



# 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)



# ASIWPCA Perspective

- ASIWPCA Role in Coordinating State-Municipal Implementation
- ASIWPCA 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 (ASIWCPA)



# 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 3<sup>rd</sup> 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 (ASIWCPA)



# 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	<u>\$ 44</u>
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



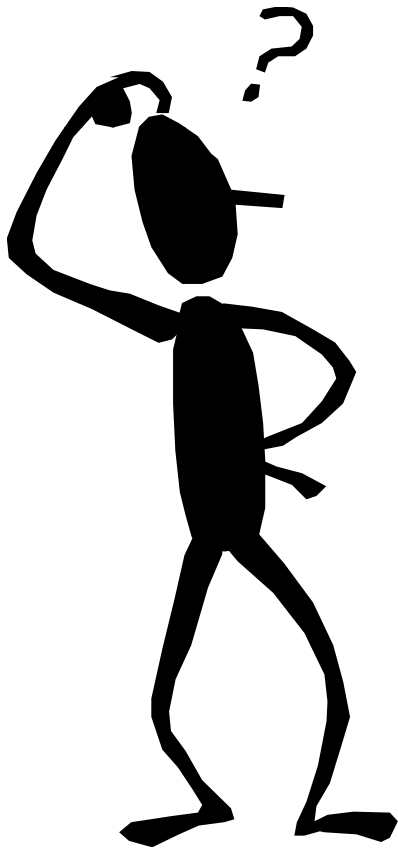


# How to Meet Ohio's Needs?

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

NEXT STEPS?

Questions?



# Thank You for Joining Us!

For More Information  
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NACWA Programs  
Visit Us on the Web at  
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