

American Rescue Plan Act of 2021 (ARPA)

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- Signed into law March 11, 2021

Authorized \$350 billion in Coronavirus State & Local Fiscal Recovery Funds

Purpose: To meet pandemic response needs and rebuild a stronger, and more equitable economy as the country recovers

- Support public health expenditures
- Address negative economic impacts caused by the public health emergency
- Replace lost public sector revenue
- Provide premium pay for essential workers
- **Invest in water, sewer, and broadband infrastructure**

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House Keeping

- Please mute yourself
- Please turn off video to save bandwidth for folks with limited internet speeds
- All questions can be placed in the chat
- Presentation will be recorded and posted on DNR's website for later viewing
- Close Captioning is available for folks that are interested

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ARPA: Program Structure

- The Department of Natural Resources is offering four separate Community Water Grant Programs: Drinking Water, Wastewater, Stormwater, and Lead Service Line (LSL) Inventories
- Eligible communities can submit applications to any or all funding programs for eligible projects

Funding Program	Available Funding*	Maximum Award Per Project/Applicant
Drinking Water	\$125 million	\$5 million
Wastewater	\$125 million	\$5 million
Stormwater	\$150 million	\$5 million
Lead Service Line Inventory	\$10 million	\$200,000
Total Available Funding	\$410 Million	N/A

*Budget is pending the Governor's signature



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ARPA: Missouri's Coronavirus State & Local Fiscal Recovery Funds Allocations

RECIPIENT	ALLOCATION
Counties	\$ 1,192,123,439
15 Metropolitan cities	\$ 830,549,274
Non-entitlement units of local governments	\$ 450,143,657
State	\$ 2,685,296,130



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ARPA: Drinking Water Eligible Applicants

- Incorporated Municipalities
- Public Water or Sewer Districts (if they own a drinking water system)
- Quasi-governmental agencies
- Joint Municipal Utility Commissions
- Privately Owned Utilities or nonprofit organizations
 - who's sole purpose is to provide drinking water services or a combined utility

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ARPA: Water Infrastructure Requirement Highlights

U.S. Treasury Final Rule requirements include, but are not limited to:

- Funds must be obligated by Dec. 31, 2024, and expended by Dec. 31, 2026
- “Strong labor standards”
 - Does not mandate compliance of Davis-Bacon federal wage and related acts for projects under \$10 million
- Does not apply/not required
 - National Environmental Protection Act (NEPA) reviews
 - American Iron and Steel (AIS)/Build America, Buy America (BABA) requirements
- Uniform Administration Requirements, Cost Principles, and Audit Requirements for federal awards (2 CFR Part 200, Uniform Guidance) applies to all ARPA funding

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ARPA: Wastewater Eligible Applicants

- Incorporated Municipalities
- Public Water or Sewer Districts (if they own a wastewater system)
- Quasi-governmental agencies
- Joint Municipal Utility Commissions
- Privately Owned Utilities or nonprofit organizations
 - who's sole purpose is to provide wastewater services or a combined utility



ARPA: Drinking Water Eligible Projects

- Most Drinking Water SRF eligible projects
 - Eligibility Handbook:
https://www.epa.gov/sites/default/files/2019-10/documents/dwsrf_eligibility_handbook_june_13_2017_updated_508_version1.pdf
- Storage: Rehabilitation or construction of standpipes and towers
- Distribution: Looping dead end lines, replacing old or leaky mains, inserting valves and hydrants, etc.
- Treatment: Constructing or repairing well houses, treatment plants, surface water intakes, or interconnections
- Operation and Maintenance is not eligible



ARPA: Stormwater Eligible Applicants

- Incorporated Municipalities
- Public Sewer Districts
- County Governments

All Applicants must manage stormwater infrastructure for a permitted MS4 or CSO system to be eligible to apply

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ARPA: Wastewater Eligible Projects

- Most Clean Water SRF eligible projects
 - Eligibility Handbook:
https://www.epa.gov/sites/default/files/2016-07/documents/overview_of_cwsrf_eligibilities_may_2016.pdf
- Lining, replacing, or extending sewer mains
- Upgrading or constructing lift stations and booster pump stations
- Building, replacing, or expanding treatment plants
- Regionalization or consolidation projects
- Operation and Maintenance is not eligible



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ARPA: Lead Service Line Inventory

- **Eligible Applicants:**
 - Incorporated Municipalities
 - Public Water or Sewer Districts (if they operate a drinking water utility)
 - Quasi-governmental agencies
 - Privately Owned Utilities
 - who's sole purpose is to provide drinking water service
- **Eligible Projects:** Only Lead Service Line Inventory work is eligible under this program

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ARPA: Stormwater Eligible Projects

- Installing or replacing storm sewer mains and culverts
- Construction of permeable pavements
- Real time control systems for CSO systems
- Rainwater harvesting
- Protection, restoration, or creation of shorelines and wetlands
- Many More



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Applications Cont.

