



Construction Branch

Updates to Loan Programs

MISSISSIPPI DEPARTMENT OF
ENVIRONMENTAL QUALITY



CONSTRUCTION BRANCH PURPOSE

- From MDEQ website: “[The Construction Branch] provides support and management of various loan programs, which exist to provide low interest loan financing of water pollution control projects, for public entities in Mississippi.”
- Also Known as:
 - Construction Branch
 - State Revolving Fund (or just SRF)
- Two loan programs
 - WPCRLF (Water Pollution Control Revolving Loan Fund)
 - WPCELF (Water Pollution Control Emergency Loan Fund)

WPCRLF

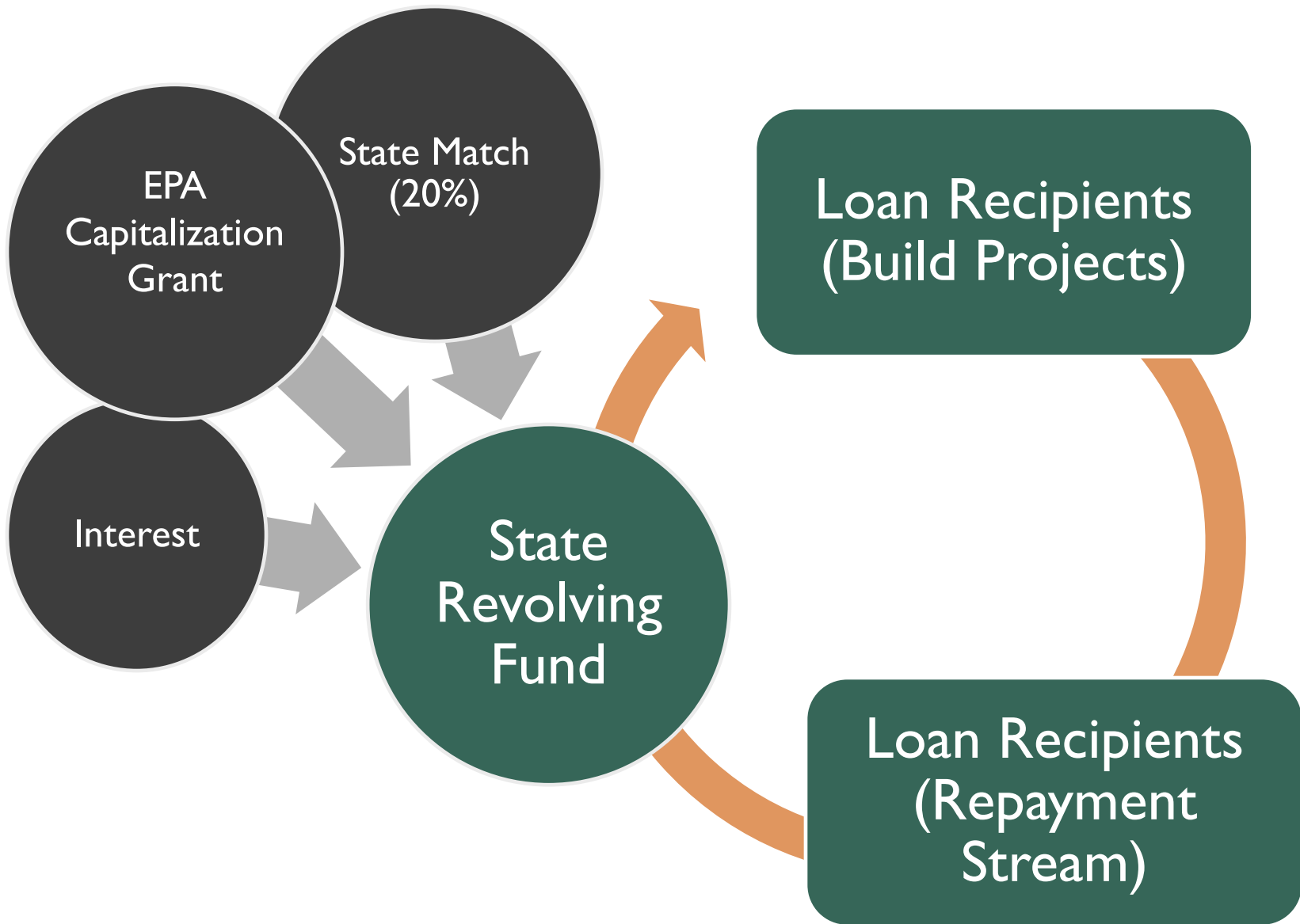
WATER POLLUTION CONTROL REVOLVING LOAN FUND

- The WPCRLF is Mississippi's implementation of the federal Clean Water State Revolving Fund (CWSRF)
- Established in 1989 - Receives federal funding as "seed money"
- Operates under State Regulations and an Operating Agreement with EPA which requires an Intended Use Plan (IUP) each year
- Designed to be a perpetual source of low-interest loans for public water pollution control (primarily wastewater) projects
- Funds large and small infrastructure projects which benefit environment, public health, and provide economic development throughout the State

CWSRF

CLEAN WATER STATE REVOLVING FUND

- Congress appropriates CWSRF funding nationwide through Capitalization (CAP) Grants awarded by EPA to each CWSRF program
- Each year MS gets about 1% of the full national appropriation
 - (~ \$12–14 Million for MS)
- The State Legislature must provide 20% matching funds to secure the CAP Grant
 - Can be direct appropriations or General Obligation bonds authorized by the State Legislature



ELIGIBLE APPLICANTS (PUBLIC ENTITIES)

- Cities and Towns
- Wastewater/Utility Districts
- Wastewater/Utility Authorities
- County Boards of Supervisors
- Other governmental units (Community Colleges, etc.)

ELIGIBLE PROJECTS

- Wastewater Collection and Treatment Projects
(Clean Water Act Section 212 Projects)
- Storm Water/Non-point Pollution Control Projects
