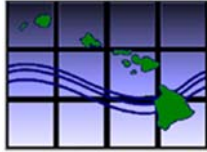




Private Drinking Water Systems: Funding Infrastructure Improvements Using the Hawaii State Drinking Water SRF Program

Tuesday February 14, 2017

2017 Pacific Water Conference
Honolulu, Hawaii



American Water Works Association / Hawai'i Section
Hawai'i Water Environment Association

2017 Pacific Water Conference | February 15-16, 2017
Hawai'i Convention Center | Honolulu, Hawai'i

E Mālama I Ke Kumu Wai Ola O Kākou
Preserving Our Living Water Resources

***Private Drinking Water Systems:
Funding Infrastructure Improvements Using Drinking Water SRF***

Tuesday February 14, 2017

This workshop is intended for private drinking water system owners, operators, and board members who are interested in obtaining a Drinking Water State Revolving Fund loan.

****PROGRAM IS SUBJECT TO CHANGE****

8:00 am	Welcome and Introductions <ul style="list-style-type: none">• Introduction: Joanna Seto, DWSRF Program Manager• Meet Your State DWSRF Panelists
8:15 am	1. I didn't know the SRF did that! <ul style="list-style-type: none">• Very brief Program origin and history, mission, and changes• Program features and [emphasis on] benefits• What has your state DWSRF program accomplished so far?
8:45 am	2. Project Eligibility: Can You Fund My...??? <ul style="list-style-type: none">• Eligible systems/non-eligible systems• Eligible projects / non-eligible projects• Eligible project costs / non-eligible project costs• The USEPA Eligibility Handbook• Anecdotal projects from other States• Q&A Session with your State DWSRF Panel
9:45 am	Break
10:00 am	3. Providing Creative Financing Mechanisms to Fit Your Needs <ul style="list-style-type: none">• Provide low interest (below market) loans to address water quality and/or water infrastructure related projects• Additional Subsidization• Technical Managerial and Financial Capacity of Drinking Water Systems• Set-Aside Assistance Programs<ul style="list-style-type: none">○ Capacity Development Assistance○ Technical Assistance○ Other (funding water loss audits? System Evaluations?)• Developing Partnerships to Solve Small System Problems• Q&A Session with your State DWSRF Panel

11:15 am	4. What to Expect and How to Succeed When Applying for SRF Funding <ul style="list-style-type: none"> • The Funding Process: Timing and Planning • Working Collaboratively with Your SRF Program to Manage Projects and Demand <ul style="list-style-type: none"> ○ Coordinating Your Budgets and Funding Schedules • Navigating the Prioritization Process • Demonstrating Readiness to Proceed • Financial Assistance Award and Agreement • State DWSRF Panelist Discussion on Loan Processes
12:00	LUNCH
1:00 pm	5. Compliance with Program Requirements and How Your DWSRF Can Help <ul style="list-style-type: none"> • Environmental Review • Federal Cross-Cutters • Davis-Bacon • American Iron and Steel • Q&A Session with Your State DWSRF Panelists
1:45 pm	6. What You Need for Effective Project Management <ul style="list-style-type: none"> • Important Documentation <ul style="list-style-type: none"> ○ What to submit ○ What to keep on file • Being Prepared for Onsite Inspections • Best Practices for Invoicing and Preparing Your Disbursement Requests • Q&A Session with Your State SRF Panelists
2:30pm	Closing Remarks
2:45 pm	Adjourn



SESSION 1: I DIDN'T KNOW THE DWSRF DID THAT!

BENEFITS, FEATURES AND ACCOMPLISHMENTS

The DWSRF Program provides a **perpetual** source of
below-market financing for drinking water
projects to **achieve and**
maintain compliance with
the Safe Drinking Water Act

HISTORY OF THE PROGRAM

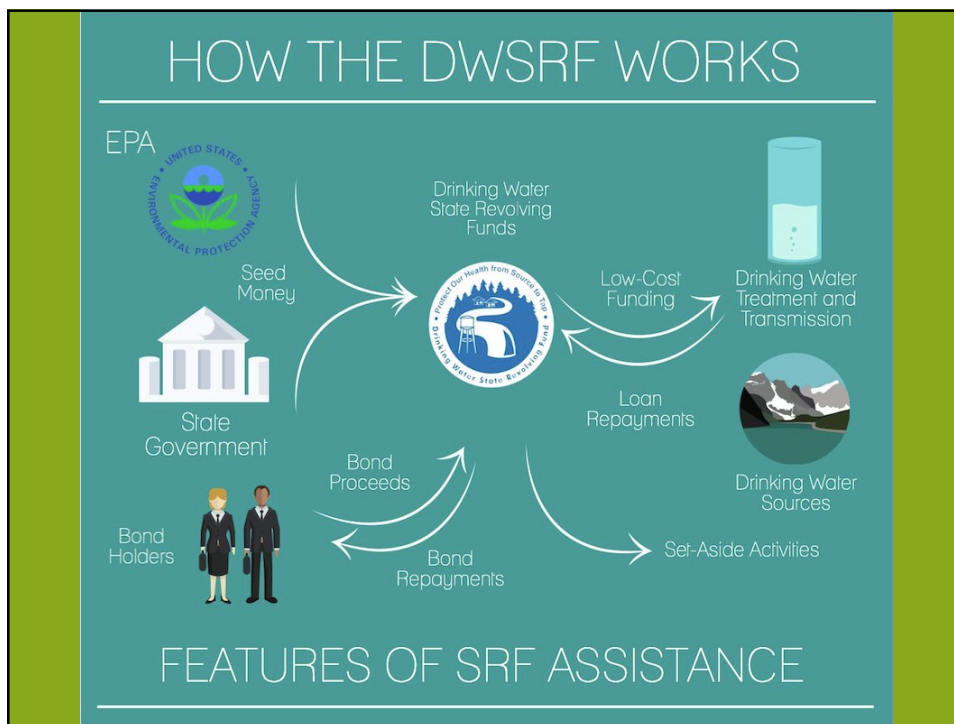
- Started in 1997 with the 1996 SDWA Amendments
- Receives millions from Congress every year
 - \$12.6M for the first year
 - \$168M total in 20 years
- Supports the state's Drinking Water Program
 - PWSS Program
 - Operator Certification
 - Capacity Development
 - Source Water Protection
- Loans for infrastructure projects to the 4 counties
 - First project: \$3M loan in 1999
 - 92 loans for \$351M in 20 years

MISSION

Primary purpose is to fund new infrastructure projects and the rehab and replacement of existing infrastructure to:

- Help achieve or maintain compliance with drinking water standards
- Protect public health
- Protect the environment





FEATURES OF SRF ASSISTANCE

Features of DWSRF Assistance

Primarily below-market interest loan programs (between 0% and market)

Hawaii 2016
Rate for Private
Borrowers:

2%

The Hawaii DWSRF may provide other incentives:

- Grants ("principal forgiveness")
- Waive loan fees
- Lower rates for disadvantaged communities

The statutes allow for other types of assistance:

- Refinance or Purchase Local Debt
 - Guarantee SRF Debt Obligations
 - Guarantee or Purchase Insurance for Local Debt
-

Features of DWSRF Assistance

💧 The DWSRF is Revolving

Repayments and interest earnings must be deposited back into the Fund so they can be re-loaned to new projects

💧 A dedicated loan repayment source must be established

User charges
Private revenues
Property taxes
Sales tax
General taxing authority
Fees
Other



💧 Loan repayments must start one year after project completion

DWSRF repayment terms are generally 20 years

(may be up to 30 years for disadvantaged)

CHALLENGES & NEEDS OF HAWAII SYSTEMS

- Estimated infrastructure need: \$1B
- Many issues relate to the climate and geography
 - Reliance on aquifers & streams
 - Threats to quality (e.g., saltwater intrusion)
 - Questions on capacity (aquifer depletion)
 - Water loss is key!
 - Population growth & development
 - Declining rainfall & climate change
 - Isolated populations & systems
 - Reliance on rainwater catchment



WATER SYSTEMS IN HAWAII

135 systems:

- 52 County
- 11 State
- 15 Federal
- 57 Private:
 - 17 Non-profit
 - 40 For-profit
 - 12 HOA

ROLE OF THE DWSRF

- Priority: acute health issues, chronic health issues, & other public health/compliance issues
- Subsidized financing for infrastructure projects from small to large
 - Broad eligibilities
- Other forms of assistance (planning, consulting, technical assistance)
 - Free hands-on assistance is available
 - Planning & design loans
 - Construction management financing
- Program with resources to meet your needs and provide you assistance
 - Flexible terms
- Expertise coordinating with other funding sources
- Everything but O&M!

CHANGES TO THE DWSRF

- New eligibilities
- New flexible terms
- Expansion of program to include private water systems!
- New push on subsidies to help small & needy systems

DWSRF FEATURES & BENEFITS

- Funds are available now!
 - \$68M+ available for loans & assistance FY2017
 - \$1.6M in free money
 - \$1.8M in set-asides available for other forms of free assistance
- Below-market fixed interest rates (includes fee):
 - 1% for loans over \$8M
 - 1.5% for loans \$4-8M
 - 2% for loans under \$4M
- Flexible financing terms
 - Fixed interest rates
 - 20 year repayment schedule
 - 30 year terms available for disadvantaged systems
- Repeat business gets easier!

