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Deadlines For FY-2006 Water Pollution Control (Clean Water) Revolving Loan Fund (WPCRLF) Projects

If you are an eligible loan applicant (Any county, municipality, municipal public utility, authority, district, political subdivision or other governmental unit created under state law) and are interested in

receiving WPCRLF loan funding for a wastewater, stormwater, or non-point source pollution control project, you must do the following in order to be considered for such funding during FY-06.

- Immediately hire a registered professional engineer in accordance with State law and the WPCRLF loan program regulations, and if necessary request and attend a pre-planning conference with MDEQ staff.
- By May 16, 2005, complete and submit the enclosed request form for ranking your project on the FY-06 Priority List. If this form was submitted last year for ranking on the FY-05 Priority List, but you never submitted a facilities plan for the project, you must again complete and submit this form with current information for FY-06. Or you may simply call Tom Webb at (601) 961-5136 to again verify your request for ranking in FY-06.

If a project on the FY-05 Priority List does not proceed during FY-05 and the loan applicant desires to proceed with this project in FY-06, the project will be placed on the Final FY-06 Priority List in accordance with the Priority System without having to submit a new ranking form for FY-06.

- By June 1, 2005 it is strongly recommended that you complete and submit the draft facilities plan to the Inter-Governmental Review (IGR) agencies for their review and comments. You may also submit the draft facilities plan to MDEQ at this time, should you desire to expedite the review.
- By July 15, 2005, provided you have received the IGR agency comments, it is strongly recommended that you publish a public notice of the proposed project giving the public an opportunity to comment on the proposed alternative and to examine all environmental review documents.
- By September 1, 2005, you must submit a complete WPCRLF facilities plan including:
 - all IGR agency comments;
 - a copy of the proof of publication of the public notice for the proposed project;
 - copies of any comments received from the public; and,
 - a summary of how each comment was addressed.

This facilities plan must be prepared in accordance with the WPCRLF Loan Program Regulations Effective for Loans Awarded On or After December 19, 2004.

If the loan applicant has existing debt with the Rural Utilities Service (formerly Farmers Home Administration) you should also submit one copy of the facilities plan to the Rural Utilities Service, along with a request for their approval to incur this additional debt.

Only those projects which meet the September 1, 2005 deadline for submitting a complete facilities plan will be considered for funding on the FY-2006 Priority List.

In order to provide assistance to our communities which are considering WPCRLF loan funding in the most convenient manner possible, MDEQ staff will be available to meet with municipal boards, counties, districts, authorities, or their staff at regular meetings or otherwise as requested. Please feel free to contact Mark Smith at (601) 961-5130 in this regard, or for any other assistance we may provide.

Advantages of the Water Pollution Control Revolving Loan Fund Program

Several important advantages to utilizing this WPCRLF loan program are as follows:

- Funding may be provided for up to 100% of the allowable project costs, thereby providing "one stop" financing if so desired.
- WPCRLF loan funds may be used for matching funds to a Community Development Block Grant or other grants/loans for water pollution control facilities, if so desired. These jointly funded projects are encouraged since they may result in the lowest community cost for a project.
- By utilizing WPCRLF loans, communities may avoid using general obligation bonding capacity to fund a project, and communities which have difficulty in selling their bonds or obtaining other funds now have a funding source.
- The WPCRLF loan rate for FY-06 will probably be in the range of 2.5% to 3.0% with a maximum 20 year repayment period. This loan rate should be substantially below market interest rates. Your consulting engineer should use 3.0% when completing the facilities plan.
- The 5% administrative fee will no longer be a cost to the loan recipient. MDEQ will collect this fee from the loan repayments.

- Where possible, the WPCRLF loan will be repaid by monthly withholdings of State sales tax or homestead exemption tax loss reimbursements by the State Tax Commission, thereby avoiding the need to transmit a monthly repayment to the WPCRLF.

Commission Adopts Final FY-2005 Water Pollution Control (Clean Water) Revolving Loan Fund Intended Use Plan

On November 18, 2004 the Commission on Environmental Quality adopted the Final FY-05 Intended Use Plan (IUP) for the Water Pollution Control Revolving Loan Fund (WPCRLF) program. The Commission's adoption of the Final FY-05 IUP was based on actual available federal funds, and assumed available state match funds that may be provided in the current state legislative session, as outlined in the Final FY-05 IUP.

The Final Priority List is shown on pages 9 through 11 of the Intended Use Plan. The funding line shown on this Priority List is based upon the assumed available funds breakdowns shown in Appendix A of the IUP.

