

MISSISSIPPI DEPARTMENT OF ENVIRONMENTAL QUALITY

MISSISSIPPI MUNICIPALITY AND COUNTY WATER INFRASTRUCTURE
GRANT PROGRAM APPLICATION AND AWARD PROCESS

Webinar Objectives

- MCWI grant opportunities
- Application process
- MCWI eligibility
- Scoring, ranking, and award process
- Responsibilities of grant recipients

Additional Information

- MCWI information can be found at mwaterinfrastructure.com
 - ▶ MCWI regulations
 - ▶ FAQs
 - ▶ Application portal questions
 - ▶ Treasury guidance

Today's Presenters



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MCWI Grant Program

- MS Legislature created MCWI Grant Program Act of 2022
- \$450 Million appropriated to grant program
- Administered by MDEQ with roles for MSDH and DFA
- Funded through American Rescue Plan Act (ARPA)
- Established eligible Applicants and Projects
- Mandated application requirements and ranking criteria
- Required matching funds from Coronavirus Local Fiscal Recovery Funds

What is the MCWI Grant Program?

- Competitive reimbursement grant program
- Open to
 - ▶ Municipalities
 - ▶ Counties
 - ▶ Public Utilities not regulated by PSC
- Eligible infrastructure Projects
 - ▶ Drinking water
 - ▶ Wastewater
 - ▶ Stormwater

Matching Funds

- Matching Funds MUST be Local Fiscal Recovery Funds
- MCWI Grants require match from:
 - ▶ Direct award of Local Fiscal Recovery Funds (LFRF) to a municipality or county
 - ▶ Award of LFRF through the Non-Entitlement Unit (NEU) Program
 - ▶ Transfer of LFRF from a municipality or county

MCWI Matching

- Municipalities receiving less than \$1M of LFRF
 - ▶ Eligible for two-to-one match
 - ▶ Only on funds awarded from U.S. Treasury/DFA
 - ▶ Transferred funds are only eligible for one-to-one match
 - ▶ Limited to a total of \$50M by state law
- Counties, municipalities, and certain public utilities
 - ▶ Eligible for one-to-one match

Key Dates

- Costs incurred since March 3, 2021 MAY be reimbursable
- Funds must be obligated by December 31, 2024
- MDEQ must expend MCWI funds by December 31, 2026
 - Recipients must submit final invoices to MDEQ by September 30, 2026

Overview of the MCWI Grant Process

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Application

Eligibility

Scoring &
Ranking

Award

Post Award

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Application

Eligibility

Scoring &
Ranking

Award

Post Award

What is the Portal?

- Online interface to submit MCWI grant applications
- Contains eligibility and scoring questions
- Requires registration
- Allows users to return as needed to update/complete application and upload required documents
- MDEQ expects the MCWI Portal to open in September
- Will be found at mwaterinfrastructure.com

Overview of Application

- General information
- Project information/description
- Budget and schedule
- Risk assessment information

Application - General Information

- Including but not limited to:
 - ▶ Contact information - authorized representative and engineer
 - ▶ Board resolution authorizing submission and representative
 - ▶ Amount and source of Local Fiscal Recovery Funds
 - ▶ Documentation of transfer (if any)
 - ▶ Mississippi 811 registration
 - ▶ Population and population trends
 - ▶ Median household income
 - ▶ Average annual water and sewer bill
 - ▶ Unemployment rates

Application - Project Information

- Including but not limited to:
 - ▶ Detailed description of the Project including purpose
 - ▶ Plans and specs (if prepared), engineering report, map
 - ▶ Budget and schedule for the Project
 - ▶ Evaluation of economic impact of the Project
 - ▶ Long term plans for operation and maintenance (if prepared)
 - ▶ Environmental or public health impact of the Project
 - ▶ Population, communities, political subdivisions served
 - ▶ Permits and approvals (if obtained)
 - ▶ Level of readiness of the Project

Application - Risk Assessment

- Including but not limited to:
 - ▶ History of managing federally funded Projects
 - ▶ Policies for managing federal awards
 - ▶ Audited financial statement
 - ▶ Compliance with existing federal requirements



