



American Recovery and Reinvestment Act

Connecticut DEP

Clean Water State Revolving Fund

Description of the Grant and Summary of Activities:

Connecticut DEP (CTDEP) was awarded a \$48 Million American Recovery and Reinvestment Act of 2009 (ARRA) grant to capitalize Connecticut's revolving loan fund for the financing of construction of wastewater treatment facilities and associated infrastructure. This grant funding was deposited into the Connecticut state revolving fund also known as the Clean Water Fund. All funds within the Clean Water Fund (CWF) are governed by applicable state statutes (CGS 22a-475 through 483) and the Regulations of Connecticut State Agencies known as the CWF Regulations. Funding under the CWF is established based upon a priority rating system with criteria regarding improvements to water quality and the protection of public health. The ARRA CWF funding must follow this same priority rating system and method of awards as the state contributions to the CWF.

In December 2008, in anticipation of ARRA funding for the CWF, CTDEP initiated a reevaluation of the current list of prioritized wastewater infrastructure projects. This list had been adopted in January 2008 and covered fiscal years 2008 and 2009. To ensure all projects were considered, CTDEP solicited municipalities for updated information on projects the CTDEP was aware of and new projects that were not previously submitted. In addition, CTDEP reviewed all of the projects submitted in response to the Governor's call for "shovel ready" projects. The result of these efforts was a Final Amended FY 09 Priority List. This list included projects to be funded with both standard and ARRA CWF funds. The new priority list added additional projects (based on increases in available funding as a result of ARRA funds) and modified each projects priority, where appropriate.

All projects on the current priority list of January 17, 2008 were reviewed for costs and readiness to proceed for the purpose of moving the maximum number of funds to the highest rated projects as soon as practical. Based on this review, ARRA funding was directed to construct 4 combined sewer overflow sewer separation (CSO) projects and 1 electrical generation project. All 5 projects will be with the Metropolitan District Commission (MDC) in Hartford, and these projects are the highest priority on the current priority list.

Since the grant was awarded by United States Environmental Protection Agency (EPA) in April 2009, CTDEP has negotiated and executed a master agreement with the MDC. This master agreement covers the four projects that will receive ARRA CWF funding. In addition, CTDEP and

October 2009

MDC are working on a second master agreement. This agreement will cover one project that will reduce energy consumption by MDC in their wastewater process. This project will meet the ARRA requirement that 20% of the CWF funding is directed to “green infrastructure.”

Currently, two of the four MDC CSO projects are under construction. The third CSO project has been designed and is out to bid. The green infrastructure project, the electrical generation project, has just completed the 90% design plans.

The construction projects funded by this grant will result in the reduction of combined sewage (sanitary and storm sewage) that discharges into receiving waters in the City of Hartford. In addition, there is direct job creation and retention for engineers and construction contractors for these projects. There are also indirect effects on jobs that have not been fully evaluated. Since this grant has been awarded, 75 engineers, construction contractors and other sub contractors have performed services on these two projects.

The administration of this grant involves coordination between the Sub Recipient (MDC), Vendors, CTDEP and the EPA. A brief description of the roles of each entity is described below. Vendors construct the project, and submit certified payrolls and pay requests to MDC. MDC reviews and approves those submissions, conducts inspections of the construction work, and submits pay requests to CTDEP. CTDEP processes these requests and audits the overall project to confirm that both state and federal requirements are being met. EPA provides oversight to verify that the ARRA deadline of 2/16/2010 will be met, provides guidance on reporting federal requirements, and provides support as necessary to ensure that ARRA project requirements are met.

Reports Required Through 3rd Quarter:

Report	Submitted to	Due Date	Status	Quality Assurance
Federal Clean Water State Revolving Fund Benefits Report	Region 1 EPA	Continuously Updated	On-going	On-going
EPA Project Updates	Region 1 EPA	As Requested	On-going	On-going
US Office of the Inspector General	OIG	As Requested	On-going	On-going
Transportation & Infrastructure Report	US House Representatives	5/15/09	Submitted	Review Complete
Transportation & Infrastructure Report	US House Representatives	6/15/09	Submitted	Review Complete
State Monthly Report	CT OPM	7/8/09	Submitted	Review Complete
Transportation & Infrastructure Report	US House Representatives	7/15/09	Submitted	Review Complete
State Monthly Report	CT OPM	8/5/09	Submitted	Review Complete
Transportation & Infrastructure Report	US House Representatives	8/15/09	Submitted	Review Complete
State Monthly Report	CT OPM	9/4/09	Submitted	Review Complete

Report	Submitted to	Due Date	Status	Quality Assurance
Transportation & Infrastructure Report	US House Representatives	9/15/09	Submitted	Review Complete
State Monthly Report	CT OPM	10/15/09	Submitted	Review Complete
Transportation & Infrastructure Report	US House Representatives	10/15/09	Submitted	Review Complete
State Monthly Report	CT OPM	11/4/09	Pending	Pending
Transportation & Infrastructure Report	US House Representatives	11/15/09	Pending	Pending
State Monthly Report	CT OPM	12/4/09	Pending	Pending
Transportation & Infrastructure Report	US House Representatives	12/15/09	Pending	Pending
State Monthly Report	CT OPM	1/4/10	Pending	Pending
3 rd Quarterly Report	US OMB	1/10/10	Outlined	Pending

Data Reported:

A CWF agreement was executed on 9/15/2009 for \$80 Million (\$38.4M ARRA, \$21.6M Clean Water funds and \$20M is local share). This agreement covers 4 CSO sewer separation projects with the MDC. Two sewer separation construction contracts are underway and CT DEP committed \$3,575,147 of ARRA funding as of 10/19/2009.

Addressing Challenges:

The major challenge for this project has been completing the master CWF assistance agreement, which is a very substantial document. It was necessary to ensure that MDC was aware of all of the additional ARRA requirements and there would be a mechanism to collect all necessary information accurately. These issues were resolved satisfactorily prior to execution of the agreement and CTDEP remains on target to meet the milestones dictated by EPA. Based on the framework of the CWF program, funding can be used to reimburse for authorized work that has been conducted prior to the execution of the agreement. Work had been initiated by MDC on these projects, which made these projects “shovel ready.” However ARRA funding has additional requirements above and beyond standard CWF funding. For example, CTDEP must ensure that MDC meets federal wage provisions of ARRA and the “Buy American” provision is followed. EPA has clarified how these provisions apply to Clean Water projects and CTDEP and MDC were able to ensure all projects were in compliance with ARRA provisions.

Forecast of Third Quarter Activities:

During the next quarter, the final two CSO projects will be under construction. In addition, the plans for the green infrastructure project will be completed and the project will be put out to bid. Additional jobs will be created and retained as additional projects are initiated and work progresses.

October 2009