(CWA Section 319 Projects)
- Estuary Management Projects
(CWA Section 320 Projects)

ADVANTAGES OF WPCRLF LOANS

- No match required (But **can be used to match other funding**)
- No statutory maximum loan amount
- No interest accrual during construction (Up to 1 Yr.)
- Repayments begin after project completion
- Low Interest: 0.8% for 20 years; or
1.8% for 30 years (w/ “Useful Life” certification)
- 80% Subsidy (Principal Forgiveness) available (for Small/Low-income qualifiers)
- State Purchase Laws Apply (to non-A/E services)

HISTORY OF WPCRLF FUNDING

Since inception (1989), MS's CWSRF has:

- Received ~\$530M in EPA Capitalization Grants (Federal)
- Received ~\$96M in State Match
- Awarded over 380 loans totaling ~\$1.3B
 - ~\$65M in "subsidy"/principal forgiveness
- Fund availability for FY-26 anticipated to be ~ \$70 M, including \$15 M of subsidy funds available

SUBSIDY AVAILABILITY AND RANKING

- Two tiers of eligibility for Subsidy (Principal Forgiveness)
- Tier 1 (higher-priority) – Service area population of 4,000 or less; Median Household Income (MHI) of \$40,000 or less. Service area scored by 6 Affordability Factors (AF).
- Tier 2 – Project area does not have to meet Tier 1 population or MHI but must score at least one AF point.
- Affordability Factors
 - Per Capita Income \leq 80% of national average
 - Unemployed Population \geq 3.4%
 - Vacant Households \geq 12.1%
 - Pop. Living 200% below Poverty Level \geq 30.9%
 - Pop. Speaking English “not well” or “not at all” \geq 10%
 - Pop. Receiving Food Stamps/SNAP \geq 11.7%

SUBSIDY AVAILABILITY AND RANKING

- Projects will be ranked in their respective tiers based on the following:
 - First - Highest to Lowest total AF scores
 - Then - Lowest to Highest “Service Area” MHI
 - Then - Lowest to Highest “Service Area” Population
- Subsidy (Principal Forgiveness) for projects ranked in either tier is 80% of the total loan amount up to a maximum subsidy of \$4,000,000.00. This maximum subsidy limitation applies per applicant per fiscal year.

