

American Recovery and Reinvestment Act
(ARRA) Implementation
Drinking Water Revolving Fund
Water Pollution Control Revolving Fund

Department of Local Affairs
April 9, 2009

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Overview of ARRA

- ARRA funds provided to states through the **EXISTING** DWRF and WPCRF loan fund structure
- Projects must be identified on the WQCC approved Project Eligibility Lists
- The objectives of ARRA:
 - To preserve and create jobs and promote economic recovery
 - To assist those most impacted by the recession
 - To provide investments needed to increase economic efficiency by spurring technological advances in science and health
 - To invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits
 - To stabilize State and local government budgets, in order to minimize and avoid reductions in essential services and counterproductive state and local tax increases

WPCRF and DWRF IUPs

WQCC Establishes deadlines required to determine “ready-to-proceed”

March 23, 2009: Submit an approvable Preliminary Engineering Report (PER)

April 27, 2009:

- Submit a stimulus loan application and a complete/approvable Site Application (WPCRF)
- Submit a stimulus loan application and Technical, Managerial and Financial Capacity Assessment (DWRF)

May 31, 2009:

- Submit a complete/approvable Process Design Report or Engineering Report (WPCRF)
- Submit a complete/approvable Engineering Report (DWRF)

June 30, 2009: Submit complete/approvable Plans and Specifications and Environmental Assessment Report, or proof that the project qualifies as a Categorical Exclusion from the environmental process.

July 31, 2009: Fully respond to any WQCD questions and comments.

September 30, 2009: Complete bidding process, issue Notice to Proceed, and begin construction.

ARRA Funding

	<u>DWRF</u>	<u>WPCRF</u>
ARRA funds for infrastructure projects	\$32.29M*	\$30.10M*
2009 DWRF & WPCRF loan capacity	<u>\$32.80M</u>	<u>\$22.78M</u>
Total Funding Available	\$65.09M	\$52.88M

*20% of ARRA Funds dedicated to Green Infrastructure, Water or Energy Efficiently Improvements

Requests for ARRA Funding

DWRF Engineering reports received for ARRA \$349M (78 projects)

WPCRF Engineering reports rec'd for ARRA \$333 M (63 projects)

WPCRF Categorization and Prioritization

- Category 1 projects will be funded prior to Category 2 projects, which will be funded prior to Category 3, etc.
- Within each category, the following criteria used to further prioritize
 - Projects serving a small community
 - Up to 1,000 Population 20 Points
 - 1,001 to 5,000 Population 15 Points
 - 5,001 to 10,000 Population 10 Points
 - Over 10,000 Population 5 Points
 - Entities that have a greater financial based
 - Ability to pay (total annual sewer cost per single family equivalent as a % of median household income)
 - Over 3% - 20 Points
 - Over 2% up to 3% - 15 Points
 - Over 1% up to 2% - 10 Points
 - 1% and under - 5 Points
 - Local burden (total project cost per equivalent residential tap)
 - Over \$5,000 - 20 Points
 - Over \$3,500 - 15 Points
 - Over \$2,000 - 10 Points
 - \$2,000 and under 5 Points
 - Projects that address an enforcement action and/or compliance schedule - 10 points
 - Projects that address the discharge of pollutant(s) to a segment impaired for the relevant pollutant(s) - 10 points.
 - Projects that implement the “Green Infrastructure/Sustainable Measures” - 5 points.

DWRF Categorization and Prioritization

Category 1 projects will be funded prior to Category 2 projects, which will be funded prior to Category 3, etc.

