

Office of the Governor

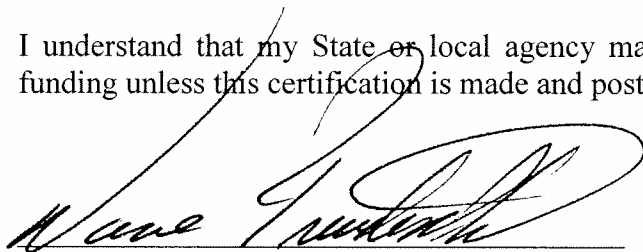
Carol Rushin, Acting Regional Administrator
United States Environmental Protection Agency
Region VIII
1595 Wynkoop Street
Denver, CO 80202-1129

Dear Ms. Rushin:

**CERTIFICATION UNDER SECTION 1511 OF
THE AMERICAN RECOVERY AND REINVESTMENT ACT:**

Pursuant to Title XV, Subtitle A, section 1511 of the American Recovery and Reinvestment Act of 2009 (Pub. L. 111-5 (Feb. 17, 2009)) ("ARRA"), I, Dave Freudenthal, hereby certify that the infrastructure investment funded by ARRA has received the full review and vetting required by law and that I accept responsibility that such investment is an appropriate use of taxpayer dollars. I further certify that the specific information required by section 1511 concerning such investment (a description of the investment, the estimated total cost, and the amount of ARRA funds to be used) is attached and is provided on the Office of State Lands and Investments website, available to the public at <http://slf-web.state.wy.us> and linked to Recovery.gov.

I understand that my State or local agency may not receive ARRA infrastructure investment funding unless this certification is made and posted.



Dave Freudenthal
Governor, State of Wyoming

Signed this 19 day of May, 2009

Attachments

May 12, 2009

BOARD MATTER D

ACTION: Approval of Clean Water and Drinking Water State Revolving Fund Loans and Principal Forgiveness for eligible projects from supplemental funding provided by the American Recovery and Reinvestment Act of 2009

AUTHORITY: W.S. § 16-1-203(a), W.S. § 16-1-303(b) and SLIB Emergency Rules and Regulations, Chapter 30: Clean Water State Revolving Fund Loans and Principal Forgiveness – Supplemental Appropriation Funding from the American Recovery and Reinvestment Act of 2009; and SLIB Emergency Rules and Regulations, Chapter 31: Drinking Water State Revolving Fund Loans and Principal Forgiveness – Supplemental Appropriation Funding from the American Recovery and Reinvestment Act of 2009

ANALYSIS:

On February 17, 2009 President Obama signed into law the American Recovery and Reinvestment Act (ARRA) of 2009. The ARRA contains a myriad of economic recovery funding allocations aimed at jumpstarting our nation's ailing economy. A portion of the total package of ARRA dollars will flow into Wyoming to fund water and wastewater infrastructure projects through the Clean Water and Drinking Water State Revolving Fund (SRF) Programs administered by the Office of State Lands and Investments (OSLI). [*\$19,239,100 for Clean Water SRF and \$19.5M for Drinking Water SRF*] There is no state match requirement for ARRA federal funds for Wyoming's SRF programs. Total identified project funding needs for the Clean Water and Drinking Water SRF programs exceed \$800M for which a total of \$38,739,100 is available from the ARRA supplemental appropriation.

Of the \$19,239,100 federal capitalization grant to Wyoming for its Clean Water SRF program, ARRA requires that \$3,847,820 (20%) be set aside in a Green Project Reserve until August 17, 2009. Deducting the Green Project Reserve set aside leaves the Board \$15,391,280 in available ARRA funding for conventional Clean Water SRF projects under ARRA through February 16, 2010.

The same scenario exists for federal capitalization grant funding for the Drinking Water SRF. Based on Wyoming's \$19.5M federal capitalization grant, the Green Project Reserve for the Drinking Water SRF program is \$3.9M leaving the Board \$15.6M in available ARRA funding for conventional Drinking Water SRF projects through February 16, 2010.

A threshold eligibility requirement for ARRA funding is that a project must be listed on the 2010 Intended Use Plan for the Clean Water SRF Loan Program or the Drinking Water SRF Loan Program or both. Today the Board will consider a total of 70 applications for funding. Of the 70 applications, 36 seek funding from the Clean Water SRF Program. The remaining 34 seek funding from the Drinking Water SRF Program. All projects are listed on either the 2010 Intended Use Plan for the Clean Water SRF Program or the Drinking Water SRF Program or both and thus meet the threshold eligibility requirement for ARRA funding.

ARRA funding works differently from Core Program funding for the SRF programs when it comes to considering rankings on the Intended Use Plan (IUP). ARRA funding favors projects that can be under contract and construction quickly over working top to bottom through the rankings on the IUP. The Core Program requires working top to bottom through the IUP in considering projects for funding.

Here are the highlights of the ARRA as it pertains to the SRF Programs:

- Eligible infrastructure projects must be under contract or construction within twelve (12) months of bill enactment. [*February 16, 2010*] The Board's Emergency Rules state a preference for eligible water and wastewater infrastructure projects that can be under contract or construction no later than January 1, 2010. [*Emergency Rules and Regulations, State Loan and Investment Board, Chapters 30 and 31, Sections 4(c)(ii) and Sections 6(iv)*]. The

basis of this preference is to create a last minute window in which the Board could act to fully utilize federal funding before it automatically would be deobligated on February 17, 2010. [*Emergency Rules and Regulations, State Loan and Investment Board, Chapters 30 and 31, Sections 9(c)*]