\$2M Construction Project	SRF Loan	Bank Loan
Interest Rate	2%	5%
Amount to be Repaid (Principal Forgiveness)	50%	100%
Construction Period	36 months	36 months
Repayment Period	20 years	20 years
Financial Advisor	\$4,000	\$10,000
Official Statement	\$0	\$1,000
Total Financing Costs	\$4,000	\$11,000
Accounting* (disbursement requests)	\$360	\$0
Reporting* (DBE, Davis-Bacon payroll)	\$1,000	\$0
General Admin* (application process, bids)	\$430	\$0
Total Administrative Costs	\$1,790	\$0

	SRF Loan	Bank Loan
Amount Financed	\$2,004,000	\$2,011,000
Total Interest Paid	\$144,535	\$748,425
Principal Forgiveness	(\$1,000,000)	\$0
Total Recurring Costs	\$13,000	\$0
Total Costs	\$1,161,535	\$2,759,425
Average Cost per Year	\$82,967	\$197,102
Net Difference		\$1,358,839
Percent Difference		138.5%

I 
**SAVING
MONEY**

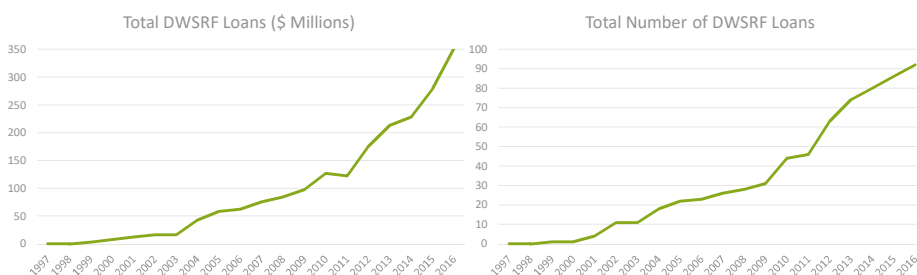
FINANCIAL CALCULATORS: Can you afford to finance this project and take on this loan? Use the following calculations to see your estimated annual payment and impact of this loan to your current utility rates.

LOAN INFORMATION			LOAN INFORMATION	
Amount Requested	\$1,161,535.00	➔	Amount Requested	\$2,759,425.00
Term	20		Term	20
Interest Rate	2.0%		Interest Rate	5.0%
Estimated Annual Loan Payment	\$70,512.14		Estimated Annual Loan Payment	\$218,531.80
RATE INFORMATION			RATE INFORMATION	
2012 Number of Connections	5,000	➔	2012 Number of Connections	5,000
Average Monthly Utility Rate Per Connection BEFORE this project	\$ 42.00		Average Monthly Utility Rate Per Connection BEFORE this project	\$ 42.00
Estimated Annual Loan Service per Connection	\$ 1.18		Estimated Annual Loan Service per Connection	\$ 3.64
Estimated monthly average rate as a result of loan per Connection	\$ 43.18		Estimated monthly average rate as a result of loan per Connection	\$ 45.64
Estimated rate of increase	3%		Estimated rate of increase	9%
Affordability			Affordability	
Area MHI	\$ 40,497.00	➔	Area MHI	\$ 40,497.00
New monthly rate as a result of loan per connection	\$ 43.18		New monthly rate as a result of loan per connection	\$ 45.64
Affordability Index	1.279%		Affordability Index	1.352%

Impact to Rates: SRF Loan

Impact to Rates: Bank Loan

STATE ACCOMPLISHMENTS



- Last year set a record for loans: \$72,192,452
 - \$1.7M in free money!
- Number of loan packages last year: 6

ACRONYMS COMMONLY USED IN THE DWSRF PROGRAM

ACH	Automated Clearinghouse (precursor to ASAP)	IUP	Intended Use Plan
AG	Attorney General	LOC	Line of Credit (precursor to ASAP)
ARRA	American Recovery and Reinvestment Act of 2009	MBE/WB	Minority-Owned Business Enterprises / Women-Owned Business Enterprises
ASAP	Automated Standard Application for Payment	E	Business Enterprises
Catex / CE	Categorical Exclusion	MOU	Memorandum of Understanding
CBR	CWSRF Benefits Reporting System	NEPA	National Environmental Policy Act
CCMP	Comprehensive Conservation Management Plan	NIMS	National Information Management System
CIFA	Council of Infrastructure Financing Authorities (organize biannual SRF conferences)	NPS	Nonpoint Source
CWA	Clean Water Act	OA	Operating Agreement
CWSRF	Clean Water State Revolving Fund	OIG	Office of the Inspector General
DBE	Disadvantaged Business Enterprises	OMB	The President's Office of Management and Budget
DSR	Debt Service Reserve	PBR	DWSRF Project and Benefits Reporting System
DWSRF	Drinking Water State Revolving Fund	PER	Program Evaluation Report OR Preliminary Engineering Report
EA	Environmental Assessment	PO	Project/Program Officer
EEO	Equal Employment Opportunity	POTW	Publicly-Owned Treatment Works
EID	Environmental Information Document	PPL	Project Priority List
EIS	Environmental Impact Statement		Rural Development / Rural Utilities Service (U.S. Department of Agriculture)
EJ	Environmental Justice	RD/RUS	Agriculture
EPLS	Excluded Parties List System	SDWA	Safe Drinking Water Act
ESA	Endangered Species Act	SERP	State Environmental Review Process
FACT	Financing Alternatives Comparison Tool	SHPO	State Historic Preservation Office
FFATA	Federal Funding Accountability and Transparency Act	SOP	Standard Operating Procedure
FIFO	First In First Out	TMF	Technical/Managerial/Financial
FONSI	Finding of No Significant Impact	ULO	Unliquidated Obligations
FWS	Fish and Wildlife Service (U.S. Department of the Interior)	WD	Wage Determination
G.O.	General Obligation	WRRDA	Water Resources Reform and Development Act
GPR	Green Project Reserve	WWTP	Wastewater Treatment Plant
HUD	U.S. Department of Housing and Urban Development		
I/I	Infiltration and Inflow		
IFMS	Integrated Financial Management System		
IGMS	Integrated Grants Management System		

QUESTIONS?





SESSION 2: DWSRF ELIGIBILITY

CAN YOU FUND MY . . . ???

WHO IS ELIGIBLE FOR DWSRF FUNDING?

- Public and Private Community Water Systems
- Nonprofit Non-community Water Systems (e.g., schools, daycare centers, churches)
- Assistance from the Fund may not be provided to systems that lack the technical, financial and managerial capability to ensure compliance with the requirements of the Act
 - 40 CFR Part 35 §35.3520(d)(2)

WHO IS NOT ELIGIBLE?

- **For-profit** Non-community Water Systems
- Non-Public Water Systems
- Individual homeowners
- Federally-owned systems
- Systems that lack TMF capacity*
- Systems that are in significant non-compliance*

*Exceptions are allowed if the DWSRF will solve the issue(s)



WHAT PROJECTS ARE ELIGIBLE?

<p>Planning & Design</p>	<p>Treatment Facility Construction</p>	<p>Transmission and Distribution</p>	<p>Storage Capacity Development</p>
<p>Including pre-project related planning and design costs and environmental review costs</p> 	<p>Including filtration and treatment projects and security measures</p> 	<p>Including construction of new elevated tanks, water lines, storage reservoirs, or booster stations</p> 	<p>Including installation or upgrade of storage facilities, replacement of sludge ponds, and reservoir repair</p> 
<p>Drinking Water Source Projects</p>	<p>Acquire Land to Site a Treatment Facility</p>	<p>Existing System Consolidation</p>	<p>System Restructuring Projects</p>
<p>Including rehab or development of wells to replace contaminated sources and dredging at lake intake facilities</p> 	<p>For treatment facilities, storage tanks, pump stations, etc.</p> 	<p>Including construction of transmission lines connecting systems and capacity increase for new flows</p> 	<p>Including rehabilitation and new construction costs</p> 

ALSO ELIGIBLE FOR DWSRF FUNDING:

- WATER RIGHTS, water systems, or land as part of a consolidation
- COMPLIANCE costs associated with the loan application and compliance with federal requirements
- O&M costs for startup and testing of the completed project
- EQUIPMENT purchases such as generators, service vehicles, and SCADA systems

ALSO ELIGIBLE FOR DWSRF FUNDING:

- RESILIENCY projects to protect infrastructure from the effects of natural disasters and climate change
- GREEN INFRASTRUCTURE including WATER AND ENERGY EFFICIENCY
- SOURCE WATER PROTECTION to reduce treatment costs
- NEW WATER SYSTEMS to protect public health
- SECURITY measures including fencing, lighting, & cameras
- ADMINISTRATIVE building

COMMON ELIGIBLE COMPONENTS

- Backflow Prevention
- Backup Power
- Backup Pumps
- Disinfectant Booster Stations
- Flushing Hydrants
- Surge Control Devices
- New Sources
- Software & training
- Pump Replacement
- Valve Replacement
- Meters
- Looping Dead-ends
- SCADA systems
- Storage
- Decommissioning & deconstructing old facilities

CAN THE DWSRF REFINANCE YOUR OLD DEBT?

