



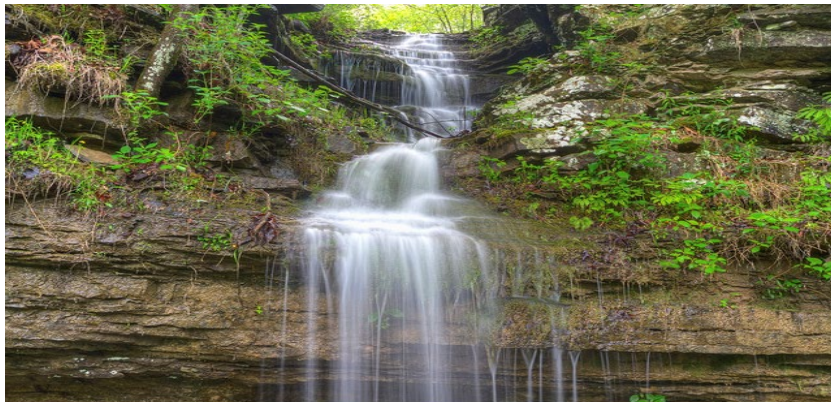
**STATE OF ARKANSAS**

**CLEAN WATER  
REVOLVING LOAN FUND  
PROGRAM  
(CWSRF)**

**INTENDED USE PLAN  
STATE FISCAL YEAR 2022  
(July 1, 2021 – June 30, 2022)**

*Submitted to EPA 08/16/20211*

**Arkansas Natural Resources Commission  
a division of the  
Arkansas Department of Agriculture**



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## Table of Contents

Introduction .....	3
WRRDA Amendments .....	3
CWSRF Goals.....	4
Short-Term Goals:.....	4
Long Term Goals: .....	5
Priority List and System.....	5
Fundable List of Projects .....	6
Bypass Procedures .....	6
Type of Communities Served and Financial Assistance Needed .....	6
Type and Terms of Assistance .....	7
1. Lending Rate .....	7
2. Repayment Period .....	8
Agriculture Water Quality Loans.....	9
Septic Tank Remediation Program .....	9
Green Project Reserve.....	10
Affordability Criteria/Additional Subsidization .....	11
Financial Management .....	12
State Matching Funds.....	12
Anticipated Cash Draw Ratio .....	12
Service Fee.....	13
Administrative Funds.....	13
Transfer of Funds .....	13
Sources and Uses .....	13
Financial Management Strategies .....	13
Assurances and Specific Proposals .....	13
Binding Commitments (35.3135(c)).....	14
Expeditious and Timely Expenditures (35.3135(d)).....	14
Environmental Review Requirements (35.3140).....	14
Federal Requirements.....	14
Architectural and Engineering (A/E) Contracts.....	14
Audits and Reporting .....	15
Cost and Effectiveness Analysis .....	15
Davis-Bacon Related Act Provision .....	15
Fiscal Sustainability Plan (FSP).....	15
Signage.....	15
Wage Rate Requirements (Davis-Bacon) .....	16
Intended Use Plan Amendment Procedures.....	16
Public Review & Comment .....	16
Cash Flow Diagram .....	<b>Error! Bookmark not defined.</b>
APPENDIX A – Project Priority List .....	17
Project Ranking.....	18
Project Priority List.....	22
APPENDIX B - Charts .....	23
Chart 1 Binding Commitments .....	24
Chart 2 Fundable Project List .....	25
Chart 3 Sources and Uses of Funds .....	26

## **Introduction**

This is the State of Arkansas's Clean Water State Revolving Loan Fund (CWSRF) Intended Use Plan (IUP) for the State Fiscal Year. The CWSRF is administered by the Water Resources Development Section (WRD Section) of the Arkansas Natural Resources Commission (ANRC), a division of Arkansas Department of Agriculture (ADA). This IUP was prepared by the WRD Section. The Arkansas Development Finance Authority (ADFA) currently assists ANRC by acting as agent, financial advisor and the purchaser and seller of bonds. During SFY2022 ADFA will transition these roles to WRD.

This IUP identifies the projects and administrative costs that will utilize the funds available to the CWSRF. This IUP is prepared for State Fiscal Year 2022 (SFY 2022) and identifies those sources and uses of available program funds. For the purposes of this IUP, the fiscal year identified is the State Fiscal Year 2022, beginning July 1, 2021, and ending June 30, 2022. The capitalization grants (Cap Grant) and the state match to fund these activities are from prior fiscal years and the Federal Fiscal Year 2021 (FFY 2021) appropriation.

The CWSRF program anticipates disbursing approximately \$45 million to projects in SFY 2022. All projects are designed to ensure public health protection and compliance with the Clean Water Act (CWA). Projected sources and uses of funds are displayed in Chart 3.

In accordance with 2 CFR 200.328 and 40 CFR 35.3165 the WRD Section agrees to provide in its Annual Report information regarding key project characteristics, milestones, and environmental/public health protection results in the following areas:

- 1) achievement of the outcomes established in the Intended Use Plan,
- 2) the reasons for delays if any,
- 3) environmental results,
- 4) compliance with Green Project Reserve, and
- 5) compliance with Additional Subsidization.

Arkansas will summarize variations/changes from the IUP that occur during SFY 2022 in our Annual Report.

All projects for Arkansas comply with the federal requirements and equivalency will not be employed.

Throughout this document Arkansas references loans. However, Arkansas purchases a bond from its borrowers; therefore, all loan references are bond purchases.

## **WRRDA Amendments**

The Water Resources Reform and Development Act of 2014 (WRRDA) was signed into law on June 10, 2014. Among its provisions are amendments to Titles I, II, V, and VI of the Federal Water Pollution Control Act (FWPCA). Throughout this IUP the WRRDA amendments have been incorporated.

In accordance with the amendments in the Water Resources Reform and Development Act to Titles I, II, V, and VI of the Federal Water Pollution Control Act, ANRC can now offer maximum lending terms of 30 years or the life of the project, whichever is less.

## **CWSRF Goals**

Arkansas is committed to support the three major objectives found in Title VI and has established its short- and long-term goals accordingly. Those objectives and our goals are set forth below.

Objectives are to provide funding for eligible wastewater treatment and nonpoint source projects to meet requirements of the CWA:

- Emphasize nonpoint source pollution control and the protection of estuaries,
- Facilitate the establishment of permanent institutions in each State that would provide continuing sources of financing needed to maintain water quality.

### **Short-Term Goals:**

1. The WRD Section agrees to comply with all requests for data related to the use of the funds as EPA specifies for the SRF Data System and the Federal Funding Accountability and Transparency Act (FFATA) Requirement.
2. The WRD Section will promote the CWSRF program at various conferences and conventions during SFY 2022 as permitted.
3. The WRD Section will submit the Intended Use Plan to apply for the federal cap grant within the first year that funds are appropriated.
4. Arkansas anticipates closing twenty-two (22) assistance agreements for binding commitments totaling approximately \$93.3 million. These projects are identified in [Chart 1](#).
5. Arkansas anticipates six (6) projects that will meet the additional subsidization (Principal Forgiveness) requirements. These projects are identified in [Chart 2](#).
6. Arkansas anticipates at least five (5) projects that include components that meet green project reserve requirements. These projects are also identified in [Chart 2](#).
7. Arkansas plans to increase public knowledge of the CWSRF through press releases of approved funding and potential use of social media with examples of program success stories. Arkansas also plans to promote the CWSRF by seeking opportunities and providing incentives to promote the CWSRF, along with participation in up to four public conferences.
8. Arkansas plans to reach out to municipalities on the compliance list, available through Enforcement and Compliance History Online (ECHO), to offer information not only on funding opportunities, but assistance with the application process. The intention of application process assistance is to reduce challenges and provide positive applicant response.
9. Incorporate Non-Point Source (NPS) and water reuse projects into the [Project Priority List \(PPL\)](#)

## **Long-Term Goals:**

1. Achieve statewide compliance with Federal and State water quality standards by providing both traditional, low interest rate loans and innovative assistance to make affordable wastewater treatment projects and other eligible environmental improvements available to Arkansas communities and other qualified recipients.
2. Progress toward achievement of our long-term water quality compliance goal by achieving initiation of operation on projects in a timely manner.
3. Maintain the purchasing power of the CWSRF in perpetuity through sound and effective administration and fiscal management.