Application

Eligibility

Scoring &
Ranking

Award

Post Award

Eligibility

- MDEQ will review all applications for eligibility
- Both the Applicant and the Project must be eligible
- Incomplete applications will be rejected but may be updated

Applicant Eligibility

- Applicants must be an eligible entity
 - ▶ Municipality
 - ▶ County
 - ▶ Public Utility not regulated by the Public Service Commission
- Applicants must have matching funds from Coronavirus Local Fiscal Recovery Funds
- Applicants must be registered with Mississippi 811

Project Eligibility

- All Projects must be eligible under both federal and state law
- Eligible Projects fall into 3 categories
 - ▶ Clean Water SRF eligible Projects
 - ▶ Drinking Water SRF eligible Projects
 - ▶ Other eligible Projects under ARPA

Eligible Projects - CWSRF Program

- Construction of publicly owned treatment works
- Projects pursuant to the implementation of a nonpoint source pollution management program established under the Clean Water Act
- Construction, repair or replacement of decentralized wastewater treatment systems that treat municipal wastewater or domestic sewage
- Measures that manage, reduce, treat, recapture of stormwater or subsurface drainage water
- Projects designed to reduce the demand for publicly owned treatment works capacity through water conservation, efficiency, or reuse measures
- Development and implementation of a conservation and management plan under Section 320 of the Clean Water Act
- Watershed Projects meeting the criteria set forth in Section 122 of the Clean Water Act
- Energy consumption reduction for publicly owned treatment works
- Reuse or recycling of wastewater, stormwater, or subsurface drainage water
- Measures to increase the security of publicly owned treatment works

Eligible Projects - DWSRF Program

- Facilities to improve drinking water quality
- Transmission and distribution, including improvements of water pressure, prevention of contamination in infrastructure, and lead service line replacements, provided that, in the case of lead service line replacement Projects, the full length of the service line is replaced, not a partial portion of the service line
- New sources to replace contaminated drinking water or increase drought resilience, including aquifer storage and recovery system for water storage
- Green infrastructure, including green roofs, rainwater harvesting collection, and permeable pavement
- Storage of drinking water, such as to prevent contaminants or equalize water demands
- Purchase of water systems and interconnection of systems
- New community water systems

Eligible Projects - Other

- Culvert repair, resizing, and removal, replacement of storm sewers, and additional types of stormwater infrastructure
- Infrastructure to improve access to safe drinking water for individuals served by residential wells, including testing initiatives, and treatment/remediation strategies that address contamination
- Dam and reservoir rehabilitation, if the primary purpose of dam or reservoir is for drinking water supply and Project is necessary for the provision of drinking water
- Lead remediation Projects eligible under EPA grant programs authorized by the Water Infrastructure Improvements for the Nation (WIIN) Act
- Any other drinking water, wastewater or stormwater Project eligible through ARPA guidelines, guidance, rules, regulations, and other criteria, as may be amended from time to time, by the United States Department of the Treasury

Necessary Investment Requirement

- A necessary investment in infrastructure is
 - ▶ Responsive to an identified need
 - ▶ A cost-effective means for meeting the identified need

CWSRF- and DWSRF-eligible Projects are generally presumed to be necessary investments



Application

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Scoring

1. Environmental impact of the Project
2. Ability to address non-compliance
3. Disadvantaged communities served
4. Long term maintenance plan
5. Contributions or cost sharing
6. Number of people served by the Project
7. Economic development
8. Ability to start and complete the Project
9. Benefits to multiple political districts
10. Ability to enhance public service infrastructure
11. Prior efforts to secure funding
12. Any other factors determined by MDEQ

Readiness (24 Points Max)

- Does the application include:
 - ▶ A proposed schedule and contract period that shows the Project will be completed by December 31, 2026
 - ▶ Completed plans/specifications/contract documents with agency approvals
 - ▶ Documentation confirming that all applicable permits, if required, have been obtained
 - ▶ Documentation that the Project is ready to begin construction within six (6) months of the portal closing for that Round
 - ▶ Documentation the Project has started construction

Disadvantaged and Overburden Communities (24 Points)

- ▶ Did the population of Applicant's service area decrease within the last 5 years?
- ▶ How does Median Household Income (MHI) for Applicant's service area compare to state MHI?
- ▶ How does the unemployment rate for Applicant's service area compare to state unemployment rate?
- ▶ How does the annual residential water and sewer bill for Applicant's service area compare to MHI for Applicant's service area?