- Federal funding under ARRA is for SRF loans but ARRA also requires that the State of Wyoming make at least 50% of the new money available in the form of principal forgiveness, negative interest rates, or grants or any combination thereof. By rule, principal forgiveness is the option the Board selected to meet the ARRA “at least 50%” requirement. [*Emergency Rules and Regulations, State Loan and Investment Board, Chapters 30 and 31, Sections 3 and 4*] United States Environmental Protection Agency (USEPA) guidance on this point cites the Congressional Joint Explanatory Statement in Conference Report 111-16 which states, “the Conferees expect the States to target, as much as possible, the additional subsidized monies (i.e. principal forgiveness) to communities that could not otherwise afford an SRF loan.” [*United States Environmental Protection Agency Memorandum, “Award of Capitalization Grants with Funds Appropriated by P.L. 111-5, the ‘American Recovery and Reinvestment Act of 2009’”, March 2, 2009, Section V., Program Implementation, B. Management of Additional Subsidization Reserve, page 12*]
- Twenty percent (20%) of ARRA funding for both SRF programs is to be set aside for funding “green” infrastructure, water or energy efficiency improvements or other environmentally innovative activities. Guidance from the USEPA is that the State must make a “timely and concerted solicitation” for such projects. [*United States Environmental Protection Agency Memorandum, “Award of Capitalization Grants with Funds Appropriated by P.L. 111-5, the ‘American Recovery and Reinvestment Act of 2009’”, March 2, 2009, Section V., Program Implementation, Subsection C. Management of Green Project Reserve, pages 14 and 15*] Moreover, the State must do so throughout the window to solicit such projects from February 17, 2009 through August 17, 2009. Eligible local government entities have been, and will continue to be, noticed and urged to contact OSLI or the Wyoming Department of Environmental Quality (WDEQ) or the Wyoming Water Development Office (WWDO) to discuss their project(s) for this special funding set aside. Applications for “green” infrastructure projects will only be accepted and reviewed for this special funding set aside through August 17, 2009. Thereafter, with USEPA approval, any unexpended set aside funding will be made available for conventional projects. [*For both “green” and conventional projects Office staff, WDEQ and WWDO have focused efforts on those projects that fit categorical exclusions from the State Environmental Review Process (SERP) tied to the National Environmental Policy Act (NEPA). Projects fitting categorical exclusions from SERP and NEPA best fit the “shovel ready” context of ARRA*]
- General Provisions of ARRA include two (2) key components: 1) Section 1605 provides for the use of American iron, steel and manufactured goods in projects. USEPA can waive this requirement under certain circumstances. 2) Section 1606 provides for specific wage requirements. All laborers and mechanics employed by contractors and subcontractors on projects funded by ARRA must be paid the wages prevailing in the locality for similar projects as determined by the Secretary of Labor in accordance with the Davis-Bacon Act.

The application review process involved staff from OSLI, WDEQ and WWDO throughout the month of April 2009. Staff considered and weighed many factors in formulating input for my recommendations. As a preliminary step to the Board’s review, staff evaluated applications for Clean Water SRF loans pursuant to criteria set forth in the Board’s Emergency Rules as follows:

1. Whether the applicant is current on all its loan repayment obligations to the Board;
2. Whether the applicant’s dedicated source(s) of repayment will be sufficient to repay the loan;
3. Whether the applicant’s project addresses green infrastructure, water or energy efficiency improvements or other environmentally innovative activities;
4. Whether the applicant’s project can be under contract or construction by January 1, 2010;

5. Whether applicant's project fits a categorical exclusion from the state environmental review process or whether state environmental review process requirements can be timely met;
6. Whether the applicant has established an operations and maintenance costs fund for the project for which applicant seeks funding;
7. The financial need of the applicant (as determined by the Board);
8. Whether the applicant has made a significant commitment of funding resources for the project for which it seeks funding;
9. Whether the project is appropriately sized for the population to be served by the project;
10. The percentage of the applicant's population directly served by the project. *[Emergency Rules and Regulations, State Loan and Investment Board, Chapter 30, Clean Water State Revolving Fund Loans and Principal Forgiveness – Supplemental Appropriation Funding from the American Recovery and Reinvestment Act of 2009]*

Staff evaluated applications for Drinking Water State Revolving Fund loans pursuant to the same ten (10) criteria set forth above plus the following three (3) criteria set forth in the Board's Emergency Rules:

1. Whether the applicant has an appropriate project Priority List ranking as required in Section 1452(b)(3) of the Safe Drinking Water Act and is listed on the fundable portion of the Intended Use Plan;
2. Whether the applicant can demonstrate Capacity Development capabilities in compliance with Section 1420(b)(3) of the Safe Drinking Water Act and the applicable requirements of DEQ;
3. Whether the applicant can obtain or ensure the certification of its Operators of the Publicly Owned Water System in accordance with DEQ rules and regulations prior to obtaining financial assistance approval.

In addition to these criteria, staff also considered Annual Median Household Income (AMHI) and water and sewer rates for each applicant as part of assessing financial need. *[AMHI data based on 2000 U.S. Decennial Census and water and sewer rates as compared to statewide averages per Board's Emergency Rules, Chapters 30 and 31, Sections 4(c)(v)(C)]* In applying these criteria, staff determined that the financial need of some applicants was greater than the amount requested in their applications. Staff input was to raise the amount of principal forgiveness in those instances. In some instances staff determinations went the other way and recommendations were to lower the amount of principal forgiveness. Staff determinations relative to principal forgiveness are consistent with congressional direction as set forth in USEPA guidance as follows:

USEPA guidance on this point cites the Congressional Joint Explanatory Statement in Conference Report 111-16 which states, "the Conferees expect the States to target, as much as possible, the additional subsidized monies (i.e. principal forgiveness) to communities that could not otherwise afford an SRF loan." *[United States Environmental Protection Agency Memorandum, "Award of Capitalization Grants with Funds Appropriated by P.L. 111-5, the 'American Recovery and Reinvestment Act of 2009'", March 2, 2009, Section V., Program Implementation, B. Management of Additional Subsidization Reserve, page 12]*