Copies of the Final FY-05 Intended Use Plan are being mailed to those prospective loan recipients and their consultants that have projects listed on the FY-05 Priority List and the FY-06 and After Planning List. Others who wish to receive a copy of the Final FY-05 IUP can go to our MDEQ website at www.deq.state.ms.us, go to MDEQ Homepage, look under Quick Links and left click on Grants-Loans-Trust Funds. Scroll down the page to LOANS and left click on Water Pollution Control (Clean Water) Revolving Fund Loan Program. Scroll down the page to Publications and left click on Final FY-05 Water Pollution Control Revolving Loan Fund Intended Use Plan. If you do not have access to the Internet you can call Sandra Powell at (601) 961-5125 to request that a copy be mailed to you.

Stormwater and Non-Point Source Projects

The WPCRLF Program can also provide funding for best management practices to reduce polluted runoff. Here are a few examples of such projects:

- Stabilization of stream banks, riparian corridors and buffers;
- Stormwater treatment facilities including sediment basins and constructed wetlands;
- Provide the 40% local match for a 319 Non-point Source Management grant from MDEQ;
- Retrofit existing stormwater facilities with polluted runoff controls; and
- Purchase of real property, conservation easements or permanent easements for polluted runoff control projects.

For information on stormwater and non-point source project ideas go to the following website www.epa.gov/owow/nps/lid/ for A Basic Guide to Low Impact Development. This guide provides an introduction to low impact development technology. It is intended for use by public officials, policy makers, and interested members of the community.

New Regulations Effective for FY-06 WPCRLF Projects

In it's November meeting, the Commission on Environmental Quality adopted new regulations for the Water Pollution Control Revolving Loan Fund program, effective for projects funded on or after December 19, 2004. These new regulations made changes to 1) the date interest begins to accrue on loans; 2) Appendix L (Loan Recipient/Contractor Claims and Disputes); and 3) make other minor changes primarily to clarify these regulations.

A copy of these regulations will be provided to all potential loan recipients, and their consulting engineers, who submit a Request for Ranking and

Consideration for Funding Form. Or you can download an electronic copy of these new regulations by going to the MDEQ web site at www.deq.state.ms.us, go to the MDEQ Homepage, look under Quick Links and left click on Grants-Loans-Trust Funds. Scroll down the page to Loans and left click on Water Pollution Control (Clean Water) Revolving Fund Loan Program. Scroll down the page to Documents and left click on Water Pollution Control Revolving Loan Fund Regulations.

Reminder of New Priority System Categories

The Department would like to remind all potential loan recipients of the following changes to the Water Pollution Control Revolving Loan Fund Program Priority System, which are effective for projects awarded on or after October 1, 2004.

- Consideration for the Previous Year Standby Category – Beginning in FY-05 this category was limited to projects that 1) were listed immediately below the funding line on the previous year's Priority List within an amount of approximately 25% of that year's total available funds, 2) meet all Priority System deadlines in the previous fiscal year, and 3) were not funded because of a lack of WPCRLF funds or did not receive an assurance of other matching funds in the previous fiscal year.
- New Wastewater Overflow/Bypass Elimination Category – The scope of projects in this new Priority System category may include only the replacement, rehabilitation, and/or repair of existing transportation facilities that are necessary to eliminate documented bypasses and/or overflows of raw sewage from these transportation facilities for a 2 year, 24-hour rainfall event, as documented in the facilities plan for the project and approved by the Department. This new category will be ranked ahead of Existing Facilities Upgrades (Meeting Final Limits) where this type project was ranked in the past.

- New Ranking Criteria for New Collection – Existing Buildings Projects – Beginning in FY-05 these projects will be ranked by individual drainage basins within the loan recipient's jurisdiction rather than by physically contiguous areas.
- Coordination with Mississippi Basin Management Approach (BMA) – In order to support the worthwhile goals of the BMA, higher ranking will be given to projects documented in a Total Maximum Daily Load (TMDL) report as necessary to address a water body impairment. These high priority BMA projects will be ranked at the beginning of each Priority Category beginning with the Raw Discharge Category and continuing through the Existing Facilities (Meeting Final Limits) Category. If a Priority Category is divided into various subcategories, these projects will be ranked at the beginning of each subcategory. If more than one high priority BMA project is ranked in a priority category, these projects will be moved to the beginning of that category and/or subcategory and will be ranked in accordance with the Priority System.

If you have any questions about how these changes will affect the ranking of your project please call your project manager or Tom Webb at (601) 961-5171.