## **Priority List and System**

The available funds will be allocated in accordance with the current priority system by priority ranking, ability of the community to enter into a binding commitment and ability to proceed. The priority list is in [Appendix A](#); note that Arkansas may fund any project(s) on the priority list.

Arkansas established a new CWSRF priority ranking system to evaluate and rank proposed CWSRF projects for SFY 2022. The purpose of this ranking system is to direct available funding priority water quality-related needs in the State of Arkansas. This new priority ranking system will form the basis for forecasting the allocation of funds to projects that is an essential function of this Intended Use Plan (IUP). Based on the information available at the time of IUP development, Arkansas will evaluate each project that has applied for funding or submitted a Priority Score Sheet to be included in the PPL. The project will be assigned priority points based on the new priority ranking scoring system, then assigned to a funding Tier or unit based on its point total and on the expected resources in SFY 2022, which Tier(s) of projects are estimated to be fundable this fiscal year.

All anticipated projects related to the provision of sewer services, including combined sewer overflow projects, requested by public utilities have been scored and assigned a funding Tier and appear on the Project Priority List (PPL). In addition, as detailed in [Appendix A](#), Arkansas is funding stormwater and non-point source projects that do not appear on the PPL according to details in [Appendix A](#).

The Priority List contains projects that are interested in utilizing funding from the CWSRF program. Each project is evaluated to determine its' relative priority as compared to the rest of the projects seeking funding through the CWSRF program. The WRD prepares the Priority System used to rank projects, included as [Appendix A](#), sends out the questionnaires, determines the priority points for the projects that return questionnaires and develops the [Priority List](#). The WRD Section then takes the Priority List and establishes a Fundable List. The Fundable List ([Chart 2](#)) is not a separate list but is instead composed of projects from the Priority List that expect to close an assistance agreement and expend funds in this fiscal year. All projects approved for funding with Arkansas's CWSRF have been reviewed for consistency with appropriate plans developed and approved under Sections 205(j), 208, 303(e), 319 and 320 of the Clean Water Act, as amended. Evidence of this review and finding of consistency is documented in each CWSRF project file prior to closing an assistance agreement.

Cross-cutter equivalency standards are applied to each Section 212 project. Each project will be subject to a technical review which is sufficient to determine compliance with equivalency requirements.

The status of the National Municipal Policy (NMP) projects in this Intended Use Plan will not be affected by the work contemplated. All of the Section 212 projects listed on the NMP List have been:

- (a) Previously funded, or
- (b) In compliance, or
- (c) On an enforcement schedule, or
- (d) Have an enforcement action filed

The WRD Section works with the NPDES Enforcement Section of the Water Division of the Arkansas Department of Environmental Quality to implement long-term goals (see Long-Term Goals No. 1 and 2).

### **Fundable List of Projects**

A list of projects submitted to ANRC for funding from the CWSRF program. ~~A fundable list of projects is available in [Chart 2](#). This is a list of projects submitted to ANRC for funding from the CWSRF program.~~ The list will be updated from time to time as provided for in Title XVI of the ANRC. Projects will be removed from the list when they receive funding commitment(s) for their project from any source(s) or when they request their project be removed. Funding commitment (Binding Commitment) for the CWSRF program will mean an executed Bond Purchase Agreement or a signed assistance agreement if a Bond is not required.

### **Bypass Procedures**

If a project's readiness to proceed changes status after it was placed on the Fundable List, the State reserves the right to put the project on hold and take another project from the Priority List that is ready to proceed in its place. Previous examples of this kind of problem include court cases being filed, other funding being withdrawn, or change in administration of the entity proposing the project. If a project is not ready to proceed, the WRD Section will substitute the next project on the priority list that is ready to proceed.

If a situation develops which causes the State to bypass a project that is ready to proceed for another project, the State will include an explanation in the Annual Report.

### **Type of Communities Served and Financial Assistance Needed**

In accordance with the applicable Cap Grant and P.L. 111-88, Arkansas provides additional subsidization in the form of principal forgiveness.

Due to the abundance of loan repayments and ANRC's access to the municipal bond market, financing or refinancing is available for both large and small communities.

Arkansas anticipates closing seventeen (17) loans for eleven (11) projects to communities with populations of less than 10,000 during SFY 2022 ( [Chart 2](#)).

## Type and Terms of Assistance

Prior to FFY 2010, the Division made the decision to provide one type of assistance - loans. Loans provide the most flexible use of the funds. By providing assistance in the form of loans, the Division can vary the terms of the loans to help Disadvantaged Communities, refinance existing debt to improve the finances of entities or pledge the loans to Leverage Issues which would increase the funds available for the program. Beginning with the 2009 American Recovery and Reinvestment Act and the FFY 2010 Cap Grant, the Division may offer additional subsidization in the form of principal forgiveness, negative interest rate loans, or grants.

Assistance will be provided in the form of a loan for up to one hundred percent (100%) of the eligible cost of projects. Loans at below market interest rates provide affordable financing and incentives for loan applicants to meet the program requirements. The program provides for flexibility and the perpetuity of the CWSRF.

### 1. Lending Rate

The lending rate is composed of two parts: the interest rate and the servicing fee. The lending rate will be determined at the time the borrower is developing the Bond Purchase Agreement and the Bond Ordinance. Rates are set as follows:

The service fees are deposited into the Fees and Administrative account which is outside of the CWSRF and not subject to the four percent administration cap applicable to the CWSRF.

#### Standard Lending Rates:

- 1.00% for a ten (10) year repayment period (0% interest, 1% fee)
- 1.75% for a twenty (20) year repayment period (0.75% interest, 1% fee)
- 2.25% for a thirty (30) year repayment period (1.25% interest, 1% fee)

The Division varies the standard lending rate in this manner to encourage entities to repay loans as quickly as possible. The quicker that entities repay, the sooner the CWSRF program will be able to use these funds on future projects.

#### Special Lending Rates

- a. 1.5% (0.50% interest and 1% fee) for Illinois River Basin projects addressing water quality concerns related to the Illinois River for a lending rate of 1.5% for a maximum of 30 years or the life of the project, whichever is less.

The Illinois River is a multijurisdictional tributary of the Arkansas River, approximately 100 miles long, between the States of Arkansas and Oklahoma. The Illinois River begins in the Ozark Mountains in the northwest corner of Arkansas (Washington County) and flows west into northeast Oklahoma. Once the Illinois River enters Oklahoma, it then flows southwest and south through the mountains of eastern Oklahoma into Tenkiller Ferry Lake. Phosphorus levels in the Illinois River exceed Oklahoma's water quality criteria and can be influenced by various types of city and industrial discharges as well as nonpoint source run-off. In November of 2018, Arkansas and Oklahoma state agencies announced the completion of a new Memorandum of Agreement committing the states to future collaboration in addressing water quality concerns related to the Illinois River. As a result, special lending rates and additional subsidization (where applicable) have been incorporated for Illinois River Basin Projects that are specifically designed to reduce phosphorus concentrations in the Illinois River.

- b. 1.5% (0.50% interest and 1% fee) for Buffalo River Watershed projects addressing water quality concerns related to the Buffalo River for a lending rate of 1.5% for a maximum of 30 years or the life of the project, whichever is less.