- If the debt was taken out to fund something that would have been eligible, the DWSRF can even offer you savings by refinancing old debt!



ELIGIBLE PROJECT COSTS

- Costs must be already incurred
- Expenditures must be documented
- Pre-construction
 - Obtaining project authorization
 - Issuance of the loan
 - Planning & design costs prior to getting a loan
- Acquiring land to site system components
 - Land for source water protection can be funded under set-asides

ELIGIBLE ENERGY EFFICIENCY

- Energy audits and feasibility studies
- Energy-efficient pumps
- Variable-frequency drives
- Capital costs of onsite cogeneration and clean energy or offsite clean energy facilities powering publicly-owned treatment works
- Environmental management system



ELIGIBLE WATER EFFICIENCY

- Rebate program for water efficient appliances
- Installation, replacement, or upgrade of water meters
- Gray water recycling and equipment to reuse effluent
- Water efficient landscape irrigation equipment that reduces runoff into combined systems
- Water audits and water conservation plans
- PA: Pass-through loans from the State Housing Agency to fund homeowners' water efficiency projects
- Leak detection equipment
- Distribution lines for recycled water on private property

WHAT IS INELIGIBLE FOR DWSRF FUNDING?

- Dams (new and rehabilitation of old)
- Fire protection (as primary purpose)
- Water rights outside of a consolidation
- Reservoirs
 - Except for finished water or for reservoir located on site and part of treatment process
- O&M costs
- Routine compliance monitoring
- Projects primarily intended to serve future growth
- Food & beverage

*Psst!
Eligible for
CWSRF
funding!*

WHAT IS INELIGIBLE FOR DWSRF FUNDING?



RESERVOIRS OR
REHABILITATION
OF RESERVOIRS

(HOWEVER, THIS
MAY BE ELIGIBLE IF
FUNDED AS AN
AQUIFER STORAGE
AND RECOVERY
(ASR) PROJECT OR IS
PART OF AN ONSITE
TREATMENT
PROCESS FOR A
WTP)

WANT MORE DETAILS?

**EPA's Draft Drinking Water State Revolving Fund Eligibility
Handbook**

(March 2016)

http://www.iowasrf.com/media/cms/Draft_DWSRF_Eligibility_Handbook_Ma_CED51EBFC98F8.pdf

HAWAII'S DWSRF PROGRAM IN
ACTION

0.3 MG KYNNERSLEY UNION NO. 1 TANK
(HDWS NORTH KOHALA). \$2.89 LOAN



WAIMEA WTP SLUDGE DRYING BEDS (HDWS
SOUTH KOHALA). \$3.5M LOAN



WAILUKU HEIGHTS TANK 30 BOOSTER
REPLACEMENT (MDWS WAILUKU). \$1.80M LOAN



OLINDA WTF RELINING OF 8.5 MG SEDIMENTATION
BASIN (MDWS UPPER KULA). \$1.49M LOAN





KAPAHULU
WATER
SYSTEM
IMPROVEMEN
TS PART III
(HBWS
HONOLULU-
WINDWARD-
PEARL
HARBOR).
\$2.99M LOAN

NEW GAC FACILITY

THESE ARE COMMONLY FOUND IN AREAS WHERE PREVIOUS AGRICULTURAL ACTIVITIES (I.E. SUGAR CANE) CONTAMINATED GROUNDWATER AQUIFERS.





WAIKAMOI
FLUME, MAUI
(BEFORE).
APPROXIMATE
LY 40% OF THE
FLOW WAS
PREVIOUSLY
LOSS TO
LEAKAGE.



WAIKAMOI
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QUESTIONS?





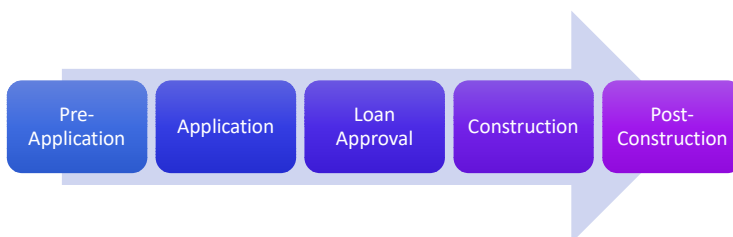
3. FINANCING OPTIONS AND SMALL SYSTEMS ASSISTANCE

DEFINING “SMALL” AND “DISADVANTAGED”

- DWSRF program defines a “small public water system” as that which serves 10,000 people or fewer
- A disadvantaged community is currently defined as a public water system’s community with
 - affordability score of 45 or greater (out of 100), based on the DWSRF Priority Scoring Model
 - and as demonstrated in the Population and Housing Characteristics, State of Hawaii, By Census Tracts: 2009-2013.

SMALL AND DISADVANTAGED COMMUNITIES

- Small and disadvantaged communities may be concerned about the cost, time and difficulty of applying for an SRF loan and the ensuing construction
- Getting projects to construction in small and disadvantaged communities is one of the biggest challenges that SRF programs deal with
- Calls for a comprehensive, multi-faceted approach



CHALLENGES

- Pre-Application Challenge:
 - Public health risk necessitates project, but system cannot afford adequate pre-planning
- Loan Application Challenge:
 - Small and/or disadvantaged systems may not have the resources to adequately complete the SRF application process
- Construction/Post-Construction Challenge:
 - Ensuring that the small/disadvantaged system can successfully construct the project and repay the loan

...now, on to SOLUTIONS!

LOAN OPTIONS WITH SPECIAL TERMS

- **Loan Terms**
 - The standard loan term shall not exceed 20 years or the useful life of the facilities financed if the useful life is less than 20 years.
 - If the borrower is designated as a disadvantaged community, the term may be extended up to a maximum of 30 years.
- **2% Interest Rate, 0% Loan Fee**
- **Additional Subsidization = Principal Forgiveness allocated based on:**
 - Priority ranking score
 - Disadvantaged community status
 - Impact of project on protecting public health
 - Project cost
- **PRINCIPAL FORGIVENESS = FREE MONEY!**



WHAT IS "GRANT EQUIVALENCE"?

		SRF Rate						
		0.0%	1.0%	2.0%	3.0%	4.0%	5.0%	6.0%
Market Rate	4.0%	47%	25%	17%	9%	0%	-9%	-18%
	5.0%	38%	31%	24%	16%	8%	0%	-9%
	6.0%	43%	36%	30%	23%	16%	8%	0%
	7.0%	47%	41%	35%	29%	22%	15%	8%
	8.0%	51%	46%	40%	34%	28%	21%	14%

For example, when the market rate is 5.0%, a 2.0% DWSRF loan to a \$1 million project is equivalent to a \$240,000 grant and a \$760,000 loan at the market rate

WHAT IS TMF CAPACITY?

CAPACITY ASSISTANCE

- Capacity is the ability of a water system to reliably provide consistent and safe service to its customers
- EPA focuses on 3 areas of capacity: Technical, Managerial, & Financial
- To be eligible to receive a DWSRF loan, the state must determine that the utility has adequate TMF capacity
- Other assistance is available even if not financing a project through the DWSRF

TECHNICAL CAPACITY

- Includes:
 - Source water adequacy
 - Infrastructure adequacy
 - Technical knowledge to operate & maintain system
- State Resources:
 - Direct on-site assistance from circuit rider
 - Operator Certification
 - Sanitary Surveys & follow-up
 - Training on cross-connections, backflow prevention, water loss
 - Source water protection
 - Vulnerability assessments
 - Drinking water source risk investigation

MANAGERIAL CAPACITY

- Includes:
 - Ownership & management accountability
 - Staffing & organization
 - Effective external linkages
- State Resources:
 - Planning
 - Security training & assessment
 - Emergency Response Plans

FINANCIAL CAPACITY

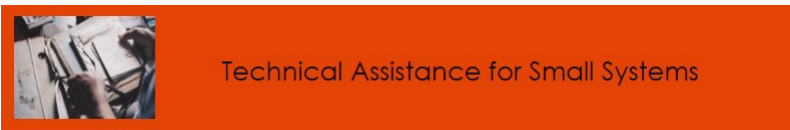
- Includes:
 - Revenue sufficiency
 - Credit worthiness
 - Fiscal management & controls
- State Resources:
 - Assistance preparing loan application
 - Rate studies as part of a DWSRF application

DWSRF SET-ASIDES

TAKING ADVANTAGE OF DWSRF PROGRAM OPPORTUNITIES

WHAT IS A “SET-ASIDE”?

- The Safe Drinking Water Act allows the DWSRF program to use up to 31% of its total federal Capitalization Grant to help support program activities.



