MEMORANDUM

TO:    Mayors, Public Works Directors, Presidents of County Boards of Supervisors, County Administrators, Water/Wastewater/Utility District/Authority Directors, Consulting Engineers, and Other Interested Parties

FROM:  MS Department of Environmental Quality (MDEQ)  
Office of Pollution Control/Surface Water Division/Construction Branch

SUBJECT: Water Pollution Control Revolving Loan Fund (WPCRLF) 
Historically Low Interest Rates and Record Funds Availability  
Priority System/Funding Schedule  
Supplemental Guidance Reminder  
Additional Subsidy Funding  
Green Project Solicitation  
Emergency Loan Funding  
Matrix of Additional Funding Sources

DATE:  June 15, 2021

!!! HISTORICALLY LOW INTEREST RATES AND RECORD FUNDS AVAILABILITY!!!

In a continuing effort to help ease the economic impacts of the COVID-19 pandemic, interest rates for new WPCRLF loans are remaining at historic lows. The rate for 20-year term loans is 0.8%, and the rate for 30-year term loans is 1.3%. Also, the subsidy ("principal forgiveness") eligibility thresholds have been expanded to include communities with populations of 4,000 or less, and median household incomes of $40,000 or less.

Also, due in large part to continued Congressional CWSRF appropriations, and the Legislature’s additional state match bond authorizations, we again anticipate a record funds availability for the coming FY-2022 of more than $150 million, including more than $20 million of subsidy ("principal forgiveness") funding. Act NOW so that you don’t miss out on this rare opportunity for such unusually low interest rates and subsidy funding through the WPCRLF Program!!

PRIORITY SYSTEM/FUNDING SCHEDULE

If you are an eligible loan applicant (any county, municipality, public utility, authority, district, political subdivision or other governmental units created under state law) and are interested in receiving WPCRLF
loan funding for a water pollution control project (wastewater, stormwater, or non-point source), please note the following actions that need to be taken in order for your project(s) to be considered for FY-2022.

**As Soon As Possible,** procure the services of a Mississippi-licensed professional engineer and, if necessary, request and attend a pre-planning conference with MDEQ staff. **Please remember that Federal Procurement now applies to engineering services.** All WPCRLF-funded contracts for program management, construction management, feasibility studies, preliminary engineering, design, engineering, surveying, mapping, or architectural related services are now required to be negotiated in the same manner as a contract for architectural and engineering services is negotiated under 40 U.S.C. 1101 et seq.

**By July 15, 2021,** complete and submit an FY-2022 “Ranking Form.”

Note: If a Ranking Form was previously submitted, but the project was not funded, and the previously submitted information doesn’t need to be updated, a new Ranking Form does not need to be submitted. But you must contact our Program Support Coordinator, Greg Eiler (contact information below), as soon as possible to **confirm that we have the previous Ranking Form information,** and that the project will be proceeding in FY-2022.

**By September 1, 2021,** complete and submit the draft facilities plan to the Inter-Governmental Review (IGR) agencies for their review and comments. The draft facilities plan may also be submitted to MDEQ at this time, in order to expedite the review.

**By November 1, 2021,** provided you have received the IGR agency comments, publish a public notice for the project public hearing (at least 30 days prior to the hearing date) in a newspaper of general circulation in the project area. The notice/hearing must give the public an opportunity to comment on the proposed project and to examine all environmental review documents.

**By December 1, 2021,** hold the public hearing.

**By December 15, 2021, [Priority System Deadline]** submit a complete WPCRLF facilities plan to MDEQ:

The facilities plan must be prepared in accordance with the WPCRLF Loan Program regulations effective for loans on or after December 19, 2004, and the supplemental guidance for FY-2016 and after projects (described below). Only those projects which meet this **December 15, 2021,** deadline will be ranked on the FY-2022 Priority List. Those with late or incomplete plans which do not meet the deadline will be listed on the FY-2023 and After Planning List.

**By May 1, 2022, [Priority System Deadline]** a completed WPCRLF loan application and all associated documents required by the WPCRLF regulations and the supplemental guidance for FY-2016 and after projects (described below) must be submitted to MDEQ.

