

Title 11: Mississippi Department of Environmental Quality

Part 10: Mississippi Municipality and County Water Infrastructure Grant Program

Part 10, Chapter 1: Mississippi Commission on Environmental Quality Regulations for the Mississippi Municipality and County Water Infrastructure Grant Program

Amended August 17, 2022

Amended December 16, 2022 (correction of scrivener's error)

Amended June 17, 2026 - The following sections were amended:

- **Amended Rule 1.1.A(2)**
- **Added Definitions to Rule 1.1.E**
- **Amended Rule 1.2.A(2)**
- **Added Rule 1.2.A(3)**
- **Amended Rule 1.2.E(5)**
- **Removed Rule 1.3.A(4)(e)**
- **Added Rule 1.3.F**
- **Amended Rule 1.3.D(4)**
- **Added Rule 1.3.E and F**

Amended July 30, 2026 - The following sections were amended:

- **Amended Definitions in Rule 1.1.E**
- **Amended Rule 1.2.E(5)**
- **Added Rule 1.2.E(7)**
- **Amended Rule 1.3.A(4)(b)**
- **Amended Rule 1.3.D(4)**
- **Amended Rule 1.3.E(5)-(7)**
- **Added Rule 1.3.E(8)-(15)**
- **Amended Rule 1.3.F(1)**

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Rule 1.1 Introductory Provisions

A. Scope of Regulations.

- (1) These regulations, adopted pursuant to Senate Bill No. 2822 of the Mississippi Legislature's 2022 Regular Session, shall govern the Mississippi Municipality and County Water Infrastructure (MCWI) Grant Program.
- (2) In the event of any conflict between these regulations and the MCWI Grant Agreement, these regulations and any written requirements, deadlines, or other directions established by the Executive Director pursuant to these regulations, shall control to the extent necessary to ensure compliance with applicable federal or state law, reimbursement requirements, reporting requirements, payment-processing requirements, obligation and expenditure deadlines, and other program requirements.
- (3) Nothing in these regulations shall limit the authority of the Executive Director to take action to enforce requirements of or conditions of the law, including actions necessary to prevent evasions of these regulations and actions necessary for recoupment of MCWI Grant Funds.

B. Compliance with Law and Regulations.

- (1) Grant Recipients must comply with all applicable requirements of the Program and governing regulations implemented thereunder, all applicable requirements of Section 9901 of ARPA and governing regulations thereunder, found at 31 CFR Part 35 and 2 CFR Part 200, and any other applicable State or federal laws, regulations or executive orders.
- (2) The Executive Director is authorized to and may proscribe additional requirements as may be necessary and appropriate.

C. Effective Date of Regulations. These regulations are effective July 1, 2022.

D. Reporting and Request for Other Information. When requested by the Executive Director, MCWI Grant Recipients shall provide reports accounting for the uses of MCWI Grant Funds and such other information as the Executive Director may require for the administration of the MCWI Grant Program. False or incomplete statements or claims may

result in termination of Recipient's Grant Agreement and subject Recipient to any other sanctions, penalties and/or other remedies available by law.

E. Definitions. The following words and terms, when used in these regulations, shall have the following meanings, unless the context clearly indicates otherwise:

- (1) Act – the Mississippi Municipality and County Water Infrastructure Grant Program Act of 2022, established by Senate Bill No. 2822 of the Mississippi Legislature's 2022 Regular Session.
- (2) ARPA – the federal American Rescue Plan Act of 2021, Public Law 117-2, which amends Title VI of the Social Security Act.
- (3) Awarded – MCWI Grant Funds are awarded to the Grant Recipient by a fully executed Grant Agreement on the date that the Grant Agreement is executed by the Executive Director.
- (4) Coronavirus Local Fiscal Recovery Funds or Local Recovery Funds – funds awarded to metropolitan cities, non-entitlement units of local governments and counties through Section 603 of Title VI of the Social Security Act amended by Section 9901 of the federal American Rescue Plan Act of 2021, Public Law 117-2.
- (5) Coronavirus State Fiscal Recovery Funds or State Recovery Funds – funds awarded to states through Section 602 of Title VI of the Social Security Act amended by Section 9901 of the federal American Rescue Plan Act of 2021, Public Law 117-2.
- (6) Department – the Mississippi Department of Environmental Quality.
- (7) Executive Director – the Executive Director of the Mississippi Department of Environmental Quality.
- (8) Expended – MCWI Grant Funds are expended when they have been paid with warrants issued by the State of Mississippi to or for the benefit of the Grant Recipient for costs submitted by the Grant Recipient that are within the scope of the Project, eligible under the Program, and approved by the Department.
- (9) Environmental Studies -- any plan, study, assessment or evaluation used to determine conditions that exist prior to construction, identify potential environmental effects, propose measures that would be necessary to protect environmental concerns, or predict environmental effects of a proposed Project.
- (10) MCWI Grant Agreement or Grant Agreement – an agreement between the Department and the Grant Recipient through which the Department provides MCWI Grant Funds for eligible assistance and the Grant Recipient promises to follow the rules and regulations of the Program over the period of the Grant Agreement.
- (11) MCWI Grant Applicant or Applicant – a municipality, county, or public utility eligible to apply for MCWI Grant Funds.
- (12) MCWI Grant Application or Application – the information required by the

Department and supplied by the Applicant necessary to evaluate the Project for MCWI grant funding eligibility and award.