Project complexity/simplicity and readiness to proceed were also important criteria that staff considered. More complex projects (e.g. treatment plants) inherently contain more manufactured components that must meet the American made requirements of ARRA. Less complex projects (e.g. water and sewer line replacements) inherently contain fewer manufactured components that must meet the American made requirements of ARRA. Succinctly, it is fairly easy to identify the American manufacturers of PVC for line replacement projects. Moreover, more complex projects typically require longer time lines for issuance of permits versus less complex projects. As to readiness to proceed, projects were ranked on a 1 to 3 scale with 1 being the most ready to proceed and 3 being least ready to proceed. *[See attached e-mail from Brian Mark, Staff Engineer, WDEQ dated May 7, 2009]*

Staff also factored in existing loan debt, especially existing SRF program debt. Succinctly, some entities have routinely made use of SRF program loan funds. Often by not competing with other local government entities for available state grant funding.

In some instances applicants projects have either been previously approved or denied partial or full state grant funding by the Board. Staff took this into account. Staff also, to the extent possible, strived to recommend projects for funding in as many counties in Wyoming as possible. In some cases, portions of projects required funding on both the Clean Water SRF side and the Drinking Water SRF side. Staff also took this into account. Staff also factored whether projects nearing bid were willing to incorporate ARRA/SRF requirements. Lastly, staff factored in whether state funding in the form of countywide consensus grants were available to the entity applying for ARRA/SRF funding.

The Director appreciates the hard work and teamwork of staff from OSLI, WDEQ and WWDO in reviewing applications for funding for today's meeting. This was a daunting task to accomplish in a short time frame to comply with ARRA requirements. Staff pulled together in their work with local government entities to ensure that applications were complete for today's meeting. Staff worked together to weigh and consider multiple factors in formulating input for my recommendations. It is fitting to recognize those staff whose yeoman efforts laid the foundation for my recommendations.

OSLI: Debby Dickson, Rebecca Webb, Cris Gillett, Amanda Sewell, Jeanne Norman and Rob Tompkins

WDEQ: Brian Mark and Kevin Frank

WWDO: Wade Verplancke and Mike Hackett

DIRECTOR'S RECOMMENDATION: The Director recommends that the Board set aside a slightly higher amount of funding for the Green Project Reserves for both the Clean Water SRF and the Drinking Water SRF programs than is required by ARRA. ARRA requires a 20% set aside in a green project reserve for both programs which for the Clean Water SRF is \$3,847,820 and for the Drinking Water SRF is \$3.9M. The Director recommends a green project reserve set aside of \$4,424,993 or roughly 23% of the \$19,239,100 ARRA allocation for the Clean Water SRF Program. Similarly, the Director recommends a green project reserve set aside of \$4,500,000 or roughly 23% of the \$19,500,000 ARRA allocation for the Drinking Water SRF Program.

The basis for requesting the higher allocations for the green project reserves for both SRF programs stems for USEPA guidance to staff. Via written guidelines dated March 2, 2009, webcasts, meetings and conference calls the USEPA has consistently advised staff to actively solicit for projects within the green project reserve through August 17, 2009. As noted earlier in this Board Matter, USEPA guidance to states is that states are to make a "timely and concerted solicitation" for eligible green reserve projects. USEPA has established a nationwide goal for all states to meet or exceed the 20% threshold for project funding in the green project reserve per ARRA. Stated another way, EPA's goal is that no state will certify in writing that it lacks sufficient eligible green reserve project applications and seek a transfer of such funds to conventional projects after the August 17, 2009 expiration date. Lastly, the USEPA has recommended that states exceed the 20% thresholds for the green project reserve to allow for deductions from the reserve for portions of projects that the USEPA in subsequent review may not consider to be eligible.

On March 11, 2009 the Board adopted Emergency Rules and Regulations for the administration of ARRA funding. At the close of that meeting Governor, and Board Chairman, Freudenthal directed staff to administer ARRA funding correctly and also to strive to get out the funding as soon as possible.

To that end, I recommend ARRA funding for the following projects:

Clean Water SRF Green Project Reserve

1. The City of Cheyenne, by and through its Board of Public Utilities, \$3,200,000 ARRA CWSRF Loan at 0% interest with 100% principal forgiveness for its Crow Creek Anoxic Basin Project. [This project involves irrigation reuse as a water conservation measure at a wastewater treatment plant and thus qualifies for funding in the green project reserve.]

2. The Town of Jackson, \$500,000 ARRA CWSRF Green Project Reserve Loan at 0% interest with 100% principal forgiveness for its Wastewater Treatment Plant 90 kW Photovoltaic Installation. [This project involves the installation of photovoltaic electric producing cells at a 212 treatment works plant to promote energy efficiency and thus qualifies for funding in the green project reserve.]
3. The Town of Jackson, \$95,000 ARRA CWSRF Green Project Reserve Loan at 0% interest with 100% principal forgiveness for its Flat Creek Enhancement Project. [This project involves aquatic habitat improvements which qualify for funding in the green project reserve.]

Recommended projects total \$3,795,000 of the 20% green project reserve amount of \$3,847,820 leaving the Board a balance of \$52,820 at the 20% level. If the Board authorizes the recommended higher set aside of \$4,424,993 (23%) the Board would have a remaining green project reserve balance of \$629,993.

Staff has received thirteen (13) applications for ARRA funding for the Clean Water SRF for the Board's meeting on June 4, 2009. Of these thirteen (13) applications preliminary review indicates that none will be eligible for the green project reserve. That said, staff has also received sixteen (16) applications for ARRA funding for the Drinking Water SRF for the Board's meeting on June 4, 2009. Of these sixteen (16) applications preliminary review indicates that four (4) projects, all or part, will be eligible for the Drinking Water SRF green project reserve. Portions of two (2) of the four (4) Drinking Water SRF green projects may also be eligible for the Clean Water SRF green project reserve. Staff is currently working with USEPA to determine what portions of these two (2) projects might fit both green reserves.