- \$150,000 available in State FY2018 for assistance to public water systems serving less than 10,000 people
 - This accounts for 85% of the community public water systems in the State of Hawaii!
- Helping systems prepare DWSRF Loan Applications
- Assistance with improving Technical, Managerial, and Financial Capability (TMF)
- Providing training (Operator, Board, Capital Improvement Planning)
- Assistance with infrastructure and project planning, water rate studies, water and/or energy audits
- On site assistance and a Circuit Rider program to help address necessary improvements to the water system



Capacity Development

- \$150,000 available in State FY2018 to support activities that help public water systems achieve or maintain compliance with safe drinking water requirements
- Public Water System Supervision Program (PWSS) support
- Providing Operator Certification
- Conducting sanitary surveys
- Providing security training and education
- Providing cross-connection training



Capacity Development

- Capacity Development for Small Private Water System DWSRF Loan Program Assistance
 - System evaluation checklist to evaluate current condition of public water system, identify gaps or weaknesses, develop a strategy
 - Aims to strengthen the overall TMF capability of public water systems
 - Technical – Operator certification, adequate water sources, potential for water contamination, monitoring activities, backflow and cross-connections
 - Managerial – Organization and management, system inspection and maintenance, emergency plans, violations, correction of problems
 - Financial - Adequate financial budgets, operations and maintenance funding levels, system sustainability/resiliency
 - **CAPACITY DEVELOPMENT CHECKLIST WILL BE REQUIRED BY ANY SYSTEM WHO WISHED TO APPLY FOR A DWSRF LOAN**



Capacity Development

Capacity Development Checklist

Operator Certification: Does the system have a certified operator?	Organization & Management: Is there a clear plan of organization and control among people responsible for operation/management of the system?
Adequate Water Sources: Are the existing sources of sufficient quantity/quality to meet current and future demand?	System Inspection & Maintenance: Do water system operators have written SOPs for daily and regular duties? Are actions logged?
Potential Contamination of Water DOH will inspect for pathways of contamination at well site, storage tanks, or distribution system during sanitary surveys. Deficiencies must be corrected by PWS.	Adequate Financial Budgets: Is there an adequate annual budget?

Don't worry, your answers will not prevent you from getting a DWSRF loan!



Source Water Protection

- \$50,000 in State Fiscal Year 2018 available for the Drinking Water Source Risk Investigation
 - Collaboration with stakeholders and other regulatory agencies
 - Characterization of contamination issues of immediate concern
- Support for Source Water Protection (SWP)
 - Loans to Systems to Acquire Land for SWP
 - Loans to Systems to Assist in Implementing SWP Measures

SET-ASIDE ASSISTANCE IN ACTION: HAWAIIAN BEACHES WATER COMPANY

- Challenges for the well source capture zone area include:
 - Decommissioning of cesspools
 - Maintenance of septic systems
 - Impacts from agricultural activities (cultivation, sugarcane)
 - Security concerns
- \$48,705 in DWSRF funds to help develop a Wellhead Protection Plan and assist in its implementation
 - Construction of security fence
 - Decommissioning of existing cesspool
 - Installation of an aerobic septic system and absorption bed
 - Chlorinator shed and WHP training



SET-ASIDE ASSISTANCE IN ACTION: WEST MAUI LAND COMPANY

- During Sanitary Survey, concerns of potential drinking water source contamination identified:
 - Hazardous waste from Old Pioneer Mill
 - Cesspools/septic systems
 - Open reservoirs near wells #2 and #3
 - All posing risk to Laniupoko and Olowalu water systems
- \$174,298 in DWSRF set-aside assistance for source water protection
 - Cleanup of chemical waste
 - Pumping/maintenance of onsite sewage disposal systems
 - Security fencing



DEVELOPING PARTNERSHIPS TO SOLVE SMALL SYSTEM PROBLEMS

COORDINATED FUNDING EFFORTS

- Coordination between state and federal levels
 - Increases communication
 - Increases the amount of benefit for those seeking AND providing financial assistance
 - Reduces duplicative efforts, saves time, maximizes resources
- Excellent strategy for “mining” new projects and building new relationships
- Information sharing
- Eases administrative burden for smaller systems and disadvantaged systems



PARTNERSHIP OPPORTUNITIES IN HAWAII

- Federal, State, and Local agencies
 - USDA Rural Development
 - Department of Housing and Urban Development
 - Department of Land and Natural Resources
 - Commission of Water Resource Management
 - Department of Business, Economic Development & Tourism (DBEDT)
 - Department of Hawaiian Homelands
- Private Non-Profit Organizations
 - Rural Community Assistance Corporation (RCAC)
 - Rural Community Assistance Partnership
 - Rural Water Association
 - CoBank
 - Kamehameha Schools
 - University of Hawaii
 - County Watershed Partnerships
 - West Maui Mountains Watershed Partnership
 - Ko'olau Watershed Partnership
 - Kauai Watershed Alliance

CREATIVE PARTNERSHIPS CAN SOLVE SMALL SYSTEM PROBLEMS

- Developing healthy partnerships with State and Local agencies, non-profit groups, and private service providers is essential for overcoming tough obstacles
 - New and increasingly stringent compliance requirements (e.g., potential for new MCL for things like nutrients, legacy nitrates, arsenic, etc.)
 - Resource constraints and lack of economies of scale
 - Diminished TMF capacity

WATER SYSTEM CONSOLIDATION

ALAN S. DILLON, HAWAII DEPARTMENT OF HEALTH
SAFE DRINKING WATER BRANCH

THE CHALLENGE

- Numerous small wastewater/water systems
 - Cannot afford a certified operator or pay for and perform proper O&M on system
 - Often in non-compliance
 - Overall diminished TMF capacity
- System Consolidation is eligible for DWSRF funding!
 - Rate Studies
 - Planning & Design
 - Interconnection infrastructure
 - Legal and restructuring costs

TYPES OF CONSOLIDATION

STRUCTURAL	NON-STRUCTURAL
Physical interconnection of two or more water systems (Physical)	Purchasing Pools and Co-Ops to reduce costs and improve efficiency <ul style="list-style-type: none"> • lab, residual disposal, chemical purchases (technical) • technical services, financial services, legal services (administrative)
Acquiring ownership and control of one or more water systems (Administrative)	Contractual Assistance <ul style="list-style-type: none"> • Operator sharing for routine O&M (technical) • On-call emergency assistance • Wholesale purchasing • Satellite Management
	Formation of a Joint Powers Agency (Administrative) <ul style="list-style-type: none"> • Participating systems form a partnership • Can remain in place for as long as needed, not necessarily in perpetuity • Develop new water source • Share ownership of system facilities (storage, labs, vehicles) • Sharing service activities (O&M, billing and collection)

QUESTIONS?





4. WHAT TO EXPECT AND HOW TO APPLY FOR DWSRF FUNDING

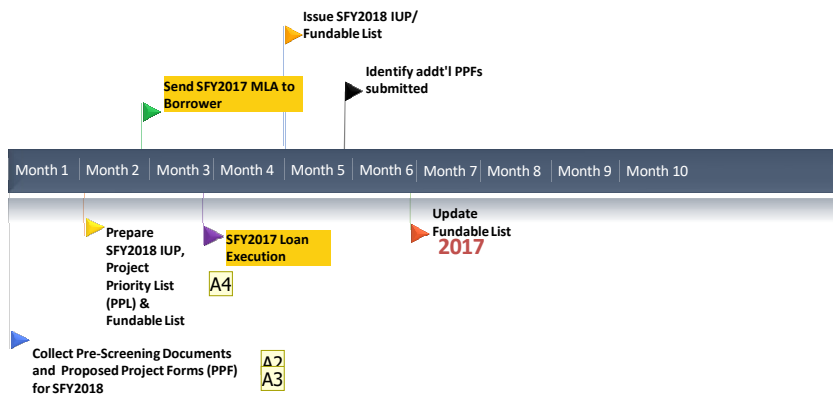
IN THIS SESSION...

