

# Guidance for potential ARRA Green Project Reserve Applicants in PA

Special Requirements  
and  
Questions and Answers  
April 28, 2009

*Notice: The guidance offered in this summary represents the best information available as of the date referenced. It is however subject to change based on advice from the U. S. Environmental Protection Agency (EPA). Caution should therefore be applied in its use. Please contact those listed below to see if any updates that may have been made.*

## Special Requirements

### **How do I satisfy the “American Iron, Steel and Manufactured Goods” requirement?**

The ARRA requires that all of the iron, steel and manufactured goods used in projects be produced in the United States. You may therefore want to review the list of materials you plan to use in your project and identify any that are not readily available from U.S. sources, or that have U.S. sources but at a much higher cost. Waivers may be available, for example, if:

- Project costs increase by more than 25% because of using U.S sources; or
- The necessary “iron, steel and manufactured goods” are not available from U. S. sources; or
- The requirement is inconsistent with the public interest.

If you believe you have a case which warrants a waiver please provide a detailed justification to PENNVEST as soon as possible. We will do our best to get you a decision quickly.

Domestic equipment manufacturers can be expected to be asked “does your equipment satisfy the ARRA requirement?” The answer is not necessarily obvious, because many U. S. based suppliers use foreign-produced parts or components in their finished products. For now, in Pennsylvania, you may wish to assume that products satisfy the test if they are assembled in the U. S.

If your application includes reimbursement for work done between October 1, 2008 and February 17, 2009 the requirement does not apply.

More guidance is expected on the subject from EPA.

### **What “environmental review” requirements must be satisfied?**

The State Environmental Review Process (SERP) which has been applied for many years to “traditional” water and sewer projects will continue to apply to that kind of work. Traditional applicants work with staff in their DEP Regional Office to complete “categorical exclusions” (CE) and “environmental assessments” (EA). The completion of the process will be relevant to your readiness to proceed.

Given the short time-frame available, it may be difficult to complete the environmental review of a new project if it requires an EA. If however an EA is well along, it could well be completed in time. Traditional applicants are encouraged to work with the DEP Regional Office to complete their environmental review.

Traditional applicants who believe that their project may qualify for a CE should also work with their Regional Office. It is possible for CE's to be completed on new work.

Some GPR-eligible CWSRF work involves "non-traditional" non-point source (NPS) projects. Commonly referred to as Section 319 projects, such work is very different from traditional concrete-and-steel infrastructure projects. First, NPS projects in many cases, unlike point source projects, do not have a discrete discharge that would impact surface waters. Unlike point source discharges, no discharge permit is required even if a discharge does result from the installation of a NPS project. In fact, NPS best management practices (BMPs) are designed to reduce or prevent pollutants from entering a stream or lake.

Secondly, many NPS projects are small and cause minimal impact to the land surface. Projects like land management agricultural BMPs, stormwater infiltration areas, riparian buffers, green roofs, and dirt and gravel road BMPs have a low likelihood of negatively impacting sensitive resources and don't even require environmental permits.

Larger NPS projects like abandoned mine drainage (AMD) passive treatment systems, natural Stream Channel Design, stormwater detention basins or encroachments to streams typically need some type of earth disturbance or waterway encroachment permit. The size of the project (e.g. acres disturbed or linear feet of a project) will determine the type of permit needed. The permitting process is designed to protect against significant impact to sensitive resources such as threatened and endangered species, historical resources, and environmentally important natural resources.

For NPS projects submitted for funding under the Clean Water State Revolving Fund, the Department will evaluate information submitted by the applicant addressing the following:

- Land Use
- Floodplains
- Wetlands
- Historic Resources
- Biological Resources
- Water Quality Issues
- Coastal Resources
- Socio-Economic Resources
- Air Quality
- Transportation
- Noise Abatement and Control
- Wild and Scenic Rivers

In addition, the applicant will be expected to describe the status of any permits that are required, and provide a map.

Upon review the Department will make a determination as to whether a detailed environmental assessment and report or a categorical exemption is applicable for the project. If a CE is appropriate, your environmental review will be complete.

### **How do I satisfy the "Prevailing Wages" requirement?**

The federal Davis-Bacon Wage Act applies to all construction contract work funded with ARRA monies (See <http://www.dol.gov/esa/whd/contracts/dbra.htm> ). Recipients are therefore required to pay rates in effect at the time of the procurement.