- **Required Documents**
 - Applicant Assurance of Local Cost Share Form
 - Resolution for Authorized Representative Form
 - Consider holding a special meeting to pass this Resolution
 - Procurement documentation (if finished)
 - Map of the project area (Not applicable for LSL inventory)
 - Engineering Report/Facility Plan (if one is ready)

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Applications

- Applications will open May 16th and close July 14th
- State web portal
 - One stop shop for all your ARPA needs
 - Web link available in a coming GovDelivery message and press release
- Note: save your application often in the web portal



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Submitting Multiple Applications Cont.

Example #1:

- A city could apply to the drinking water grant program for a water tower construction project and also apply to the Stormwater grant program for a wetland restoration project

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Submitting Multiple Applications

- Eligible applicants can submit multiple applications to **different funding programs**
- Eligible applicants **cannot submit** multiple applications **within the same program** for drinking water, wastewater, and lead service line inventories

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Notice of Funding Opportunity

- Notice of Funding Opportunity (NOFO) document covers all program details
 - Includes.....
 - Example applications
 - Individual scoring rubrics
 - Rules for applying
 - Eligibilities
 - Local Cost Share Requirement
 - etc.
 - Includes three exhibits:
 - Missouri ARPA Water Infrastructure Special Terms and Conditions (part of every award)
 - ARPA Subrecipient Terms and Conditions (part of every award)
 - Frequently Asked Questions (FAQ)

Highly recommend reviewing ALL documents before applying!!!!



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Submitting Multiple Applications Cont.

Example #2:

- A city could not submit an application for a \$2,250,000 drinking water distribution project and a separate application for a \$2,750,000 water tower project
- However, the city could submit a single application for \$5,000,000 that includes both projects (tower and distribution)



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ARPA: Application Scoring – Financial Need

- Population - 15 pts max
- Unemployment Rate - 10 pts max
- Percent of Households in Poverty - 10 pts max
- Households with Low to Moderate Income (LMI) - 10 pts max
- Median Household Income (MHI) - 10 pts max
- User Rates compared to income (not evaluated for LSL or stormwater scoring) - 15 pts max
- Qualified Census Tracts - 10 pts max
- Amount of Outstanding Debt - 5 pts max
- Disadvantaged Status - 10 pts max
- Maximum Points Possible: 65-95 depending on the program: SW, CW, DW, or LSL

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ARPA: Application Scoring

- The ARPA program will be highly competitive
- Applications will be scored on 4 major criteria
 - Financial Need
 - Engineering Capability
 - Necessity of the project
 - Local Cost Share



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Local Cost Share

- H.B. 3020 section 20.325 appropriates funding...

“For the Department of Natural Resources for water infrastructure grants and lead service-line inventories, provided that local match be provided in order to be eligible for state funds”

- Communities who can offer larger amounts of match (5%, 10%, 20%, etc.) will receive priority in the scoring process
- Only cash-on-hand and local ARPA dollars are acceptable forms of cost share. Other state or Federal grants will not be acceptable with one exception....

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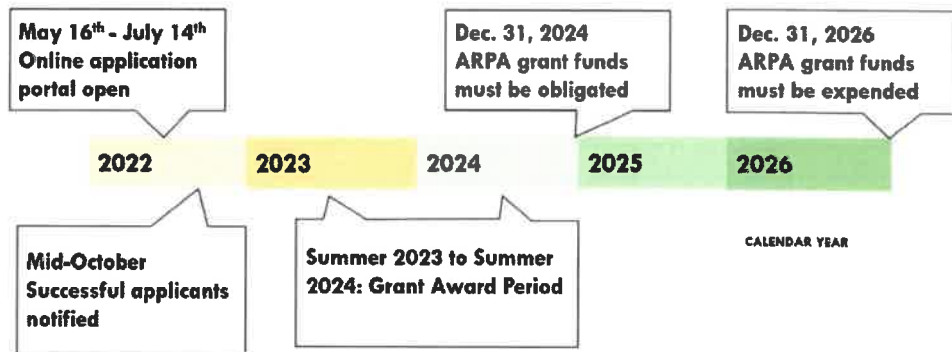
ARPA: Application Scoring – Capability, Need, Local Cost Share

- **Engineering Capability:** Does the applicant have an engineering report? (not evaluated for LSL applications) - 5 pts max
- **Necessity:** (Questions vary by application type)
 - Is the applicant out of compliance with state or federal standards?
 - Applicant is failing to meet a permit limit?
 - Project impacts a source water impairment?
 - Etc.
 - Total possible pts - 15 SW and LSL or 20 DW and CW
- **Local Cost Share:** How much in local cost share (local ARPA dollars or cash-on-hand) does the applicant have to contribute to the project? 5-10 pts max
- **Maximum Points Possible:** 25-30 depending on the program

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ARPA: Anticipated Timeline



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Local Cost Share Cont.

- Federal Funding Exception: Projects must be.....
 - Designed and ready to bid
 - The federal funds must have been awarded or will be within 30 days of the ARPA grant award
- Such exceptions may be made at the Department's sole discretion at the time of application
- Exceptions will be based on the Department's assessment of project readiness, including an estimated project schedule indicating the project completion date is prior to December 31, 2026

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ARPA: Frequently Asked Questions – RFI

I submitted an ARPA form with a bunch of project information to DNR last year. Didn't I already apply for an ARPA grant?