- (13) MCWI Grant Funds – the funds awarded to the Grant Recipient by the Department for eligible assistance in completing the Project.
- (14) MCWI Grant Program or Program – the Mississippi Municipality and County Water Infrastructure Grant Program.
- (15) MCWI Grant Recipient or Grant Recipient – a municipality, county, or public utility that receives MCWI Grant Funds.
- (16) Non-Entitlement Unit – those municipalities with populations of less than 50,000 excluding cities that are designated principal cities of metropolitan statistical areas.
- (17) Obligations/Obligated – orders placed for property and services, contracts executed and subawards made, and similar transactions that require payment by the Grant Recipient or where the Grant Recipient has otherwise designated Project obligations for payment.
- (18) Professional Fees – fees for the services of attorneys and engineering, surveying, and environmental studies.
- (19) Project – the infrastructure improvements described in an Application that (i) comply with all requirements of the federal American Rescue Plan Act of 2021 and (ii) are eligible for MCWI Grant Funds under the Program.
- (20) Public Utility -- a non-private entity whose primary purpose is the ownership or operation of equipment or facilities for the transmission, distribution, sale or resale of water to the public for compensation, or the collection, transmission, treatment or disposal of sewage, or otherwise operating a sewage disposal service, to or for the public for compensation.
Registered
- (21) Professional Engineer – the engineer, registered by the Mississippi State Board of Registration for Professional Engineers and Land Surveyors, retained or employed by the Grant Recipient to provide professional engineering services during the planning, design, and/or construction of the Project.
- (22) Round – the process of submission of Applications, evaluation of the Applications by the Department, and the selection of Projects by the Executive Director that will receive MCWI Grant Funds.
- (23) Unique Entity Identifier – the official identifier used for doing business with the government.
- (24) Administrative Closeout - the process by which the Department reviews and documents final compliance, final cost support, professional fee calculations, remaining deliverables, and continuing Grant Recipient obligations after all or part of MCWI Grant Funds have been paid.

- (25) Administrative Submission Deadline – the date established by written notice of the Department by which a reimbursement request and all documents necessary for Department review, correction of deficiencies, approval, entry into MAGIC or any successor state payment system, submission for payment processing, and issuance of state warrants must be received in order for MCWI Grant Funds to be paid before the deadline imposed by law.
- (26) Final Closeout Package – the final package of documents required by the Department for Administrative Closeout, which may include the final report, engineer's certification, as-built drawings, approved change orders, final professional services contract amendments, final pay applications, professional fee worksheets, certifications, Cross-Award Reconciliation determinations, and such other documentation as the Department may require.
- (27) MCWI-Reimbursable Work – the work, services, materials, equipment, professional services, and costs that (i) fall within the overall Project described in the Application and Grant Agreement; (ii) are identified by the Department as eligible for reimbursement; (iii) either fall within the approved scope of the Grant Agreement against which reimbursement is sought or, for a Cross-Award Reconciliation, were within the approved scope of the Originating Grant Agreement at the time the work was performed; (iv) are identified by the Department as eligible for reimbursement under the applicable Grant Agreement or are assigned for final reimbursement to a Funding Grant Agreement by a Cross-Award Reconciliation Determination; (v) are documented by approved plans, specifications, contract documents, approved change orders, and other written approvals accepted by the Department.
- (28) Minimum Reimbursement Package – the documents, certifications, and supporting information the Department determines are necessary to review, approve, and pay a reimbursement request before Administrative Closeout is complete.
- (29) Completion of MCWI-Reimbursable Work – the point at which the Department determines that the MCWI-Reimbursable Work for which payment is sought has been sufficiently performed and documented to allow payment of the requested MCWI Grant Funds, even if the entire Project has not been completed and even if post-payment deliverables remain outstanding.
- (30) Full Project Completion – completion of the overall Project described in the Application and Grant Agreement, including any portions to be completed with other funds.
- (31) Scope Confirmation Statement – a written narrative, certification, and supporting documents included in the Final Closeout Package that identify the MCWI-Reimbursable Work actually performed and explain how that work corresponds to the overall Project as approved through the Application, the applicable Grant Agreement, approved plans, specifications, contract documents, approved change orders, and other written approvals accepted by the Department.

A Scope Confirmation Statement used in connection with a Cross-Award Reconciliation may cover two or more Related Grant Agreements and may include or incorporate by reference information, certifications, and supporting documentation submitted to or maintained by the Department in support of the Cross-Award Reconciliation.

A Scope Confirmation Statement is administrative only and does not, by itself, amend a Grant Agreement. When accepted as part of a Cross-Award Reconciliation Determination, the Scope Confirmation Statement may establish the final reimbursable scope and allocation of the reassigned tasks or groups of related costs among the Related Grant Agreements without a bilateral Grant Agreement amendment.