Satisfying this requirement will be your responsibility as a recipient. Your budget should be developed with these rates in mind. Contractors should be advised to develop proposals using the rates, and if the rates change prior to contract execution you and your contractor(s) must adjust the costs to be paid accordingly. Recipients must maintain records that demonstrate compliance.

**How do I satisfy the Disadvantaged Business Enterprise (DBE) requirement?**

The DBE program requires that you, as the recipient of funding, make a serious effort to encourage DBE<sup>1</sup> businesses to compete for any work that will be contracted. If your contractor(s) award subcontracts, the requirements must be met in the award of the subcontracts as well. Efforts to complete the six good faith efforts must be documented in detail by both the loan recipient and prime contractor(s) who participate in the project.

You satisfy the requirement by applying the “Six Good Faith Efforts” as follows:

1. Make DBE firms aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities.
2. Make information on forthcoming opportunities available to DBE firms in a way that encourages and facilitates participation by DBE firms in the competitive bid process.
3. Consider dividing total contract requirements when economically feasible into smaller tasks or quantities to permit maximum participation by DBE firms in the competitive bid process.
4. Encourage contracting with a group of DBE firms in a combined effort to meet project requirements when a contract is too large for one of these firms to handle individually.
5. Perform the direct search for potential DBE firms using the website services of Pennsylvania Unified Certification Program (PA UCP). Visiting [www.paucp.com](http://www.paucp.com) and performing keyword searches for project needs will generate a list to be printed and used to contact potential DBE firms. For prime contracts keyword searches are more general (i.e., water construction, engineering, etc.) and for subcontractors they are more specific (i.e., ductile iron pipe, trucking, etc.). All contact with firms must be documented; phone calls are not an acceptable form of documented contact.
6. If the prime contractor awards work to subcontractors, require the prime contractor to follow the five steps above.

Advice is available from the Department of Environmental Protection (DEP), Division of Technical and Financial Assistance, 717-787-0122.

Agricultural BMP Guidance

**Are there any Agricultural Best Management Practices that meet ARRA categories and are eligible for funding consideration under Clean Water State Revolving Fund authority?**

<sup>1</sup> A “Disadvantaged Business Enterprise” is defined by the U.S. EPA as an entity owned and/or controlled by a socially and economically disadvantaged individual .

Listed below are several agricultural best management practices (BMPs) could meet ARRA categories of water quality work for funding under Clean Water State Revolving Fund authority. Included is the BMP practice name, USDA NRCS practice code number, and category the BMP falls under.

- Anaerobic Digester, Ambient Temperature – (#365) Energy Efficiency (produce clean energy use by a treatment works)
- Anaerobic Digester, Controlled Temperature – (#366) Energy Efficiency (produce clean energy use by a treatment works)
- Constructed Wetland – (#656) Environmentally Innovative Project (wetland restoration and constructed wetlands)
- Fence – (#382) Green Infrastructure (only when used with Riparian Forested Buffer (#391) or Streambank and Shoreline Protection (#580) to exclude livestock to protect streams, wetlands and other waterbodies ) and Energy Efficiency (when used as solar powered electric fence)
- Riparian Forest Buffer – (#391) Green Infrastructure
- Streambank and Shoreline Protection – (#580) Green Infrastructure
- Wetland Creation – (#658) Green Infrastructure
- Wetland Enhancement – (#659) Green Infrastructure
- Wetland Restoration – (#657) Green Infrastructure and Environmentally Innovative Projects
- Stream Crossing (#578) Green Infrastructure (when used as component of fencing (#382) to provide access for livestock on both sides of a stream)
- Roof Runoff Management (#558) – Green Infrastructure (manage and treat storm water)
- Barnyard Runoff Control (#357) - Green Infrastructure (manage and treat storm water)
- Diversion (#362) - Green Infrastructure (manage and treat storm water)
- Grassed Waterway (#412) - Green Infrastructure (manage and treat storm water)
- Terrace (#600) - Green Infrastructure (manage and treat storm water)
- Stream Channel Stabilization (#584) - Green Infrastructure
- Trickle Irrigation System (#441) – Water Efficiency (efficient landscape or irrigation equipment (when used to replace an existing overhead sprinkler irrigation system))

**Note:** Concentrated Animal Feeding Operations (CAFOs) as defined by USEPA are not eligible for CWSRF funding (except if the CAFO is located in the designated Delaware River estuary).

