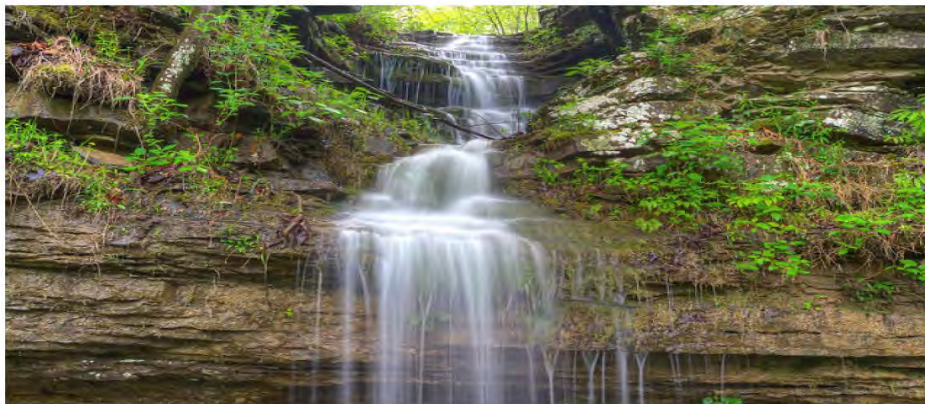




**STATE OF ARKANSAS
CLEAN WATER
REVOLVING LOAN FUND PROGRAM
(CWSRF)
INTENDED USE PLAN
STATE FISCAL YEAR 2023
(July 1, 2022 – June 30, 2023)**

EPA Approved originally on 11/16/2022

**Arkansas Department of Agriculture
Natural Resources Division**



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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 Department of Agriculture's Natural Resources Division. This IUP was prepared by the WRD Section. The Arkansas Development Finance Authority (ADFA) currently assists the Natural Resources Division by acting as agent, financial advisor, and the purchaser and seller of bonds. During FY 2023 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 2023 (FY 2023) 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 2023, beginning July 1, 2022, and ending June 30, 2023. The capitalization grants (Cap Grant) and the state match to fund these activities are from prior fiscal years and the federal fiscal year 2022 (FFY 2022) appropriations, including Bipartisan Infrastructure Law (BIL) Funding.

The CWSRF program anticipates disbursing approximately \$50 million in the base programs, (which includes the FFY 2022 Base Capitalization grant \$7,570,000), \$11,642,000 million in general BIL (G-BIL), \$612 thousand in emerging contaminants BIL (EC-BIL) to projects in FY 2023. 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
- 5) Compliance with Additional Subsidization

Arkansas will summarize variations from the IUP that occur during FY 2023 in the Annual Report.

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

Water Resources Reform and Development Act (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, the Natural Resources Division can now offer maximum lending terms of 30 years or the life of the project, whichever is less.

Bipartisan Infrastructure Law, Infrastructure Investment and Jobs Act (BIL)

President Biden signed the Bipartisan Infrastructure Law (Infrastructure Investment and Jobs Act) on November 15, 2021, these funds will be used to strengthen the nation's drinking water. Clean water state revolving loan funds will have two separate funding categories under BIL, general supplemental and emerging contaminants. The key priority for BIL is to ensure that disadvantaged communities benefit equitably from this investment in water infrastructure.

CWSRF Goals

Arkansas is committed to supporting the three major objectives found in Title VI and has established its short and long-term goals accordingly. Those objectives and 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 the Environmental Protection Agency (EPA) specifies for the State Revolving Fund (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 FY 2023 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 13 assistance agreements for binding commitments totaling approximately \$139.4 million. These projects are identified in [Chart 1](#).
5. Arkansas anticipates 4 projects that will meet the additional subsidization (Principal Forgiveness) requirements. These projects are identified in [Chart 2](#).
6. Arkansas anticipates at least 4 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 featuring approved funding and potential use of social media to highlight 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. Arkansas plans to incorporate Non-Point Source (NPS) and water reuse projects into the Project Priority List (PPL)
10. Issue a call for BIL project funding applications prior to the end of FY2022

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.
4. Achieve with use of the Bil/IJJ funds to help entities with lead services line, emerging contaminants, and to put emphasis on the disadvantage's communities.

