Access Granted . . .

Getting the Most Out of Economic Stimulus Funding

NACWA
Kevin Shafer
NACWA Vice President
Executive Director
Milwaukee Metropolitan
Sewerage District, Wisconsin
The American Recovery and Reinvestment Act of 2009

• Signed Into Law, February 17, 2009

• Provides $787 Billion to Stimulate the Economy

• Includes Tax Cuts and Direct Spending Programs Geared Toward Creating/Saving 3.5 Million Jobs
The American Recovery and Reinvestment Act of 2009

• The Infrastructure Portion of the Package
  Includes $4 Billion for the Clean Water State Revolving Fund (CWSRF)

• $2 Billion for the Drinking Water State Revolving Fund (DWSRF)
CWSRF Provisions

• Requires at Least 50% be Used for Grants, Principle Forgiveness, and Negative Interest Loans

• Requires At Least 20% for Projects to Address Green Infrastructure – to the Extent that There Are Sufficient Eligible Applications
CWSRF Provisions

• Directs Priority Funding to Projects on State Priority Lists That Are Ready to Proceed to Construction Within 12 Months

• Directs the EPA Administrator to Reallocate SRF Monies Where Projects are not Under Contract or Construction Within 12 Months
Other Potential Opportunities For Clean Water Agencies

- $4.6 Billion for Water Resources Projects Authorized by the Army Corps of Engineers, Including Local Community Wastewater Infrastructure Investments

- $3.8 Billion for Water and Wastewater Investments for Small Communities Under 10,000 Through the Rural Utility Service of the U.S. Department of Agriculture
Other Potential Opportunities For Clean Water Agencies

- $1 Billion for Bureau of Reclamation Water Projects in Western States
- $1 Billion for Community Development Block Grants (CDBG) Under the Department of Housing and Urban Development
Other Potential Opportunities For Clean Water Agencies

- $340,000 is Provided Through the USDA’s Natural Resources Conservation Service for Watershed Protection and Flood Prevention

- $6.3 Billion for State and Local Government Energy Grants
H.R. 1 & Milwaukee’s Perspective

• Using the CWSRF distribution formulas, the State of Wisconsin will be allocated $107,864,636. Currently $1.2 billion worth of projects on their State priority list.

• Of the State of Wisconsin’s allocation, MMSD is capped at receiving approximately $37 million. Our current 6-year financial plan identifies $692.5 million in project expenditures (Stimulus = 5.3% of need).

• Stimulus is great but we need to identify a long-term solution to this gap.
NACWA’s Next Steps

• Development of a Detailed Written Analysis on Implementation of the Recovery Package That Will Provide Valuable Guidance on Access to Project Funding

• A Tracking and Monitoring Program to Work With Wastewater Utilities Across the Country to Ensure that Funds are Effectively Spent and Have the Desired Economic Impact

• Continued Advocacy for a Long-term Funding Source to Close the Gap, Such as the Clean Water Trust Fund
Speakers for Today’s Presentation

• Ryan Seiger, Staff Director, Subcommittee on Water Resources & Environment, Transportation & Infrastructure Committee U.S. House of Representatives

• Sheila Frace, Director, Municipal Support Division Office of Wastewater Management U.S. Environmental Protection Agency (EPA)

• Matt Millea, Acting President New York State Environmental Facilities Corporation Council of Infrastructure Financing Authorities (CIFA)
Speakers for Today’s Presentation

• Ellen Gilinsky, Director,
  Division of Water Quality Programs
  Virginia Department of Environmental Quality
  President, Association of State & Interstate Water
  Pollution Control Administrators (ASIWCPA)

• Harry Stewart, Director, Water Division
  New Hampshire Department of Environmental Services
  Past President, ASIWCPA

• Greg Smith, Manager,
  Division of Environmental and Financial Assistance
  Ohio Environmental Protection Agency
  ASIWCPA
Ryan Seiger
Staff Director
Subcommittee on Water Resources & Environment
Transportation & Infrastructure Committee
U.S. House of Representatives
The American Recovery and Reinvestment Act of 2009

- Congressional Negotiations and Outcome – The Transportation & Infrastructure (T&I) Committee Perspective
- Role of Congressional Oversight in Stimulus Package Implementation
- Importance of Federal-State-Municipal Cooperation and Efficiency
T&I Next Steps on Clean Water Funding