- (32) Related Grant Agreements – two or more fully executed MCWI Grant Agreements between the Department and the same Grant Recipient.
- (33) Originating Grant Agreement – the Related Grant Agreement whose awarded Application and approved scope originally authorized the work proposed for Cross-Award Reconciliation.
- (34) Funding Grant Agreement – the Related Grant Agreement with unused MCWI Grant Funds against which work from the Originating Grant Agreement is assigned for final reimbursement through a Cross-Award Reconciliation Determination, without increasing the amount awarded under the Funding Grant Agreement.
- (35) Cross-Award Reconciliation – a paired administrative action during final reimbursement or Administrative Closeout by which the Department (i) excludes specified work and costs from the MCWI-Reimbursable Work charged to an Originating Grant Agreement, and (ii) assigns that same work and those costs for final reimbursement under unused award capacity of a Funding Grant Agreement, without increasing the amount awarded under either Grant Agreement or the aggregate amount awarded to the Grant Recipient.
- (36) Cross-Award Reconciliation Determination – a written determination issued by the Executive Director or an authorized designee under Rule 1.3.E that approves and documents a Cross-Award Reconciliation. The determination may be issued by letter, form, electronic notice, or other written instruments retained in the Department's grant records.

Rule 1.2 Program Requirements

A. Use of Funds.

- (1) In general. A Grant Recipient may only use MCWI Grant Funds to cover costs that have been obligated during the period beginning March 3, 2021, and ending December 31, 2024, for one or more of the purposes enumerated in section D, as applicable.

- (2) Cost expended. MCWI Grant Funds must be expended no later than September 30, 2026, or by such earlier date as may be required by applicable federal or state law, appropriation, reversion, transfer, payment-system, or warrant-issuance requirements, or by such earlier date as the Department may proscribe in writing to permit timely review, processing, approval, and payment.
- (3) Administrative Submission Deadline and Cure of Deficiencies. Notwithstanding any provision of an MCWI Grant Agreement to the contrary, the Executive Director may establish by written notice an Administrative Submission Deadline and related cure deadlines for reimbursement requests, invoices, certifications, and supporting documentation when necessary to permit Department review, correction of deficiencies, approval, entry into MAGIC or any successor state payment system, processing by the Department of Finance and Administration, issuance of state warrants, and compliance with statutory transfer, reversion, or sweep requirements. A reimbursement request not submitted by the Administrative Submission Deadline, or not cured by the applicable cure deadline, may be denied, reduced, or determined ineligible to the extent the Department concludes it cannot be timely approved and paid in accordance with these regulations and applicable law.

B. Eligible Applicants.

- (1) The following entities are eligible for MCWI Grant Funds under the Program, provided each is an operator-member of Mississippi 811, Inc., as defined in Section 77-12-3 of the Mississippi Code:
 - (a) any Mississippi municipality;
 - (b) any Mississippi county; and
 - (c) any Mississippi public utility that is not regulated by the Public Service Commission (PSC). MDEQ construes the phrase “not regulated by the Public Service Commission,” to include all Public Utilities as defined above, that are not generally subject to the jurisdiction of the PSC, notwithstanding the fact that the entity has voluntarily submitted itself to the rate jurisdiction of the PSC, or that the PSC exerts jurisdiction over for non-rate purposes.
- (2) Each Applicant must have or will have Local Recovery Funds to be used as matching funds for the Project.
 - (a) A county must have been awarded or will be awarded Local Recovery Funds directly from the federal government.
 - (b) A municipality:
 - (1) must have been awarded or will be awarded Local Recovery Funds directly from the federal government; or
 - (2) must have been awarded or will be awarded Local Recovery Funds

from the Department of Finance and Administration through the NEU (Non-Entitlement Unit) program; or

- (3) may satisfy this requirement through a transfer of Local Recovery Funds from a county or another municipality.
- (c) A public utility that is not regulated by the Public Service Commission may satisfy this requirement through a transfer of Local Recovery Funds from a county or a municipality.

C. Eligible Projects.

- (1) Projects that are eligible under the EPA's Clean Water State Revolving Fund (CWSRF) program,¹ including the following:
 - (a) Construction of publicly owned treatment works;
 - (b) Projects pursuant to the implementation of a nonpoint source pollution management program established under the Clean Water Act;
 - (c) Construction, repair or replacement of decentralized wastewater treatment systems that treat municipal wastewater or domestic sewage;
 - (d) Measures that manage, reduce, treat, recapture of stormwater or subsurface drainage water;
 - (e) Projects designed to reduce the demand for publicly owned treatment works capacity through water conservation, efficiency, or reuse measures;
 - (f) Development and implementation of a conservation and management plan under Section 320 of the Clean Water Act;
 - (g) Watershed projects meeting the criteria set forth in Section 122 of the Clean Water Act;
 - (h) Energy consumption reduction for publicly owned treatment works;
 - (i) Reuse or recycling of wastewater, stormwater, or subsurface drainage water; and
 - (j) Measures to increase the security of publicly owned treatment works;
- (2) Projects that are eligible under the EPA's Drinking Water State Revolving Fund

¹ Projects must meet the eligibility requirements of section 603 (c) of the Federal Water Pollution Control Act (the Clean Water Act), 33 U.S.C. 1383 (c).