Clean Water SRF Conventional Projects

1. The Town of Alpine, \$400,000 ARRA CWSRF Loan at 0% interest with 100% principal forgiveness for its Sewer Collection Phase II Project.
2. The Town of Baggs, \$500,000 ARRA CWSRF Loan at 0% interest with 100% principal forgiveness for its Sewer Improvement Project.
3. The City of Casper, \$3,000,000 divided as follows: 1) \$1,412,243 CWSRF Core Program Loan at 2.5% interest and 2) \$1,587,757 ARRA CWSRF Loan at 0% interest with 100% principal forgiveness for its Area Wide Sanitary Sewer Replacement Project.
4. The Town of Deaver, \$1,194,855 ARRA CWSRF Loan at 0% interest with 100% principal forgiveness for its Sewer Replacement Project.
5. The Town of Encampment, \$524,000 ARRA CWSRF Loan at 0% interest with 100% principal forgiveness for its 2009 Water and Sewer Improvement Project.
6. The Kemmerer-Diamondville Joint Powers Board, \$445,000 ARRA CWSRF Loan at 0% interest with 100% principal forgiveness for its Wastewater Treatment Plant Screen Building Upgrade.
7. The Town of Meeteetse, \$45,014 ARRA CWSRF Loan at 0% interest with 100% principal forgiveness to fund 50% of the costs of its Sewer Lining Project. The Town is working with USDA – Rural Development on the remaining 50% of its project costs from USDA – Rural Development ARRA funding.
8. Park County, \$1,724,631 divided as follows: 1) \$862,316 CWSRF Core Program Loan at 2.5% interest and 2) \$862,315 ARRA CWSRF Loan at 0% interest with 100% principal forgiveness. Funding is for the County's Landfill at Cody Expansion Project.
9. The Town of Pine Haven, \$1,903,000 divided as follows: 1) \$190,300 CWSRF Core Program Loan at 2.5% interest and 2) \$1,712,700 ARRA CWSRF Loan at 0% interest with principal forgiveness of \$1,522,400. Funding is for the Town's Wastewater Improvements Project.

10. The Town of Pinedale, \$3,172,412 divided as follows: 1) \$1,586,206 CWSRF Core Program Loan at 2.5% interest and 2) \$1,586,206 ARRA CWSRF Loan at 0% interest with 100% principal forgiveness. Funding is for the Town's Sewer Line Replacement Project.
11. The City of Powell \$200,000 divided as follows: 1) \$100,000 CWSRF Core Program Loan at 2.5% interest and 2) \$100,000 ARRA CWSRF Loan at 0% interest with 100% principal forgiveness. Funding is for the City's Downtown Sanitary Sewer Rehabilitation.
12. The City of Rawlins, \$153,771 ARRA CWSRF Loan at 0% interest with 100% principal forgiveness for the City's Water and Sewer Improvement Project.
13. The Town of Ranchester, \$500,000 divided as follows: 1) \$250,000 CWSRF Core Program Loan at 2.5% interest and 2) 250,000 ARRA CWSRF Loan at 0% interest with 100% principal forgiveness. Funding is for the Town's Lagoon Repair Project.
14. The City of Riverton, \$1,600,000 divided as follows: 1) \$800,000 CWSRF Core Program Loan at 2.5% interest and 2) \$800,000 ARRA CWSRF Loan at 0% interest with 100% principal forgiveness. Funding is for the City's A & T MHP Sewer Line Project.
15. The City of Sheridan, \$4,047,767 divided as follows: 1) \$809,553 CWSRF Core Program Loan at 2.5% interest, 2) \$3,238,214 ARRA CWSRF Loan at 0% interest with principal forgiveness for \$2,023,884 of the loan amount. Funding is for the City's North Main Reconstruction Project.
16. The Town of Ten Sleep, \$465,000 ARRA CWSRF Loan at 0% interest with 50% principal forgiveness (\$232,500). Funding is for the Town's Sewer Line Replacement Project.
17. The Town of Upton, \$209,275 ARRA CWSRF Loan at 0% interest with 90% principal forgiveness for the Town's Division, East and Kellogg Water and Sewer Replacement Project.
18. Wright Water and Sewer District, \$740,000 ARRA CWSRF Loan at 0% interest with 75% principal forgiveness for the District's Sewer Lagoon Systems Upgrades Project.

The ARRA funded portion of recommended projects total \$14,814,107 of the \$15,391,280 (80%) available funding for conventional projects. Board authorization of the recommended higher set aside of \$4.5M (23%) for the green project reserve reduces the available for conventional projects to \$14,814,107 (77%). At the 80% level the Board's remaining balance would be \$577,173. At the 77% level the Board's remaining balance would be zero.

The 21 projects recommended for ARRA CWSRF funding (green and conventional) represent 14 of Wyoming's 23 counties as follows: Big Horn (1), Campbell (1), Carbon (3), Crook (1), Fremont (1), Laramie (1), Lincoln (2), Natrona (1), Park (3), Sheridan (2), Sublette (1), Teton (2), Washakie (1) and Weston (1).*

*Entities within counties from which no applications were received for today's meeting include: Albany, Converse, Goshen, Hot Springs, Johnson, and Platte. Thus, funding recommendations address projects for local government entities in 14 of 17 counties that submitted applications for funding for today's meeting.