Questions and Answers
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## GENERAL

- Q What is the difference between DWSRF & CWSRF?
- a Applicants for Drinking Water State Revolving Fund projects must be publicly or privately-owned Public Water System. Applicants for Clean Water State Revolving Fund have more flexibility in the eligibility requirements.
- Q Can an organization apply for both CWSRF and DWSRF?
- a Only if the organization is an eligible applicant for both and separate applications are completed.
- Q Is GPR the same as what is commonly called “green infrastructure”?
- a No. GPR is defined by EPA to be specific activities related to water efficiency, energy efficiency, green infrastructure and environmentally innovative.

- Q Do the special requirements of ARRA apply to only the components of the project that are eligible or do the requirements apply to the whole project?
- a The ARRA requirements apply to the whole project.
- Q Without knowing if an H2O grant submission will be awarded, can another application be submitted?
- a It is recommended that applicants not wait on the H2O decision but that applications be submitted for consideration under both opportunities. PENNVEST will coordinate on all funding efforts.
- Q Will GPR funding will be awarded at the April 20<sup>th</sup> PENNVEST Board meeting? How much will be remaining to award in July?
- a It is anticipated that the majority of the funding will be available for the awards to be made in July. PENNVEST is targeting up to \$70 Million to be available in GPR funding at the July meeting.
- Q Will PENNVEST hold pre-planning meetings/consultations?
- a GPR projects will not require planning consultations.
- Q Post ARRA, is it possible that SRF funding may be available for nonpoint source type projects?
- a Yes, PENNVEST expects to be able fund similar projects on an on-going basis.

## **ENVIRONMENTAL REVIEW**

- Q How long are environmental assessments valid?
- a The assessment needs to have been completed for that site and the intended project. Environmental assessments are valid for 2 years.

## **DBE**

- Q Does the Disadvantaged Business Enterprise (DBE) requirement apply to work done by recipients own employees?
- a No but DBE applies to any supplies or equipment purchased by the recipient.
- Q What if the funding is used to expand an existing project but the work can only be completed by a company specializing in that service or product, how could the DBE requirement be met?
- a The applicant will need to demonstrate their attempt to locate and solicit firms and to document such efforts.
- Q Does DBE apply to eligible technical services hired before 2/17/09?
- a No.
- Q What if the DBE bidder is not the lowest bidder and the applicant's procurement procedure is that the lowest bid is awarded, how does that impact the DBE requirement?
- a The requirement is that the recipient solicits proposals from DBE contractors. If a DBE is not the low bidder then a majority firm may be selected.

## **DAVIS-BACON**

- Q What documents are needed to report compliance with the Davis-Bacon requirement?
- a An applicant will need to show a record of what is included on the Department of Labor's website related to the job category and location and the applicant must be able to document payroll.
- Q If conservation district staff is providing technical oversight of a project funded by ARRA, does the Davis Bacon requirement apply to wages paid to the Conservation District Staff?
- a No.

## **READINESS-TO-PROCEED**

- Q What does it mean that "work must be ready to proceed upon award of the funding?"
- a EPA guidance on ARRA requires that all work funded with ARRA monies be under contract or under construction by February 17, 2010. States therefore must only consider providing funding to applicants which clearly demonstrate that their projects are ready to go.

The PENNVEST electronic application will ask you a series of questions intended to establish readiness-to-proceed. You should answer those questions fully, and also provide any additional information that will demonstrate a "shovel-ready" project. If your project is selected for funding you should then act promptly to complete whatever processes are needed to get underway. PENNVEST has established October 1 as a required date for being under contract or under construction. The reason a date has to be set before February 17 is that if we waited until February 17 it would be too late to assign the money to other projects, and the money would be lost to Pennsylvania. If you cannot meet the October 1 date, you should assume that your funding will be revoked and awarded to another party who will satisfy the February 17 requirement.

- Q How soon does the work need to be finished?
- a The guidance from EPA does not specify a particular point in time by which all funds have to be expended. Given however that a major purpose of the funding is to stimulate the economy in the short-term, your application should demonstrate that you plan to get the work done as soon as is feasible given the nature of your project.
- Q Funding may need to be revoked from some projects because they failed to start by October 1. If that happens, what projects will replace them?
- a They will be replaced with projects next-in-line from the April 6<sup>th</sup> – May 18<sup>th</sup> solicitation period.
- Q What happens if permits are not in place by the contract deadline of October 1, 2009? Will the award be lost even if it is by no fault of the recipient?
- a Projects not under contract by October 1, 2009 will no longer receive funding and the funding amount will be awarded to other projects that are ready to proceed.
- Q Does an applicant have to have all permits in hand by the May 18, 2009 application deadline?
- a A permit need not be "in hand" by May 18<sup>th</sup> but all environmental permits applications and/or technical information necessary for DEP to perform their review must be submitted by the application deadline in order to maintain eligibility.