(DWSRF) program,² including the following:

- (a) Facilities to improve drinking water quality;
 - (b) 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;
 - (c) New sources to replace contaminated drinking water or increase drought resilience, including aquifer storage and recovery system for water storage;
 - (d) Green infrastructure, including green roofs, rainwater harvesting collection, and permeable pavement;
 - (e) Storage of drinking water, such as to prevent contaminants or equalize water demands;
 - (f) Purchase of water systems and interconnection of systems; and
 - (g) New community water systems;
- (3) Culvert repair, resizing, and removal, replacement of storm sewers, and additional types of stormwater infrastructure;
 - (4) Infrastructure to improve access to safe drinking water for individuals served by residential wells, including testing initiatives, and treatment/remediation strategies that address contamination;
 - (5) 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;
 - (6) Lead remediation Projects eligible under EPA grant programs authorized by the Water Infrastructure Improvements for the Nation (WIIN) Act; and
 - (7) 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.

D. Necessary Investments.

- (1) Each Project receiving funding under the Program must be a necessary investment

² Projects must meet the eligibility requirements of Section 1452 of the Safe Drinking Water Act, 42 U.S.C. 300j-12, as implemented by the regulations adopted by the EPA under 40 CFR 35.3520 (c)(2), with certain exceptions. Additional information about DWSRF Projects may be found in EPA's Drinking Water State Revolving Fund Eligibility Handbook dated 2017.

in infrastructure;

- (2) A necessary investment in infrastructure is:
 - (a) responsive to an identified need to achieve or maintain an adequate minimum level of service, which may include a reasonable projection of increased need, whether due to population growth or otherwise;
 - (b) a cost-effective means for meeting that need, considering available alternatives; and
 - (c) for investments in infrastructure that supply drinking water in order to meet projected population growth, projected to be sustainable over its estimated useful life;
- (3) CWSRF and DWSRF-eligible Projects are generally presumed to be necessary investments;
- (4) Recipients are required to assess cost-effectiveness of Projects for:
 - (a) the creation of new drinking water systems;
 - (b) dam and reservoir rehabilitation; or
 - (c) the extension of drinking water service to meet population growth needs.

E. Matching Funds.

- (1) For all Applicants, except municipalities that received less than One Million Dollars (\$1,000,000) in Local Recovery Funds, MCWI Grant Funds are available on a one-to-one matching basis, *i.e.*, funds are available at a rate of one dollar of MCWI Grant Funds for every dollar of Local Recovery Funds obligated to the Project.
- (2) Local Recovery Funds that a county transfers to a municipality or that a county or municipality transfers to a public utility not regulated by the Public Service Commission are eligible for the one-to-one match.
- (3) For municipalities that received less than One Million Dollars (\$1,000,000.00) in Local Recovery Funds, MCWI Grant Funds are available on a two-to-one matching basis. For example, funds are available at a rate of two dollars of MCWI Grant Funds for every dollar of eligible Local Recovery Funds obligated to the Project. The two-to-one match is limited to the Local Recovery Funds awarded or to be awarded to the municipality from the federal government or from DFA or transferred from another municipality that also received less than One Million Dollars (\$1,000,000.00) in Local Recovery Funds. Any funds transferred to a municipality from a county are not eligible for the two-to-one match, but they are eligible for a one-to-one match pursuant to these regulations.

- (4) The total MCWI Grant Funds awarded for two-to-one matches shall not exceed Fifty Million Dollars (\$50,000,000.00). After the \$50,000,000.00 cap has been reached, Projects may be funded on a one-to-one matching basis.
- (5) The dollar amount for Professional Fees allowed to be matched with MCWI Grant Funds is limited to four percent (4%) of the total Project cost, as reflected in the engineer's estimate, as-bid cost if available at the time of MCWI Grant Award, documented construction cost, or such other information acceptable to the Department in its discretion. For purposes of this requirement, the total Project cost may include MCWI Grant Funds, Local Fiscal Recovery Funds, including Local Fiscal Recovery Funds transferred from another eligible entity, and other funds used or to be used to pay for the Project, to the extent documented or otherwise accepted by the Department. MCWI Grant Funds and Local Fiscal Recovery Funds used as MCWI matching funds remain subject to applicable federal, state, and program obligation and expenditure deadlines, including any requirement that such funds be paid or otherwise expended no later than September 30, 2026, or such earlier date as the Department may lawfully proscribe. Other funds are not required by this subsection to be expended by September 30, 2026, in order to be counted toward total Project cost, provided the Department determines that such funds are sufficiently documented and are or will be used to complete the Project. The Department may reimburse all or any portion of eligible Professional Fees before Full Project Completion, provided the Department determines that sufficient documentation exists to establish eligibility, reasonableness, and a reasonable basis for calculating the applicable limit. All Professional Fees remain subject to final reconciliation during Administrative Closeout. Any amount paid in excess of the allowable limit, or otherwise determined by the Department to be ineligible, shall be returned to the Department or may be recouped by the Department. For purposes of a Cross-Award Reconciliation, construction costs and Professional Fees shall remain attributed to the Project under which the work was originally authorized and shall be counted only once when determining total Project cost and the four percent (4%) limitation.
- (6) Any funds awarded to the City of Jackson shall be deposited in the Capitol City Water/Sewer Projects Fund of the State Treasury.
- (7) A Cross-Award Reconciliation shall not change the matching ratio or minimum matching obligation applicable to a Funding Grant Agreement. MCWI Grant Funds finally charged to the Funding Grant Agreement must be supported by eligible Local Recovery Funds at the matching ratio applicable to that Grant Agreement. The Department may recognize eligible Local Recovery Funds identified under either Related Grant Agreement if the funds were timely obligated to the work, are otherwise eligible, and are not credited more than once. No cost, Local Recovery Funds, Professional Fees, or item of work may be counted toward more than one matching requirement.