The Director does not, at this time, recommend ARRA funding for the following projects:

Clean Water SRF Green Project Reserve

None

Clean Water SRF Conventional Projects

1. The City of Casper for its Miscellaneous Storm Sewer Replacement Project.
2. The City of Cheyenne (BOPU) for its Sewer Root Control & Camera Equipment Project.
3. The City of Cheyenne (BOPU) for its Carey Avenue/Pioneer Avenue Sewer Main Rehabilitation Project.
4. The City of Cheyenne (BOPU) for its FY 2010 Sewer Main Rehabilitation Project.
5. The City of Cody for its Sanitary Sewer Replacement Project.
6. The City of Green River for its Capital Improvement 2009 Project: Replace Sewer and Storm Sewer Lines
7. The Town of Lusk for its Water and Sewer Line Replacement Project.
8. The Town of Marbleton for its Wastewater Treatment Plant Upgrade Project.
9. The Town of Meeteetse for its Rodeo Grounds Sewer Connection Project.
10. The Town of Mountain View for Phase 1 of its Regional Wastewater Plant.
11. The City of Newcastle for its project to replace existing sewer lines.
12. The Town of Pine Bluffs for its Sewer & Lagoon Improvement Project.
13. The City of Riverton for its Sewer Line Replacement Project.
14. The City of Sheridan for its Southside Sewer Rehabilitation Project.
15. The Teton Village Water & Sewer District for its Phase II Wastewater Treatment Plant Project.

All applications and supporting materials are available for review at OSLI.

Drinking Water SRF Green Project Reserve

1. The City of Cheyenne, by and through its Board of Public Utilities, \$400,000 ARRA DWSRF Loan at 0% interest with 50% principal forgiveness for its FY 2010 Water Wells Project. **[Conditional – Pending USEPA approval of business case plan establishing variable frequency drives as meeting the green project reserve standard of this \$400,000 loan]**
2. The Town of Jackson, \$250,000 ARRA DWSRF Loan at 0% interest with 100% principal forgiveness for only the \$250,000 green portion of the Town's \$1,985,000 Water Storage Tanks Project. **[This project involves the installation of photovoltaic panels on five (5) wellhouses to promote energy efficiency and thus qualifies for funding in the green project reserve.]** It is further recommended that the Town of Jackson fund the remainder of this project, specifically \$1,735,000 with a Core DWSRF Program Loan of 2.5% interest.
3. The Town of Star Valley Ranch, \$1,607,600 ARRA DWSRF Loan at 0% interest with 50% principal forgiveness for new water meters for its Domestic Water Meter Project. **[USEPA guidance is that new water meter projects, where meters have not previously existed, are "categorically" green as a water conservation measure. That is the case with this project thus it automatically qualifies for funding in the Green Project Reserve category.]**
4. The Town of Ten Sleep, \$382,000 ARRA DWSRF Loan at 0% interest with 100% principal forgiveness for its Water Meter Installation Project (i.e. new water meters). **[USEPA guidance is that new water meter projects, where meters have not have previously existed, are "categorically" green as a water conservation measure. That is the case with this project thus it automatically qualifies for funding in the Green Project Reserve category.]**
5. The Town of Thayne, \$575,000 ARRA DWSRF Loan at 0% with 100% principal forgiveness for new water meters for its Water Meter Installation Project. **[USEPA guidance is that new water meter projects, where meters have not previously existed, are "categorically" green as a water conservation measure. That is the case with this project thus it automatically qualifies for funding in the Green Project Reserve category.]**

Recommended projects (conditional and categorical) total \$3,214,600 of the 20% green project reserve amount of \$3,900,000 leaving the Board a balance of \$685,400 at the 20% level. If the Board authorizes the recommended higher set aside of \$4.5M (23%) the Board would have a remaining green project reserve balance of \$1,285,400.*

*Two projects not included in the green project reserve that may have green components are the Town of Pine Bluffs (Water Meter Replacement Project) and the Town of Saratoga (2009 Water Meter Replacement Project). Both of these projects are currently recommended for conventional project funding in the list that follows. The USEPA does not consider water meter replacement projects as "categorically" green. However, USEPA does permit states to prepare business case plans to try to qualify certain projects, or portions thereof, for the green project reserve when they fall outside the categorical green determinations. Staff plans to pursue business case plans with USEPA to try to qualify at least portions of these Pine Bluffs and Saratoga projects for funding under the green project reserve. If staff is successful, the remaining Drinking Water SRF green project reserve balance would be reduced and the remaining conventional projects amount would increase.

Staff has received sixteen (16) applications for ARRA funding for the Drinking Water SRF for the Board's meeting on June 4, 2009. Of these sixteen (16) applications preliminary review indicates that four (4) projects, all or part, will be eligible for the Drinking Water SRF green project reserve. Portions of two (2) of the four (4) Drinking Water SRF green projects may also be eligible for the Clean Water SRF green project reserve. Staff is currently working with USEPA to determine what portions of these two (2) projects might fit both green reserves. The total dollar amount of the four (4) Drinking Water projects potentially eligible for the green project reserve is \$1,417,818.