On September 13, 2019, Governor Hutchinson created the Beautiful Buffalo River Conservation Committee (BRCC) to develop an Arkansas-led approach to identify and address potential concerns in the Buffalo River Watershed. The Buffalo National River is an irreplaceable resource, both for Arkansas and the nation. Protecting its quality and enhancing its value is a commitment the State of Arkansas has prioritized. As a result, special lending rates and additional subsidization (where applicable) have been incorporated for Buffalo River Watershed Projects that are specifically designed to improve water quality in the Buffalo River Watershed.

- c. 1.5% (0.50% interest and 1% fee) for Regionalization projects addressing water quality concerns for a lending rate of 1.5% for a maximum of 30 years or the life of the project, whichever is less.

Regionalization is the physical interconnection and consolidation of two or more systems including the transfer of all assets to a single system. At least one of the systems must be a small public water/sewer system, a system servicing 10,000 or fewer customers. In cases where a regional solution is clearly feasible but is not pursued, those systems should not expect to receive priority for government-subsidized funding. Small systems may maintain their independence, but their users must be willing to pay for it. Conversely, when a system is pursuing a regional alternative that has large capital costs but will provide a better long-term solution, that project will be given priority for funding incentives. As a result, special lending rates and additional subsidization (where applicable) have been incorporated for regionalization projects that are specifically designed to regionalize one or more small systems.

- d. Reduction of lending rate (up to 0.50%) for eligible cybersecurity component(s) of a publicly owned, centralized wastewater treatment project, savings not to exceed the cost of the cybersecurity component(s).

Cybersecurity is defined as the cybersecurity component(s) of a centralized wastewater treatment project at publicly owned treatment works (POTWs). Eligible cybersecurity as defined in the EPA fact sheet [Supporting Cybersecurity Measures with the Clean Water State Revolving Fund](#). Examples include development of effective cybersecurity practices and measures at POTWs and equipment and upgrade technologies such as upgrading outdated computers and software, creating secure network backups, enhancing the security of information technology and operational technology systems, installing or updating supervisory control and data acquisition (SCADA) systems, providing on-site back up power generation, and installing threat detection and monitoring systems. Construction of physical barriers and access control systems to protect information technology (IT) systems from unauthorized physical access. These may include locking doors/cabinets, cabinet intrusion alarms, or conduit to protect network cables. These are all eligible components that can be included in POTW centralized wastewater treatment improvement projects.

## 2. Repayment Period

The standard repayment period is set at 20 years. Upon request the repayment period may be adjusted to 10 years or extended to 30 years. In addition, the repayment period may be adjusted to provide disadvantaged communities with an incentive to use the CWSRF program. An approved applicant's maximum loan term is typically 20 years. However, if an entity qualifies as a disadvantaged community the option to extend the term (repayment period) based on the life of the project is available. In no case will the extended loan term exceed the estimated life of the project.



## **Agriculture Water Quality Loans**

Arkansas has made available \$25 million for a linked deposit program in financial institutions throughout the state. Rural landowners can obtain loans to implement nonpoint source pollution control activities. ANRC has no plans to increase the \$25 million; however, reserves the right to make modifications. The Agriculture Water Quality Loan Program revolves like the SRF program with new loans processed from repayments. The interest rate for the Agriculture Water Quality Loan Program is 3% with a maximum term of twenty (20) years or the life of the project, whichever is less.

## **Septic Tank Remediation Program**

Arkansas has made available \$1 million for a pilot project to improve and protect water quality in three targeted watersheds while assisting residents in remediating their failing onsite septic systems.

Arkansas selected managing organizations for the Beaver Reservoir Watershed & the Illinois River Watershed to administer the initial pilot projects in each watershed. In addition, Arkansas will select a managing organization for the Buffalo River Watershed in SFY2022 or SFY2023. Organizations interested in offering management assistance will apply for two types of assistance: one for personnel and promotional expenses and one to finance the program. Personnel expenses may be awarded at the start of the three-year project term from a state program. Funds for implementation will be funded with monthly draws from the CWSRF to reimburse for eligible septic tank remediation projects. One managing organization will be selected per priority watershed for the initial 3-year period.

By participating and meeting all necessary requirements in this program and depending on household income, residents in the targeted watersheds will be eligible to receive some financial assistance, not to exceed \$30,000, in the form of grant/loan as reimbursement for repair or replacement of a failing septic system (as long as funding is available).

### Targeted Watersheds

Beaver Reservoir Watershed	HUC 11010001	Ozarks Water Watch
Illinois River Watershed	HUC 11110103	Illinois River Watershed Partnership
Buffalo River Watershed	HUC 11010005	

Each of these watersheds are a specific priority for the State of Arkansas and, as such, have been chosen for this pilot projects. After three years, the effectiveness of the pilot programs will be evaluated and, if proven effective, may be expanded to additional priority watersheds and additional funding.

## **Non-Point Source Sponsorship Projects**

CWSRF has an increasing focus on non-point source funding. Non-point source projects may be funded through loans using standard rates and terms. The mechanisms Arkansas is implementing to increase this type of utilization of the fund is through Sponsorship Funding.

Eligible CWSRF sponsorship projects are defined as a project to protect, conserve, or restore natural resources, including the acquisition of easements and land for the purposes of providing water quality benefits

(24 VSA Chapter 120 §4752). The following project types are categorically considered eligible for CWSRF funding:

- Wetland restoration projects
- Floodplain/stream restoration
- River corridor easements
- Woody buffer plantings
- Dam Removal, where there's a water quality benefit
- Water Resource Protection through land acquisition or easements for the purposes of providing water quality benefits
- Gully Stabilization where there is a downstream water quality benefit
- Forestland Conservation

ANRC staff will confirm that proposed sponsorship projects are eligible and provide a demonstrated water quality benefit. As projects are proposed to be funded through CWSRF, the Watershed Planners will coordinate within DEC's applicable natural resources programs to ensure the projects not only meet these definitions but do not present an unintended environmental impact. Once the Planners have completed their eligibility determination, they will work with SRF Project Developers to assist with the funding process.

Section 603(c) of the Clean Water Act (CWA) states that the CWSRF can provide assistance to these project types under the Habitat Protection and Restoration and Surface Water Protection and Restoration eligibility as described in the [EPA's 2016 Overview of CWSRF Eligibilities document](#). As it pertains to sponsorship (described below), this is further described in [EPA's Sponsorship Lending and the CWSRF](#). Similarly, the states of [Ohio](#) and [Iowa](#), and several other states have awarded CWSRF funding for the these project types for many years. These projects are not considered treatment works projects and, therefore, are not required to comply with NEPA. However, these projects may undergo environmental review as part of the permitting review process, as applicable, by other funding sources. ARNC reserves the right to require additional review on a case-by-case basis.

Many other federal crosscutters are not required for these projects including American Iron and Steel (AIS), Davis Bacon, and Fiscal Sustainability Plans (FSP) as they are not treatment works projects. Additionally, the program intends to use repayment funds (Tier II) to fund all-sponsorship projects. Due to the use of repayment funds, Signage, and Single Audit Act do not apply. Other traditional CWSRF programmatic requirements such as standard contract documents and CWSRF construction oversight do not apply to these projects and will not be overseen by CWSRF construction engineers. The relevant regulatory or natural resource program section (dam safety, rivers, wetlands, stormwater, etc.) will oversee these projects and will develop deliverable requirements. Grant conditions required by the capitalization grant will be incorporated into the loan agreement language.

## **Green Project Reserve**

To date Arkansas has allocated just over \$256 million to projects or components of projects that meet green requirements, meeting or exceeding required green amounts for the 2010 through the 2021 cap grants. The green project(s) expected to be allocated to the 2021 cap grant are estimated to exceed the requirement, see [Chart 2](#).

