		\$ 15,000			\$ 15,000		\$ 15,000			\$ 15,000		\$ 15,000
Operations and Supplies			\$ 6,000		\$ 6,000			\$ 6,000		\$ 6,000			\$ 6,500		\$ 6,500			\$ 6,500		\$ 6,500
Laboratory Analysis			\$ 10,000		\$ 10,000			\$ 10,000		\$ 10,000			\$ 10,000		\$ 10,000			\$ 10,000		\$ 10,000
Staff Training and Associated Travel			\$ 26,300		\$ 26,300			\$ 26,300		\$ 26,300			\$ 26,300		\$ 26,300			\$ 26,300		\$ 26,300
Automated Data Transfer Development			\$ 10,000		\$ 10,000			\$ 10,000		\$ 10,000			\$ 10,000		\$ 10,000			\$ 10,000		\$ 10,000
Applications Server (SDWIS) upgrade			\$ -		\$ -			\$ 8,000		\$ 8,000			\$ -		\$ -			\$ -		\$ -
In-Focus Projector/Bulbs			\$ 200		\$ 200			\$ 3,000		\$ 3,000			\$ -		\$ -			\$ 200		\$ 200
Laptop - Hardware/Software			\$ 3,500		\$ 3,500			\$ -		\$ -			\$ -		\$ -			\$ 3,000		\$ 3,000
SUB-TOTAL			\$ 86,330	\$ -	\$ 86,330			\$ 100,130	\$ -	\$ 100,130			\$ 79,630	\$ -	\$ 79,630			\$ 82,830	\$ -	\$ 82,830
Indirect			\$ 14,158	\$ -	\$ 14,158			\$ 16,421	\$ -	\$ 16,421			\$ 13,059	\$ -	\$ 13,059			\$ 13,584	\$ -	\$ 13,584
Total Operating & Travel			\$ 100,488	\$ -	\$ 100,488			\$ 116,551	\$ -	\$ 116,551			\$ 92,689	\$ -	\$ 92,689			\$ 96,414	\$ -	\$ 96,414
Contracts																				
CPD GWNC Sanitary Surveys			\$ 6,968		\$ 6,968			\$ 6,968		\$ 6,968			\$ 6,968		\$ 6,968			\$ 6,968		\$ 6,968
Field Visits Hardware and Software			\$ 50,000		\$ 50,000			\$ 10,000		\$ 10,000			\$ 10,000		\$ 10,000			\$ 10,000		\$ 10,000
Contract Support - SDWIS			\$ 65,000		\$ 65,000			\$ 65,000		\$ 65,000			\$ 65,000		\$ 65,000			\$ 65,000		\$ 65,000
Data Support - Bridge Development/ Revision			\$ 30,000		\$ 30,000			\$ 30,000		\$ 30,000			\$ 30,000		\$ 30,000			\$ 30,000		\$ 30,000
Contract Support - Data Entry			\$ 75,000		\$ 75,000			\$ -		\$ -			\$ -		\$ -			\$ -		\$ -
DW Program Excellence			\$ 25,000		\$ 25,000			\$ 25,000		\$ 25,000			\$ 25,000		\$ 25,000			\$ 25,000		\$ 25,000
Contract Asst - Policy/Proced. Revision			\$ 50,000		\$ 50,000			\$ 50,000		\$ 50,000			\$ 50,000		\$ 50,000			\$ 50,000		\$ 50,000
SUB-TOTAL			\$ 301,968	\$ -	\$ 301,968			\$ 186,968	\$ -	\$ 186,968			\$ 186,968	\$ -	\$ 186,968			\$ 186,968	\$ -	\$ 186,968
Indirect			\$ 49,523	\$ -	\$ 49,523			\$ 30,663	\$ -	\$ 30,663			\$ 30,663	\$ -	\$ 30,663			\$ 30,663	\$ -	\$ 30,663
Total Contract			\$ 351,491	\$ -	\$ 351,491			\$ 217,631	\$ -	\$ 217,631			\$ 217,631	\$ -	\$ 217,631			\$ 217,631	\$ -	\$ 217,631
Total Indirect			\$ 163,185					\$ 146,588					\$ 143,226					\$ 143,751		
Total Expenditures			\$ 1,158,212	\$ -	\$ 1,158,212			\$ 1,040,415	\$ -	\$ 1,040,415			\$ 1,016,553	\$ -	\$ 1,016,553			\$ 1,020,278	\$ -	\$ 1,020,278

Approvals and Signatures

**STATE REVOLVING FUND PROJECT
DRINKING WATER PROGRAM
ENVIRONMENTAL PROTECTION AGENCY
REGION VIII**

Ron Hill
SRF Project Officer

Date

**DRINKING WATER PROGRAM
WATER QUALITY CONTROL DIVISION
COLORADO DEPARTMENT OF HEALTH**

Chester F. Pauls
DWP Manager

Date

STATE OF COLORADO

Bill Owens, Governor
Douglas H. Benevento, Executive Director

Dedicated to protecting and improving the health and environment of the people of Colorado

4300 Cherry Creek Dr. S. Laboratory Services Division
Denver, Colorado 80246-1530 8100 Lowry Blvd.
Phone (303) 692-2000 Denver, Colorado 80230-6928
TDD Line (303) 691-7700 (303) 692-3090
Located in Glendale, Colorado
<http://www.cdphe.state.co.us>



Colorado Department
of Public Health
and Environment

July 9, 2004

Mr. Ron Hill, SFR Officer
EPA, Region VIII (8P-W-MS)
999 18th Street, Suite 500
Denver, CO 80202-2466

RE: Program Management 10% Set-Aside Work Plan

Dear Mr. Hill,

Enclosed are two original of the 10% program Management Set-Aside Work Plan already signed by the representative from the Water Quality Control Division. Please sign both documents, keep one for your records and return the other to Chester F. Pauls in the included pre-addressed envelope.

Sincerely

Jon DeBoer
Water Quality Control Division