

Drinking Water State Revolving Fund and American Recovery & Reinvestment Act of 2009



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Presentation Overview

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10. New DWSRF Eligibility Application



American Recovery and Reinvestment Act of 2009

- DPH received a \$19.5 million capitalization grant
- \$17.2 million for PWS infrastructure projects
- Special provisions
 - Shovel Ready Projects
 - 20% Green Project Reserve
 - 50% Minimum Subsidization
 - Buy American
 - Davis-Bacon Act wage rates
 - All funds to be committed by 2/17/10 (executed loan agreements and construction contracts)
- DPH has met the 2/17 deadline
- DPH has applied for any available reallocation funds (EPA expected to announce on 3/8/10)



Drinking Water State Revolving Fund Eligibility Requirements

- Who is eligible?
 - All Community PWSs
 - Non-profit Non-Community PWSs
- What types of projects are eligible?
 - Safe Drinking Water Act compliance projects
 - Water system sustainability projects
 - Planning, Design and/or Construction projects
 - Source Protection
 - PWS Consolidation
- How do I apply?
 - Complete a DWSRF Eligibility Application available on the DWS website at <http://www.ct.gov/dph/publicdrinkingwater>
 - Applications should be available around March 1, 2010
 - Applicants will have 30 days to file their application

DWSRF Base Program 2009

- DWS efforts in 2009 were committed to meeting ARRA's February 17, 2010 deadline
- DWS is planning to blend 2009 and 2010 base program funds and prepare a single priority list of projects for both years
- All DWSRF applicants that filed eligibility applications in 2009 will need to resubmit new applications during the 2010 Call for Projects
- New applications are necessary due to the blending of funds, new federal provisions for 2010 and changes to the DWSRF Eligibility Application and Priority Ranking Criteria



DWSRF Base Program 2010 New Provisions

- FFY 2010 Federal Capitalization Grant
 - A minimum of 30% of the grant must be used to subsidize DWSRF projects
 - To the extent there are sufficient applications, a minimum of 20% must be committed to green projects
 - Davis-Bacon Act wage rates apply to all construction projects
- Updated Priority Ranking System
- New Eligibility Application



Subsidization for Projects

- Minimum 30% of FFY 2010 capitalization grant (roughly \$4 million) is required to be used to subsidize projects
- DPH is considering distributing the subsidization out over projects funded with both 2009 and 2010 capitalization grants and leveraged revenue bond proceeds (amount not yet determined)
- Final amount of subsidy is under discussion
- Method of distributing the subsidy is under discussion
- Will be distributed in the form of principal forgiveness

Interest Rates and Repayment Schedule

- Interest rates vary depending on the credit rating of the applicant but is generally one half of the market rate or lower
- Municipalities with “Aa” credit rating receive the lowest interest rates
- Repayment schedule can be up to 20 years after project completion
- Interest rates kick in and repayment starts after the project is complete and the interim funding obligation (construction loan) is transferred into a permanent loan obligation



DWSRF Priority Ranking Criteria

- 4 Elements will be considered in ranking projects
 - Priority Points a project receives
 - Project Readiness (design, planning and/or construction phases) within the current DWSRF funding cycle
 - Goal of providing a minimum of 15% of available funding to small systems serving less than 10,000 persons
 - Goal for providing a minimum of 20% of FFY 2010 capitalization grant to fund green projects
- Only the portions of a project that can result in executed contracts (professional services, construction) and executed loan agreements within the current DWSRF funding cycle will be ranked, the remaining portions will remain eligible for funding consideration in future funding cycles

2010 DWSRF Call for Projects

- Call for Projects will be announced around March 1, 2010 via e-mail to all eligible PWSs and website announcement
- Deadline for Eligibility Applications will around March 31, 2010 (30 days after announcement)
- All PWSs that submitted eligibility applications in 2009 will need to resubmit new 2010 applications – DWS will notify 2009 applicants
- Applicants are asked to review the new application in early March to ensure they can obtain all the necessary information and documentation in time to meet the application deadline



Will There be More Stimulus Funding??

- Federal legislation has been passed in the House of Representatives – House Resolution 2847
 - Includes additional funding for DWSRF
 - Similar provisions to the 2009 ARRA
- Recent Senate proposals do not include any funding for DWSRF
- Possibility for new stimulus funding remains open, but no guarantee
- All PWSs that have “shovel ready” projects they wish to be considered for any new economic stimulus legislation that may be passed must respond to DWSRF FFY 2010 call for projects if they wish to be considered



New Eligibility Application

- Will be similar to last year's ARRA eligibility application
- Application will cover base DWSRF funding and potential new economic stimulus funding (you can apply for either or both with the same application)
- New "Project Readiness" section that includes submitting some documentation demonstrating readiness
- Applicants that wish to receive additional priority points for green projects must submit a Green Project Information Form with their applications
- Breaks down total estimated cost of project into planning, design and construction cost estimates
- **START COMPLETING YOUR APPLICATIONS EARLY WHEN YOU RECEIVE THE CALL FOR PROJECTS NOTICE!!!**

Visit Our Booth

- Please stop by and visit our CT DPH Booth (#62)
- View our DWS website:
<http://www.ct.gov/dph/publicdrinkingwater>
- Discuss specific details of the DWSRF Program with DWSRF staff