## **PROGRAMMATIC REQUIREMENTS**

- Q What is meant by “job creation”?
- a In the context of ARRA, the applicant will need to show what jobs will be created through the construction of the project.
- Q What is the difference between “own or operate” and “own or maintain”?
- a PENNVEST has a requirement that recipients of municipal infrastructure funding “own or operate” that project. A similar requirement of “construct or maintain” applies for a nonpoint source project that has received funding.
- Q What does it mean to “sponsor” a project and how does that impact the “own or operate” requirement?
- a A project may be sponsored by an entity that meets the established eligibility requirements. The “sponsor” becomes the funding recipient and will be required to fulfill all requirements (i.e. “own or operate” etc).
- Q Related to the “own or operate” requirement, please clarify what is required for “distributed” projects (i.e. rebates and purchases of homeowner fixtures, disconnection of downspouts, installation of agricultural BMPs etc).
- a An application will need to provide a list of participating homeowners/landowners. If funding is offered, the applicant will then need to provide an agreement for each homeowner/landowner documenting that the activity will be completed and maintained. This agreement could be similar to the landowner-grantee agreement that is used as part of the Growing Greener Grants.
- Q Would a formal easement or an agreement to maintenance rights be acceptable to fulfill the “own or operate” requirement?
- a It is up to the applicant to specify the method or arrangement that will be used to fulfill the “own or operate” requirement.
- Q What type of exceptional technologies and practices documentation is needed for a water line replacement project to be determined eligibility?
- a EPA has not provided further explanation on what they expect in a justification, or an example of one that they would find acceptable. It would be best to assume that waterline work is not green-eligible. However, waterline work is eligible under the traditional PENNVEST program for which there will be funding.
- Q Can standard design projects be submitted for funding consideration or does each project need to have a specific design?
- a Designs do not have to be site specific but they do have to be detailed in a manner to show the environmental benefit, and how all special requirements will be achieved.
- Q Can “design build” projects be submitted for funding consideration?
- a Yes, if an applicant can clearly articulate how the “design build” project will meet DBE, Davis Bacon, complete the necessary Environmental Reviews and provide a timeline for project completion.

## **ELIGIBILITY – APPLICANTS AND PROJECTS**

- Q Is a state agency an eligible applicant?
- a No.

- Q Can non-public entities apply for funding under the CWSRF GPR?
- a Yes. Preliminary guidance offered by DEP and PENNVEST did not list private entities as an eligible recipient. That was an oversight. It is therefore possible, for example, for the owner of a private hotel complex to propose a project to better manage their stormwater.
- Q Would community colleges be eligible to apply for CWSRF GPR funding?
- a Yes. A community college would fall under the "other authorized organization" category of eligible applicants.
- Q Do you have to be a PA based entity to receive PENNVEST Funds?
- a Yes. An applicant must be a Pennsylvania-based entity, the work must be performed in Pennsylvania and it must benefit the Commonwealth.
- Q Is this funding available for nonprofits (i.e. Watershed Associations)?
- a A nonprofit may be eligible for funding. Please refer to the "Directions and Eligibility" document found on PENNVEST's website for more information.
- Q What is meant in the guidance by "eligibility will require documentation of exceptional technology and practices to qualify"?
- a That statement is included in the drinking water guidance in the Water Efficiency section for work on drinking water lines, and in the Energy Efficiency section for work on energy-efficient retrofits and upgrades, and drinking water lines. The reason is that EPA requires what they call a "business case" argument for the work to qualify under Green Project Reserve." That argument must show that the purpose of the specific project is more than the traditional one of replacing worn-out equipment and pipe. It must have benefits that are extraordinary or that improve the state-of-the-art.
- Q Can funding be provided for the installation of riparian buffers and/or in-stream/natural stream channel design projects?
- a Yes. ARRA funding can be used for these types of activities however hard armoring (i.e. rip rap) of streams is not an eligible activity.
- Q Is brownfield remediation an eligible activity?
- a Potentially yes, if GPR criteria can be met.
- Q Would a municipality be able to apply for GPR funding to complete a street light replacement project?
- a No. However, if lighting were replaced at a DW/WW facility, it may be eligible.
- Q Is the decommissioning of small dams eligible for funding?
- a No.
- Q Would a sewer line replacement project be considered a water efficiency activity under GPR?
- a No.
- Q Can an eligible project straddle both private and public land?
- a Yes as long as there are agreements in place with all impacted landowners.
- Q If a project is to be completed upstream of a Drinking Water facility would that project be eligible for DWSRF?

a No.