Drinking Water SRF Conventional Projects

1. The Town of Basin, \$213,313 ARRA DWSRF Loan at 0% interest with 100% principal forgiveness for its Water Tank Replacement Project.
2. The Bedford Water and Sewer District, \$300,000 ARRA DWSRF Loan at 0% interest with 100% principal forgiveness for the District's Storage Tank and Booster Pump Station Project.
3. The City of Casper, \$5M divided as follows: 1) \$2,716,650 DWSRF Core Program Loan at 2.5% interest and 2) \$2,283,350 ARRA DWSRF Loan at 0% interest with 100% principal forgiveness for the City's Area Wide Water Main Replacement Project.
4. The Town of Encampment, \$766,000 ARRA DWSRF Loan at 0% interest with 100% principal forgiveness for the Town's 2009 Water and Sewer Improvement Project.
5. Town of Greybull, \$485,100 ARRA DWSRF Loan at 0% interest with 100% principal forgiveness for the Town's Upgrades to the 18½ mile water transmission pipeline project.
6. The Town of Hulett, \$167,243 ARRA DWSRF Loan at 0% interest with 100% principal forgiveness for the Town's Sager Street Waterline Replacement Project.
7. The Town of LaBarge, \$2,000,000 ARRA DWSRF Loan at 0% interest with 50% principal forgiveness for the Town's Water Treatment Plant Project.
8. The Town of Manville, \$68,000 ARRA DWSRF Loan at 0% interest with 100% principal forgiveness for the Town's Water Distribution System Improvements Project.
9. The Town of Meeteetse, \$692,036 ARRA DWSRF Loan at 0% interest with 100% principal forgiveness for the Town's Waterline Projects.
10. The Town of Pine Bluffs, \$1,007,072 ARRA DWSRF Loan at 0% interest with 75% principal forgiveness for the Town's Water Meter Replacement Project.
11. The Town of Pinedale, \$2,979,982 divided as follows: 1) \$1,489,991 DWSRF Core Program Loan at 2.5% interest and 2) \$1,489,991 ARRA DWSRF Loan at

0% interest with 100% principal forgiveness. Funding is for the Town's Waterline Replacement Project (Phases IV & V).

12. The City of Rawlins \$1,347,025 divided as follows: 1) \$352,242 DWSRF Core Program Loan at 2.5% interest and 2) \$994,783 ARRA DWSRF Loan at 0% interest with 100% principal forgiveness for the City's 2009 Water and Sewer Improvement Project.
13. The City of Riverton, \$2,000,000 divided as follows: 1) \$1,000,000 DWSRF Core Program Loan at 2.5% interest and 2) \$1,000,000 ARRA DWSRF Loan at 0% interest with 100% principal forgiveness. Funding is for the City's Waterline Replacement Project.
14. The Town of Saratoga, \$1,725,000 ARRA DWSRF Loan at 0% interest with 90% principal forgiveness for its 2009 Water Meter Replacement Project.
15. The City of Sheridan, \$1,165,721 divided as follows: 1) \$233,144 DWSRF Core Program Loan at 2.5% interest and 2) \$932,577 ARRA DWSRF Loan at 0% interest with principal forgiveness of \$582,861. Funding is for the City's North Main Street Reconstruction Project.
16. The City of Sundance, \$324,000 ARRA DWSRF Loan at 0% interest with 75% principal forgiveness for the Town's Water Storage Tank Project.
17. Town of Upton, \$563,199 divided as follows: 1) \$11,664 DWSRF Core Program Loan at 2.5% interest and 2) \$551,535 ARRA DWSRF Loan at 0% interest with principal forgiveness of \$504,859. Funding is for the Town's Division, East and Kellogg Water and Sewer Line Replacement Project.

Recommended projects total \$15M of the \$15.6M (80%) available ARRA funding for conventional projects. Board authorization of the recommended higher set aside of \$4.5M (23%) for the green project reserve reduces the amount available for conventional projects to \$15M (77%). At the 80% level the Board's remaining balance would be \$600K. At the 77% level the Board's remaining balance would be zero.

The 22 projects recommended for ARRA DWSRF funding (green and conventional) represent 14 of Wyoming's 23 counties as follows: Big Horn (2), Carbon (3), Crook (2), Fremont (1), Laramie (2), Lincoln (4), Natrona (1), Niobrara (1), Park (1), Sheridan (1), Sublette (1), Teton (1), Washakie (1) and Weston (1).*

*Entities within counties from which no applications were received include: Albany, Campbell, Goshen, Hot Springs, Johnson, Platte and Uinta. Thus, funding recommendations address projects for local government entities in 14 of 16 counties that submitted applications for funding.

The Director does not, at this time, recommend ARRA funding for the following projects:

Drinking Water SRF Green Project Reserve

None

Drinking Water SRF Conventional Projects

1. The Town of Alpine for its Water System Improvements Project.
2. The City of Cheyenne (BOPU) for its FY2010 Water Main Rehabilitation Project.
3. The City of Cheyenne (BOPU) for its Carey Avenue & Pioneer Avenue Water Main Rehabilitation Project.
4. The City of Cheyenne (BOPU) for its WYDOT West Lincolnway Water Main Project.
5. The City of Green River for its Capital Improvement Project 2009: Replace Water Lines.
6. The Kemmerer-Diamondville Joint Powers Board for its Water Treatment Plant Upgrade Project.

7. The Town of Pine Haven for its Waterlines Upgrade Project (Phase II).
8. The City of Riverton (joint application with North Riverton Water and Sewer District) for their Water System Project.
9. The City of Sheridan for its Sugarland Utilities – 6" & 8" Waterline Replacement Project.
10. The Town of Star Valley Ranch for its Deteriorated Steel Distribution Piping Replacement Project.
11. The Sundance Meadows Water District for its Water Supply Project.
12. The Teton Village Water and Sewer District for its Water System Improvements Project.

All applications and supporting materials are available for review at OSLI.

Special Conditions for Loan and Principal Forgiveness Recipients

All ARRA projects funded by the Board are subject to the following conditions:

- 1) Per Section 1605 of ARRA contractors must use American iron, steel and manufactured goods in Board funded ARRA projects. 1605 certifications attesting that this condition has been satisfied must be prepared by all subcontractors and the prime contractor for each ARRA funded project. 1605 certifications are to be provided to the engineering entity responsible for each ARRA funded project. In turn, engineering entities must provide 1605 certifications to the local government entity that is the recipient of ARRA funding. In turn, local government entities must provide 1605 certifications to the Office of State Lands and Investments as the oversight entity to ensure compliance with this federal requirement. USEPA can waive this requirement under certain circumstances. If recipients wish to pursue a waiver with USEPA they must copy OSLI on any such requests.
- 2) Section 1606 provides for specific wage requirements. All laborers and mechanics employed by contractors and subcontractors on projects funded by the ARRA must be paid the wages prevailing in the locality for similar projects as determined by the Secretary of Labor in accordance with the Davis-Bacon Act. Certifications documenting compliance with Section 1606 must track from ARRA funded project subcontractors to the Office of State Lands and Investments as set forth in condition 1 above.
- 3) Reporting as required by USEPA and the Office of State Lands and Investments.
- 4) Due Diligence (i.e. execution of loan documents, project permitting, bid letting, contract execution and commencing construction) is paramount and ties to reporting requirements for all award recipients.
- 5) Projects awarded ARRA funding are subject to site visits by USEPA, OSLI, WDEQ and WWDO.
- 6) Projects awarded ARRA funding must post signage as required by USEPA.
- 7) Any loan recipients who opt to not accept all or part of their Board approved loans must notify OSLI in writing of their decisions by May 18, 2009. Board approval of loans in an amount higher than requested in applications must be amended in writing by recipients to reflect credit worthiness by May 27, 2009. All loan awards are for twenty (20) years unless recipients inform OSLI staff in writing that they want a shorter term.

BOARD ACTION: Board Approved

ARRA APPLICATIONS 2009 - May 12, 2009 SLIB meeting

APPLICANT	PROJECT	TOTAL AMOUNT REQUESTED	CORE PROGRAM 2.5% INTEREST	ARRA PROGRAM 0% INTEREST	ARRA PROGRAM W/PRINCIPAL FORGIVENESS	Green ARRA Eligible Amount	CORE PROGRAM 2.5% Approved	ARRA PROGRAM 0% Approved	ARRA PROGRAM Prin. Forgive. Approved	Green ARRA portion of Amount(s) Approved
CWSRF Applications										
Alpena, Town of	Sewer Collection Phase II	400,000			400,000	0			400,000	0
Baggs, Town of	Sewer Improvement Project	500,000			500,000	0			500,000	0
Casper, City of	Miscellaneous Storm Sewer Replacement Project	1,000,000		500,000	500,000	0				0
Casper, City of	Area Wide Sanitary Sewer Rehabilitation Project	3,000,000		1,500,000	1,500,000	0	1,412,243		1,587,757	0
Cheyenne, City of, BOPU	Crow Creek Anoxic Basin Project	3,200,000		1,600,000	1,600,000	3,200,000			3,200,000	3,200,000
Cheyenne, City of, BOPU	Sewer Root Control & Camera Equipment Project	225,000			225,000	0				0
Cheyenne, City of, BOPU	Carey Avenue/Pioneer Avenue Sewer Main Rehabilitation	650,000			650,000	0				0
Cheyenne, City of, BOPU	FY 2010 Sewer Main Rehabilitation Project	850,000			850,000	0				0
Cody, City of	Canyon Meadows Sanitary Sewer replacement Project	593,895			593,895	0				0
Deaver, Town of	Sewer Replacement	1,194,855		597,427	597,428	0			1,194,855	0
Encampment, Town of	2009 Water & Sewer Improvement Project	524,000			524,000	0			524,000	0
Green River, City of	Capital Improvement 2009 Project. Replace Sewer & Storm Sewer Lines	814,650			814,650	0				0
Jackson, Town of	Wastewater Plant 90 kW Photovoltaic Installation	500,000			500,000	500,000			500,000	500,000
Jackson, Town of	Flat Creek Enhancement	95,000			95,000	95,000			95,000	95,000
Kemmerer-Diamondville Joint Powers Board	Wastewater Treatment Plant Screen Building Upgrade	445,000	225,000		220,000	0			445,000	0
Lusk, Town of	Water & Sewer Line Replacement	2,100,000	210,000	945,000	945,000	0				0
Marbleton, Town of	Wastewater Treatment Plant Upgrade	1,438,000	719,000		719,000	0				0
Meeteetse, Town of	Rodeo Grounds Sewer Connection	47,530			47,530	0				0
Meeteetse, Town of	Sewer Lining	45,014			45,014	0			45,014	0
Mountain View, Town of	Grant reo-phase 1 regional wastewater	7,500,000			7,500,000	0				0
Newcastle, City of	Replace Existing Sewer	342,159			342,159	0				0
Park County	Landfill at Cody Expansion Project	1,724,631	862,316		862,315	0	862,316		862,315	0
Pine Bluffs, Town of	Sewer & Lagoon Improvement Project	1,500,000		750,000	750,000	0				0
Pinedale, Town of	Sewer Line Replacement	3,172,412	1,586,206		1,586,206	0	1,586,206		1,586,206	0
Pine Haven, Town of	Wastewater Improvements	1,903,000	190,300	190,300	1,522,400	0	190,300	190,300	1,522,400	0
Powell, City of	Downtown Sanitary Sewer Rehabilitation	200,000	100,000		100,000	0	100,000		100,000	0
Ranchester, Town of	Ranchester Lagoon Repair Project	500,000	250,000		250,000	0	250,000		250,000	0
Rawlins, City of	Water & Sewer improvement Project	153,771			153,771	0			153,771	0
Riverton, City of	Sewer Line Replacement Project	2,250,000	1,125,000		1,125,000	0				0
Riverton, City of	A&T MHP Sewer Line Project	1,600,000	800,000		800,000	0	800,000		800,000	0
Shendan, City of	Southside Sewer Rehabilitation	626,048		313,024	313,024	0				0
Shendan, City of	North Main Street Reconstruction Project	4,047,767	809,553	1,214,330	2,023,884	0	809,553	1,214,330	2,023,884	0
Ten Sleep, Town of	Sewer Line Replacement	465,000		232,500	232,500	0		232,500	232,500	0
Teton Village Water & Sewer District	Phase II Wastewater Treatment Plant Project	4,399,500	1,466,500		2,933,000	0				0
Upton, Town of	Division, East, & Kellogg Water & Sewer Replacement	209,275	2,000	18,000	189,275	0		20,000	189,275	0
Wright Water & Sewer District	Sewer Lagoon Systems Upgrades	740,000		185,000	555,000	0		185,000	555,000	0
CWSRF TOTALS		48,958,507	8,345,875	8,045,581	32,565,051		6,010,618	1,842,130	16,766,977	
CWSRF TOTAL Green						3,795,000				3,795,000