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 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 FY 2022 and modified it for FY 2023. The purpose of this ranking system is to direct available funding to 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, which 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.

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 score and appear on the PPL. In addition, as detailed in [Appendix A](#), Arkansas is funding stormwater and nonpoint source projects that do not appear on the PPL.

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.

The status of the National Municipal Policy (NMP) projects in this Intended Use Plan will not be affected by the work contemplated. All 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

Fundable List of Projects

A list of projects submitted to the Arkansas Natural Resources Commission for funding from the CWSRF program is available in [Chart 2](#). The list will be updated from time to time as provided in Title XVI of the Arkansas Natural Resources Commission. 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 the Arkansas Natural Resources Commission's access to the municipal bond market, financing or refinancing is available for both large and small communities.

Arkansas anticipates closing \$20.1 million in 9 loans for projects to communities with populations of less than 10,000 during FY 2023 ([Chart 2](#)).

Type and Terms of Assistance

Prior to FFY 2010, the Arkansas Department of Agriculture's Natural Resources 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 Natural Resources 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 Natural Resources 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 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.

The service fees are deposited into the Fees and Administrative account which is outside of the CWSRF and not subject to the 4% administration cap applicable to the CWSRF.

Standard Lending Rates:

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

The Natural Resources 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. **Illinois River Basin**: 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. **Buffalo River Watershed**: 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. **Regionalization**: 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 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. **Cybersecurity:** 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 components are 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 technology upgrades 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, installing admin detection and monitoring systems, and constructing 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.

- e. **Emerging contaminants (BIL-EC):** Projects eligible under BIL-EC project funding 0% (0% interest and 0% fee).
- f. **Equivalency Projects:** Borrowers/Recipients who choose to meet all federal requirements for their project, reduce the standard interest rate by 1%, standard fee rate remains the same.

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. The Arkansas Natural Resources Commission has no plans to increase the \$25 million, however, it reserves the right to make modifications. The Agriculture Water Quality Loan Program revolves like the SRF program with new loans processed from repayments in the link deposit program. The interest rate for the Agriculture Water Quality Loan Program is 3% with a maximum term of 20 years or the life of the project, whichever is less.

Septic Tank Remediation Program

Arkansas has made available \$2 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 pilot programs of, Beaver Reservoir Watershed, the Illinois River Watershed, and the Buffalo River Watershed to administer the projects of each watershed. Organizations interested in offering management assistance applied 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 provided 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 three-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	H2Ozarks
Illinois River Watershed	HUC 11110103	Illinois River Watershed Partnership
Buffalo River Watershed	HUC 11010005	H2Ozarks

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 (end of SFY2023), 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

Staff at the Arkansas Department of Agriculture's Natural Resources Division will confirm that proposed sponsorship projects are eligible and provide a demonstrated water quality benefit. As projects are proposed to be funded through CWSRF, NRD staff will coordinate within 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 NRD Staff 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](#). These projects are not considered treatment works projects and, therefore, are not required to comply with the National Environmental Policy Act (NEPA). However, these projects may undergo environmental review as part of the permitting review process, as applicable, by other funding sources. The Arkansas Natural Resources Commission 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 2023 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, 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.

The Arkansas Natural Resources Commission 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 Development's Community Block Grant (CDBG) Program; and have 1.25% of Median Household Income.

**Project area MHI is the average of the most recent three years of available data on the ACS five-year estimates provided by the University of Arkansas at Little Rock (UALR)*

Arkansas’s MHI is the average of the most recent three years of available data on the ACS 5-year estimates provided by UALR (2018 – 2020). Arkansas’s Median Household Income for FY 2023 is \$47,599

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 the Arkansas Department of Agriculture’s Natural Resources Division and additional principal forgiveness may be provided.

As of June 30, 2022, a maximum of \$8 million is available for additional subsidization (Cap Grant requirements (FFY 2018-2021 Cap Grant). The FFY 2022 Grant estimates includes an estimate for following FY 22 grants.

Congressional Additional Subsidy Authority

Under this authority, states may provide this subsidy to *any CWSRF-eligible recipient*. States must use 10 percent of the funds made available in the base 2022 CWSRF capitalization grant to provide additional subsidization to eligible recipients in the form of forgiveness of principal, negative interest loans, or grants (or any combination of these) to be used where such funds are provided as initial financing for an eligible recipient or to buy, refinance, or restructure the debt obligations of eligible recipients only where such debt was incurred after March 15, 2022.