Q Are Dirt and Gravel Road projects eligible?

a Yes, if GPR criteria can be met and if the project is able to show how an improve water quality is going to be made.

Q As it relates to Dirt and Gravel Road projects, who can apply, who will provide project oversight and does the project need to use the Dirt and Gravel Road Maintenance Program Specifications?

a A municipality that owns the road may apply for funding on their own or a conservation districts may bundle road projects together and apply on behalf of the municipality(s). Oversight of the project is up to applicant. If a township applies and receives the funding directly they are ultimately responsible for determining that the work has been performed according to the specifications described in the application and made a part of the contract. There is no requirement that the Dirt and Gravel Road Maintenance Program Specifications be used for projects. In addition, there is no requirement for the conservation districts to inspect, track or otherwise be involved with ARRA funded road projects that municipalities have applied for on their own. If a conservation district is the applicant and a contract is awarded for a road project, DGRMP specifications and practices should be followed and tracked.

Q Would a homeowners association be eligible for funding for modifications to a privately-owned dam rehab?

a No.

Q Are Concentrated Animal Feeding Operations eligible for CWSRF?

a No. Nonpoint source projects are not eligible if they are controlled by an NDPES permit.

Q Would a project that is going to develop and provide of a safe yield determination for a water supply reservoir using a water budget approach be an eligible activity? The work will greatly assist the water supplier's planning efforts and ensure a balance of uses in the reservoir that includes providing drinking water while ensuring an adequate flow is released as stream below the dam.

a It appears that the objective may satisfy the GPR criteria however ARRA money is to be targeted for construction activities. An application would need to describe if the planning and design of the project is done or very close to being done, or if this project is principally a planning effort, with little or no construction.

Q Would the purchase and installation of stream monitoring equipment for a water supply reservoir be an eligible activity? The equipment would monitor water quality and quantity and greatly assist the water supplier's planning efforts to improve and protect its water source.

a No, this project does not meet the criteria as written by EPA. Source water monitoring is usually considered ineligible for SRF funding.

## FINANCIAL

Q How much money is available?

a A minimum of 20% of the total available \$220 M (\$155M water quality, \$65M drinking water) or \$44 Million.

- Q 20% of the \$220 million PA ARRA is for GPR, how is that broken out between DWSRF and CWSRF?
- a The GPR will be at least \$13 million for DWSRF and at least \$31 million for CWSRF.
- Q Is funding to be provided in the form of grants, or in loans that have to be repaid?
- a It can be provided either way. The electronic application process on the PENNVEST webpage will ask you about your financial needs and PENNVEST will make judgments on the use of its available grant and loan monies based on what is received from applicants.
- Q How much can I request?
- a There is no minimum or maximum.
- Q Are there any matching requirements for the ARRA funding?
- a No.
- Q Can ARRA funds pay for 100% of the project costs?
- a Yes.
- Q Can the funding be used for land acquisition and/or land easements?
- a No. As outlined in the EPA ARRA Guidance, funding cannot be used for the purchase of land or land easements.
- Q Will the funding available under CWA Section 604B be used for the development of green infrastructure plans?
- a No. The Department's position regarding planning monies dedicated for this purpose was that the funding should come out of the SRF, from which the 604(b) allocation is derived. The final EPA 604(b) guidance acknowledged this position by suggesting, but not requiring, this use of 604(b) money for green infrastructure plan. In response to the urgent need to obligate the base grant and pass-through monies, during the first week of March DEP distributed an RFP to county/regional planning commissions, county conservation districts and river basin commissions suggesting a continuation of work that has been traditionally associated with 604(b) - surface water assessment and planning for the purposes of listing, de-listing waters based on use attainment and support of TMDL development. Work Plans for both the base grant and pass-through portion of the grant are currently under review at EPA Region 3 with the target of mid-May for a grant award to PA.
- Q Regarding engineering fees and designs: if this work has already been completed, can we include these dollars as match in the application?
- a There is no requirement to show a match for ARRA funds. However, these costs can be included in the project.
- Q Can funding be used for the maintenance of existing "green" projects?
- a No. PENNVEST does not fund maintenance of any projects.
- Q Are the costs associated with the planning, design and engineering of a project eligible?
- a All costs necessary and preliminary to implementation of the construction activities are eligible once construction funding is approved.
- Q Can parts of a project be submitted for funding consideration?