**By August 1, 2022, [Priority System Deadline]** all approvable documents and responses to MDEQ comments necessary for loan award must be submitted to MDEQ for review and approval.
SUPPLEMENTAL GUIDANCE FOR FY-2016 AND AFTER PROJECTS

Please remember that the supplemental guidance document entitled, “GUIDANCE FOR WATER POLLUTION CONTROL REVOLVING LOAN FUND PROJECTS FUNDED BEGINNING FEDERAL FY 2016 (OCTOBER 1, 2015, AND AFTER),” must be used in conjunction with the previously existing program checklists/guidance and WPCRLF Regulations to ensure that all currently applicable program requirements are met. This supplemental guidance document is available for viewing/downloading on MDEQ’s WPCRLF Program webpage.

ADDITIONAL 75% SUBSIDY FUNDING AVAILABLE IN 2022

As mentioned above, we anticipate that more than $20 million of subsidy ("principal forgiveness") funding will be available during FY-2022. Those funds will be subject to the following “affordability criteria” which was established to determine the subsidy eligibility and ranking of projects:

1) The community must be a “Small/Low Income Community” with a population of 4,000 or less, and Median Household Income (MHI) of $40,000 or less.
2) If the community’s population is confirmed to have been declining for the last three consecutive years, it will receive one “subsidy point.”
3) If the community’s unemployment rate is confirmed to have been increasing for the last three consecutive years, it will receive one “subsidy point.”
4) If the project is confirmed to be in an economically distressed area (per Section 301 of 42 USC 3171), it will receive one “subsidy point.”
5) The qualifying projects will be ranked for subsidization first based on highest to lowest number of “subsidy points,” and then from lowest to highest MHI.

Projects ranked within the available subsidy funds, will be eligible to receive subsidization of 75% of the loan amount, up to a maximum subsidy amount of $2,000,000.

GREEN PROJECT RESERVE SOLICITATION

MDEQ is continuing to solicit funding requests for projects, and/or portions of projects, which qualify for the “Green Project Reserve” (GPR). Qualifying GPR projects are given higher funding priority within each category of the WPCRLF Priority System. Consistent with the EPA’s guidance and the WPCRLF program regulations, a GPR project is a water pollution control project that falls into one of the following four categories: 1) green infrastructure, 2) water efficiency, 3) energy efficiency, or 4) environmentally innovative. Within each of these categories, projects (or components of projects) may either qualify categorically or be demonstrated to qualify based on a business case* documenting the related green benefits. Details regarding the types of projects which qualify categorically, which require business cases, and the contents of a business case, are outlined in EPA’s 2012 CWSRF 10% Green Project Reserve:
Guidance for Determining Project Eligibility, which is available for viewing/downloading on MDEQ’s WPCRLF Program webpage (See below).

* NOTE: EPA previously made a determination that business case documentation will no longer be required, and we are awaiting EPA’s revised GPR Guidance. We will make this revised guidance available on the MDEQ’s WPCRLF Program webpage once it is received.

WATER POLLUTION CONTROL EMERGENCY LOAN FUND (WPCELF) PROGRAM

Please don’t forget that the WPCELF program is available as a ready source of funding for the emergency construction, repair or replacement of wastewater collection and treatment facilities. Approximately $2.7 million in WPCELF funds are currently available for emergency loans. The basic provisions of the WPCELF 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) 5% administrative fee (added to principal);
5) applicants must be public entities/political subdivision; and
6) projects must meet the definition of “emergency” in the program regulations.

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 are paid on a reimbursement basis, based upon the actual allowable expenditures of the loan recipient. For application assistance, please contact any of the Construction Branch managers/coordinators via the email addresses or phone numbers listed below.

MATRIX OF ADDITIONAL FUNDING SOURCES

In our continuing effort of coordination among the State and Federal agencies that provide grant and loan funding for wastewater, drinking water, storm water, and solid waste projects, we recently updated our matrix of these funding sources. The updated matrix, which was developed jointly with the agencies included, is available for viewing/downloading on MDEQ’s WPCRLF Program webpage (See below). This matrix lists the funding sources, includes basic funding provisions, and gives the contact information for each program. We hope that this matrix will be of benefit to you in considering grant and loan funding sources for your future wastewater, drinking water, storm water, and solid waste projects.

OBTAINING RANKING FORMS AND OTHER WPCRLF GUIDANCE/INFORMATION

Forms for requesting ranking on the priority list, facilities planning guidance, design guidance, and other related WPCRLF Program information are available for viewing/downloading on MDEQ's WPCRLF
Program webpage by going to www.mdeq.ms.gov/cwsrf, or, if you prefer, you may use the contact information below to request that hard copies be faxed or mailed to you.

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