F. Monthly Reporting and Reimbursement Requests.

- (1) Grant Recipients shall submit monthly reports, and reimbursement requests when required by the Department, in the form and by the dates established by the Department. The Department may require the monthly reports to include progress information, remaining amounts to be expended, remaining amounts expected to be requested for reimbursement, and such other information as the Department deems necessary to satisfy state or federal reporting obligations.
- (2) If a Grant Recipient fails to submit a required monthly report, the Department shall notify the Grant Recipient of the delinquency. The notice shall state that if the delinquent report is not submitted on or before the due date of the next required monthly report, the funds associated with that Grant Recipient may be treated as available and the Department may take any action authorized by law, regulation, or the Grant Agreement.
- (3) If a Grant Recipient fails to submit a reimbursement request in two consecutive monthly reporting periods, where such reimbursement request was required by the Department, the Department shall notify the Grant Recipient of the delinquency. The notice shall state that if a reimbursement request is not submitted on or before the due date of the next required monthly report, the funds associated with that Grant Recipient may be treated as available and the Department may take any action authorized by law, regulation, or the Grant Agreement.
- (4) Nothing in this Rule prevents the Department from determining, based on the facts of a particular Project, whether a reimbursement request was required during a given monthly reporting period.

G. Responsibility and Other Approvals.

- (1) The Applicant/Grant Recipient is responsible for the proper planning, design, construction, operation, maintenance, replacement, performance, and fiscal integrity of the Project. The Department's approval of any document does not relieve the Applicant/Grant Recipient or any others of any liabilities or responsibilities. The Department's approval of any document is for administrative purposes only and does not establish or transfer any such liability or responsibility.
- (2) It is the responsibility of the Applicant/Grant Recipient to obtain all other approvals, permits, clearances, easements, and/or agreements for the construction and operation of the Project, which may be required.
- (3) The Applicant/Grant Recipient shall provide a Clear site certificate for the Project, if deemed necessary by the Department.
- (4) Any Applicant suspended, debarred, declared ineligible, or voluntarily excluded from eligibility for covered transactions by any Federal department or agency cannot, during the period of suspension, debarment, or exclusion, receive federal grants or be paid from federal grant funds and is, therefore, ineligible to receive

Rule 1.3 Program Procedures and Deadlines

A. Application.

- (1) Applications must be submitted in the form required by the Department. Applicants should only submit Applications after MDEQ announces the opening of the Applicant portal for that Round. Any Applications received prior to the opening of the Applicant portal for that Round will not be considered.
- (2) Applications must be submitted by the Applicant's authorized representative as designated by the resolution required below.
- (3) Applications must contain, except where indicated herein, the following information:
 - (a) Information regarding the Applicant:
 - (1) Applicant's contact information, including a Unique Entity Identifier;
 - (2) a certified copy of a resolution by the Grant Applicant's governing body which authorizes the submission of the Application and designates an authorized representative or office to execute the Application and to be the authorized representative on the Project;
 - (3) documentation of its tax-exempt status under either federal or State law;
 - (4) an Internal Revenue Service Form W-9;
 - (5) Applicant's population (this number may be different from the population described in subsection A.(3)(b)(10) below):
 - (a) for municipalities, this number shall be the total population of the entire municipality(ies) determined by the latest 5-year American Community Survey compiled by the United States Census Bureau in Table B01003;
 - (b) for counties, this number shall be the total population of the entire county(ies) determined by the latest 5-year American Community Survey compiled by the United States Census Bureau in Table B01003;
 - (c) for public utilities, this number shall be the total number of customers served by the public utility(ies) as determined by any verifiable source.

- (6) median household income of Applicant's population:
 - (a) for municipalities, this number shall be the median household income of the entire municipality(ies) for the previous twelve (12) months determined by the latest 5-year American Community Survey compiled by the United States Census Bureau in Table S1901;
 - (b) for counties, this number shall be the median household income of the entire county(ies) for the previous twelve (12) months determined by the latest 5-year American Community Survey compiled by the United States Census Bureau in Table S1901;
 - (c) for public utilities, this number shall be the median household income of the customers served by the public utility(ies) as determined by any verifiable source.
- (7) unemployment rates of Applicant's civilian labor force:
 - (a) for municipalities, this number shall be the unemployment rate for the civilian labor force for the entire municipality determined by the latest 5-year American Community Survey compiled by the United States Census Bureau in Table DP03;
 - (b) for counties, this number shall be the unemployment rate for the civilian labor force for the entire county determined by the latest 5-year American Community Survey compiled by the United States Census Bureau in Table DP03;
 - (c) for public utilities, the number shall be the unemployment data for the civilian labor force for the public utility's service area(s) determined by any verifiable source.
- (8) current water/sewer rates. Applicants shall supply the average annual residential water and sewer bill for its service area. Such rates shall not be combined with any other charges and shall reflect only the water and sewer charges to the customer. For Applicants not supplying both the water and sewer services to its residents, Applicant must make reasonable efforts to obtain this information from other service providers in the Applicant's service area.
- (b) Information regarding the Project:
 - (1) Project description and the category of Project: drinking water, wastewater, or stormwater. If the Project consists of multiple

categories (e.g. wastewater and stormwater), Applicants shall describe the multiple categories in the Project description but shall designate one category as the primary purpose of the Project;