a PENNVEST does not have to fund 100% of a project, but must fund projects that will result in a complete solution to the identified problem.

Q Can administrative costs be included in the application for funding consideration?

a Administrative costs are those costs that are incurred for work such as payment processing and record-keeping. They are eligible for consideration as long as the recipient does not receive funding for the work from other sources and the costs do not exceed 4% of an award.

Q Is the funding allocated by county? What if a project crosses two counties, does it matter which county is listed?

a Each project is evaluated on its own merits and funding is allocated based upon review, ranking and available funding.

Q In the past, PENNVEST funding has been geared to fund large projects. Many of the projects applied for under GPR would be on a much smaller scale can PENNVEST review and approve funding for projects of this scale?

a Yes.

## APPLICATION

Q Is the application for a GPR project different than the ordinary PENNVEST application?

a Yes. An entity will complete the existing application as well as the GPR application.

Q How do I “describe the purpose of the project”?

a Most projects solve a specific local problem which you can describe. Provide whatever information is relevant to help the reviewer understand the impact of the problem on public health and the environment or other measure as appropriate. Describe how the project will benefit water quality or public health. Indicate if there is a mandate to resolve the problem.

Q How do I “describe how the project will serve that purpose”?

a Provide a detailed description of what the funds will be used for. Include information like location, methods, materials, capacities, relationship to related functions, cost effectiveness, ownership, operations & maintenance and timing.

Q Is it better to bundle all projects under one application even if they are not related or the same?

a It is anticipated that the bundling of projects will occur on nonpoint source projects with multiple landowners. It is recommended that the bundling of like projects be completed by a defined watershed unit (i.e. HUC code) to show the overall environmental benefit of the collective activity.

Q Can similar agricultural projects be bundled together under one application or does each landowner need to apply?

a Similar projects can be bundled together however the landowners need to be identified in the application and each will need to execute an agreement.

Q If a project does not require a permit, can this project be bundled beyond a defined watershed unit?

a No.

- Q If a water authority has multiple projects that are not related or dependent on another, should the projects be submitted separately or together in one application?
- a Separate applications should be submitted for each project even if it is for the same applicant.
- Q How will projects fostering regionalization be viewed (i.e. consolidation of plants etc)?
- a Regionalization is not in the GPR criteria. The application would need to identify how the project fits within the four categories.
- Q Will consistency with Act 67 and Act 68 (i.e. land use planning) be required of applications?
- a Yes.
- Q What is an accurate definition of “borrower” as it relates to the PENNVEST application?
- a A borrower is a legal representative of the Legal Entity that is applying for funding. They must be in a position where they can legally sign Settlement documents and must also be a person who will regularly receive and respond to email correspondence. For the purposes of ARRA funding, the “borrower” is equivalent to “applicant”.
- Q How would a conservation district complete the rate section?
- a A district would not be able complete this section unless they were in a position to collect fees or other revenues to support debt service payments.
- Q Can the transmittals for audits be completed and uploaded or emailed rather than faxed?
- a No, they must be faxed in using the system generated fax cover sheets. Upon receipt they are automatically electronically filed, routed, and tracked for review. It is impossible to keep track of 3 years worth of financial statements for all applicants any other way. To verify that your faxed statements have been received you should send an e-mail to [jnapoli@state.pa.us](mailto:jnapoli@state.pa.us).
- Q What does it mean by applicant financial resources?
- a Financial resources of the applicant means the information that PENNVEST needs from applicants to make judgments on the amount of subsidy to provide.
- Q What kind of financial information is needed from a private entity that seeks to submit an application?
- a Requested information includes: Audited Financial Statements, Financial Statements, CPA Reports, Tax Returns, Treasurers Reports, or other information that would allow staff to ascertain the financial condition of the applicant.
- Q Will assistance be available if an applicant is unfamiliar with the PENNVEST application process?
- a Yes. PENNVEST will be available to help applicants. A webinar was recorded on April 20<sup>th</sup> which provided a walk through example of how to complete an application. That recording is available for viewing on the PENNVEST webpage. A contact for application questions is also provided at the end of this document.
- Q If a project has a combination of funding sources, does that impact the review and ranking of a project?
- a No.