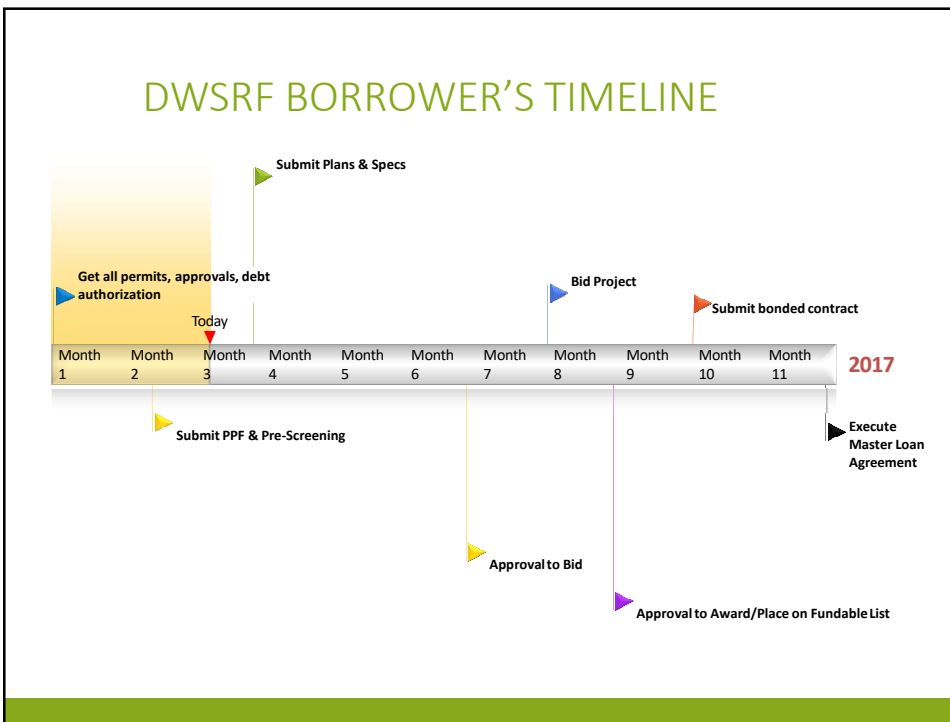
- Timing and Planning
- The Application Process
- Project Prioritization
- Demonstrating Readiness to Proceed
- Financial Assistance Award and Agreement

TIMING AND PLANNING

<p>If this is you:</p> <ul style="list-style-type: none"> •New to the DWSRF program •Disadvantaged Community •Non-traditional project •Non-traditional repayment source 	<p>If this is you:</p> <ul style="list-style-type: none"> •Have experience with the DWSRF program •Have a traditional project •Have a traditional repayment source
<p>Contact the DWSRF:</p> <ul style="list-style-type: none"> •Upon receiving an enforcement order •Upon completion of Capacity Development Checklist •Upon realizing the need for a project <p>Allows DWSRF staff to assist with project development , accessing 3rd party assistance, and the application process</p>	<p>Contact the DWSRF:</p> <ul style="list-style-type: none"> •During annual capital improvement planning process •Submit an application when your project is ready to proceed (i.e., close to bid)

DWSRF: DOH STAFF TIMELINE





DEBT AUTHORIZATION

RESOLUTION FOR AUTHORITY TO BORROW AND GRANT SECURITY INTERESTS

At the _____ (NAME OF BORROWING ENTITY) meeting of its
[members][unit owners][board of directors][shareholders] held on _____ (DATE), the
[members][unit owners][board of directors][shareholders] voted to approve the following resolution:

That the _____ (NAME OF BORROWING ENTITY) is hereby authorized to enter
into a loan agreement as described below from the State of New Hampshire, and to authorize the granting of a security
interest in its property, for the purpose of securing the water system improvements loan for the Borrower's project
_____ (PROJECT TITLE) (the Project) in the amount of
\$ _____, at _____ % interest rate, for a term of _____ years.

Further, the Project is hereby approved and _____, _____ (NAME AND
TITLE OF AUTHORIZED REPRESENTATIVE) is authorized to sign loan application, loan agreements, promissory notes,
security instruments and any and all papers necessary or appropriate to satisfy the conditions of and execute the
obligations of this loan on behalf of the Borrower.

Resolution – written approval that authorizes the DWSRF loan application signed by:

- Members
- Unit Owners
- Board of Directors
- Shareholders

Identifies the dedicated source(s) of revenue used to fund the project and repay the loan

- User rate revenues
- Membership fees
- HOA fees
- Business revenues, etc.

LOAN APPLICATION (PPF)

PROJECT INFORMATION			
Project Name:			
Water System Name:		Water System Number:	
Description:			
Need:			
Related Project(s) - List all related projects which must be constructed in order to fully utilize this project. Also, list the anticipated dates these projects will be constructed:			
ESTIMATED PROJECT COSTS		ESTIMATED PROJECT TIMELINE	
Construction	\$	Date FLA is Needed	
Contingency	\$	Bid Advertisement	
Planning and Design	\$	Bid Opening	
Construction Management	\$	Award Contract(s)	
Other Costs (Specify):	\$	Issue Notice to Proceed	
Total Project Costs	\$	Complete Construction	
Funding Sources other than Drinking Water SRF (specify source and amount)			
•	\$	DO YOU REQUIRE A COMMITMENT LETTER TO BE ISSUED BASED ON ESTIMATED PROJECT COSTS?	
•	\$		
TOTAL SRF LOAN AMOUNT REQUESTING	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	

Simple, one page fill-able PDF form

Applications are accepted any time throughout the year

A **complete** application package includes all required forms, documentation, and information requested

PLANS/SPECIFICATIONS

- Project Report
 - Template available online
 - Project Needs and Benefits
 - Identify location, including name of island, areas, neighborhoods, etc.
 - Project Description
 - Alternatives Considered
 - Alternative Selected
 - Cost Information
 - Design
 - Construction
 - Project Impact on Drinking Water

PLANS/SPECIFICATIONS

- Studies, drawings, surveys, project alignment
- Specifications
 - Design criteria
 - Materials
 - Easements and rights of way
 - Permits
 - Plan scale
 - Breakdown of bid items
- Instructions to bidders
 - Federal cross-cutters
 - Davis Bacon Wage requirements
 - American Iron and Steel requirements
 - Other requirements



ENVIRONMENTAL DOCUMENTS

- Complete Environmental Assessment Checklist
 - Submit to DWSRF engineering staff
 - Is the project considered “exempt”? Then it qualifies for a Categorical Exclusion determination
 - If the project is considered “non-exempt”, then an Environmental Assessment must be prepared

3. Impacts analysis addresses:		
a. prim & sec impacts:	----	----
b. social parameters:	----	----
c. cumulative impacts:	----	----
d. other projects:	----	----
e. sensitive issues:	----	----
<u>C. CROSS CUTTERS ADDRESSED:</u>		
1. Arch & Hist Pres Act:	----	----
2. Clean Air Act:	----	----
3. Coastal Zone Mang. Act:	----	----
4. Endangered Spec Act:	----	----
5. Environmental Justice Act:	----	----
6. Farmland Prot Act:	----	----
7. Fish & Wildlife Act:	----	----

ENVIRONMENTAL DOCUMENTS

- Environmental Assessment
 - Follow guidance provided in the OEQC Guidebook (Chapter 4)
 - Gather Environmental Crosscutter Consultations
 - Submit to DWSRF Engineer
- Your consulting engineer will do the heavy lifting!
- 3rd Party Assistance is available

DWSRF Environmental Crosscutters

Environmental Authorities	Procedure	Responsible Agency
Archaeological and Historical Preservation Act of 1974, Pub. L. 86-523, as amended	Obtain review for all projects	State Historic Preservation Office
Clean Air Act, Pub. L. 84-159, as amended	Coordinate to assure project conforms with state implementation plan (SIP)	State Department of Health, Clean Air Branch
Coastal Barrier Resources Act, Pub. L. 92-348	Obtain review if project is located on a coastal barrier island	State Coastal Zone Management Agency
Coastal Zone Management Act, Pub. L. 92-583, as amended	Obtain review if project is located in coastal zone	State Coastal Zone Management Agency
Endangered Species Act, Pub. L. 93-205, as amended	Obtain review by U.S. Fish and Wildlife Service for all projects	U.S. Fish and Wildlife Service
Environmental Justice, Executive Order (EO) 12898	Are low income and minority groups affected?	U.S. Environmental Protection Agency

CONSTRUCTION CONTRACTS

"DWSRF BOILERPLATE"

FEDERAL REQUIREMENTS

FOR

CONSULTANTS AND CONTRACTORS



Make sure that the contracts include the federal requirement boilerplates

Boilerplate language document is already prepared and available on the DWSRF website

Simply insert a copy into ALL contracts

- Engineering consultant
- General construction contractor
- Subcontractors

GETTING ON "THE LIST"

- Submitting **any portion** of the loan application package will add a project to the Project **Priority** List (PPL) for the DWSRF
- The full application must be completed in a timely manner or the project will be removed from the PPL (typically after 5 years)
- All DWSRF projects will be scored and ranked prior to being added to the PPL
- The DWSRF is statutorily required to fund projects in priority order, **unless bypass procedures are invoked**
- **The DWSRF may bypass any project where it determines that it is not**
 - **Currently feasible to fund the project**
 - **Ready to proceed**