FFY 2022 Grants	Congressional Additional Subsidization	
Grant Types	Min Subsidization	Max subsidization
Base	\$757,000.00	\$757,000.00
General	\$5,704,580.00	Must do 49%
Emerging Contaminates	\$612,000	Must do 100%

Clean Water Act Additional Subsidy Authority

As amended by the Bipartisan Infrastructure Law (BIL) (Pub. L. 117-58), the CWA mandates that states use at least 10 percent but no more than 30 percent of the capitalization grant amount to provide additional subsidy to the following:

- any municipalities that meet the state’s affordability criteria;
- municipalities that do not meet the state’s affordability criteria but seek additional subsidization to benefit individual ratepayers in the residential user rate class; or
- entities that implement a process, material, technique, or technology that addresses water or energy efficiency goals; mitigates stormwater runoff; or encourages sustainable project planning, design, and construction.

FFY 2022 Grants	CWA Additional Subsidization Authority	
Grant Types	Min Subsidization 10%	Max subsidization 30%
Base	\$757,000.00	\$2,271,000

The Arkansas Natural Resources Commission has elected to allocate the maximum for the FFY 2019, 2020, & 2021 cap grants, leaving approximately \$1 million- plus available for projects or project components eligible for additional subsidization in FY 2023. See [Chart 2](#) for the additional subsidization estimates for projects expected to close in FY 2023.

Open Grants:

Cap Grant	Allocated	Min or Max	Unallocated
2019	4,157,600	Max	0
2020	4,158,000	Max	0
2021	3,118,200	Max	0
2022 BIL-G*	\$0	Max	\$5,704,580.00
2022 BIL-EC*	\$0	Max	\$612,00
2022 BASE*	\$0	Max	\$3,028,000**

*Estimate; ** includes the max 10% congressional additional subsidy and the max 30% CWA Additional Subsidy

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 2022 Grants is estimated in the table below. State match funds will be deposited within 60 days of receipt of grant award.

Grant Year 2022	State Match %	Amount
Base Grant 22'	20%	\$1,514,000.00
General Grant 22'	10%	\$1,164,200.00
Emerging Contaminants Grant 22'	0%	0%

Arkansas has deposited and disbursed all required state match for the 2021 cap grant on or before October 31, 2021, and the state match for the 2022 cap grant on or before October 31, 2022.

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 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

Federal Grant Year 2022	4% ANRD Admin		
	Available	Claiming	Reserve
Base	\$302,800	\$302,800.00	\$0.00
General	\$465,680	\$465,680	
Emerging Cont.	\$24,480	\$12,240.00	\$12,240.00

** CWSRF administration will not exceed the statutory limit (33 USC 1383(d)(7))

2% Technical Assistance Funding

EPA recommends states use the newly available CWSRF 2% technical assistance funds to enhance or build programs that proactively identify, reach out to, and provide assistance to rural, small, and tribal publicly owned treatment works particularly in disadvantaged communities. The programs should be designed to help disadvantaged communities identify needs, develop projects, apply for funding, design and implement projects, build capacity, and create training and career pathways. The program is reserving the authority for both the Base Capitalization grant 2% (\$151,400) and the BIL General 2% (\$232,840) and BIL EC 2% (\$12,240).

Transfer of Funds

Arkansas is reserving the authority to transfer up to 30 million of the CWSRF 2022 federal Cap Grant to the DWSRF 2022 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 2023.

Sources and Uses

Arkansas's total funding sources for the CWSRF for SFY 2023 are identified in [Chart 3](#). With the FFY 2020, 2021, and FFY 2022 estimated Cap Grant balances, the required state match for the 2022 Cap Grants, bond proceeds, interest earnings, fees collected, and loan repayments, Arkansas estimates just over \$120 million available during SFY 2023 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 in the chart below what quarter they would like to receive each grant award. 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:

<u>Payment Quarter</u>	<u>Payment Date</u>	<u>Payment Amount</u>
2023 Base / Quarter -3	04/01/2023	\$7,570,000
2023 BIL-G / Quarter -4	07/01/2023	\$11,642,000
2023 BIL-EC / Quarter -4	07/01/2023	\$612,000

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 2023.