Environmental and Public Health Impacts (15 Points Max)

- Applicant will identify the major issue its Project addresses
- Higher points will be awarded for Projects with greater impacts
- If a Project addresses multiple environmental or public health issues, the Applicant will only receive points for the single highest value impact

Population Served (10 points)

- How many people does the Project serve?
- Does the Project serve multiple communities?
- What percentage of the Applicant's service area does the Project serve?

O&M plans (4 points)

- Does the application include documentation of long-term plans for the operation and maintenance of the proposed Project?

Political Subdivisions (4 points)

- Does the Project serve more than one political subdivision?

Transportation and Emergency Access (4 points)

- Does the application clearly demonstrate that the Project will enhance public service infrastructure, including transportation and emergency access?

Correction of Noncompliance (4 points)

- Does the application clearly demonstrate that the Project addresses noncompliance with state and federal laws and regulations?

Economic Development (4 points)

- Does the application clearly show that the Project promotes economic development in the community/service area?

Prior Funding Efforts (4 points)

- Does the application clearly show the Applicant's prior efforts to secure funding to address the objectives of the Project?

Additional Funds (2 Points)

- Does the application clearly show the Applicant's commitment to contribute other non-ARPA funds or in-kind cost-sharing for a portion of the total Project cost?

Engineer's Approved List (1 Point)

- Does the application clearly show that the Project is on the applicable municipal or county engineer's approved list?



Application

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Awards

- Projects will be scored, then ranked by points against similar types of Projects
- Grant Award agreement
 - ▶ Terms and Conditions are non-negotiable
 - ▶ Will contain both state and federal requirements
 - ▶ Anticipate grant award agreements will be finalized before the end of the year
- ▶ First round of awards is limited by statute to \$180M



Application

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Monitoring

- MDEQ is required to monitor Projects
 - ▶ Reimbursement requests
 - ▶ Internal processes, policies, and procedures
 - ▶ Schedule adherence and progress of Projects

Through:

- ▶ Information requests and submittals
- ▶ Desk audits
- ▶ Site visits

Reimbursement

- Recipients must submit reimbursement requests on MDEQ forms and include
 - ▶ Invoices
 - ▶ Itemized expenditure statements
 - ▶ Cost justification documents
 - ▶ All necessary certifications
- Submit no more often than monthly
- Reimbursement of professional fees limited to 4% of the total project cost*

*Updated from the 7/28/22 Webinar

Audit

- Applicants should be aware that MCWI grants are FEDERAL funds
- Applicants will be subject to audits by the US Treasury, US Treasury Office of Inspector General (OIG), and the MS Office of the State Auditor (OSA)
- Expenditures of more than \$750K in one year will prompt the Single Audit requirements associated with expenditure of federal funds

Audit

- It is imperative that Recipients
 - ▶ Keep and maintain detailed records
 - ▶ Establish and adhere to programmatic policies and procedures
 - ▶ Adhere to federal and state procurement requirements

“Each person receiving funds under these programs found to be fully or partially noncompliant with the requirements in this act shall return to the state all or a portion of the funds received.” -SB 2822

Grant Close Out

- Completed Projects must go through a grant closeout process required by the federal government
- Grant Recipients will need to provide full accounting of the grant funded Project
- If US Congress and MS Legislature do not enact an extension, Recipients not completing Projects by December 31, 2026 are required to complete the Projects using other funds

Summary

- You must have Local Fiscal Recovery Funds to participate in the program
- Begin the process of collecting information for your application as soon as possible
- Be aware these funds will be subject to monitoring and recipients may be audited
- Go to mwaterinfrastructure.com to review the regulations, FAQs, and scoring summary

Disclaimer

- In this Webinar, MDEQ strived to provide the most accurate and current information, HOWEVER
 - Information is subject to change
 - Regulations and written FAQs will govern if any information presented in this Webinar conflicts
- MDEQ will attempt to post all questions asked but not answered during Webinar in an updated FAQ on the MCWI website
- This Webinar has been recorded and will be posted on MCWI website
- Submit follow-up questions to mcwi@mdeq.ms.gov