

# Small Community Wastewater Construction Grants Program RULE CHANGES CHAPTER 62-505, F.A.C.

The Florida Department of Environmental Protection's Clean Water State Revolving Fund (CWSRF) Program is announcing important rule-changes to Chapter 62-505 of the Florida Administrative Code (F.A.C.) for the **Small Community Wastewater Construction Grants (SCWCG)** Program effective October 27, 2016.

Rule changes include:

### EXPANDED GRANT ELIGIBILITY

• Small special districts and counties will now be eligible, in addition to the municipalities that are currently eligible

### ➢ INCREASED GRANT PERCENTAGES

 Grant percentages will be 70%, 80% or 90% of the total loan amount depending on the affordability index which takes into account median household income, unemployment, and poverty index

#### MORE PROJECTS TO RECEIVE ANNUAL GRANT FUNDING

- At least four project sponsors will receive grant funds each year as grant funding will now be limited to 25% of the available funds per project sponsor per year
- Furthermore, because the CWSRF rule references this rule for all principal forgiveness funds, at least four additional project sponsors will receive what is effectively a grant through CWSRF loans

#### > ASSET MANAGEMENT PLANNING

- Asset Management Plans will be required to receive construction grants and loans that include principal forgiveness
- The Department, through the Florida Rural Water Association, can provide assistance to small communities in developing an asset management plan to support eligible projects

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# Small Community Wastewater Construction Grants Program (SCWCG)

# **GENERAL INFORMATION**

## ELIGIBILITY AND REQUIREMENTS

- Eligible participants include municipalities (with proposed expansion to counties and small special districts), with a maximum population of 10,000 or less and a per capita income (PCI) less than the state average.
- Eligible projects include the planning, design, and construction of wastewater collection and transmission systems as well as wastewater treatment, disposal and reuse facilities.
  - Projects that receive the highest priority include those that eliminate a public health hazard, are included in a Basin Management Action Plan, or protect surface or ground water by reducing a source of pollution.
  - Projects that address a compliance problem documented in a DEP enforcement action and reuse projects that replace an existing or proposed demand on a drinking water supply also receive a high priority.
- A SCWCG must accompany a Clean Water State Revolving Fund (CWSRF) loan.
- Federal funding requirements such as the Davis-Bacon fair wages act, purchasing of American Iron and Steel and Build America Buy America Act will apply.

### > TIMELINE

- The first step in the process is completing the Request for Inclusion (RFI) form, which provides necessary information about the project so it can be assigned to a project manager who will assist applicants through the process.
  - RFI forms are available online at FloridaDEP.gov/wra/srf/content/clean-waterprogram-manual.
  - $\circ$   $\;$  For planning funding, a complete RFI is all that is needed to compete for funds.
  - For design funding, a complete RFI and a complete planning document are required.
  - For construction funding, the project sponsor must submit a complete RFI, have an accepted planning document and accepted plans and specifications, submit a certification that all sites have been obtained, or will be obtained, and all required permits must be submitted being considered for the fundable list.
- Projects that do not score high enough to make the fundable list in any year can reapply in subsequent years, provided construction has not begun.
- Each fiscal year, a priority list adoption meeting is held on the second Wednesday of August for obligating funding for eligible projects. Any remaining funds will be obligated at quarterly priority list management meetings thereafter until funds are exhausted.
  - All documents must be received 45 days prior to each public listing meeting to guarantee being considered
- This whole process can take up to one year to complete before reimbursements on the loan/grant can begin, so contact the CWSRF program early. <u>Construction costs incurred prior</u> to project listing date cannot be included.

### FUNDS AVAILABLE

- Around \$10 \$13 million SCWCG funds available over the next few fiscal years. An equivalent
  principal forgiveness amount is expected to be authorized by Congress in the next few fiscal
  years.
  - $\circ~$  The SCWCG Program is entirely funded by a portion of the interest earned on repayments of existing CWSRF loans.