THE LISTS

The Project Priority List

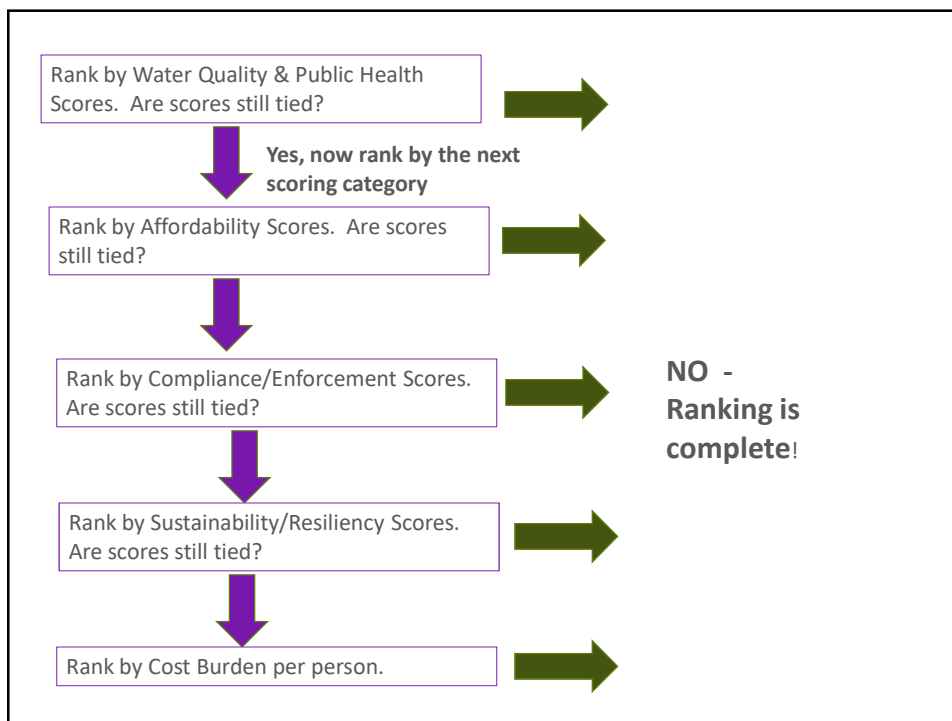
- Entry-level list
- May contain many projects
- Projects are ranked at this stage

The Fundable List

- Contains the projects expected to receive DWSRF funds this year
- Often changes as a result of project readiness to proceed

PRIORITY RANKING – HOW DOES IT WORK?

- Four sections, 300 total possible points available. For example:
 - Drinking Water Quality & Public Health
 - Waterborne disease outbreaks associated with the water system
 - MCL violations, primary and secondary standards
 - Inadequate treatment techniques, etc.
 - Affordability
 - Poverty and unemployment levels in project area
 - User fees as a percentage of area Median Household Income (MHI)
- Compliance and Enforcement
- Sustainability and Resiliency



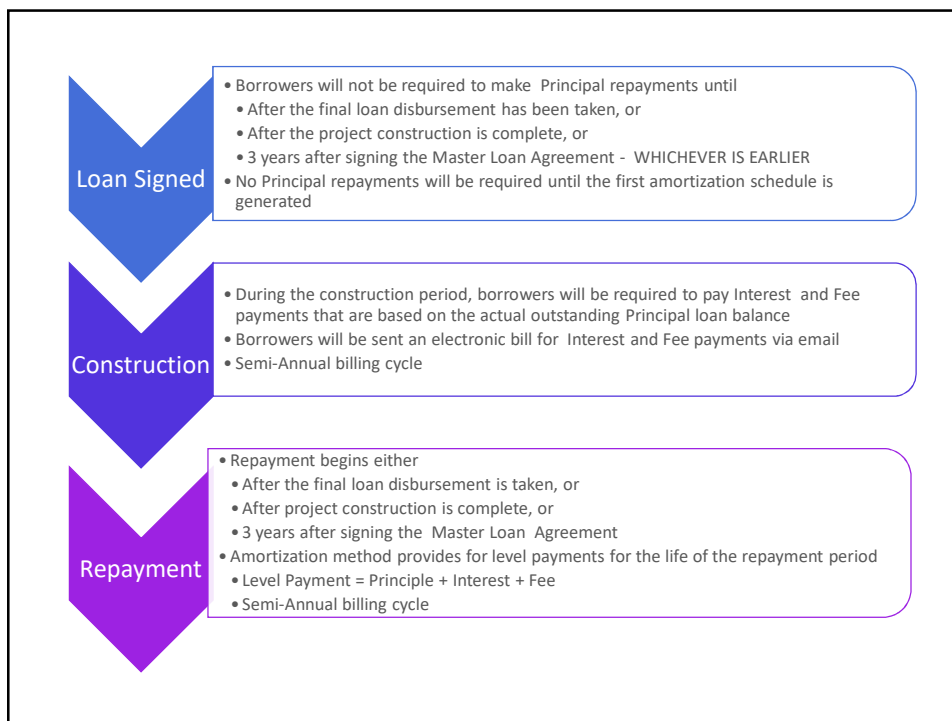
READINESS TO PROCEED

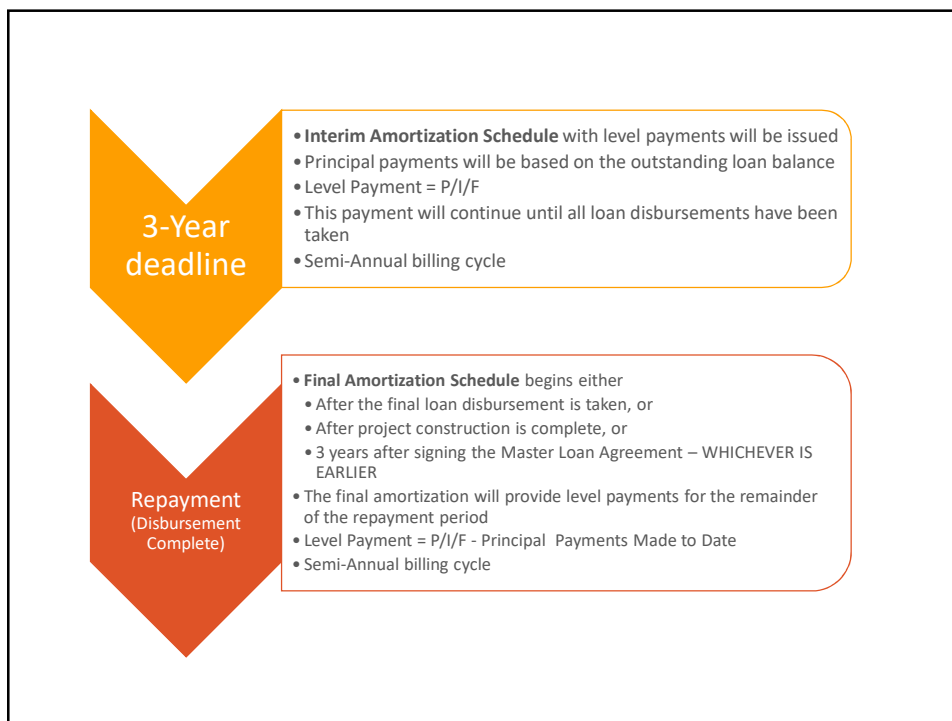
- The DWSRF program is required by law to expend all funds in a timely and expeditious manner (e.g., committed within one year of receipt)
- The #1 ranked project won't receive funds (this year) if it isn't ready to proceed
- How does the DWSRF know that you are ready?
 - Environmental Review
 - Rights of Way/Easements are secure
 - Permits approved
 - Land acquisition complete (if applicable)
 - Project has gone to bid



FINANCIAL ASSISTANCE AWARD: WHAT AM I AGREEING TO HERE?

- Compliance with all State and Federal Regulations/Requirements
 - Federal crosscutters
 - Davis-Bacon Wages
 - American Iron and Steel
- Acquiring and maintaining insurance (builder's risk, flood) for the duration of project construction
- Submitting disbursement requests on a quarterly basis (at minimum)
- Maintain, keep and allow access to Project records
- Use Generally Accepted Accounting Principles
- Establish an accounting system that includes both direct and indirect costs of the project (if you don't already have one in place)





QUESTIONS?





5. COMPLIANCE WITH PROGRAM REQUIREMENTS AND HOW YOUR DWSRF CAN HELP

IN THIS SESSION

- Environmental Review
- Federal Cross-Cutters
- Davis-Bacon
- American Iron & Steel
- **Q&A with SDWSRF State Panelists**

AN IMPORTANT REMINDER BEFORE WE BEGIN...