23% Set Aside for Green	Goal	Approved	Balance
Available for Regular Projects	14,814,107	14,814,107	-
Available for Green Projects	4,424,993	3,795,000	629,993
Total Grant	19,239,100	18,609,107	629,993

ARRA APPLICATIONS 2009 - May 12, 2009 SLIB meeting

APPLICANT	PROJECT	TOTAL AMOUNT REQUESTED	CORE PROGRAM 2.5% INTEREST	ARRA PROGRAM 0% INTEREST	ARRA PROGRAM W/PRINCIPAL FORGIVENESS	Green ARRA Eligible Amount	CORE PROGRAM 2.5% Approved	ARRA PROGRAM 0% Approved	ARRA PROGRAM Prin. Forgive. Approved	Green ARRA portion of Amount(s) Approved
DWSRF Applications										
Aspine, Town of	Water System Improvements	769,354			769,354	0				0
Basin, Town of	Tank Replacement	213,313			213,313	0			213,313	0
Bedford, Wyoming Water & Sewer District	Bedford Water Storage Tank & Booster Pump Station	300,000			300,000	0			300,000	0
Casper, City of	Area Wide Water Main Replacement Project	5,000,000		2,500,000	2,500,000	0	2,716,650		2,283,350	0
Cheyenne, City of, BOPU	FY 2010 Water Main Rehabilitation Project	650,000			650,000	0				0
Cheyenne, City of, BOPU	FY 2010 Water Wells Project	400,000			400,000	400,000		200,000	200,000	400,000
Cheyenne, City of, BOPU	Canby Avenue & Pioneer Avenue Water main Rehabilitation Project	450,000			450,000	0				0
Cheyenne, City of, BOPU	WYDOT West Lincolnway Water Main Project	400,000			400,000	0				0
Encampment, Town of	2009 Water & Sewer Improvement Project	766,000			766,000	0			766,000	0
Green River, City of	Capital Improvement Project 2009 Replace Water Lines	283,350			283,350	0				0
Greybull, Town of	Upgrades to the 18 1/2 Mile Water Transmission Pipeline	485,100			485,100	0			485,100	0
Hulett, Town of	Sager Street Waterline Replacement	167,243			167,243	0			167,243	0
Jackson, Town of	1.2million and 130K Storage Tanks	1,985,000			1,985,000	250,000	1,735,000		250,000	250,000
Kemmerer-Damondville Joint Powers Board	Water Treatment Plant Upgrade	2,811,000	1,405,500		1,405,500	0				0
LaBarge, Town of	Water Treatment Plant	2,000,000		1,000,000	1,000,000	0		1,000,000	1,000,000	0
Manville, Town of	Distribution System Improvements	68,000			68,000	0			68,000	0
Meeleeste, Town of	Waterline Projects	692,036			692,036	0			692,036	0
Pine Bluffs, Town of	Water meter Replacement Project	1,007,072		503,536	503,536	0		251,768	755,304	0
Pinedale, Town of	Water Line Replacement Phase IV & V	2,979,982	1,489,991		1,489,991	0	1,489,991		1,489,991	0
Pine Haven, Town of	Waterline Upgrades Phase II	414,500	41,450	41,450	331,600	0				0
Rawlins, City of	2009 Water & Sewer Improvement Project	1,347,025			1,347,025	0	352,242		994,783	0
Riverton, City of	No Riverton Wtr & Swr Dist Water System Project	140,000			140,000	0				0
Riverton, City of	Waterline Replacement Project	2,000,000	1,000,000		1,000,000	0	1,000,000		1,000,000	0
Saratoga, Town of	2009 Water Meter Replacement Project	1,725,000			1,725,000	0		172,500	1,552,500	0
Shendan, City of	North Main Street Reconstruction Project	1,165,721	233,144	349,716	582,861	0	233,144	349,716	582,861	0
Shendan, City of	Sugarland Utilities - 6" & 8" Waterline Replacement	1,739,000	347,800	521,700	869,500	0				0
Star Valley Ranch, Town of	Deteriorated Steel Distribution Piping Replacement Project	2,961,250	1,480,625		1,480,625	0				0
Star Valley Ranch, Town of	Domestic Water Meter Project	1,607,600		803,800	803,800	1,607,600		803,800	803,800	1,607,600
Sundance Meadows Water Dist	Water Supply Project	539,713		269,856	269,857	0				0
Sundance City of	Water Storage Tank	324,000			324,000	0		81,000	243,000	0
Ten Sleep, Town of	Water Meter Installation	382,000		191,000	191,000	382,000			382,000	382,000
Teton Village Water & Sewer District	Water System Improvements Project	561,850			561,850	0				0
Thayne, Town of	Installation of Water Meters	575,000			575,000	575,000			575,000	575,000
Upton, Town of	Division, East, Kellogg W&S Line Replacement	563,199	11,664	46,676	504,859	0	11,664	46,676	504,859	0
DWSRF TOTALS		37,473,308	6,010,174	6,227,734	25,235,406		7,538,691	2,905,460	15,309,140	
DWSRF TOTAL Green						3,214,600				3,214,600

23% Set Aside for Green	Goal	Approved	Balance
Available for Regular Projects	15,000,000	15,000,000	-
Available for Green Projects	4,500,000	3,214,600	1,285,400
Total Grant	19,500,000	18,214,600	1,285,400