Water Pollution Control Emergency Loan Fund Program

The Water Pollution Control Emergency Loan Fund (WPCELF) Program provides loans to communities for the emergency construction, repair or replacement of wastewater collection and treatment facilities. The MDEQ currently has funds available in the amount of \$1.9 million in this emergency loan fund. This loan program provides a ready funding source for such emergency projects. MDEQ encourages communities throughout the state to utilize this program whenever emergency wastewater projects are needed.

The basic provisions of this program are: 1) a current interest rate of 4%; 2) a maximum single loan amount of \$350,000; 3) a maximum repayment period of ten (10) years; 4) eligible applicants are political subdivisions, and; 5) the project must meet the definition of an emergency as established in the program regulations. It is also important to note that loan recipients do not incur interest during the original construction period, and that loan repayments do not begin until after project completion.

Allowable costs for the project may not be incurred prior to the budget period established by the MDEQ, which may not begin more than 90 days prior to MDEQ's issuance of a funding pre-commitment letter or receipt of the loan application.

Costs for the project will be paid on a reimbursement basis, based upon the actual allowable expenditures of the loan recipient.

Representatives of communities that are interested in pursuing a WPCRLF loan should immediately call Mark Smith at 601/961-5130 for assistance.

CONSTRUCTION BRANCH CONTACTS

WPCRLF & WPCRLF Program Management

Mark Smith (601) 961-5130
Mark_Smith@deq.state.ms.us

Project Management Sections

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Jo Carol Tadlock (601) 961-5110
Jo_C_Tadlock@deq.state.ms.us

Program Support Section

Tom Webb (601) 961-5136
Tom_Webb@deq.state.ms.us

2004 Clean Watershed Needs Survey (CWNS) Results

The Department would like to thank all the cities, towns, consulting engineers, and state & federal agencies who responded to the CWNS survey and helped document wastewater needs in the State for the 2004 CWNS. Your response was tremendous and with your help the Department was able to document approximately \$2.6 billion dollars worth of point source and non-point source needs in the State. Listed below are the needs broken down by cost categories:

CWNS Cost Category	Needs in State
Secondary Treatment	\$89M
Advanced Treatment	\$142M
Infiltration/Inflow Corrections	\$68M
Replace/Rehab of Sewers	\$292M
New Collector Sewers	\$214M
New Interceptor Sewers	\$210M
NPS – Agriculture (Cropland)	\$64M
NPS – Agriculture (Animals)	\$241M
NPS – Silviculture	\$14M
NPS – Hydromodification	\$1,205M
NPS – On-site Septic Systems	\$79M

These figures included a \$238 million increase in point source needs and for the first time documents a need of \$1.524 billion in non-point source needs.

These increases in documented needs could result in a higher Mississippi allotment from future federal appropriations, should Congress amend the Clean Water Act to base the allotments on the needs in each State.

Thanks again to everyone who responded to this survey for a job well done. We certainly realize that we could not do it without your help.

HISTORY OF THE WPCRLF PROGRAM “IT’S ALL IN THE NUMBERS”

For sixteen (16) years now, the Water Pollution Control Revolving Loan Fund (WPCRLF) program has been financing water pollution control projects to protect the quality of surface water and ground water in our state. This Program has provided low interest loans to municipalities, counties, wastewater authorities and wastewater districts throughout the State for projects including the construction, upgrade, and rehabilitation of wastewater treatment facilities and collection systems.

Since the inception of the program the State has received approximately \$207 million in federal capitalization grants from EPA, has added another \$41 million in state matching funds, and has received almost \$148 million in loan repayments and interest earnings. All federal funds, state match funds, loan repayments and interest on deposits received by the fund are loaned for new projects, are repaid to the fund, and will continue to revolve and grow in perpetuity. The WPCRLF program currently provides ~ \$25 million yearly for new loan awards.

Listed below is a history of loans awarded by the WPCRLF program.

FISCAL YEAR FUNDED	NUMBER OF PROJECTS FUNDED	LOAN FUNDS OBLIGATED
1989	7	\$10,932,995
1990	13	\$25,261,873
1991	14	\$29,051,167
1992	10	\$18,882,900
1993	11	\$17,656,749
1994	14	\$22,191,646
1995	10	\$25,353,033
1996	9	\$25,807,478
1997	8	\$14,900,510
1998	8	\$15,842,015
1999	8	\$29,713,515
2000	8	\$16,706,783
2001	11	\$35,030,419
2002	20	\$66,287,255
2003	13	\$49,919,716
2004	14	\$28,810,393
TOTAL	164	\$432,348,447