- Many private consulting firms are very experienced in completing the DWSRF program requirements
 - Ask DOH staff to identify consultants with SRF experience
- The cost of hiring a consultant can be included in your DWSRF assistance package
- DOH will also be funding a Circuit Rider to provide free technical assistance to help small private systems complete the federal requirements

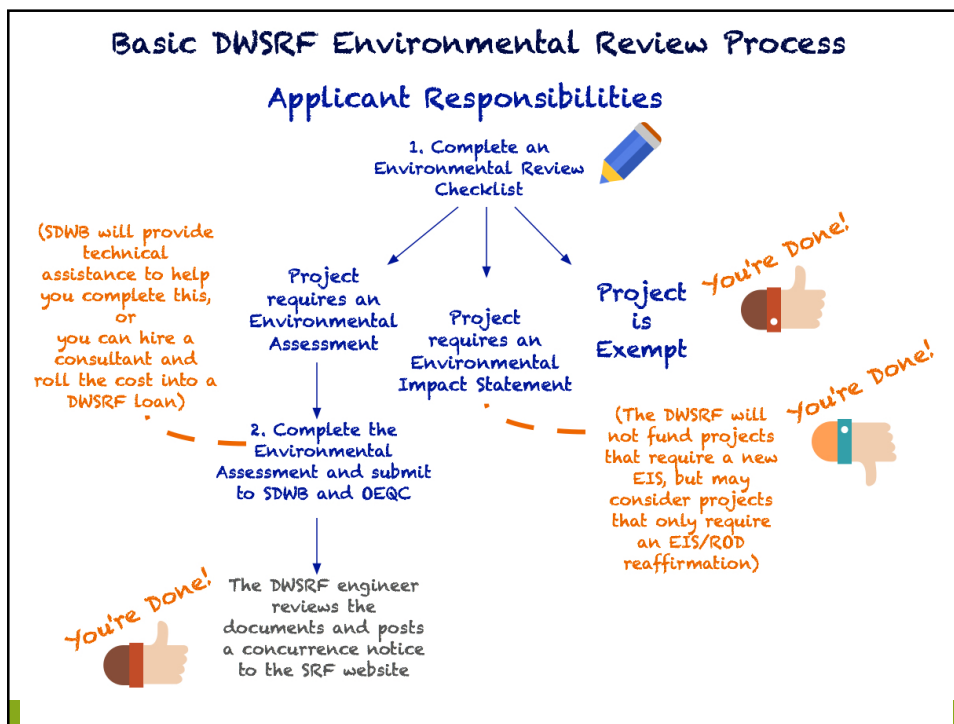


ENVIRONMENTAL REVIEW

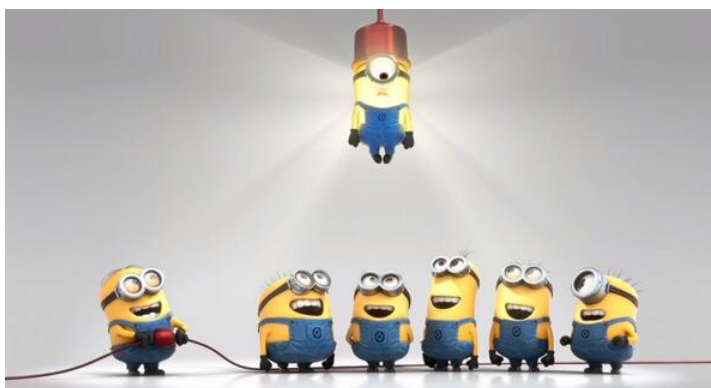
Have you constructed an infrastructure project in Hawaii?



Then you probably know these guys!



JUST CHANGING LIGHT BULBS?



YOUR PROJECT MAY BE EXEMPT FROM THE ENVIRONMENTAL REVIEW PROCESS

Projects without significant effect on the environment are **exempt** from the environmental review process (“Categorical Exclusions”)

Exempt

- Operations, repairs, or maintenance of existing structures, facilities, equipment, or topographical features, involving negligible or no expansion or change
- Construction/alternation/modification and location of single, new, small facilities or structures and installation/alternation/modification of new, small equipment and facilities
- Minor alterations in the conditions of land, water, or vegetation.
- Basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource.

More exemptions...

Exempt

- Construction or placement of minor structures accessory to existing facilities.
- Interior alterations involving things such as partitions, plumbing, and electrical conveyances.
- Demolition of structures within the footprint of the existing facility, except those structures located on any historic site as designated in the national register or Hawaii register as provided for in the National Historic Preservation Act;
- Zoning variances except shoreline setback variances.
- Administrative activities

Not Exempt

- Projects impacting crosscutter laws
- Upgrades/expansions primarily for the purposes of future development
- Projects in environmentally important natural resource areas like floodplains, wetlands, important farmland, aquifer recharge zones
- Projects that are not cost-effective or may cause significant public controversy
- Projects that may negatively impact cultural resources or endangered/threatened species and their critical habitats

EXEMPT PROJECTS: EXAMPLES

<p>Digging up existing water lines to replace them with new lines?</p>	<p>Breaking ground to install new water lines in a previously undisturbed area?</p>
<p>PROBABLY EXEMPT</p>	<p>PROBABLY NOT</p>
	

FEDERAL CROSS-CUTTING REQUIREMENTS

- Disadvantaged Business Enterprise (DBE)
- Signage
- Social & Economic Authorities
 - Complete Form 4700-4
- FFATA
- Single Audit



The Counties complete these requirements so you don't have to!

DAVIS-BACON

- Federal prevailing wage requirements apply to all DWSRF construction projects
- Federal wage rates are often equal to or lower than Hawaii prevailing wage rates
- Although Hawaii has a state prevailing wage law, DWSRF recipients must still comply with the Federal law

GENERAL DAVIS-BACON REQUIREMENTS

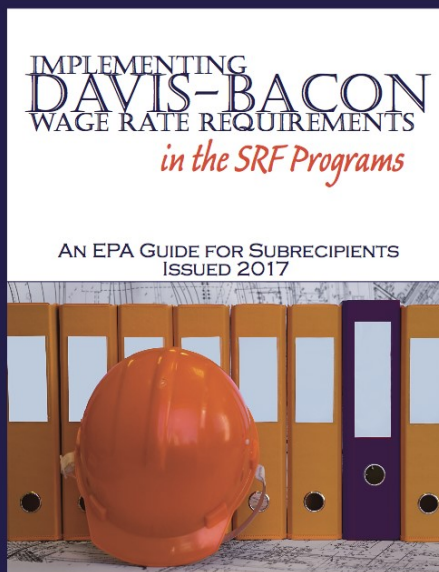
1. Include wage determinations in bid specs and contracts
2. Include federal contract clauses (provided by DOH) in bid specs and contracts
3. Collect and spot-check payroll records
4. Submit a simple certification to DOH with every disbursement request
5. Conduct additional compliance oversight as necessary (according to an assessment of risk for non-compliance)
 - Interviews
 - Apprentice/trainee registration review

DAVIS-BACON TIPS

- Use boilerplate language and forms developed by EPA and DOH
- Include language in contracts and bid specs that holds contractors responsible for cost overages due to Davis-Bacon noncompliance
- Hire project managers and consulting engineers who are experienced in Davis-Bacon (the cost can be rolled into your SRF loan!)

FOR THE DO-IT-YOURSEFER:

- EPA plans to issue a comprehensive manual in 2017 that will guide SRF recipients through every aspect of Davis-Bacon compliance



AMERICAN IRON & STEEL (AIS)

- DWSRF assistance recipients must use iron and steel products that are produced in the U.S.
- Applies to projects for the construction, alteration, maintenance or repair of a public water system



AIS RESPONSIBILITIES: DWSRF ASSISTANCE RECIPIENT

- Include the AIS requirement language (provided by DOH) in bid specifications and contracts
- Require the contractor to obtain manufacturers' certifications for all iron and steel products used in the project
- Keep certifications in project files and provide them to DOH inspectors upon request

AIS RESPONSIBILITIES: DWSRF ASSISTANCE RECIPIENT

- If contractors, engineers and construction managers are unfamiliar with AIS, point them to training materials at www.epa.gov/cwsrf/state-revolving-fund-american-iron-and-steel-ais-requirement
- Important: The American Iron & Steel requirement is **DIFFERENT** from Buy American requirements

AIS WAIVERS

- Waivers are available for certain products and projects
 - Stainless steel nuts, bolts, minor components, pig iron and direct reduced iron
- Projects where:
 - Applying AIS would be inconsistent with the public interest;
 - iron and steel products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or
 - inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than 25 percent.

KEY TAKEAWAYS



- Most of the burden and paperwork for compliance falls on contractors and consulting engineers
- Your role: include the requirement language (provided by DOH) in bids and contracts
- DOH-funded Circuit Riders will provide FREE assistance
- Including AIS and DB compliance in your consulting engineer's scope of work is a DWSRF-eligible cost
- Contact DOH-SDWB if you have ANY questions about the federal requirements – they are happy to help you through the process

QUESTIONS?





6. EFFECTIVE PROJECT MANAGEMENT

IN THIS SESSION...

- Important Documentation: what to submit and what to keep on file
- Being Prepared for Onsite Inspections
- Best Practices for Invoicing and Preparing Disbursement Requests

HAWAII SRF INSPECTIONS

- Initial Construction Inspection (around 25% completion)
- Interim Inspections (at 50% and 75% completion, at a minimum)
- Final Inspection at substantial completion (or 95%)



WHAT DO INSPECTORS LOOK FOR?

Compliance with Federal Requirements

- Davis-Bacon compliance poster displayed at job site
- Davis-Bacon wage determinations displayed at job site
- AIS certifications

**EMPLOYEE RIGHTS
UNDER THE DAVIS-BACON ACT**
FOR LABORERS AND MECHANICS
EMPLOYED ON FEDERAL OR FEDERALLY
ASSISTED CONSTRUCTION PROJECTS

THE UNITED STATES DEPARTMENT OF LABOR WAGE AND HOUR DIVISION

PREVAILING WAGES You must be paid not less than the wage rate listed in the Davis-Bacon Wage Decision posted with this Notice for the work you perform.