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©)

A binding commitment is defined as the execution of a contract called the Bond Purchase Agreement between the borrower and the Arkansas Natural Resources Commission. The Bond Purchase Agreement sets out the terms of the bond that will be issued by the borrower and purchased by ADFA or Arkansas Natural Resources Commission. 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 Arkansas Natural Resources Commission, setting out the terms of the agreement between the borrower and Arkansas Natural Resources Commission. The binding commitment date is when the MOA is signed. 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 Arkansas Natural Resources Commission but without a binding commitment are considered “approved but not closed” and those with a binding commitment are considered “approved and closed.”

Starting in January 2023 the Division will issue a binding commitment letter to establish the binding commitment date, including the length of the commitment.

The State of Arkansas will enter 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 16 quarters from scheduled payment 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)
- Build America, Buy America (BABA)

Equivalency

Crosscutter, FFATA, Signage, A/E procurement, DBE and Single Audits 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 the equivalency requirements.

However, in the event Build America, Buy America (BABA) Act domestic sourcing requirements are judged to be an equivalency item, equivalency may be implemented in this FY or a future SFY. A reduced lending rate will be available for projects that choose equivalency.

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 includes 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 Federal Water Pollution Control Act (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 extends 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 a Fiscal Sustainability Plan (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 the Arkansas Natural Resources Commission for approval. After approval is received, 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 to enhance public awareness of EPA assistance agreements nationwide.

Wage Rate Requirements (Davis-Bacon)

The Arkansas Natural Resources Commission 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. Arkansas Natural Resources Commission 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 Arkansas Department of Agriculture's 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, the Arkansas Department of Agriculture's Natural Resources Division also 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 October 07, 2022 and October 12th, 2022. The public comment period remained open with a deadline for submittal of written comments of November 12, 2022. Copies of the Intended Use Plan were also available, upon request, at the Water Resources Development Section of the Arkansas Department of Agriculture's Natural Resources Division offices.

APPENDIX A – Project Priority List

Project Priority List

General Information

Priority Points shall be used for ranking proposed clean water projects for eligibility for funding from the Clean Water State Revolving Loan Fund (Fund). Arkansas will update and post the PPL as necessary (up to 4 times) in Fiscal Year 2023 to reflect new projects.

Arkansas established a new Clean Water State Revolving Loan Fund (CWSRF) priority ranking system to evaluate and rank proposed CWSRF projects for fiscal year 2022 and modified it for fiscal 2023. 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.

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 score and appear on the Project Priority List (PPL). In addition, as detailed below, Arkansas is funding stormwater and nonpoint 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 which provides a strategic foundation upon which the Arkansas Department of Agriculture's Natural Resources Division 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 Natural Resources Division staff to review and assign priority points.

Natural Resources Division staff rank eligible projects for funding based on information available from a variety of sources, including the Water/Wastewater Advisory Committee (WWAC) Application, the Arkansas Natural Resources Commission Funding Application, the Arkansas Natural Resources Commission PPL application, and other information available to the state. Natural Resources Division 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 Natural Resources Division 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. Additionally, 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 the Natural Resources Division’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 are included in the attached PPL and will be published to the Division website up to four times each year.

#	Criteria	Points Awarded for a "Yes" Answer
PROJECT BENEFITS		
Basic Eligibility		
1	Is the project (in total or in part) eligible for the CWSRF?	10
System Functionality		
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
Permit Compliance		
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
Improves Quality of Impaired Water Bodies		

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 Watershed?	5
AFFORDABILITY & NEED		
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?	10
READINESS TO PROCEED		
9	Has a complete funding application been submitted for the project?	4
	Has a complete Benefits Report been submitted for the project?	4
	Has the Environmental Review been completed for the project?	4
	Have the plans and specs been approved for the project?	4
	Has ADEQ completed permit review and/or issuance?	4
OTHER FACTORS		
GPR		
10	Will any aspect or portion of the project count as a Green Project?	5
MULTI-YEAR		
11	Is the project a continuation of an effort that received CWSRF funding in the past 2 years?	10
ASSET MANAGEMENT PLAN		
12	Does the borrower either have an asset management plan or will develop an asset management plan as part of this project?	5
CONSOLIDATION & REGIONALIZATION		
13	Will the project include consolidation and regionalization between utilities, at least one of which has a population under 10,000 people?	10
	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?	5
CO-FUNDING		
14	Will another funding source (either the community or a different lending source) be contributing to the project?	10