Within each category, the following criteria used to further prioritize

- **Projects serving a small community**
 - Up to 1,000 Population 20 Points
 - 1,001 to 5,000 Population 15 Points
 - 5,001 to 10,000 Population 10 Points
 - Over 10,000 Population 5 Points
- **Entities that have a greater financial based**
 - Ability to pay (total annual sewer cost per single family equivalent as a % of median household income)
 - Over 3% - 20 Points
 - Over 2% up to 3% - 15 Points
 - Over 1% up to 2% - 10 Points
 - 1% and under - 5 Points
 - Local burden (total project cost per equivalent residential tap)
 - Over \$5,000 - 20 Points
 - Over \$3,500 - 15 Points
 - Over \$2,000 - 10 Points
 - \$2,000 and under 5 Points
- **Consolidation - 15 Points**
- **Water Conservation - 5 Points**
- **Implementation of Source Water Protection measures - 2 Points**
- **Beneficial Use of Sludge - 2 Points**
- **Health Risk - up to 20 points** (determined by WQCD Engineer based on upon type and level of contaminant present)

ARRA Loan Terms Approved by CWRPDA Board

Principal Forgiveness:

- Principal forgiveness of up to \$2,000,000 per project
- Provided to the highest prioritized projects
- 50% of the total ARRA funds

Loan Term:

- Direct Loans
- Up to 20 years plus the construction period
- DWRP loans that would qualify as disadvantaged up to 30 years

Interest Rate ARRA Loans:

- 0%

Administrative Fees on ARRA Loans:

- No administrative fees

WPCRF and DWRF Terms

for loans issued in 2009 from non-ARRA funds

Loan Term:

- Up to 20 years plus the construction
- DWRF Disadvantaged Communities loans up to 30 years

Interest Rates:

- Leveraged loans will be issued at an interest rate of 2.5%.
- Direct loans (up to \$2,000,000) will be issued at an interest rate of 2%.
- Direct loans in excess of \$2,000,000 may be approved on a case-by-case basis by the Authority Board
- Disadvantaged Communities loans would be issued at an interest rate of:
 - 1% for the 61% to 80% MHI entities
 - 0% for those entities that are less than 61% MHI

Administrative Fees Loans:

- No administrative fees on WPCRF leveraged loans
- 1.25% administrative fee on DWRF leveraged loans
- Direct loans will be charged an administrative fee if there is interest component on the loan
 - 0.8% of the loan principal for WPCRF loans
 - up to 1.25% on DWRF loans).
 - Loan administrative fees are included in the stated interest rates and shall not be added to the interest rate

Additional Federal Requirements

- Davis Bacon Wage Rates
- American Iron, Steel, and Manufactured Goods
- Green Infrastructure
- Weekly Reporting Requirements

Next Steps

Dates	Agency	Action
3/23/09	Entities	Deadline to submit an approvable Preliminary Engineering Report
4/13/09	WQCC	Rulemaking and AAH
		Add provision "green infrastructure", "Buy American", "Davis-Bacon"
4/27/09	Entities	Project Application deadline
	WQCD	Prioritize Projects and determine readiness to proceed
		Forward Project Applications to DLG for Financial Analysis/Credit Reviews
		Develop Fundable Lists for IUPs
5/6/09	WQCC	Public Notice Fundable Lists for IUPs and Notice any IUP/Rule Changes
5/11-12/09	WQCC	AAH Approve IUP Amendments with List of prioritized projects
		Rulemaking if necessary

Next Steps

Dates	Agency	Action
5/11 or 12/2009	CWRPDA	Submit Stimulus Application to EPA with approved IUP including Fundable Lists
5/31/09	Entities	Wastewater Projects must submit approvable Process Design Report or Engineering Report for Lift stations /interceptors Drinking Water Projects must submit approvable engineering report
6/1/09	EPA	Award Stimulus funds (3 weeks from state application)
6/5/09	CWRPDA	Board Meeting - approve loan applications
6/30/09	Entities	Plans and Specifications and EA Report or proof that project qualifies as CAT EX
7/31/09	Entities	Fully respond to any WQCD technical/administrative comments
8/1 - 9/29/2009	Entities	Prepare bid package, publish request for bids, evaluate bids, award contract to successful bidder, issue notice to proceed to construction NLT 9/30/09
9/30/09	Entities	Must be in construction