The applicant must be a POTW and the project must demonstrate that it will facilitate compliance with the Clean Water Act. Projects eligible for Green Project Reserve will be in one of the following categories:

- Energy Efficiency – Projects that use improved technologies and practices to reduce the energy consumption of water quality projects, use energy in a more efficient way, and/or produce/utilize renewable energy.
- Water Efficiency – Projects that use improved technologies and practices to deliver equal or better services with less water. Water efficiency encompasses conservation and reuse efforts, as well as water loss reduction and prevention, to protect water resources for the future.
- Green Infrastructure – Projects that include a wide array of practices at multiple scales that manage wet weather and that maintain and restore natural hydrology by infiltrating, evapotranspiring, and harvesting, and using stormwater. On a regional scale, green infrastructure is the preservation and restoration of natural landscape features, such as forests, floodplains and wetlands, coupled with policies such as infill and redevelopment that reduce overall imperviousness in a watershed. On the local scale green infrastructure consists of site- and neighborhood-specific practices, such as bioretention, trees, green roofs, permeable pavements and cisterns.
- Environmentally Innovative – projects that demonstrate new and/or innovative approaches to delivering services or managing water resources in a more sustainable way.

### **Affordability Criteria/Additional Subsidization**

The FWPCA section 603(i)(2) requires States to develop affordability criteria that will assist them in identifying applicants that would have difficulty financing projects without additional subsidization. Arkansas provides additional subsidization in the form of Principal Forgiveness.

ANRC has developed the following affordability criteria to determine if a project is eligible for additional subsidization funds for the CWSRF:

- The current utility rates or proposed utility rates for 4,000 gallons of water on an annual basis is at least 1.5% of the Median Household Income (MHI) for the project area\*; or
- If 51% of the customers who benefit from a project are either Low or Moderate Income as defined by the U. S. Department of Housing and Urban Developments' Community Block Grant (CDBG) Program; and have 1.25% of Median Household Income.

*\*Project area MHI is the average of the most recent three (3) years of available data on the ACS 5-year estimates provided by UALR.*

Arkansas's MHI is the average of the most recent three (3) years of available data on the ACS 5-year estimates provided by UALR (2017 - 2019). Arkansas's Median Household Income for SFY 2022 is \$45,712.

Once a project has been determined to be eligible for additional subsidization from the CWSRF, additional priority will be given to projects that meet the Regionalization or Green standards set by NRD and additional principal forgiveness may be provided.

As of May 31, 2021, a maximum of \$26.7 million is available for additional subsidization (Cap Grant requirement & additional WRRDA through the FFY 2020 Cap Grant). The FFY 2021 Cap Grant estimate includes approximately \$4.1 million for additional subsidization (\$1,039,400 Add Sub + \$3,118,200 WRRDA = \$4,157,600) for a maximum of \$30.8 million estimated available, including the FFY 2021 Cap Grant.

ANRC has elected to allocate the minimum required for the FFY 2016, 2017 and 2018 cap grants and the maximum for the FFY 2019, 2020, & 2021 cap grants, leaving approximately \$1 million available for projects or project components eligible for additional subsidization in SFY 2022. See [Chart 2](#) for the additional subsidization estimates for projects expected to close in SFY 2022.

Open Grants:

Cap Grant	Allocated	Min or Max	Unallocated
016	872,900	Min	0
2017	866,100	Min	0
2018	1,050,000	Min	0
2019	4,157,600	Max	0
2020	4,158,000	Max	0
2021	*3,214,411	Max	*943,189

\*Estimate

## **Financial Management**

### **State Matching Funds**

Arkansas will expense all State Match for each Cap Grant prior to requesting federal funds for construction reimbursement. This is because Arkansas is prohibited from disbursing State Match in any of the forms used for Additional Subsidization A.C.A. § 15-5-901(b)(12)(B). As long as federal funds are required to be spent on Additional Subsidization, Arkansas will need to disburse State Match prior to requesting federal cap grant funds for construction.

The State of Arkansas will fund the required State Match by using State appropriations, grants from State funding programs, bond proceeds, or loan servicing fees. State match for the FFY 2021 Capitalization Grant is estimated to be \$2,078,800, state match funds will be deposited within 30 days of receipt of grant award.

Arkansas has deposited and disbursed all required state match for the 2019 cap grant on or before October 31, 2019, and the state match for the 2020 cap grant on or before October 31, 2020.

### **Anticipated Cash Draw Ratio**

Arkansas will disburse 100% of the state match for a Cap Grant first and then draw 100% of the Federal funds for that Cap Grant, (less awarded set-asides). Arkansas is prohibited from disbursing State Match in any of the forms used for Additional Subsidization. As long as federal funds are required to be spent on Additional Subsidization, A.C.A. § 15-5-901(b)(12)(B), Arkansas will continue this process for future federal cap grants.

### **Service Fee**

The servicing fee is collected as part of the semi-annual loan repayment. These funds are placed in the CWSRF Administration Account, which is a separate fund, and are used to fund eligible program expenses.

### **Administrative Funds**

The WRD Section intends to use an amount equal to four percent of the estimated FFY 2021 cap grant allotment ( $\$10,394,000 \times 4\% = \$415,760$ ) for payment of administrative expenses, any additional administrative costs will be paid from the Service Fee account. The administrative funds will be used for the budgeted categories of travel, supplies, salary, fringe, contracts, and indirect cost.

### **Transfer of Funds**

Arkansas is reserving the authority to transfer up to thirty three percent (33%) of the CWSRF 2021 federal Cap Grant to the DWSRF 2021 grant. These funds will be transferred from Clean Water construction to Drinking Water construction. Currently, Arkansas has no plans to transfer funds for State Fiscal Year 2022.

### **Sources and Uses**

Arkansas's total funding sources for the CWSRF for SFY 2022 are identified in [Chart 3](#). With the FFY 2019, 2020 and the estimated FFY 2021 Cap Grant balances, the required State Match for the 2021 Cap Grant, bond proceeds, interest earnings, fees collected, and loan repayments, Arkansas estimates just over \$132 million available during SFY 2022 for existing projects and future eligible program purposes.

Arkansas's EPA payment schedule is based on the State's projection of binding commitments for selected projects included in [Chart 1](#) of this IUP.

Arkansas has requested that the 2021 cap grant be allocated in one payment in the first quarter of FFY 2022. Arkansas agrees to accept grant funds that will be released by EPA utilizing the ASAP payment method. Access to these funds will be in accordance with the following schedule:

<b><u>Payment Quarter</u></b>	<b><u>Payment Date</u></b>	<b><u>Payment Amount</u></b>
2022 / Quarter -1	10/01/2021	\$10,394,000.00

### **Financial Management Strategies**

Arkansas leverages periodically to increase the funds available for assistance. Arkansas has no plans to leverage the Clean Water program in State Fiscal Year 2022.

### **Assurances and Specific Proposals**

Arkansas provides the necessary assurances and certifications as part of the Operating Agreement between the State of Arkansas and the U.S. Environmental Protection Agency. Arkansas's Operating Agreement includes the following requirements of section 35.3150 (b) (4).

### **Binding Commitments (35.3135(c))**

A binding commitment is defined as the execution of a contract called the Bond Purchase Agreement between the borrower and ANRC. The Bond Purchase Agreement sets out the terms of the bond that will be issued by the borrower and purchased by ADFA or ANRC. In the event a bond is not required, the binding commitment is defined as the execution of a contract called an assistance agreement between the borrower and ANRC, setting out the terms of the agreement between the borrower and ANRC. The binding commitment date is the date when both parties have signed the contract. The bond or loan closing usually takes place within three days of the execution of the Bond Purchase Agreement. Funding for loans approved by the Commission but without a binding commitment are considered “approved but not closed” and those with a binding commitment are considered “approved and closed.”

The State of Arkansas will enter into binding commitments for 120% of each payment within one year of receipt of that payment, see [Chart 1](#).