- (2) Project map;
- (3) estimated Project budget, including a detailed breakdown of MCWI Grant Funds, Local Recovery Funds, and other funds. For Projects that include work for more than one category, the Application shall provide the cost breakdown for each category. The budget shall include professional fees paid or to be paid on the Project;
- (4) list of match funds of Local Fiscal Recovery Funds received and to be received from the federal government or from another entity as allowed under these regulations and documentation of the commitment of those funds to the Project;
- (5) estimated Project schedule and statement of readiness to proceed;
- (6) all prepared plans, specifications, and professional services contract documents for the planning, design, bidding, and construction phases of the Project. The plans, specifications, and contract documents must bear the seal of the Registered Professional Engineer responsible for preparation of these documents. If these documents are not prepared at the time of Application submittal, they will be submitted to the Department when available and in accordance with the Project schedule;
- (7) any other engineering reports required by the Project or the Program, including but not limited to, reports showing the Project is a necessary investment;
- (8) a copy of all existing or proposed interlocal agreements related to the Project, if applicable. Such agreements shall be executed by all appropriate parties and shall be verified by the Department prior to any Grant award;
- (9) the following documents or approvals, if applicable to the Project, must be submitted with the Application if available at the time of Application submittal; alternatively, if not available at the time of Application submittal, a statement regarding the status of obtaining such documents or approvals must be submitted:
 - (a) an issued NPDES permit, a completed NPDES permit application, an approval letter from the Department for modifications to an existing system, or a statement from the Department that no NPDES permit or approval letter is needed;

- (b) an issued Section 404 and/or Section 10 permit, a completed Section 404 and/or Section 10 permit application, or a statement from the Corps of Engineers which states that such permits are not needed;
 - (c) an issued solid waste disposal permit or a completed solid waste disposal permit application;
 - (d) approved archaeological/cultural resource surveys, or a letter from the Mississippi Department of Archives and History which states that such surveys are not needed;
 - (e) approved vegetative/wildlife surveys, or a letter from the Mississippi Natural Heritage Program which states that such surveys are not needed; and
 - (f) any approval letters from the Department or the Department of Health for the Project.
- (10) estimate of population served by the Project;
 - (11) documentation of compliance history to be corrected by the Project;
 - (12) description of how the Project will promote economic development;
 - (13) documentation of previous funding attempts for the Project;
 - (14) long terms plans for financial and physical operation and maintenance of the Project;
 - (15) number of communities served by the Project;
 - (16) number of political subdivisions served by the Project; and
 - (17) documentation of the Project's ability to enhance public infrastructure including transportation and emergency access.

(4) Certifications.

- (a) Applicants shall certify in the Application that each expenditure of the funds awarded to them under MCWI Grant Program will be in compliance with ARPA guidelines, guidance, rules, regulations, and other criteria, as may be amended from time to time, by the United States Department of the Treasury regarding the use of monies from the State Recovery Funds.
- (b) Applicants shall certify in the Application that the Local Recovery Funds listed in the Application as match funds have been or will be used for the Project detailed in the Application, except that, upon issuance of a Cross-Award Reconciliation Determination, such funds may be applied to MCWI-Reimbursable Work under a Related Grant Agreement in accordance with

Rule 1.2.E(7).

- (c) At the Department's request, Recipients shall provide an Intergovernmental Review Certification on a form to be made available by the Department. The certification shall state that comments and responses have been solicited from state and federal agencies having an interest in work to be performed under the Project.

B. Application Deadlines.

- (1) The deadlines for submission of Applications will be posted on the Department's website at www.mdeq.ms.gov and on the MCWI website at www.mswaterinfrastructure.com.

C. Scoring and Ranking.

- (1) The Department shall review all Applications to determine if the Application sets forth required information to be eligible for a MCWI grant. Any Applications missing required information will be rejected. The Applicant will get notice of this rejection and may resubmit the Application with the missing required information. If this resubmittal is before the current Round's Application deadline, the Application will be reviewed for eligibility pursuant to paragraph (2) of this subsection. If this resubmittal is after the current Round's Application deadline, the Application will be reviewed in the next Round, provided there is such a Round.
- (2) The Department shall review all Applications to determine if the Applicant and Project are eligible for a MCWI grant. This determination will be made by conducting a formal Eligibility Risk Assessment relative to all submitted project information. The Eligibility Risk Assessment will be a multi-level review wherein project eligibility is determined in view of federal and state laws, rules and regulations. Any Applications determined to be ineligible after undergoing the Eligibility Risk Assessment process will not be scored and ranked. The Applicant will be given notice of this determination.
- (3) The Department shall develop a scoring system for scoring and ranking Projects for all eligible Applications it receives.
- (4) Based on the score of each eligible Application, the Department will rank each Application received from highest to lowest score by Project category.
- (5) For any Projects receiving the same score, the Department will further rank the Projects based on the median household income of the Applicant, with lower median household income ranking above higher median household incomes.
- (6) All final awards of MCWI grants shall be determined at the discretion of the Executive Director.
- (7) All scores and rankings are final. Applicants not selected may reapply in subsequent Rounds, should such Rounds occur.