Cured in Place Pipe (CIPP) Collection System Rehab

PROJECT EXAMPLES

- Rehabilitate/Replace existing facilities (treatment plants, pump stations, and collection)
- Upgrades to existing facilities (comply with stricter limits, increase capacity)
- Developmental projects to bring more customers onto a system
- Decommission sites no longer in use (lagoon closeouts)





DCRUA Short Fork WWTF
New Blowers
2019

Savanna St. WWTF
Clarifier #2 Rehab
2020



IIJA FUNDING DETAILS

- Infrastructure Investment and Job Act (IIJA) passed in Nov. 2021
 - No longer referred to as the Bipartisan Infrastructure Law (BIL)
 - Includes supplemental (extra) CWSRF appropriations for 2022-2026
49% must be subsidy, “emerging contaminants”, technical assistance
 - Required states to reevaluate subsidy “affordability criteria”
 - Applied “Build America, Buy America” (BABA) to all CWSRF projects

BRIEF OVERVIEW AS A POTENTIAL LOAN RECIPIENT

Planning Phase

Submit a Ranking Form outlining the project to get ranked on the yearly Intended Use Plan (IUP)

Submit a Facilities Plan: financial capability, intergovernmental review agencies, public participation, detailed scope/maps/budget

We issue a FONSI (Finding of No Significant Impact)/CE (Categorical Exclusion) based on Facilities Plan

Loan Application Phase

Submit application, user charge information, certifications, final permits/clearances, etc.

Loan is awarded to build the project

Design Phase Bidding Phase

Submit plans, specifications, and contract documents for review/approval

Undergo Public Bidding Process in accordance with State Purchase Law

Construction Phase

Must abide by American Iron and Steel (AIS), Davis-Bacon Labor Laws, etc. as outlined in contract documents

Submit monthly invoices for reimbursement

Closeout Phase

Loan is closed by our department upon construction completion.

Repayments start within 4-6 weeks

POTENTIAL LOAN RECIPIENT: WHERE'S THE MONEY?

Planning
Phase

The funds are not given as a lump sum amount upon loan award. The money is reserved for the recipient, and then reimbursed throughout the project as work is performed.

Loan
Application
Phase

Once loan is awarded (signed/returned to MDEQ), then planning costs can be reimbursed.

Design Phase
Bidding Phase

Once plans, specifications, and contract documents are approved, then engineering costs associated with preparing those documents can be reimbursed.

Construction
Phase

Construction costs and engineering services related to construction activities can be reimbursed throughout the construction contract.

Submit monthly invoices for reimbursement

Closeout
Phase

Final payment is held until we process the loan closeout. Once the loan is closed, we adjust the loan to reflect the actual costs incurred for the project.

Repayments start within 4-6 weeks

FY-26 FUNDING SCHEDULES

- ASAP – Procure an Engineer (Federal procurement process required)
- April 15, 2025 – Submit ranking form to MDEQ
- June 15, 2025– Submit draft facilities plan to MDEQ and IGR agencies
- Sept. 1, 2025 – Publish the public notice (for the public hearing 30 days later)
- Oct. 1, 2025 – Hold public hearing
- Nov. 1, 2025 – [Priority System Deadline] Submit complete facilities plan to MDEQ
- March 1, 2026 – [Priority System Deadline] Loan application to MDEQ
- Aug. 1, 2025– [Priority System Deadline] Submit remaining documents needed
- Sept. 30, 2026 – Loans awarded

KEY FEDERAL REQUIREMENTS REMINDER

- Federal Procurement (for Engineering Services) – Advertise for engineers to submit a list of their qualifications for the work in the project
- Cost and Effectiveness; Water/Energy Conservation
- Fiscal Sustainability Plans (Asset Management)
- Federal Uniform Act (Easement/Property Acquisition)
- Davis-Bacon (Wage Rates)
- American Iron and Steel, Manufactured Products, and Construction Materials (expanded by Build America, Buy America)

SOLICITING “GREEN” PROJECTS

- Green Project Reserve (GPR)
- Higher funding priority (for “catch up” projects too)
- 1) Green Infrastructure, 2) Water Efficiency, 3) Energy Efficiency, and 4) Environmentally Innovative
- Latest EPA/GPR Guidance available on MDEQ website
- Business Case is no longer required as previously determined by EPA

EMERGENCY LOANS

WPCELF

WATER POLLUTION CONTROL EMERGENCY LOAN FUND

- Loans for “Emergency” Wastewater Projects
- Loans to Cities, Counties, Districts, etc.
- 100% Financing (Up to \$350,000 Maximum)
- 4% Interest Rate
- 10-Year Maximum Repayment Period
- Admin Fee Added to Loan Principal (5% of project costs)
(Comes from the \$350k. So, project max. is \$333,333.33)
- Currently ~ \$3.8 Million Available



Website: www.mdeq.ms.gov/cwsrf

QUESTIONS?