OVERTIME You must be paid not less than one and one-half times your basic rate of pay for all hours worked over 40 in a work week. There are few exceptions.

ENFORCEMENT Contract payments can be withheld to ensure workers receive wages and overtime pay due, and substantial damages may apply if contract pay requirements are not met. Davis-Bacon contract clauses allow for contract termination and debarment of contractors from future Federal contracts for up to three years. A contractor who fails to certify payroll records or violate wage contracts may be subject to civil or criminal prosecution, fines and/or imprisonment.

APPRENTICES Apprentice rates apply only to apprentices properly registered under approved Federal or State apprenticeship programs.

PROPER PAY If you do not receive proper pay, or require further information on the applicable wages, contact the Contracting Officer listed below:


or contact the U.S. Department of Labor's Wage and Hour Division.

For additional information:
1-866-4-USWAGE (Toll-free)
(1-866-487-6242) TTY: 1-877-689-2622

WWW.WAGEHOUR.DOL.GOV

U.S. Department of Labor | Employment Standards Administration | Wage and Hour Division

WHAT DO INSPECTORS LOOK FOR?

		DRINKING WATER STATE REVOLVING FUND SAFE DRINKING WATER BRANCH HAWAII DEPARTMENT OF HEALTH		Initial/Date SRF ENGR _____ ENG SUPV _____ CRIF _____ OR _____ SUPV _____ BLO _____ BLO _____ T.O. _____	
		INTERIM CONSTRUCTION INSPECTION REPORT			
Project Name					
DWSRF Project No.					
Date Visited					
Planned Percent Complete this Date					
Actual Percent Complete					
Inspection Performed By					
Inspection Contact Name	Title	Agency	Phone Number		
General Maintenance and Site Conditions		Satisfactory <input type="checkbox"/> Unsatisfactory <input type="checkbox"/>			
Safety Infractions (Inspector's Judgment)		Yes <input type="checkbox"/> No <input type="checkbox"/>			
Loan Recipient and contractor's compliance with Department of Labor provisions?		Satisfactory <input type="checkbox"/> Unsatisfactory <input type="checkbox"/>			
Change Orders?					
Claims (actual or possible)?		Yes <input type="checkbox"/> No <input type="checkbox"/>			
Status of O & M Manual					
Appraisal of type, frequency, quality of construction tests, and monitoring effectiveness					
Soil Compaction		Satisfactory <input type="checkbox"/> Unsatisfactory <input type="checkbox"/>			
Pressure Testing of Waterlines		Satisfactory <input type="checkbox"/> Unsatisfactory <input type="checkbox"/>			
Leak Test of Tank		Satisfactory <input type="checkbox"/> Unsatisfactory <input type="checkbox"/>			
Concrete Strength		Satisfactory <input type="checkbox"/> Unsatisfactory <input type="checkbox"/>			
Chlorination		Satisfactory <input type="checkbox"/> Unsatisfactory <input type="checkbox"/>			
Equipment Testing		Satisfactory <input type="checkbox"/> Unsatisfactory <input type="checkbox"/>			

DOCUMENTATION: DAVIS-BACON

Keep on File

- Payroll records
- Statement of Davis-Bacon compliance (WH-347)

Keep documentation for 3 years following construction completion!

Submit to the SRF

- Copy of bid specifications including wage determinations and Davis-Bacon contract language (to be provided by the SRF)
- State certification of Davis-Bacon compliance (to be provided by the SRF)
- Copy of bid

DOCUMENTATION: AMERICAN IRON AND STEEL

Keep on File	Submit to the SRF
<ul style="list-style-type: none"> • Manufacturer's certifications 	<ul style="list-style-type: none"> • Copy of bid advertisement including AIS requirements • Copy of bid

Keep documentation for 3 years following construction completion!

Certification Letter Example

633 Chestnut Street Suite 1200
Chattanooga, TN 37403

Certification of Compliance with American Iron and Steel (AIS) Provisions

November 12, 2014

Subject: [Redacted] construction, Custer Avenue, Lyons, IL

I, [Redacted], certify that the following gate valves provided to the [Redacted] in Lyons, IL are in compliance with the American Iron and Steel requirement as mandated in the Environmental Protection Agency's State Revolving Fund Programs and as interpreted by the EPA.

Items, Products and/or Materials:

1. A-2360-19, FL x MJ Resilient Wedge Gate Valve, 6" qty. 1, 8" qty. 1
2. A-2360-23, MJ x MJ Resilient Wedge Gate Valve, 8" qty. 5

The products that are the subject of this certificate were manufactured in Chattanooga, TN.

All gate valve components are cast, machined, assembled and tested in the United States with the exception of fasteners, stem material and two small castings (stuffing box/op nut) which account for less than 10% of the manufacturing cost.

If any of the above compliance statements change while providing material to this project, we will promptly notify the prime contractor or the engineer.

[Signature]

VP Product Management & Marketing

Project name/location

Specific items for project

Where the items were manufactured

Reference to AIS requirements

Signature

Bonus Points for Notary. Not required

Notarized By: *Amy Allen*
My Commission Expires: 5/27/18

Source: EPA Webinar "State Revolving Fund American Iron and Steel Requirements" December 15, 2016

INVOICING AND DISBURSEMENTS

HOW DO I GET MY MONEY?

- SRF disbursements are based on **incurred costs**
 - i.e., invoiced costs due; may be paid or unpaid
- Disbursements are typically executed within 30 days of a request
- In many cases, assistance recipients can receive funds from the SRF before the payment is due to the contractor
 - The SRF program will work closely with the borrower on situations where SRF loan funds are needed prior to the payment being made from the borrower to the contractor/vendor

INVOICING

- Summary invoices may be insufficient on their own to prove eligibility of incurred costs
- Invoices must have details or include backup information showing exactly which costs have been incurred to support the total value of the invoice
- Make sure documentation specifies which SRF project the request is for

INVOICING

- Summary invoice alone is insufficient
- Construction contractor's pay estimate must be itemized by bid item
- Don't forget signatures! Pay estimate must be signed by the contractor and the SRF recipient

REQUEST FOR PAYMENT

PROJECT: WASTEWATER TREATMENT FACILITY
REG. LAND, INV.
REG. PROJECT NO. 19-19

CONTRACTOR: _____

AMOUNT DUE THIS REQUEST FOR PAYMENT: 758,803.00

Signature: _____ Date: 10/26/2019

Signature: _____ Date: 2/12/10

INVOICING

REQUEST FOR PAYMENT

DATE FORWARRANTY 11, 2019
 ESTIMATE NO. 4
 WASTEWATER TREATMENT FACILITY
 REC FACILITY
 REC PROJECT NO. 38-19

---CONTRACT AMOUNT--- ---ESTIMATE AMOUNT---

ITEM	DESCRIPTION	QTY	UNIT	TOTAL	QTY	UNIT	TOTAL
101	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
102	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
103	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
104	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
105	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
106	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
107	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
108	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
109	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
110	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
111	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
112	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
113	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
114	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
115	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
116	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
117	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
118	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
119	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
120	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
121	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
122	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
123	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
124	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
125	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
126	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
127	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
128	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
129	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
130	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
131	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
132	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
133	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
134	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
135	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
136	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
137	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
138	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
139	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
140	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
141	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
142	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
143	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
144	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
145	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
146	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
147	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
148	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
149	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
150	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
151	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
152	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
153	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
154	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
155	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
156	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
157	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
158	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
159	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
160	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
161	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
162	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
163	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
164	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
165	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
166	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
167	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
168	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
169	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
170	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
171	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
172	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
173	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
174	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
175	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
176	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
177	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
178	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
179	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
180	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
181	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
182	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
183	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
184	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
185	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
186	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
187	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
188	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
189	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
190	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
191	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
192	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
193	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
194	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
195	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
196	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
197	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
198	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
199	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00
200	FOUNDATION EXCAV	1.00	100.00	100.00	1.00	100.00	100.00

1900	ELECTRICAL	1.00	1,000,000.00	1,000,000.00	0.00	0.00	1,000,000.00
1910	ELECTRICAL WORK	1.00	-	-	0.00	0.00	-
1920		1.00	-	-	0.00	0.00	-
1930		1.00	-	-	0.00	0.00	-
SUBTOTAL				1,000,000.00			1,000,000.00
CHANGE ORDERS							
1940		1.00	-	-	0.00	0.00	-
1950		1.00	-	-	0.00	0.00	-
SUBTOTAL							
TOTAL				1,000,000.00			1,000,000.00

Must be supported with itemized costs incurred Source: MN PFA

SRF INVOICE REVIEW

- Ineligible costs
- Tasks that were not included in the winning bid package or specifications (without a change order)
- Itemized costs exceeding the bid amount (without a change order)
- Invoiced activities that are inconsistent with progress observed during site inspections
- Arithmetic errors
- Incorrectly calculated retainage
- Duplicate invoices
- Costs that are inconsistent with % completion and % disbursed as noted in progress reports and inspections
- Verify cost division for projects that are partially funded with by other sources

