

Guidance for potential ARRA Green Project Reserve Applicants in PA

ARRA Special Requirements, Agricultural BMP Guidance and Questions and Answers
May 13, 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.

New Additions/Revisions as of May 13, 2009
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- Q What assurance must be provided by the applicant that the project will work as designed?
- a Certification (in the form of a letter or email) must be provided by the consulting engineer or other professional /technical person accepted by PENNVEST as meeting certifiable standards for the appropriate work item identified on PENNVEST “Application for Funding Attachment 2(A)”.
- 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 may 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.

Recipient’s responsibilities include construction oversight during construction as well as certifying the work was installed according to the design (as-built) and meets standards and specifications of the design. Certification must be provided by the consulting engineer or other professional /technical person accepted by PENNVEST as meeting certifiable standards for the appropriate work item under construction identified on PENNVEST “Application for Funding Attachment 2(A)”.

Those acceptable for certification can include:

- Professional Engineer.
- For agricultural BMP’s, the technical person holding USDA job approval for the work item under construction for which reimbursement is being requested.
- For Dirt & Gravel Roads, either an expert as specified in the Dirt and Gravel Road Maintenance Program, or the engineer for the local government.
- Other technical person proposed by the applicant and accepted by PENNVEST as meeting certifiable standard for appropriate practice.

Costs associated with construction oversight and certification is eligible for reimbursement if PENNVEST procurement standards were followed.

How would an applicant 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. The applicant may therefore want to review the list of materials they plan to use in their 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.

Upon award of a grant or loan, if the recipient believes they have a case which warrants a waiver, that request will need to be made to EPA Region 3 via region3waiver@epa.gov. A waiver checklist will need to be submitted with the waiver request. That checklist can be found on the PENNVEST website.

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, an applicant 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.

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 roads have a low likelihood of negatively impacting sensitive resources and don't even require environmental permits.

Larger NPS projects like abandoned mine drainage 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, DEP 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, DEP 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, the environmental review will be complete.

How would an applicant 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 the responsibility of the recipient. The 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 the recipient of the funds and any contractor(s) must adjust the costs to be paid accordingly. Recipients must maintain records that demonstrate compliance.

How does and applicant satisfy the Disadvantaged Business Enterprise (DBE) requirement?

The DBE program requires that the recipient of funding make a serious effort to encourage DBE¹ businesses to compete for any work that will be contracted. If the 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.

The recipient can satisfy the requirement by applying the “Six Good Faith Efforts” as follows:

¹ 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.

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 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 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 the Clean Water State Revolving Fund authority?

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

GENERAL

- 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 How much funding will be awarded in July?
- a PENNVEST is targeting up to \$70 Million to be available in GPR funding.
- 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 non-point 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 environmental assessment needs to have been completed for that site and the intended project and is valid for 2 years.

DISADVANTAGED BUSINESS ENTERPRISE (DBE)

- Q Does the DBE requirement apply to work done by the employees of a funding recipient?
- 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 recipient will need to demonstrate a sincere effort to locate and solicit firms, and must document such efforts.
- Q Would 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 proposal submitted by 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 A funding recipient 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 must be able to document payroll.
- Q If a conservation district 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 the applicant a series of questions intended to establish readiness-to-proceed. The applicant should answer those questions fully, and also provide any additional information that will demonstrate a "shovel-ready" project. If the project is selected for funding the recipient should then act promptly to complete whatever is needed to get underway. PENNVEST has established October 1, 2009 as a required date for being under contract or under construction. 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. If the deadline was chosen to be February 17 it would be too late for staff to assign the money to other projects, and the money would be lost to Pennsylvania. If the funding recipient cannot meet the October 1 date, they should assume that the funding will be revoked and awarded to another applicant who will satisfy the 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, an application should demonstrate that they plan to get the work done as soon as is feasible given the nature of the project.
- Q Does an applicant have to have all permits in hand by the May 18, 2009 application deadline?

- a A permit does not be “in hand” by May 18th but all permit applications and/or technical information necessary for DEP to perform the review must be submitted by the application deadline in order to maintain eligibility.

- 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 then must be under contract or construction by October 1, 2009.

- Q Once a project is approved by the Board, how soon can it be started?
 - a As soon as the funding recipient can obtain bids, meet all the necessary requirements and settle on the funding offer they can begin. If construction needs to begin prior settlement authorization from PENNVEST must be provided.