D. Available Funds.

- (1) In Round One of grant awards, the Department will award no more than 40% of the total appropriated funds.
- (2) The Department will conduct a second Round of grant funding no later than six months after the first Round. Subsequent grant Rounds may occur if authorized by the Executive Director, with each subsequent Round occurring no later than six months after the previous Round.
- (3) To ensure equitable treatment among the three Project categories (wastewater, stormwater, drinking water), the Department will strive to award a minimum of 20% of the total awards to each category. To accomplish this goal, each of the three categories shall have available for award in Round one a minimum of 20% of the total funds awarded for Round One. If after Round One, any Project category does not have at least 20% of MCWI Grant Funds awarded, the difference of 20% of total MCWI Grant Funds available for award and the amount awarded to that Project category shall be available for award to that Project category in Round Two, provided there are sufficient Projects in that category in Round Two to award those funds. If in Round Two or subsequent Rounds thereafter, there are insufficient Projects to account for the 20% set aside for a Project category, those MCWI Grant Funds may be awarded to another Project category.
- (4) Funds shall be awarded to a Grant Recipient upon the execution of a Grant Agreement between the Department and the Grant Recipient. However, funds will not be paid to the Grant Recipient until approvable invoices for eligible costs are presented to the Department in accordance with the MCWI Grant Agreement, the Administrative Submission Deadline, and any other processing or cure deadline established by the Department. The amount stated in each fully executed Grant Agreement is the maximum amount that may be paid under that Grant Agreement. A Cross-Award Reconciliation Determination may assign MCWI-Reimbursable Work and costs to unused capacity under a Related Grant Agreement but shall not increase the amount awarded under any Grant Agreement or the aggregate amount awarded to the Grant Recipient.

E. Reimbursement, Final Payment, and Administrative Closeout without Later MCWI Grant Agreement Amendment.

- (1) The Department may approve and pay reimbursement requests for eligible MCWI-Reimbursable Work upon receipt of a Minimum Reimbursement Package, notwithstanding that Full Project Completion has not occurred.
- (2) The Department may process a final reimbursement request and make final payment of MCWI Grant Funds upon Completion of MCWI-Reimbursable Work if the Grant Recipient certifies, on a form prescribed by the Department, that any remaining Project work will be completed with Local Recovery Funds or other

funds and that no further MCWI Grant Funds will be requested.

- (3) Payment, including final payment of MCWI Grant Funds, shall not constitute Department acceptance that the entire Project is complete, shall not constitute acceptance of defective or incomplete work, and shall not relieve the Grant Recipient of any obligation to complete remaining Project work, furnish remaining deliverables, correct deficiencies, or otherwise comply with the Grant Agreement, these regulations, or applicable law.
- (4) The Final Closeout Package may be submitted after final payment of MCWI Grant Funds or after expiration of the period of performance stated in the MCWI Grant Agreement for administrative, audit, and compliance purposes only, provided the Minimum Reimbursement Package was timely received and any deficiencies were cured by the deadlines established by the Department.
- (5) The Final Closeout Package may include a Scope Confirmation Statement identifying the MCWI-Reimbursable Work actually performed and paid under a Grant Agreement and, if applicable, work assigned from or to a Related Grant Agreement through a Cross-Award Reconciliation Determination. The Scope Confirmation Statement is administrative only and shall not amend the Grant Agreement, increase the amount awarded under any Grant Agreement, authorize work that was outside all approved Grant Agreement scopes when performed, authorize additional payment above an applicable award ceiling, validate otherwise ineligible costs, or extend any deadline imposed by law.
- (6) The Department may use the Final Closeout Package and Scope Confirmation Statement to reconcile its payment record with the work actually performed, including the final attribution of work and costs among Related Grant Agreements, determine the final allowable amount of Professional Fees, verify that paid costs were within the approved reimbursable scope when performed or were properly assigned for final reimbursement through a Cross-Award Reconciliation Determination, and require proof that the remainder of the Project was completed with Local Recovery Funds or other funds.
- (7) Failure to submit the Final Closeout Package, failure to complete the remaining Project work, failure to furnish required deliverables, or submission of a Final Closeout Package showing that paid costs were outside approved reimbursable scope, were not properly assigned through a Cross-Award Reconciliation Determination, or otherwise ineligible may result in disallowance, recoupment, intervention, withholding of unpaid amounts, or any other remedy available by law, regulation, or the Grant Agreement.
- (8) Notwithstanding any contrary provision of a Grant Agreement, when a Grant Recipient is party to two or more Related Grant Agreements, the Department may

approve and implement a Cross-Award Reconciliation as part of interim reimbursement, final reimbursement or Administrative Closeout. The Department may assign MCWI-Reimbursable Work authorized under the Originating Grant Agreement for final reimbursement under the Funding Grant Agreement even though that work was not itemized in, or within the original scope description of, the Funding Grant Agreement. The work shall remain part of the Project described in the awarded Application underlying the Originating Grant Agreement.