Alternative Criteria for Non-Traditional Projects

In addition to the projects listed in the PPL that are scored as detailed above, Arkansas will also fund up to \$5 million in non-traditional projects in Fiscal Year 2023 that meet alternative criteria establishing the contribution they make to improving water quality.

Stormwater projects and nonpoint 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

PPL #	Entity	Project Description	Project Type	I/JA/BIL type	Total \$	Green %	Green Category	Applicant Population	MHI	Disadv	Points
1	Springdale (Bethel Heights)	Bethel Heights diversion of sewer flow to Springdale, abandon Bethel's wastewater treatment plant	S - Regionalize Waste Water Systems		3,054,083	100%	Energy Efficiency	30,641	49,509	no	81
2	Beebe	Extend sewer to 700 new customers via 15K LF of gravity sewer main	S - New Wastewater Collection System or Extension		No Info yet	0%		7,315	52,068	no	74
3	Clarendon	Sewer collection system replacement/ parallel excavation to exist lines	S - Rehab Existing Wastewater Collection System		9,942,800	0%		1,664	23,333	yes	68
4	Northwest AR Conservation Auth (NACA) - Plant	Wastewater Treatment Plant improvements. Additional Funds sought June 2022	S - Rehab Existing Wastewater Treatment Plant		85,000,000	100%	Energy Efficiency	518,000			62
5	Mountain View	Sewer line extension, treatment plant improvements, pump station rehab	S - New Wastewater Collection System or Extension		No Info yet	0%		2,839	28,837	yes	59
6	Judsonia	Improvements to the WWTP and collection system.	S - Rehab Existing Wastewater Collection System		No Info yet	0%		2,360	31,125	yes	59
7	Marshall	Replacement of a 60-year old damaged sewer main made of clay	S - Rehab Existing Wastewater Collection System		2,479,000	0%		1,355	27,154	yes	54
8	Cave Springs, City of	Divert wwtp flow to NACA; close existing plant	S - Regionalize Waste Water Systems		4,200,000	100%	Energy Efficiency	1,729	117,567	no	53
9	North Little Rock Wastewater	Multiple Interceptor Rehabs	S - Rehab Existing Wastewater Collection System		46,800,000	100%	Energy Efficiency	66,075	42,254	yes	52
10	Jasper, City of	Improvements to Wastewater treatment facility	S - Rehab Existing Wastewater Treatment Plant		1,791,750	0%		466	23,221	yes	52

PPL #	Entity	Project Description	Project Type	I/JA/BIL type	Total \$	Green %	Green Category	Applicant Population	MHI	Disadv	Points
11	Mayflower	No funding application yet- No project description obtained	W - Rehab Existing Water Treatment Plant			0%		2,234	51,776	no	49 49
12	Dover		S - Rehab Existing Wastewater Collection System		3,499,000	yes	Energy Efficiency	1,378			49
13	Dumas, City of (Winchester)	Regionalization to Winchester and the Pickens community	S - Regionalize Waste Water Systems		3,975,000	0%		4,706	31,611	yes	48
14	Dumas, City of (Mitchellville)	Dumas -Mitchellville New Wastewater Treatment Plant	S - New Wastewater Treatment Plant		4,066,953	100%	Energy Efficiency	4,706	31,611	yes	48
15	Lost Bridge Village	New Wastewater Treatment Plant	S - New Wastewater Treatment Plant		2,785,642	0%		434	67,225	no	42
16	Gravel Ridge SID #213 (Pulaski County MHI)	Wastewater treatment plant improvements including mechanical screen, aeration and clarification, UV disinfection, post aeration and flow measurement. Additional Funding approved May 2021 for bid overruns	S - Rehab Existing Wastewater Treatment Plant		5,866,160	0%		3,846	48,681	no	42
17	Austin, City of	WWTP improvements and additions	S - Rehab Existing Wastewater Treatment Plant		3,078,031	0%		3,693	67,425	no	42
18	Strong, City of	Wastewater Treatment Plant improvements	S - Rehab Existing Wastewater Treatment Plant		214,039	0%		558	26,250	yes	39
19	Taylor, City of	Replacement of wastewater collections system and manholes. This project will reduce I&I which is an energy efficiency project for green consideration	S - Rehab Existing Wastewater Collection System		1,633,114	100%	Energy Efficiency	566	41,865	yes	38