### **Expeditious and Timely Expenditures (35.3135(d))**

The State of Arkansas will make every effort to expend all funds in the CWSRF in a timely and expeditious manner. Federal EPA payments and the associated State Match should be expended within sixteen (16) quarters from scheduled payment dates. The bond proceeds should be expended within three years from the bond issue dates.

### **Environmental Review Requirements (35.3140)**

The State of Arkansas will conduct environmental reviews as specified in the Project Review Procedures of the Operating Agreement. To date, none of the projects that have gone through the CWSRF program have required an Environmental Impact Statement. The projects were either issued a Finding of No Significant Impact or a Categorical Exclusion.

### **Federal Requirements**

Arkansas will comply with the following federal requirements:

- American Iron and Steel
- Disadvantaged Business Enterprise compliance (DBE)
- Federal Environmental crosscutters
- Federal Funding Accountability and Transparency ACT (FFATA) reporting
- Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (2 CFR Part 200)

### **Architectural and Engineering (A/E) Contracts**

Arkansas’s Governor has certified that Subchapter 8 of Chapter 11 of Title 19 Arkansas Professional Services Procurement Law is equivalent to Chapter 11 of Title 40, United States Code for Selection of Architectural and Engineering Services under the Clean Water Revolving Loan Fund.

## **Audits and Reporting**

Arkansas's Intended Use Plans and Annual Reports will be posted on the Agency website:  
<https://www.agriculture.arkansas.gov/natural-resources/>

An independent audit, and single audit (as required), will be conducted by an outside Certified Public Accounting firm annually.

Project milestones and information are reported through EPA's New Database (replaced the Benefits Reporting System - CBR), the Federal Funding Accountability and Transparency Act (FFATA) Requirement, as well as The National Incident Management System (NIMS). These databases will be updated no less than quarterly. However, the goal is to update monthly.

## **Cost and Effectiveness Analysis**

As part of the technical review and selection of alternatives, projects are reviewed for cost and effectiveness. The cost and effectiveness analysis include a present worth analysis of the total project cost, associated operations and maintenance cost, and the cost of replacing the project or activity, for all the alternatives considered. The analysis also evaluates the cost and effectiveness of the processes, materials, techniques, and technologies. Non-cost factors are also considered in the analysis including, to the extent practicable, that the project maximizes the potential for efficient water use, reuse, recapture and conservation, energy conservation, green infrastructure, and sustainable design.

## **Davis-Bacon Related Act Provision**

The FWPCA section 602(b) (6) permanently applies the prevailing wage (Davis-Bacon) provision of the FWPCA section 513 to any projects for treatment works that are funded by a CWSRF. Consistent with EPA's prior implementation of this provision, application of the Davis-Bacon Act requirements extend not only to assistance agreements funded with Cap Grants, but to all CWSRF-funded projects involving the construction of treatment works regardless of the source of the funding (e.g., prior years' appropriations, state match, bond proceeds, interest earnings, principal repayments, etc.). Any project that is considered a "treatment work" as defined in the FWPCA section 212, now incorporated in FWPCA Section 502(26), must comply with the FWPCA 513, regardless of which eligibility it is funded under (*see section 603(c)*).

## **Fiscal Sustainability Plan (FSP)**

The FWPCA section 603(d) (1) (E) requires a recipient of a loan for a project that involves the repair, replacement, or expansion of a publicly owned treatment works to develop and implement an FSP. Since Arkansas does bond purchase agreements, we do not plan for our borrowers to implement an FSP. Arkansas defines an application as having all information needed to conduct an analysis of the project. Once the analysis is completed then the project is presented to our Commission for approval. After approval is received from our Commission Arkansas considers this to be a complete application. Arkansas does not consider the first submittal of an application form to be the application.

## **Signage**

Arkansas agrees to comply with the SRF Signage Guidance in order to enhance public awareness of EPA assistance agreements nationwide.

### **Wage Rate Requirements (Davis-Bacon)**

ANRC agrees to include in all agreements to provide assistance for the construction of treatment works carried out in whole or in part with such assistance made available by Arkansas Clean Water Revolving Loan Fund as authorized by title VI of the Federal Water Pollution Control Act (33 U.S.C. 1381 et seq.), or with such assistance made available under section 205(m) of that Act (33 U.S.C. 1285(m)), or both, a term and condition requiring compliance with the requirements of section 513 of that Act (33 U.S.C. 1372) in all procurement contracts and sub-grants, and require that loan recipients, procurement contractors and sub-grantees include such a term and condition in subcontracts and other lower tiered transactions. All contracts and subcontracts for the construction of treatment works carried out in whole or in part with assistance made available as stated herein shall insert in full in any contract in excess of \$2,000 the contract clauses “Wage Rate Requirements Under the Clean water Act, Section 513”. This term and condition apply to all agreements to provide assistance under the authorities referenced herein, whether in the form of a loan, bond purchase, grant, or any other vehicle to provide financing for a project, where such agreements are executed on or after October 2009. ANRC will continue to update this term and condition as updated procedures are provided with subsequent cap grants.

### **Intended Use Plan Amendment Procedures**

Revisions to this Intended Use Plan that are determined significant will require Public Notice and EPA notification and approval. Revisions to this Intended Use Plan which are deemed to be insignificant shall be made by the WRD Section with notification to EPA. Any changes in the project funding list shall be in accordance with procedures provided in the Clean Water State Revolving Fund Priority System and List.

### **Public Review & Comment**

To ensure that the public has an opportunity to review the State’s proposed plans for the program, a draft IUP was published on the ANRC website <https://www.agriculture.arkansas.gov/natural-resources/divisions/water-development/> to accept comments on the Intended Use Plan. To ensure that interested parties were made aware of the draft IUP and the comment period, ANRC posted notice on the ANRC website and published the public notice advertisement for the Clean Water and Drinking Water Revolving Loan Fund Intended Use Plans in the Arkansas Democrat-Gazette, a statewide paper, on August 8th and August 15<sup>th</sup>, 2021. The public comment period remained open with a deadline for submittal of written comments of September 10, 2021. Copies of the Intended Use Plan were also available, upon request, at the Water Resources Development Section of the Arkansas Natural Resources Commission offices.



# **APPENDIX A – Project Priority List**

## **Project Priority List**

### **General Information**

The Arkansas established a new CWSRF priority ranking system to evaluate and rank proposed CWSRF projects for fiscal year 2022. The purpose of this ranking system is to direct available funding to address the priority water quality-related needs in the State of Arkansas. This new priority ranking system will form the basis for forecasting the allocation of funds to projects that forms an essential function of this Intended Use Plan (IUP). Based on the information available at the time of IUP development, Arkansas will evaluate each project that has applied for funding, assign it priority points based on the new priority ranking scoring system, assign the project to a funding Tier based on its point total, and determine based on the level of expected resources in fiscal year 2022 which Tiers of projects are projected to be fundable this fiscal year.

All anticipated projects related to the provision of sewer services, including combined sewer overflow projects, requested by public utilities have been scored and assigned a funding Tier and appear on the Project Priority List (PPL). In addition, as detailed below, Arkansas is funding stormwater and non-point source projects that do not appear on the PPL according to details provided below.

### **Assignment of Priority Points**

Each project's priority score is generated from assignment of points based on the Priority Points Criteria detailed below. These scores form the basis upon which each project is assigned to a ranked "Project Tier," which provides a strategic foundation upon which the Arkansas can prioritize allocation of funding to projects that meet the State's goals of protecting and improving water quality and human health.

The priority ranking system criteria and methodology are intended to be objectively straight forward, qualitative, and non-technical to ensure that applicants can have some reasonable amount of predictability and transparency into how they can expect their project to be scored by Arkansas. The CWSRF system relies on readily available information with the expectation that it should be easy for the applicant to complete the PPL scoring sheet and relatively easy for Arkansas staff to review and assign priority points.