- (9) The Department may approve a Cross-Award Reconciliation only upon determining that all of the following requirements are satisfied:
- (a) the same Grant Recipient is party to each affected Grant Agreement;
 - (b) the work was described in an awarded Application and was within the approved scope of the Originating Grant Agreement at the time the work was performed;
 - (c) the work and costs are eligible under the Act, ARPA, 31 CFR Part 35, 2 CFR Part 200, these regulations, and all applicable award terms;
 - (d) the obligations supporting the affected Grant Agreements, the work, and the costs satisfied all applicable federal, state, and Program deadlines;
 - (e) the Funding Grant Agreement has unused award capacity that remains available for payment and the Cross-Award Reconciliation does not increase the amount awarded under either Grant Agreement or the aggregate amount awarded to the Grant Recipient;
 - (f) the work and costs are excluded from reimbursement under the Originating Grant Agreement and are reimbursed only under the Funding Grant Agreement;
 - (g) the matching ratio applicable to the Funding Grant Agreement remains satisfied and no cost, match, Professional Fee, or item of work is reimbursed or counted more than once;
 - (h) all applicable procurement, bidding, contract modification, engineering, environmental, permitting, reporting, and other requirements were satisfied;
 - (i) the adjustment does not circumvent applicant or Project eligibility, scoring or ranking, Project-category accounting, matching requirements, award amounts, or another material condition of either award; and
 - (j) the Department can make all corresponding adjustments required in its accounting records, subaward records, and federal or state reports.

- (10) The Department may require the Grant Recipient to provide such information, certifications, and supporting documentation as the Department determines necessary to evaluate, approve, document, administer, and report a Cross-Award Reconciliation. Information and documentation previously submitted to or maintained by the Department may be incorporated by reference and need not be resubmitted unless requested by the Department.
- (11) Work assigned to a Funding Grant Agreement shall retain the identity of the originating Application and Project for purposes of eligibility, Project category, technical plans and specifications, permits, Full Project Completion, the four percent (4%) Professional Fee limitation, and Program and federal reporting. Assignment to the Funding Grant Agreement changes only the final source of MCWI reimbursement and any corresponding matching allocation approved by the Department.

Work or costs may be assigned to a Funding Grant Agreement notwithstanding that the work or costs were initially budgeted or paid with other funds, provided that such other funds were not used or credited as matching funds and the portion proposed for MCWI reimbursement is not and will not remain charged to another Grant Agreement or assistance award. To the extent approved by the Department, MCWI Grant Funds paid under the Funding Grant Agreement shall replace such other funds as the final funding source for the approved portion of the work or costs.

Any portion of the work or costs not reimbursed with MCWI Grant Funds may remain attributed to other funds. The replacement of other funds under this paragraph shall not convert those other funds into matching funds or change the matching ratio or minimum matching obligation applicable to the Funding Grant Agreement.

- (12) The Cross-Award Reconciliation Determination shall identify each affected Grant Agreement the work or costs reassigned and the amount charged to the Funding Grant Agreement. The Department shall document in its grant records the basis for determining that the requirements of paragraph (9) are satisfied and shall retain supporting records sufficient to permit accounting, audit, subaward administration, and federal and state reporting.
- (13) Upon issuance, a Cross-Award Reconciliation Determination is incorporated by operation of this Rule into each affected Grant Agreement and constitutes sufficient written Department authorization for final reimbursement, reconciliation, and Administrative Closeout. The determination does not require execution of a bilateral Grant Agreement amendment or the Grant Recipient's countersignature, and it does not increase the amount awarded under any Grant Agreement.
- (14) A Cross-Award Reconciliation shall not be used to:
 - (a) authorize work that was not described in any awarded Application or was

outside all approved Grant Agreement scopes at the time performed;

- (b) create or cure an obligation made after an applicable obligation deadline;
 - (c) transfer work or funds between different Grant Recipients;
 - (d) increase an individual award or the aggregate amount awarded to the Grant Recipient;
 - (e) charge an otherwise unallowable or inadequately documented cost to another Grant Agreement merely to overcome a funding deficiency or avoid a restriction;
 - (f) waive or cure noncompliance with procurement, permitting, environmental, matching, reporting, expenditure-deadline, or other requirements; or
 - (g) make a material change in the aggregate purpose or objective of the affected Projects.
- (15) Nothing in this subsection waives prior written approval required by 2 CFR 200.308 or another applicable federal requirement. A Cross-Award Reconciliation is limited to the final allocation of costs for work that was already authorized under the Originating Grant Agreement when performed. If the Department determines that a proposed action constitutes a change in project scope or objective, or otherwise requires federal prior approval, the required approval must be obtained before the action is undertaken or the cost is reimbursed.

F. Project Completion Certification

- (1) Upon Department request, each Grant Recipient shall certify on a form designated by the Department that, if the Project is not completed by September 30, 2026, the Grant Recipient will complete the Project through the use of other funds. If a Cross-Award Reconciliation is requested or approved, the Department may require a consolidated certification covering the Related Grant Agreements and identifying the funding source and completion status for each reassigned task.