PPL #	Entity	Project Description	Project Type	I/JA/BIL type	Total \$	Green %	Green Category	Applicant Population	MHI	Disadv	Points
20	Shannon Hills, City of	Wastewater Treatment Plant improvements.	S - Rehab Existing Wastewater Treatment Plant		823,500	0%		3,143	64,508	no	38
21	Flippin, City of	Rehabilitate existing lift station, install new bar screen, add new clarifier and sand filter along with rehab of existing manholes	S - Rehab Existing Wastewater Treatment Plant		1,600,000	0%		1,355	25,153	yes	38
22	Flippin, City of	Improvements at Wastewater Treatment Plant to maintain compliance	S - Rehab Existing Wastewater Treatment Plant		3,304,560	0%		1,355	25,153	yes	38
23	Searcy	Sewer line rehab and new gravity interceptor sewer. Additional funds sought June, 2022. Waiting on PPL App for original and additional funds combined. Sent to Searcy on 5/23/22.	S - Rehab Existing Wastewater Collection System		4,950,000	100%	Energy Efficiency	23,673	33,631	yes	36
24	Forrest City	wastewater system improvement project that includes replacing blowers, ultraviolet disinfection system (UV), and renovating clarifiers.	S - Rehab Existing Wastewater Treatment Plant		1,803,532	0%		15,371	31,233	yes	33
25	Warren, City of	Install sewer lines and sewer force mains existing route.	S - Rehab Existing Wastewater Collection System		3,268,361	0%		6,003	32,846	yes	29
26	Salem	Sanitary sewer line expansion in southeast Salem homes presently on septic	S - New Wastewater Collection System or Extension		2,000,000	0%		1,635	40,452	yes	29
27	Paris, City of	Wastewater collection system improvements and sewer system evaluation survey (SSES).	S - Rehab Existing Wastewater Treatment Plant		690,000	100%	Energy Efficiency	3,532	32,910	yes	29
28	Greenland, City of	Replacement and expansion of one lift station and replacing force main.	S - Rehab Existing Wastewater Collection System		3,810,300	0%	Energy Efficiency	1,294	61,997	no	28

PPL #	Entity	Project Description	Project Type	IJA/BIL type	Total \$	Green %	Green Category	Applicant Population	MHI	Disadv	Points
29	Crossett, City of	Improvements to E. Crossett Sewer Collection System	S - New Wastewater Collection System or Extension		7,000,000	100%	Energy Efficiency	5,507	33,451	yes	24
30	Rogers	Facility construction to house sludge drying equipment and conveyance of dewatered sludge.	S - New Wastewater Collection System or Extension		31,246,250	0%		25,068	57,601	no	19
31	Monticello	Portions of sewer line to be replaced to reduce I&I and reduce peak disch	S - Rehab Existing Wastewater Collection System					9,392	36,496	yes	19
	Total				* \$238,882,075	*estimate					