• Clean Water SRF Reauthorization
• Options for a Clean Water Trust Fund
• Urban Stormwater
• Other
Sheila Frace
Director, Municipal Support Division
Office of Wastewater Management
U.S. Environmental Protection Agency (EPA)
EPA’s Role Under the Stimulus Package

• EPA’s Guidance to States on Implementation of Stimulus Package
Matt Millea
Acting President
New York State Environmental Facilities Corporation
Council of Infrastructure Financing Authorities (CIFA)
CIFA Perspective on Stimulus Package

- Unprecedented Opportunity
- Representative of Success of the SRF Programs
- Efficient Use of Federal Monies
Process, Challenges & Priorities in the State of New York

- Intended Use Plans - Ranked, Reviewed and Ready to Go!
- What About Us?
- Creating Opportunities for Green Infrastructure, Energy Efficiency, Innovation
Importance of Municipality/Utility Responsiveness to State Requests

• Success Through Partnership
• Respond to Requests Quickly
• Work With Finance Team
• Raise Issues to Principals As Soon As Possible
Stimulus Package as a Great Down Payment . . . But Not a Solution
More Work to Do

- $4 Billion is Tremendous Victory
- Truly Launching a New Generation of Water Finance
- Success Will Breed More Success
- The Fight for Reauthorization Begins
Ellen Gilinsky
Director, Division of Water Quality Programs
Virginia Department of Environmental Quality
President,
Association of State & Interstate Water Pollution Control Administrators (ASIWCPA)
ASI WPCA Perspective

• ASI WPCA Role in Coordinating State-Municipal Implementation

• ASI WPCA Perspective on Use of Grants Versus Loans

• Process, Challenges & Priorities
Harry Stewart
Director, Water Division
New Hampshire Department of Environmental Services
Past President,
Association of State & Interstate Water Pollution Control Administrators (ASI-WCPA)
Priorities & Challenges in the State of New Hampshire

• Intended Use Plan (IUP) Will be Vehicle for Prioritization- Amendment or Special Plan

• Priorities: “Readiness to Proceed” Balanced With “Environmental Benefit.”

• IUP Priority List Will Be Subject to Public Comment – Must be Wrapped Up in March

• Finalizing IUP is the Near Term Priority

• Then, Get the Local Grants Awarded, Projects Approved and Contracts Signed
State Interactions with Municipalities/Utilities
(pre-application process)

- Meetings Have Been Held 1/9, 2/6. A 3rd Scheduled on 3/5, Then in April
- NH “Pre-Application” Deadline is 2/27
- IUP Comments will be Received in March
- Distribute Grants in April - June
- Contracts will be Required to be Signed Well Before 12 Months from Feb. 17
Considerations on Leveraging Fund and Principal Forgiveness

• Statute Requires **At Least** 50% of Funds: Principal Forgiveness, Negative Interest or Grants

• Possible NH Options: Up To 100% Principal Forgiveness of Stimulus Funds Then “Leveraging” With Conventional SRF Loans

Example:

$40 M in “Grants” + $40 M in Loans = $80 M in Construction Projects
Greg Smith
Manager, Division of Environmental and Financial Assistance
Ohio Environmental Protection Agency
Association of State & Interstate Water Pollution Control Administrators (ASI WCPA)
Ohio’s CWSRF

• Total Awards of $4.2 Billion Since 1989
  – $1.5 Billion Federal Capitalization Grants
  – $2.7 Bond Proceeds, Repayments, State Funds

• Annual Awards $250 Million - $400 Million
Ohio CWSRF Customers

- Columbus $945
- MSD Cincinnati $104
- NEORSD $742
- Toledo $308
- Akron $44

Total $2.143 Billion
Ohio’s 2009 Recovery Projects

• ARRA: $218 Million
  – Green Infrastructure $44 Million

• Recovery Funding Proposals:
  – 550 Projects for $3 Billion
How to Allocate Recovery Funds?

- Grants
- Loans
- Grants + Loans
How to Meet Ohio’s Needs?

• Issues:
  – CWSRF as the Delivery Mechanism?
  – Levels of Federal Assistance?

NEXT STEPS?
Questions?
Thank You for Joining Us!

For More Information on This and Other NACWA Programs
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