- Q What is the award criterion, specifically the ranking criteria, for the GPR?
- a Projects will be ranked based on information included in the technical component of the application as well as readiness to proceed, job creation, local level of unemployment, and financial resources of the applicant.
- Q As it relates to the project ranking, who has defined the criteria?
- a The criteria have been defined through a joint effort of PENNVEST and DEP.
- Q Will the project review criteria consider water quality improvements to be achieved by the project and its impacts in a defined TMDL or impaired watershed?
- a Yes.
- Q Can a paper application be submitted?
- a No, all applications must be submitted via the Online Funding Request web application found on the PENNVEST webpage.
- Q Can a copy of the ARRA application be posted as a pdf so that an entity can use it as a template to gather all of the required info before completion of the electronic application?
- a A completed sample application will be available for this purpose and will be posted to the PENNVEST website.

#### **PENNVEST PROCESS RELATED**

- Q What does “principal forgiveness” mean?
- a Principle forgiveness is a term used by EPA to describe loan money that does not have to be repaid. It is essentially the same as a grant.
- Q What does it mean to be “under contract or under construction”?
- a Under contract means that the recipient has a binding agreement with another entity to complete the work of the project. Under construction means that the work is physically being completed.
- Q What are the steps that have to be completed in order to be under contract?
- a The sequence includes the application being submitted and if approved by the Board a funding offer is made. The recipient will then need to complete (if it hasn't been done yet) all necessary environmental reviews, obtain all permits and receive bids for the work. Once completed, the recipient will sign paperwork that serves as the closing, or “Settlement.” Projects must be “under contract or construction” by October 1, 2009.
- Q It may be difficult to meet the October deadline, why not allow projects to be “under contract or construction” by the February deadline?
- a The Commonwealth will lose access to these funds if not under contract by the deadline. The October deadline will allow staff to evaluate the progress of approved projects and redirect funds to other projects in time to utilize the funds.
- Q Once a project is under contract, how will reimbursements be handled?
- a Disbursements are made monthly based upon costs incurred, and invoices submitted to PENNVEST for reimbursement of eligible costs.
- Q Once a project is approved by the Board, how soon can it be started?

- a As soon as you can obtain bids, meet the requirements and settle on the funding offer you can begin. If you need to begin construction prior settlement you must have authorization from PENNVEST.
  
- Q How can projects get started if the entity doesn't have the means to provide upfront funding?
  - a Engineering and other technical costs associated with design necessary to be considered for funding are reimbursable once you complete settlement, should you receive funding approval. The funding offer may be used by the approved project sponsor to obtain local interim financing for the project if necessary.
  
- Q When would a "Letter of No Prejudice" be issued by PENNVEST?
  - a In order to allow a community to move forward with an eligible project that needs to begin construction prior to action by the Board. The applicant will have to explain why they need to proceed prior to approval or settlement, and show the source of funds to be used in the interim.
  
- Q Can I begin construction now with other funds and repay that source with my GPR financial assistance?
  - a Yes but you must receive a Letter of No Prejudice from PENNVEST before you start work.
  
- Q Can an entity advertise for bids prior to having a permit and/or a funding award?
  - a Yes but the entity must ensure with the project manager/project advisor that the permit application is complete and the design of the project is acceptable. In order to maintain eligibility a project cannot begin construction with written approval from PENNVEST.
  
- Q What kind of state oversight will be expected once projects are awarded and under contract?
  - a Day to day project implementation and oversight is the responsibility of the recipient. PENNVEST will review invoices, and will likely field audit projects as some point during the construction phase. DEP will conduct field inspections. A final inspection by DEP is necessary prior to receipt of final disbursement. Information on project progress may be requested more frequently than normal to fulfill any requests made by EPA.
  
- Q What oversight will EPA provide and what will happen if EPA disagrees with a funding decision that has already begun construction? Who will be held liable?
  - a EPA will review the projects before they are approved by the PENNVEST Board.

Contact Persons:

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Bev Reinhold	breinhold@state.pa.us	717-783-6589	PENNVEST application