APPENDIX B - Charts

Chart 1 Binding Commitments

Project Name / Community Served	Loan Number	Estimated Binding Commitment Date	Estimated State Fiscal Year 2023				Totals
			QTR 1	QTR 2	QTR 3	QTR 4	
Section 212 Projects							
Cave Springs (L)	01269-CWRLF-L	10/15/23		4,200,000			4,200,000
Crossett	01234-CWRLF-L	10/15/23		7,000,000			7,000,000
Dumas - Mitchelville (PF)	01307-CWRLF-L	01/15/23			1,626,781		1,626,781
Dumas - Mitchelville (L)	01308-CWRLF-F	01/15/23			2,440,172		2,440,172
Greenland (L)	01335-CWRLF-L	12/30/22		2,192,886			2,192,886
Greenland (PF)	01336-CWRLF-PF	12/30/22		1,617,434			1,617,434
Northwest AR Conservation Auth (NAC)	01337-CWRLF-L	08/25/22	85,000,000				85,000,000
Shannon Hills (L)	01338-CWRLF-L	08/15/23	823,500				823,500
Strong (L)	01353-CWSRF-L	07/12/22	146,327				146,327
Strong (PF)	01354-CWSRF-F	07/12/22	62,712				62,712
Springdale (L)	01366-CWRLF-L	01/15/23			2,054,083		2,054,083
Springdale (F)	01367-CWRLF-F	01/15/23			1,000,000		1,000,000
Rogers	01384-CWSRF-L	TBD				31,246,250	31,246,250
<i>Section 212 SFY Total</i>			\$ 86,032,539	\$ 15,010,320	\$ 7,121,036	\$ 31,246,250	\$ 139,410,145
Cumulative Section 212 Totals			\$ 1,047,284,620	\$ 1,133,317,159	\$ 1,148,327,479	\$ 1,155,448,515	\$ 1,186,694,765
Section 319 Projects							
Nonpoint Croplands						250,000	\$ 250,000
Septic Tank Program -Buffalo River Watershed			1,000,000	-	-	-	\$ 1,000,000
<i>Section 319 SFY Totals</i>			\$ 1,000,000	\$ -	\$ -	\$ 250,000	\$ 1,250,000
Cumulative Section 319 Totals			\$ 75,302,633	\$ 76,302,633	\$ 76,302,633	\$ 76,552,633	
Administrative Program							
<i>Administrative Program SFY Totals</i>			104,990	104,990	104,990	104,990	\$ 419,960
Cumulative Administration			\$ 10,741,582	\$ 10,846,572	\$ 10,951,562	\$ 11,056,552	\$ 11,161,542
SUMMARY BINDING COMMITMENTS							
Section 212			86,032,539	15,010,320	7,121,036	31,246,250	\$ 139,410,145
Section 319			1,000,000	-	-	250,000	\$ 1,250,000
Administrative Program			104,990	104,990	104,990	104,990	\$ 419,960
<i>Sub Totals</i>			87,137,529	15,115,310	7,226,026	31,601,240	\$ 141,080,105
Cumulative Totals			\$ 1,133,328,835	\$ 1,220,466,364	\$ 1,235,581,674	\$ 1,242,807,700	\$ 1,274,408,940
Required SFY 2023 - Estimate				12,474,000			\$ 12,474,000
Required Cumulative Binding Commitments			\$ 359,052,066	\$ 371,526,066	\$ 371,526,066	\$ 371,526,066	
Percentage - Actual/Required			316%	329%	333%	335%	343%

