



ALABAMA STATE REVOLVING FUND UPDATE

ALABAMA'S 7TH CONGRESSIONAL DISTRICT WATER INFRASTRUCTURE VIRTUAL GRANTS WORKSHOP 2022



STATE REVOLVING FUND

- Loan program to address water infrastructure
 - 20-Year fixed rate loan
 - Low interest rate – 1.99% for 2022
 - Public entities
 - Principal forgiveness eligibility
- Additional funding opportunities for 2022
 - Bipartisan Infrastructure Law (BIL)
 - American Rescue Plan Act (ARPA)

STATE REVOLVING FUND

- Clean Water State Revolving Fund (CWSRF)
 - Clean Water Act (1989)
 - Approx. \$1.5 Billion Total through 2021
- 2022 Allocation: \$17 Million
- CWSRF Program Demand:

2020	2021	Average
\$100M	\$51M	\$60M

- Drinking Water State Revolving Fund (DWSRF)
 - Safe Drinking Water Act (1999)
 - Approx. \$720 Million Total through 2021
- 2022 Allocation: \$20 Million
- DWSRF Program Demand:

2020	2021	Average
\$104M	\$67M	\$60M

CWSRF PROJECTS – ELIGIBILITY HANDBOOK

- Centralized wastewater treatment
 - Primary/Secondary
 - Headworks
 - Screening Systems
 - Clarifiers
 - Biological Treatment Systems
 - Advanced
 - Filtration
 - Disinfection
- Sewer System
 - Pipes
 - Pump stations
- Stormwater systems
 - Pipe
 - Storage
 - Treatment
 - Control systems for combined sewer overflow (CSO)

DWSRF PROJECTS – ELIGIBILITY HANDBOOK

- Treatment
 - Mixers/Flocculation/Sedimentation
 - Filtration
 - Chemical addition systems and equipment
 - Disinfection
- Transmission and Distribution
 - Transmission/Distribution mains
 - Meters (flow meters, customer meters, master meters)
 - Pump Stations
 - All appurtenances (valves, pipe restraints, etc.)
 - Service line replacement
- Source
 - Wells
 - Pumps
 - Pipes
 - Interconnections
- Storage
- Consolidation
- Security
 - Fencing, gates, cameras, etc.
- Supervisory control and data acquisition (SCADA)

GREEN PROJECTS

- Green Project Reserve
 - Water Efficiency Improvements
 - Water meters
 - Water efficient equipment (reducing water loss)
 - Energy Efficiency Improvements
 - Process equipment (pumps)
 - Electronic systems
 - Renewable energy
- Green projects are eligible for principal forgiveness in CWSRF
- Accounted for in priority ranking
- 10% of SRF funding allocation

INELIGIBLE PROJECTS

- Primary Goal is Growth (Capacity Increase)
- Industrial Expansion
- Building plumbing
- Private entities

BIPARTISAN INFRASTRUCTURE LAW (BIL)

- Bipartisan Infrastructure Law (BIL)
 - 5-year program (annual appropriation)
 - \$697 million total
- Three separate appropriations
 - SRF Eligible Projects
 - Lead Service Line Replacement
 - Projects Addressing Emerging Contaminants

BIL – SRF ELIGIBLE PROJECTS

■ DWSRF

- 2022 Funds: \$39MM
- Minimum PF All Projects(%): 49%
- Individual Project PF(%): 100% Max

■ CWSRF

- 2022 Funds: \$20MM
- Minimum PF All Projects(%): 49%
- Individual Project PF(%): 100% Max

BIL – LEAD SERVICE LINE REPLACEMENT

- DWSRF

- 2022 Funds: \$16MM
- Minimum PF All Projects(%): 49%
- Individual Project PF(%): 100%

- Eligible Projects

- Replacement of all lead service lines including joints, goose necks, connectors, etc.
- Galvanized pipe downstream of lead service lines