- NO, last year we sent out a Request For Information (RFI), not an application
- Those survey responses gave us information about the need for infrastructure in the State of Missouri
 - We used this information to help us build the current program and communicate to the legislature about the need for this funding

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Frequently Asked Questions

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ARPA: Frequently Asked Questions – Report/Plan Age

My engineering report/facility plan was completed 5 years ago. Is it acceptable for an ARPA application?

- **NO**, engineering reports/facility plans should be signed and stamped by a professional engineer no more than 3 years prior to the application submission date
 - Older reports are acceptable if they have been updated by a professional engineer and signed/stamped within the last 3 years
- Communities with newer reports may still want to evaluate the cost estimates listed in their reports and consider having a consulting engineer update them prior to application

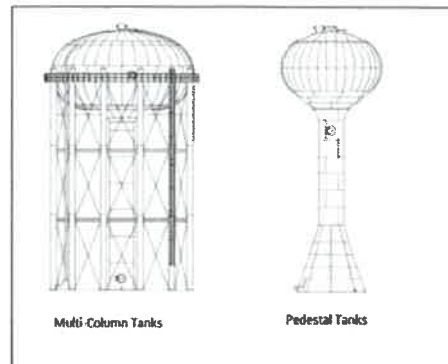
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ARPA: Frequently Asked Questions – Engineering

Do I have to have an engineering report, facility plan, or stormwater planning document to apply for ARPA?

- **NO**, you do not have to have a report completed or approved to submit an ARPA application
 - You will need to submit a completed one no more than 90 days from the application submission date.
- Plans, specifications, & final design are not required at the time of application



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ARPA: Frequently Asked Questions – IUP and Scoring

Will my ARPA application score higher if my project is listed on the State Revolving Fund (SRF) Intended Use Plan (IUP)?

- NO, ARPA and SRF applications are completely separate and they do not impact one another

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ARPA: Frequently Asked Questions – Procurement

We didn't follow the state or federal procurement requirements (qualifications based selection process) when we hired our engineer. Are our engineering expenses eligible for ARPA reimbursement?

- NO, the state cannot reimburse any engineering costs if the community did not follow state and federal procurement requirements when hiring their engineering firm
- A procurement certification form will be required for drinking water, wastewater, and stormwater programs
 - Not for LSL inventories since those are not considered an "engineering service" per § 327.181, RSMo

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ARPA: Frequently Asked Questions – Payments

If I'm awarded a grant, will I get all of my money up front?

- **NO**, awardees will have to submit invoices for review and approval before receiving reimbursement for eligible expenses

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ARPA: Frequently Asked Questions – Prevailing Wage

Do contractors have to pay the federal prevailing wage on ARPA projects?

- **NO**, ARPA projects worth less than \$10 million do not have to pay the federal prevailing wage
- However, all ARPA funded projects must pay the state prevailing wage and are encouraged to pay fair and equitable wages to all who are involved



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ARPA: Frequently Asked Questions – Real Estate

Can ARPA funds be used to purchase real estate or easements?

- YES, ARPA funds can be used to purchase real property if it is necessary for the project
- However, all awardees have to follow the Uniform Relocation Assistance and Real Property Acquisition Policies Act when purchasing property with ARPA funds



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ARPA: Frequently Asked Questions – AIS/BABA

Do ARPA projects have to follow American Iron and Steel (AIS) or Build America, Buy America (BABA) requirements?

- NO, ARPA funded projects do not have to follow AIS or BABA



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ARPA: Frequently Asked Questions – High Bids

How should we deal with the cost challenges of supply chain issues, increased inflation, and volatility?

- Update cost estimates before applying for funding
- Budget conservatively
- Build in bid alternates when possible
- Consider phasing projects to maximize grant opportunities

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ARPA: Frequently Asked Questions – Other Federal Funding

Is ARPA the same thing as the Infrastructure Bill?

- NO, ARPA stands for the American Rescue Plan Act of 2021
 - It is a COVID-19 relief bill designed to mitigate the impacts of the pandemic
- The Infrastructure Bill, also known as Infrastructure Investment and Jobs Act (IIJA) or Bipartisan Infrastructure Law (BIL), was signed in November of 2021
 - This law provided separate funding for water infrastructure through a different program called the State Revolving Fund (SRF)

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ARPA: Frequently Asked Questions – Pay Off Debt

We took on a private loan to pay for an ARPA eligible infrastructure project. Can we use ARPA money to pay off the remaining balance?

- NO, ARPA funds cannot be used to retire debt, replenish financial reserves, or pay legal settlements or judgements

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ARPA: Frequently Asked Questions – Previous Expenses

We started design on this project in December of 2020. Are those expenses eligible for ARPA reimbursement?

- No, ARPA funds cannot be used to reimburse any eligible costs that were incurred prior to March 03, 2021

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Financial Assistance Center

Contact us for more information

Email DNR.ARPA@dnr.mo.gov

Phone 573-751-1192

Visit us on the web at

<https://dnr.mo.gov/water/business-industry-other-entities/financial-opportunities/financial-assistance-center>

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