

# California Department of Public Health Safe Drinking Water State Revolving Fund

## The American Recovery and Reinvestment Act of 2009 (ARRA)



# ARRA Temporarily Creates a Distinct “Program” Within the Base SRF Program

BASE SRF PROGRAM

ARRA “program”

- Some base program provisions
- +Special ARRA provisions

# Focus & Objectives Differ from Base SRF Program

- Key objective is to preserve and create jobs and promote economic recovery
- Priority for projects ready to start construction within 120 days
- 50% of funds for additional subsidy
- 20% of funds for “green” projects
- Within 1 year of enactment, all funds must be committed to projects under construction or having awarded contracts for construction

# Key Perspective

- ARRA appropriations are IN ADDITION TO base SRF program appropriations
- ARRA is not focused on building the corpus of the funds
- ARRA is focused on quickly delivering assistance to “ready to go” projects
  - Job creation and preservation
  - Additional subsidy (MINIMUM of 50% of cap grant)

# New ARRA SRF requirements

## ➤ Davis Bacon:

- Davis-Bacon Act wage rules apply to all assistance agreements made in whole or in part with funds appropriated by the ARRA.
- Department of Labor provides prevailing wage rates and instructions for reporting.

# ARRA Requirements cont....

## ➤ Iron and Steel

- All of the iron, steel, and manufactured goods used in a project must be produced in the United States.
- Administrator of EPA may waive this requirement if :
  - Inconsistent with the public interest
  - Sufficient and reasonably available quantities, of satisfactory quality are not produced in the US
  - Use of US manufactured products will increase project cost by >25%
- Must apply consistent with international agreements.

# ARRA Requirements cont....

- Green Project Reserve (GPR):  
“To the extent there are sufficiently eligible project applications, not less than 20 percent of the funds appropriated herein for the ARRA funds shall be for projects to address green infrastructure, water or energy efficiency improvements or other environmentally innovative activities”

# ARRA Requirements cont....

- Funds may be used to buy, refinance or restructure debt obligations of eligible recipients only when that debt was incurred on or after October 1, 2008
- EPA shall reallocate funds where projects are not under contract or construction within 12 months of enactment
- No funds may be used to acquire land or a conservation easement for source water protection, to implement source water protection measures, or to establish or implement wellhead protection programs

# DWSRF Loan Rates

Current interest rate for 2009 = 2.5017%

# Eligible Projects for this Funding

Only projects that are “**ready to proceed**”:

- Complete application must be submitted by deadline specified by CDPH (June 2009?).
- Must include final plans and specifications.
- Must comply with environmental requirements at the time of application :
  - Must be determined to be NEPA excluded **AND** CEQA exempt; **OR**
  - All final CEQA documents and filings must be complete, and project must be adopted and approved by the Lead Agency.
    - **Plus, applicant must be able to complete the federal requirements of Section 7 of the Endangered Species Act and Section 106 of the National Historic Preservation Act within 60 days.**

# Additional Project Information

- Funding agreement cannot be issued by CDPH and construction cannot begin until final environmental clearance.
- Construction must begin within 60 days of executed funding agreement.
- Water system must have adequate Technical, Managerial, and Financial capacity.
  - Our CDPH District Office can provide information on this requirement.
  - Any Proposition 218 requirement for a rate increase must be met prior to issuance of a funding agreement by CDPH.

# SDWSRF Economic Recovery Funding Process

- Applicant submits a pre-application for Economic Recovery Funding (ER\$) – Closed on Feb 27, 2009
- CDPH reviews and ranks ER\$ pre-apps – Target due date = March 15, 2009
- CDPH publishes draft Project Priority List – Target due date = April 7, 2009
- CDPH invites projects to submit complete application – Target due date = April 10, 2009
- CDPH evaluates funding application – April thru June 2009
- CDPH issues funding agreement – starting summer of 2009

# SDWSRF ER\$ Project Priority List

- Only projects that are ready to proceed will be included.
- Projects ranked into health-based categories
  - Ranking within each category is based on:
    - Median household income
    - Consolidation of systems
    - Population served.

# Funding Applications

CDPH invites projects from PPL based on available funding.

- Applicant will have 60 days to submit a completed application.
- There will be no extensions to this deadline.
- CDPH will process applications in the order received
- CDPH will continue to process applications until all funds have been allocated.
- CDPH to issue funding agreement within 60 days of determination of project eligibility and funding amount.
- The funding application and required documents will be posted on our website in early March.

# Upcoming Workshops/Events

## **2009 California Financing Coordinating Committee (CFCC) Funding Fairs**

**March 10, 2009 – Eureka – City of Eureka**

**April 2, 2009 – Merced – UC Cooperative Extension**

**May 7, 2009 – Sacramento – Cal Environmental Protection Agency**

For location information, visit the CFCC website:

[www.cfcc.ca.gov](http://www.cfcc.ca.gov)

# Contact/Resources Information

- **SDWSRF program information:**

<http://www.cdph.ca.gov/services/funding/pages/SRF.aspx>

- **Email to request current program announcements:**

contact SDWSRF@cdph.ca.gov

- **SDWSRF Economic Recovery Pre-application**

<http://www.cdph.ca.gov/certlic/drinkingwater/Pages/UniversalPreapplication.aspx>