BIL – EMERGING CONTAMINANTS

■ DWSRF

- 2022 Funds: \$16MM
- Minimum PF All Projects(%): 100%
- Individual Project PF(%): 100%

■ CWSRF

- 2022 Funds \$1MM
- Minimum PF All Projects(%) 100%
- Individual Project PF(%) 100%

AMERICAN RESCUE PLAN ACT (ARPA)

- American Rescue Plan Act(ARPA)
 - One (1) year Program
 - Year 2022
 - ARPA will provide \$120MM for Drinking Water and Clean Water Combined
 - Alabama has allocated an additional \$105MM from other COVID Funds
 - Total Program Funding \$225MM for Drinking Water and Clean Water Combined
- 100% Principal forgiveness
- Critical need designated projects
- Funds must be obligated by December 31, 2024
- Funds must be spent by December 31, 2026

PROJECT SOLICITATION

- Multiple notices throughout the year to municipalities, drinking water systems, and applicable entities
- Applications are accepted year-round for funding
- Principal forgiveness eligibility requires submission by a specific deadline
 - Due to new funding opportunities notifications will be sent for deadline announcements
- Workshop will be held in winter and spring for guidance and updates
 - Contact the SRF to be put on the invitation list

HOW TO APPLY

- adem.alabama.gov
 - ADEM Forms
 - Form – CWSRF 340
 - Form – DWSRF 370
- Preliminary Engineering Report (PER)
- Three years of financial audits
- Email to SRF@adem.Alabama.gov

FUNDABILITY

- Pre-application form is reviewed by SRF staff
 - Eligibility
 - Funding priority ranking
 - Principal forgiveness ranking
- Fundable projects are notified by letter
- Funding could be in the form of a loan, principal forgiveness, or a combination of both

PRINCIPAL FORGIVENESS ALLOCATION

■ DWSRF

- Average annual household water bill (normalized to 5,000 gallons).
- Median household income

■ CWSRF

- Census data compared to State average
 - Unemployment rate
 - Poverty rate
 - Median household income
 - Population growth
- Principal forgiveness published in IUP each year
 - Adem.Alabama.gov

APPLICATION PROCESS

- Applications are due within 60 days of notification
- Applications are processed by SRF staff
 - Environmental Information Document (EID)
 - Financial Audits
- Environmental and Financial Review
 - 1.1x coverage for SRF loan

COMMON QUESTIONS – TIMELINE

- Applicants can submit the entire package (pre-application and application) to expedite review.
- Generally review is completed within 60 days from receipt of complete application and financial information
 - 30-day environmental review public notice
 - 3-6 weeks to close loan (bond attorney)

GENERAL PROGRAM REQUIREMENTS

- Disadvantaged Business Enterprise Solicitation
- Buy American Build America (BABA)
 - New requirement
- Davis-Bacon Wage Rates
- American-Iron and Steel
- Included in SRF Supplemental General Conditions (SGCs)

DWINSА/CWNS

- Drinking Water Infrastructure Needs Survey and Assessment (DWINSА)
 - Thank you for participating in 2021
 - Results expected soon
- Clean Watershed Needs Survey (CWNS)
 - Started this month
 - Third-party contractor conducts surveys
 - Respond and return surveys

THE SRF ADVANTAGE

- Guidance through the process
 - Assigned a project manager
 - Guidance documents – AIS, Davis Bacon, audit requirements, EID template, etc.
 - Supplemental general conditions (SGC) to include in bid packages
- No hidden fees
 - Payment schedule given to you prior to loan closure
 - Capital interest options - including no capital interest
 - One time closing fee (\$11,000) amortized over the 20-year period
 - No up-front closing costs
- Flexibility – can work with all state funds (CDBG, DRA, etc.) and can work with you if you are receiving federal funding (USDA, etc.)
- Contact us throughout the process with issues or questions
- Investment in the State
 - All payments go directly back into the fund for use in future fiscal years

CONTACT INFORMATION

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