- 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 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 a recipient completes settlement, assuming funding has been awarded. 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 A letter is issued 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 an applicant begin construction now with other funds and repay that source with GPR financial assistance?
 - a Yes, but they must receive a “Letter of No Prejudice” from PENNVEST before they start any 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 program manager that the permit application is complete and the design of the project is acceptable. In order to maintain eligibility a project cannot begin construction without written approval from PENNVEST.

- 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 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 6th – May 18th solicitation period.
- Q What happens if permits are not in place by the 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 will no longer receive funding and the funding amount will be awarded to other projects that are ready to proceed.

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 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 must be sufficiently detailed to show the environmental benefit, and explain 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.
- 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 propose an appropriate method or arrangement to fulfill the “own or operate” requirement.
- 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.

ELIGIBILITY – APPLICANTS AND PROJECTS

- Q What is the difference between DWSRF & CWSRF with respect to ARRA eligible applicants?
- a Applicants for Drinking Water State Revolving Fund (DWSRF) projects must be a publicly or privately-owned Public Water System. The Clean Water State Revolving Fund (CWSRF) eligibility requirements are more flexible. Please see the guidelines posted on the PENNVEST website for more details.
- 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 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 Yes. Please refer to the "Directions and Eligibility" document found on PENNVEST's website for more information.
- 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 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 Drinking Water/Waste Water 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 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 Are Dirt and Gravel Road projects eligible?
- a Yes, if GPR criteria can be met and if the project is able to show how water quality is improved.
- 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 district 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 responsible. 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 funding is awarded DGRMP specifications and practices should be followed and tracked.
- Q Do applicants for urban stormwater structures need to have a County-adopted Act 167 stormwater management plan for the project to be eligible?
- a Yes.
- 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 Would a homeowners association be eligible for funding for modifications to a privately-owned dam?
- a No.
- Q Are Concentrated Animal Feeding Operations eligible for CWSRF?
- a 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 PENNVEST regulations require a case-by-case evaluation of each project before a decision can be made on what terms should be offered to a prospective funding recipient. This means that applicants will be asked to provide information on their financial condition. Project funding will be based upon the applicant's financial information provided. The Green Project Reserve (GPR) has changed the funding environment by encouraging small private organizations to submit applications for the Clean Water portion of ARRA. Those projects can only be funded if they meet GPR criteria. Some of those applicants, like some watershed associations, have no significant cash flow. Those organizations are encouraged to apply, with the understanding that PENNVEST will do what it can to provide a subsidy level that will make their project affordable. Generally speaking, organizations that do not have a cash flow with which they could repay a loan will be eligible for funding that will not have to be repaid to PENNVEST.

Traditional water and wastewater systems whose projects do not clearly satisfy GPR criteria should apply for ARRA funds, but need not feel compelled to pursue approvals for the GPR criteria because the satisfaction of GPR criteria will have no impact on the terms to be offered them by PENNVEST. Projects which do meet the criteria are however encouraged to have their project recognized as such, because it will highlight local efforts to pursue environmentally-innovative methodologies, and because Pennsylvania may lose GPR dollars if we are collectively unable to document the required minimum 20% for GPR.

- Q How much can an applicant 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 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 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 If work has already been completed for the engineering and design of a project, can we include those fees paid 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 when 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 Funding is not allocated by county. 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. GPR requirements have been added to the standard PENNVEST application.
- Q How would an applicant “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 would an applicant “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 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 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 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, “borrower” is equivalent to “applicant”.
- Q What does it mean by applicant financial resources?
- a Financial resources mean 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 How would a conservation district complete the rate section?
- a A district would leave the section blank 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. To verify that your faxed statements have been received you should send an e-mail to jnapoli@state.pa.us.
- Q Will assistance be available if an applicant is unfamiliar with the PENNVEST application process?
- a Yes. PENNVEST will be available to help applicants and a contact for application questions is also provided at the end of this document. A webinar was recorded on April 20th which provided a walk through example of how to complete an application. That recording is available for viewing on the PENNVEST website.
- 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 website.
- Q Can a copy of the ARRA application be posted so that an entity can use it as a template to gather all of the required information before completing the electronic application?
- a A completed sample application is available for this purpose and is posted to the PENNVEST website.

Contact Persons:

Name	Email	Phone	Help Topics
Lee Murphy	c-lemurphy@state.pa.us	717-772-4055	General information
Ann Smith	annsmith@state.pa.us	717-787-4726	General information
Russell Wagner	ruwagner@state.pa.us	717-772-5807	Nonpoint source projects
Bev Reinhold	breinhold@state.pa.us	717-783-6589	PENNVEST application