

DEQ Conference Call – February 20, 2009

Virginia's share is \$77M in SRF. A minimum of 50% of this money must go out in the form of a subsidization (principal forgiveness, negative interest loans, or grants). DEQ said they will NOT use grants and will use one of the other forms of subsidization. Also, 20% of the money must go towards projects with a green infrastructure component. These projects should demonstrate water efficiencies, energy efficiencies, and water reuse. It was stated that water reuse projects will be a top priority. Also important to note that stormwater projects will not be funding through this mechanism. Projects should be under contract by one year from February 17, 2009.

DEQ is hoping for federal guidance from EPA. As they are provided with updates, they will post definitions for green infrastructure and other things on their website.

DEQ said they were looking for new projects and want to target projects/localities who have not used SRF in the past. WQIF projects can apply if they are ready to go and meet other requirements.

Two provisions will apply to this money that have not applied to the Virginia SRF before.

1. Davis Bacon labor rate provisions (this will increase the cost of projects and will require lengthy documentation)
2. Buy American provision (DEQ is not sure how this will be documented)

Timeline:

Solicitations went out February 17, 2009 (www.deq.virginia.gov/cap)

Applications are due March 9 (by overnight mail or hand delivery)

Preliminary awards list will be published by April 1

Public meeting on this list April 15

Final approval of projects list by SWCB April 27-28

Submit to EPA and receive money in May

Close loans and start projects by end of summer

DEQ will review projects using SWCB criteria (on website) including type, environmental concerns addressed, fiscal stress of community, shovel ready. The fiscal stress and shovel readiness of projects will be weighted more in these awards than in usual awards. Job creation will not be a requirement but will be tracked. Hardship/fiscal stress will be determined using sewer rates and MHI. There will also be some consideration given to geographic distribution of the funds. Localities and contractors will have to demonstrate a good faith effort to work with SWAMs.