MEMORANDUM

TO: Mayors, Public Works Directors, Presidents of County Boards of Supervisors, County Administrators, Wastewater District/Authority Directors, Consulting Engineers, and Other Interested Parties

FROM: MS Department of Environmental Quality
Office of Pollution Control

SUBJECT: Water Pollution Control Revolving Loan Fund (WPCRLF) Program
Wastewater and Non-Point Source Pollution Control Projects:
- Draft FY-14 WPCRLF Intended Use Plan (IUP)
- Matrix of Grants & Loans for Wastewater, Drinking Water, Storm Water, and Solid Waste Projects

DATE: March 7, 2014

Draft FY-14 WPCRLF Intended Use Plan (IUP)

The Department of Environmental Quality has established a public comment period through March 26, 2014, on the Draft FY-14 WPCRLF IUP. This document is being sent to all potential loan recipients and their consultants that have projects listed on the FY-14 Priority List and the FY-15 and After Planning List of this IUP. The Draft IUP is also available for viewing/downloading on our MDEQ website at www.deq.state.ms.us, by choosing “Programs” then under “Loans” choosing “Water Pollution Control State Revolving Fund” then choosing the related link under “Documents;” or, a mailed hard copy can be requested by contacting Sandra Powell at 601-961-5125.

Written comments on the Draft FY-14 Intended Use Plan must be received at the below address no later than Wednesday, March 26, 2014. Also, the Department will hold a public hearing on this document at 11:00 a.m., Wednesday, March 26, 2014 in the Commission Hearing Room at the offices of the Department of Environmental Quality, located at 515 East Amite in Jackson, to receive written or oral comments on this document. All comments, regardless of how they are received, will be given equal consideration by the Commission on Environmental Quality prior to adoption of this document.

Several significant portions of the Draft FY-14 IUP are as follows:

- **Draft WPCRLF FY-14 Priority List**

  The Draft FY-14 Priority List in Section IV, which shows the projects proposed for funding,
was developed based on the following assumptions: 1) the FY-14 Title VI Clean Water SRF appropriation is $1,448,887,000; (2) the State of Mississippi's allotment percentage will remain at 0.91% of the National Title VI SRF appropriation; (3) 20% state match funds will be made available through general obligation bonds which have been requested during the Spring 2014 Legislative Session; (4) the Department will obligate WPCRLF loan repayments and interest earnings (from existing closed loans) projected to be received through the end of the September, 2014, as shown in Appendix A.

The Draft FY-14 Priority List has been divided into three separated priority lists: 1) IV.A – “Regular” Priority List; 2) IV.B – “Small/Low Income” Priority List; and 3) IV.C “Green Project Reserve” Priority List. The distinctions between these three priority lists are found in Section IV.D.1 of the Draft IUP.

- **Interest Rate to be 1.75%**

As shown in Section II.c of the Draft FY-14 IUP, a 1.75% interest rate is proposed for all FY-14 loans.

- **FY-14 Priority System Deadlines**

Section IV.F outlines the Priority System deadlines for certain document submittals for the FY-14 projects. These deadlines have been established in order to insure that funds are reserved only for projects that are proceeding in a timely manner toward loan award. If these deadlines are not met, the funds reserved for FY-14 projects may be released and made available to projects on the 2015 and After Planning List that are “ready to award” as described in Section IV.D.2.c.

- **Davis Bacon Prevailing Wage Rates**

As noted in Section VI.D., the FY-2012 CWSRF appropriation language included the following: “For fiscal year 2012 and each fiscal year thereafter, the requirements of section 513 of the Federal Water Pollution Control Act (33 U.S.C. 1372) shall apply to the construction of treatment works carried out in whole or in part with assistance made available by a State water pollution control revolving loan fund as authorized by Title VI of that Act (33 U.S.C. 1381 et seq.).” Based on EPA’s interpretation of this language, the Davis Bacon requirements apply to, and will be included in, all loan agreements awarded during FY-14.

- **Buy American Iron and Steel**

As noted in Section VI.D., the FY-2014 CWSRF appropriation language included the following: “None of the funds made available by a State water pollution control revolving fund as authorized by title VI of the Federal Water Pollution Control Act (33 U.S.C. 1381 et seq.)...shall be used for a project for the construction, alteration, maintenance, or repair of a public water system or treatment works unless all of the iron and steel products used in the project are produced in the United States.” Based on EPA’s interpretation of this language, the related “Buy American” requirements apply to, and will be included in, all new project loan agreements executed on or after January 17, 2014, and prior to October 1, 2014. EPA has provided limited information thus far, regarding this new federal requirement. Additional guidance will be provided to all FY-2014 loan applicants as it becomes available.
Funds Set Aside for Additional “Green” Projects in FY-14

As noted in Section IV.D.1., the Department intends to set aside $2.6 Million in FY-14 for projects that qualify for the “Green Project Reserve” (GPR). GPR project categories include: 1) Green Infrastructure, 2) Energy Efficiency, 3) Water Efficiency, and 4) Environmentally Innovative. Additional details regarding GPR project qualification are available from EPA’s GPR guidance document, which can also be viewed/downloaded from our MDEQ website (detailed in the first paragraph of this memo). At the present time only $0.6 million is being obligated to projects on the Draft FY-14 Priority List, which leaves $2 million available for additional GPR projects. Potential loan applicants with projects which meet the GPR requirements are encouraged to get those projects ready for loan award and secure the available funding this fiscal year. If you would like to discuss the possibility of pursuing funding for such a project please call Tony Caldwell at 601-961-5618.

Funds Available for Additional New Projects in FY-14

As reflected in the last line on Appendix A, “FY-14 Assumed Available Funds,” approximately $20,000,000 is projected to be available for additional new projects in FY-14. Any potential loan applicants with projects on the 2015 and After Planning List are encouraged to consider getting these projects ready for loan award and securing a loan this fiscal year. These funds will be awarded on a first-come first-served basis as projects become ready for loan award. If you would like to discuss the possibility of pursuing funding for such a project please call Tony Caldwell at 601-961-5618.

Matrix of Grants & Loans for Wastewater, Drinking Water, Storm Water, and Solid Waste Projects

In our continuing effort of coordination among State and Federal Agencies that provide grant and loan funding for wastewater, drinking water, storm water, and solid waste projects, it is now appropriate to update our matrix of these funding sources. Attached is the updated matrix, which was again developed jointly by the agencies included. This matrix lists the funding sources, includes basic funding provisions, and gives the agency telephone number for each program. We hope that this matrix will be of benefit to you in considering grant and loan funding sources for your future wastewater, drinking water, storm water, and solid waste projects. Please discard all previous versions of this matrix.