Chart 2 Fundable Project List

Project Name	Commission Approval Date	Loan #	Section	Interest Rate	Term	Total Assistance	Estimated Loan Closing Date	Green Eligible %	Green Category	Green Funding	Population (UALR Population Data)	Additional Subsidy	Project Description
Cave Springs (L)	Jan-2020	01269-CWRLF-L	212	2.25%	30	\$ 4,200,000.00	10/15/2023	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 use
Crossett	Jul-2019	01234-CWRLF-L	212	3.00%	30	\$ 7,000,000.00	10/15/2023	0.00%	N/A	\$ -	5,507	\$ -	Improvements to East Crossett Sewer Collection System
Dumas - Mitchellville (PF)	Sep-2020	01307-CWRLF-L	212	1.75%	20	\$ 1,626,781.00	01/15/2023	100.00%	Water Efficiency	\$ 1,626,781	4,706	\$ -	Construction of pump stations and non-existent sewer infrastructures to connect the community of Mitchellville.
Dumas - Mitchellville (L)	Sep-2020	01308-CWRLF-F	212	1.75%	20	\$ 2,440,172.00	01/15/2023	100.00%	Water Efficiency	\$ 2,440,172	4,706	\$ 2,440,172	Construction of pump stations and non-existent sewer infrastructures to connect the community of Mitchellville.
Greenland (L)	Mar-2021	01335-CWRLF-L	212	1.75%	20	\$ 2,192,866.00	12/30/2022	0.00%	N/A		1,259	\$ -	Replacement and expansion of one lift station and replacing force main.
Greenland (PF)	Mar-2021	01336-CWRLF-PF	212	N/A	N/A	\$ 1,617,434.00	12/30/2022	0.00%	N/A		1,259	\$ 1,617,434	Replacement and expansion of one lift station and replacing force main.
Northwest AR Conservation Auth (NACA) (L)	Mar-2021	01337-CWRLF-L	212	1.50%	30	\$ 65,000,000.00	08/25/2022	100.00%	Energy Efficiency	\$ 65,000,000	44,620	\$ -	Wastewater Treatment Plant Improvements.
Shannon Hills (L)	Mar-2021	01338-CWRLF-L	212	1.75%	20	\$ 623,500.00	08/15/2023	0.00%	N/A		3,143	\$ -	Wastewater Treatment Plant Improvements.
Strong (L)	May-2021	01353-CWSRF-L	212	1.75%	20	\$ 146,327.00	07/12/2022	100.00%	Energy Efficiency		261	\$ -	Wastewater Treatment Plant Improvements.
Strong (PF)	May-2021	01354-CWSRF-F	212	1.75%	20	\$ 62,712.00	07/12/2022	0.00%	N/A		261	\$ 62,712	Wastewater Treatment Plant Improvements.
Springdale (L)	Sep-2021	01366-CWRLF-L	212	1.00%	120	\$ 2,054,083.00	01/15/2023	0.00%	N/A	\$ 2,054,083	30,641	\$ -	Bethel Heights diversion of sewer flow to Springdale, abandon Bethel's wastewater treatment plant
Springdale (F)	Sep-2021	01367-CWRLF-F	212	1.00%	0	\$ 1,000,000.00	01/15/2023	0.00%	N/A		30,641	\$ 1,000,000	Bethel Heights diversion of sewer flow to Springdale, abandon Bethel's wastewater treatment plant
Rogers	Aug-2022	01384-CWSRF-L	212	1.50%	20	\$ 31,246,250.00	09/01/2023		TBD		293,692	\$ -	Portions of sewer line to be replaced to reduce IBI and reduce peak dish
Ag Loan Program	n/a	n/a	319	3.00%	up to 20	\$ 250,000.00	N/A	0.00%	N/A		N/A	\$ -	Agriculture BMP to reduce non-point source pollution that impacts water quality
Total:						\$ 139,660,145.00			5	\$ 66,321,036	4	\$ 5,120,318	

*Expanded project descriptions begins on Page 6 of I/P

Chart 3 Sources and Uses of Funds

SOURCES OF FUNDS

Beginning Balance (SFY 2022 Carryover) data as of 06/30/2022	59,054,887.18
<i>State Fiscal Year 2022 (Projected)</i>	
Federal Grant FFY 2020	7,387,648.52
Federal Grant FFY 2021*	9,963,020.00
Federal Base Grant FFY 2022*	7,570,000.00
Federal Grant BIL-G FFY 2022*	11,642,000.00
Federal Grant BIL-EC FFY 2022*	612,000.00
State Match* - FFY2022 Base Grant	1,514,000.00
State Match* - FFY2022 BIL General Supplemental Grant	1,164,200.00
Principal Repayments *	12,226,913.40
Interest Earnings on Loans & Investments *	8,964,887.18
Sub Total	\$ 61,044,669.10
Total Sources of Funds	120,099,556.28

USES OF FUNDS

CWSRF Loan Commitments for SFY 2022

ANRC Approved Loans (not closed as of 6/30/22)	152,082,688.20
ANRC Approved Loans closed, undisbursed funds as of 4/30/21)	84,486,339.00
Sub Total	\$ 236,569,027.20

CWSRF Set-Aside Programs for SFY 2022

Base Grant Administration *	302,800.00
BIL General Supplemental Administration *	232,840.00
Bil EC Grant Administration *	12,240.00

Debt Service Obligations

Leveraged Bond Principal (Jul 22 to Jun 23)	-
Leveraged Bond Interest (Jul 22 to Jun 23)	-
Sub Total	\$ -
Total Uses of Funds	\$ 236,871,827.20

Funds (needed)/available **(\$116,772,270.92)**

**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.