Arkansas staff rank eligible projects for funding based on information available from a variety of sources, including the WWAC Application, the ANRC Funding Application, the ANRC PPL application, and other information available to the State. Arkansas staff may ask an applicant to provide documentation, if necessary, to receive points for a particular criterion. Any ranking criteria that cannot be verified by Arkansas will be awarded zero points at the discretion of Arkansas staff.

### **Priority Points Criteria**

The measures that establish the priority ranking system are designed to prioritize projects that improve water quality, particularly for utilities struggling with compliance and for projects that will

improve water quality for impaired waters. In addition, a heavy emphasis is placed on projects that are closer to being ready to construct, which ensures efficient use of funds and quicker achievement of water quality benefits. Finally, the State awards points for State priorities rooted in best practices to ensure healthy, sustainable utilities, including points for:

- Small communities
- Green projects
- Multi-year funding (to ensure projects already begun can be completed)
- Utilities with asset management plans
- Utilities using the CWSRF to only fund a portion of the project
- Projects that include consolidation or are for utilities that have already undergone consolidation.

The specific criteria and points associated with each are detailed in the table below. For more information and guidance on each criterion, please refer to ANRC’s PPL Score Sheet which provides further details and links to more information. Any revisions to the priority points criteria will be documented and posted in a revised IUP. The point total results for each project and its assigned Tier are included in the attached PPL.

#	Criteria	Points Awarded for a "Yes" Answer
<b>PROJECT BENEFITS</b>		
<b>Basic Eligibility</b>		
1	Is the project (in total or in part) eligible for the CWSRF?	10
<b>System Functionality</b>		
2	Will the project improve, repair, upgrade, enhance, rehab, restore, create, or expand an engineered, constructed, or natural system that improves or protects surface water or ground water quality?	10
<b>Permit Compliance</b>		
3	Is the recipient required to meet a water quality-related permit that will be impacted by the project?	10
4	Will the project help an entity out of compliance with a water quality-related permit achieve compliance?	5
<b>Improves Quality of Impaired Water Bodies</b>		
5	Will the project benefit a water body that is listed as impaired on the State's 303(d) list--Category 4 or Category 5--or 305(b) list?	10
6	Will the project support implementation of a TMDL?	5
7	Will the project reduce phosphorous contamination in the Illinois River? Watershed or improve water quality in the Buffalo River watersheds?	5
<b>AFFORDABILITY &amp; NEED</b>		
8	Is the recipient a community with a population under 10,001 people?	5

	Is the recipient a community with a population under 1,001 people?	<b>10</b>
<b>READINESS TO PROCEED</b>		
<b>9</b>	Has a complete funding application been submitted for the project?	<b>4</b>
	Has a complete Benefits Report been submitted for the project?	<b>4</b>
	Has the Environmental Review been completed for the project?	<b>4</b>
	Have the plans and specs been approved for the project?	<b>4</b>
	Has ADEQ completed permit review and/or issuance?	<b>4</b>
<b>OTHER FACTORS</b>		
<b>GPR</b>		
<b>10</b>	Will any aspect or portion of the project count as a Green Project?	<b>5</b>
<b>MULTI-YEAR</b>		
<b>11</b>	Is the project a continuation of an effort that received CWSRF funding in the past 2 years?	<b>10</b>
<b>ASSET MANAGEMENT PLAN</b>		
<b>12</b>	Does the borrower either have an asset management plan or will develop an asset management plan as part of this project?	<b>5</b>
<b>CONSOLIDATION &amp; REGIONALIZATION</b>		
<b>13</b>	Will the project include consolidation and regionalization between utilities, at least one of which has a population under 10,000 people?	<b>10</b>
	If no, will the project be for a utility that was formed through consolidation or regionalization between utilities, at least one of which has a population under 10,000 people, that occurred in the past?	<b>5</b>
<b>CO-FUNDING</b>		
<b>14</b>	Will another funding source (either the community or a different lending source) be contributing to the project?	<b>10</b>

## **Project Tier Assignment and Prioritization**

Once each project is scored and given a point total, Arkansas staff assign it to a funding Tier based on the table below. Arkansas will define the fundable range of project based on Tier, using its projection of available resources. For the purposes of funding prioritization, all projects in the same funding Tier are considered to have the same priority; if necessary, preference is given to the project that will be ready to proceed at the earliest date based on the assessment of Arkansas staff.

<b>Project Rank Tiers</b>			
<b>TIER</b>	<b>Total Points</b>	<b>TIER</b>	<b>Total Points</b>
1	90+	5	50-59
2	80-89	6	40-49
3	70-79	7	1-39
4	60-69	NG	0

### **FUNDABLE TIERS FOR FISCAL YEAR 2022: 1-4**

Assignment to a Tier within the fundable range is not a guarantee of project funding in Fiscal Year 2022 – projects must still meet milestones and requirements; there are numerous reasons why a project might not be ready to close on assistance despite being in the fundable range. If a project is not ready to proceed, Arkansas may skip over that project to a project in a lower Tier that is ready to proceed. Any project included on the PPL that does not receive funding in Fiscal Year 2022, regardless of its funding Tier, may reapply to be considered for funding in the following Fiscal Year.

Only projects that have been scored and placed on the State’s PPL may receive funding. Arkansas has a rolling application process for accepting CWSRF applications. Arkansas’s projected list of projects it expects to fund at the outset of the Fiscal Year is subject to change as new projects may well apply and be scored into a fundable Tier. In addition, a project in a Tier that is not expected to be fundable could make project changes or make progress in project development that would increase its score vaulting it into a fundable Tier. Arkansas will update and post the PPL and fundable Tiers as necessary (up to 4 times) in Fiscal Year 2022 to reflect new projects and the progress of projects waiting for funding.

### **Alternative Criteria for Non-Traditional Projects**

In addition to the projects listed in the PPL that are scored and given a ranked Tier as detailed above, Arkansas will also fund up to \$5 million in non-traditional projects in Fiscal Year 2022 that meet alternative criteria establishing the contribution they make to improving water quality.

Stormwater projects and non-point source projects will be eligible for this pool of funding on a first come, first-served basis. These projects will still be subject to all applicable State and Federal rules and requirements, and the terms of the funding package – including the interest rate and loan length – will be established by Arkansas. In addition, Arkansas will specify the steps to apply for project funding and determine how it will underwrite these projects.

## Project Priority List

Entity	County	Project Name	Project ID	Loan #	Permit #	Project Type	Total \$	SRF \$	SRF Ad Sub \$	SRF \$	Points	Tier
<b>TIER 1</b> <b>TIER 2</b> <b>TIER 3</b> <b>TIER 4</b> <b>TIER 5</b>												
Cave Springs, City of	Benton	WWTP Closure and diversion to NACA	WRD-004-185	01269		S - Regionalize Waste Water Systems	4,200,000	4,200,000	-	4,200,000	53	5
<b>TIER 6</b>												
Jasper, City of	Newton	Jasper WWTP improvements	WRD-004-206	01293/01294		S - Rehab Existing Wastewater Treatment Plant	1,791,750	1,791,750	1,351,750	440,000	48	6
Dumas, City of (Mitchellville)	Benton	Lost Bridge Village new wastewater treatment plant	WRD-004-217	01307/01308		S - New Wastewater Treatment Plant	4,066,953	4,066,953	1,626,781	2,440,172	44	6
Dumas, City of (Winchester)	Desha	Dumas - Winchester wastewater project	WRD-004-071	01141/01142		S - Regionalize Waste Water Systems	3,975,000	3,975,000	3,000,000	975,000	44	6
Northwest AR Conservation Auth (NACA)		NACA WWTP Improvements	WRD-004-231	01337-CWRLF-L		S - Rehab Existing Wastewater Treatment Plant	55,000,000	55,000,000	-	55,000,000	43	6
Gravel Ridge SID #213 (Pulaski County MHI)	Pulaski	Gravel Ridge WWTP improvements	WRD-004-173	01254/01356		S - Rehab Existing Wastewater Treatment Plant	5,866,160	5,866,160	-	5,866,160	42	6
<b>TIER 7</b>												
Strong, City of	Union	Strong WWTP Improvements	WRD-004-242	01353/01354		S - Rehab Existing Wastewater Treatment Plant	214,039	214,039	67,712	146,327	39	7
Austin, City of	Lonoke	WWTP Improvements	WRD-004-191	01275	AR0038369	S - Rehab Existing Wastewater Treatment Plant	3,078,031	3,078,031	-	3,078,031	38	7
Flippin, City of	Marion	Flippin WWTP Improvements - expanded scope	WRD-004-172	01252/01253		S - Rehab Existing Wastewater Treatment Plant	1,600,000	1,600,000	-	1,600,000	38	7
Flippin, City of	Marion	Flippin WWTP Improvements	WRD-004-089	1165		S - Rehab Existing Wastewater Treatment Plant	3,304,560	3,304,560	1,524,560	1,780,000	38	7
Lost Bridge Village	Benton	Lost Bridge Village new wastewater treatment plant	WRD-004-217	01310/01311		S - New Wastewater Treatment Plant	2,785,642	2,785,642	1,392,821	1,392,821	38	7
Shannon Hills, City of	Saline	Shannon Hills WWTP Improvements	WRD-004-232	01338-CWRLF-L		S - Rehab Existing Wastewater Treatment Plant	823,500	823,500	-	823,500	38	7
Taylor, City of	Columbia	Taylor WW collection system improvements for I&I	WRD-004-196	01280		S - Rehab Existing Wastewater Collection System	1,633,114	1,633,114	-	1,633,114	38	7
Forrest City	St. Francis	Forrest City Wastewater System Improvements	WRD-004-172	01348		S - Rehab Existing Wastewater Treatment Plant	1,803,532	1,803,532	-	1,803,532	29	7
Paris, City of	Logan	Paris WWTP Improvements	WRD-004-240	01350-CWRLF		S - Rehab Existing Wastewater Treatment Plant	690,000	690,000	-	690,000	24	7
Crossett, City of	Ashley	Sewer collection improvements in E. Crossett	WRD-004-157	01234		S - New Wastewater Collection System or Extension	7,000,000	7,000,000	-	7,000,000	19	7
Greenland, City of	Washington	Greenland System Upgrades	WRD-004-230	01335/01336		S - Rehab Existing Wastewater Collection System	3,810,300	3,810,300	1,617,434	2,192,866	19	7
Warren, City of	Bradley	Warren Sewer lines & Force Main	WRD-004-199	01287		S - Rehab Existing Wastewater Collection System	3,268,361	3,268,361	-	3,268,361	19	7

# **APPENDIX B - Charts**

# Chart 1 Binding Commitments

CHART 1: TOTAL BINDING COMMITMENTS (BC)  
FOR SFY 2022

Project Name / Community Served	Loan Number	Estimated Binding Commitment Date	Estimated State Fiscal Year 2022				Totals
			QTR 1	QTR 2	QTR 3	QTR 4	
<b>Section 212 Projects</b>							
Austin, City of (L)	01275-CWRLF-L	08/09/21	3,078,031				3,078,031
Cave Springs (L)	01269-CWRLF-L	08/04/21	4,200,000				4,200,000
Crossett (L)	01234-CWRLF-L	02/15/22			7,000,000		7,000,000
Dumas (L)	01141-CWRLF-L	07/30/21	975,000				975,000
Dumas (PF)	01142-CWRLF-F	07/30/21	3,000,000				3,000,000
Dumas (L)	01307-CWRLF-L	03/03/22			1,626,781		1,626,781
Dumas (PF)	01308-CWRLF-F	03/03/22			2,440,172		2,440,172
Flippin (L)	01252-CWRLF-L	12/16/20		1,780,000			1,780,000
Flippin (PF)	01253-CWRLF-F	07/30/21	1,524,560				1,524,560
Forrest City	01348-CWSRF-L	01/01/22			1,803,531		1,803,531
Greenland (L)	01335-CWRLF-L	03/01/22			2,192,886		2,192,886
Greenland (PF)	01336-CWRLF-PF	03/01/22			1,617,434		1,617,434
Lost Bridge Village (L)	01310-CWRLF-L	07/30/21	1,392,821				1,392,821
Lost Bridge Village (PF)	01311-CWRLF-F	07/30/21	1,392,821				1,392,821
Northwest AR Conservation Auth (N	01337-CWRLF-L	06/15/22		55,000,000			55,000,000
Paris (L)	01350-CWSRF-L	01/01/22			690,000		690,000
Shannon Hills (L)	01338-CWRLF-L	01/01/22			146,327		146,327
Strong (L)	01353-CWSRF-L	01/01/22			62,712		62,712
Strong (PF)	01354-CWSRF-F	09/15/21	823,500				823,500
Taylor (L)	01280-CWRLF-L	11/05/21		1,633,114			1,633,114
<i>Section 212 SFY Total</i>			\$ 16,386,733	\$ 58,413,114	\$ 17,579,843	\$ -	\$ 92,379,690
<b>Cumulative Section 212 Totals</b>			\$ 983,337,238	\$ 999,723,971	\$ 1,058,137,085	\$ 1,075,716,928	\$ 1,075,716,928
<b>Section 319 Projects</b>							
Nonpoint Croplands			100,000	100,000	100,000	100,000	\$ 400,000
Septic Tank Program -Buffalo River Watershed			-	-	1,000,000		\$ 1,000,000
<i>Section 319 SFY Totals</i>			\$ 100,000	\$ 100,000	\$ 1,100,000	\$ 100,000	\$ 1,400,000
<b>Cumulative Section 319 Totals</b>			\$ 72,675,418	\$ 72,775,418	\$ 73,975,418	\$ 74,075,418	\$ 74,075,418
<b>Administrative Program</b>							
<i>Administrative Program SFY Totals</i>			104,990	104,990	104,990	104,990	\$ 419,960
<b>Cumulative Administration</b>			\$ 10,741,582	\$ 10,846,572	\$ 10,951,562	\$ 11,056,552	\$ 11,161,542
<b>SUMMARY BINDING COMMITMENTS</b>							
Section 212			16,386,733	58,413,114	17,579,843	-	\$ 92,379,690
Section 319			100,000	100,000	1,100,000	100,000	\$ 1,400,000
Administrative Program			104,990	104,990	104,990	104,990	\$ 419,960
<i>Sub Totals</i>			16,591,723	58,618,104	18,784,833	204,990	\$ 94,199,650
<b>Cumulative Totals</b>			\$ 1,066,754,238	\$ 1,083,345,961	\$ 1,141,964,065	\$ 1,160,748,898	\$ 1,160,953,888
Required SFY 2022 - Estimate				12,474,000			\$ 12,474,000
<b>Required Cumulative Binding Commitments</b>			\$ 346,578,066	\$ 359,052,066	\$ 359,052,066	\$ 359,052,066	\$ 359,052,066
<b>Percentage - Actual/Required</b>			308%	302%	318%	323%	323%



## Chart 2 Fundable Project List

Project Name	Commission Approval Date	Loan #	Section	Interest Rate	Term	Estimated Binding Commitment Date	Total Assistance	Estimated Loan Closing Date	Green Eligible %	Green Category	Green Funding	Population (UALR Population Data)	Additional Subsidy	Project Description
Austin, City of (L)	May-2020	01275-CWRLF-L	212	1.75%	20	08/09/2021	\$ 3,078,031	08/09/2021	0.00%		\$ -	2,038	\$ -	Improvements to the existing wastewater treatment plant and pump station No. 1 improvements
Cave Springs (L)	Jan-2020	01269-CWRLF-L	212	2.3%	30	08/04/2021	\$ 4,200,000	08/04/2021	100.00%	Energy Efficiency	\$ 4,200,000	1,729	\$ -	Discontinue wastewater treatment and send to NACA Wastewater Treatment Facility. The project will eliminate the power used to at one plant and send the waste stream to a plant that is capable of handling the flow with no additional power required.
Crossett (L)	Jul-2019	01234-CWRLF-L	212	3.00%	30		\$ 7,000,000	02/15/2022			\$ -	5,507	\$ -	Improvements to East Crossett Sewer Collection System
Dumas - Winchester (L)	Sep-2017	01141-CWRLF-L	212	2.50%	20	07/30/2021	\$ 975,000	07/30/2021	0.00%		\$ -	4,706	\$ -	Regionalization Winchester and the Pickens Community into Dumas system
Dumas - Winchester (PF)	Sep-2017	01142-CWRLF-F	212	n/a	n/a	07/30/2021	\$ 3,000,000	07/30/2021	0.00%		\$ -		\$ 3,000,000	Regionalization of Winchester and the Pickens Community into Dumas system
Dumas - Mitchellville (PF)	Sep-2020	01308-CWRLF-F	212	1.75%	20	03/03/2022	\$ 1,626,781	03/03/2022	100.00%	Energy Efficiency	\$ 1,626,781	4,706	\$ 1,626,781	Regionalization of Mitchellville into Dumas System, construction of pump stations and non-existent sewer infrastructure
Dumas - Mitchellville (L)	Sep-2020	01307-CWRLF-L	212	1.75%	20	03/03/2022	\$ 2,440,172	03/03/2022	100.00%	Energy Efficiency	\$ 2,440,172		\$ -	Regionalization of Mitchellville into Dumas System, construction of pump stations and non-existent sewer infrastructure
Flippin (PF)	Nov-2019	01253-CWRLF-F	212	n/a	n/a	07/01/2021	\$ 1,524,560	07/01/2021	0.00%		\$ -	1,355	\$ 1,524,560	Improvements at Wastewater Treatment Plant to maintain compliance
Flippin (L)	Nov-2019	01252-CWRLF-L	212	1.75%	20	07/30/2021	\$ 1,780,000	07/30/2021	0.00%		\$ -		\$ -	Improvements at Wastewater Treatment Plant to maintain compliance
Forrest City	May-2021	01348-CWSRF-L	212	1.75%	20	01/01/2022	\$ 1,803,531	01/01/2022	TBD		\$ -	14,285	\$ -	Improvements to Wastewater Treatment Plant
Greenland (L)	Mar-2021	01335-CWRLF-L	212	1.75%	20	03/01/2022	\$ 2,192,886	03/01/2022	0.00%		\$ -	1,259	\$ -	Replacement and expansion of one lift station and replacing force main.
Greenland (PF)	Mar-2021	01336-CWRLF-F	212	N/A	N/A	03/01/2022	\$ 1,617,434	03/01/2022	0.00%		\$ -		\$ 1,617,434	Replacement and expansion of one lift station and replacing force main.
Lost Bridge Village (L)	Sep-2020	01310-CWRLF-L	212	1.75%	20	07/30/2021	\$ 1,392,821	07/30/2021	0.00%		\$ -	406	\$ -	New wastewater treatment plant
Lost Bridge Village (PF)	Sep-2020	01311-CWRLF-F	212	1.75%	20	07/30/2021	\$ 1,392,821	07/30/2021	0.00%		\$ -		\$ 1,392,821	New wastewater treatment plant
Northwest AR Conservation Auth (NACA) (L)	Mar-2021	01337-CWRLF-L	212	1.50%	30	06/15/2022	\$ 55,000,000	06/15/2022	100.00%	Energy Efficiency	\$55,000,000	35,301	\$ -	Wastewater Treatment Plant improvements.
Paris (L)	May-2021	01350-CWSRF-L	212	1.75%	20	01/01/2022	\$ 690,000	01/01/2022	TBD		\$ -	3,413	\$ -	Wastewater Treatment Plant improvements.
Shannon Hills (L)	Mar-2021	01338-CWRLF-L	212	1.75%	20	09/15/2021	\$ 823,500	09/15/2021	0.00%		\$ -	3,143	\$ -	Wastewater Treatment Plant improvements.
Strong (L)	May-2021	01353-CWSRF-L	212	1.75%	20	01/01/2022	\$ 146,327	01/01/2022	TBD		\$ -	281	\$ -	Wastewater Treatment Plant improvements
Strong (PF)	May-2021	01354-CWSRF-F	212	1.75%	20	01/01/2022	\$ 62,712	01/01/2022	TBD		\$ -		\$ 62,712	Wastewater Treatment Plant improvements.
Taylor (L)	May-2020	01280-CWRLF-L	212	2.25%	30	11/05/2021	\$ 1,633,114	11/05/2021	100.00%	Water Efficiency	\$ 1,633,114	566	\$ -	Replacement of wastewater collections system and manholes. This project will reduce I&I which is an energy efficiency project for green consideration
Septic Tank Program - Buffalo River Watershed	n/a	n/a	319	0%	up to 10	06/30/2022	\$ 1,100,000	6/30/2022	N/A		\$ -	N/A	\$ -	Septic Tank Remediation pilot program to reduce non-point source pollution that impacts water quality
Ag Loan Program	n/a	n/a	319	3%	up to 20	06/30/2022	\$ 240,000	6/30/2022	N/A		\$ -	N/A	\$ -	Agriculture BMP to reduce non-point source pollution that impacts water quality
<b>Total:</b>							\$ 93,719,690			4	\$64,900,067	78,695	\$ 9,224,308	

\*Expanded project descriptions begin on Page 6

### Chart 3 Sources and Uses of Funds

#### SOURCES OF FUNDS

Beginning Balance (SFY 2020 Carryover) data as of 04/30/2021	85,830,874.19
<b><i>State Fiscal Year 2021 (Projected)</i></b>	
Federal Grant FFY 2019	9,743,989.19
Federal Grant FFY 2020	10,242,624.72
Federal Grant FFY 2021*	10,394,000.00
State Match* - FFY2021 Cap Grant	2,078,800.00
Principal Repayments *	7,925,427.55
Interest Earnings on Loans & Investments *	5,450,312.32
<b>Sub Total</b>	<b>\$ 45,835,153.78</b>
<b>Total Sources of Funds</b>	<b><u>\$131,666,027.97</u></b>

#### USES OF FUNDS

##### ***CWSRF Loan Commitments for SFY 2021***

ANRC Approved Loans (not closed as of 5/31/21)	99,697,632.80
ANRC Approved Loans closed, undisbursed funds as of 4/30/21)	163,708,367.66
<b>Sub Total</b>	<b>\$ 263,406,000.46</b>

##### ***CWSRF Set-Aside Programs for SFY 2021***

Administration *	333,000.00
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##### ***Debt Service Obligations***

Leveraged Bond Principal (Jul 21 to Jun 22)	-
Leveraged Bond Interest (Jul 21 to Jun 22)	-
<b>Sub Total</b>	<b>\$ -</b>
<b>Total Uses of Funds</b>	<b><u>\$ 263,739,000.46</u></b>

**Funds (needed)/available** **(\$132,072,972.49)**

\*Estimated amount

Fees are not deposited into the Fund; therefore, based on EPA guidance they are not included in the Sources and Uses for the Fund

Note: Negative available funds are a timing difference that can be taken care of by issuing new bonds.

Totals are based on SFYTD Totals plus a seven-month average of SFYTD totals for the remaining reporting months.