8.4 Sanitary/Storm Sewer Facilities Funding Application Instructions

The application form for Sanitary/Storm Sewer Facilities Funding is in section 7.4. This application is for Consolidated Water Facilities Construction Program and Clean Water State Revolving Fund Program funding. This application is for sanitary and storm sewer projects.

8.4.1 Applicant Form

Applicant. Name and mailing address of the entity sponsoring the project.

Sub Applicant. Organization on whose behalf the application is being submitted.

DUNS Number. "Data Universal Numbering System," the DUNS number is a nine-digit number, issued by D&B, assigned to each business location in the D&B database, having a unique, separate, and distinct operation for the purpose of identifying them. A DUNS number would be required for all grant applicants for new or renewal awards submitted on or after October 1, 2003.

Proposed Funding Package. Include the amount and type of funds requested, the amount of local funds being provided, including direct public or private contributions, loans, federal funds, and water development district grants. Enter the total amount on the last line. Multi-year or phased projects should enter only the costs associated with activities for which assistance is being requested.

Project Title/Description. Provide a one line title for the project and a brief narrative describing the project. Be specific, providing the feet or miles of pipe, treatment process being utilized, capacity of the storage tanks, and so forth. Include the current monthly drinking water rate. If the rate is not a flat rate, compute the monthly rate at 5,000 gallons for municipalities or sanitary districts and at 7,000 gallons for all other water systems. Additionally, indicate whether a reserve fund has been established for the drinking water utility.

Certification. An official of the sponsoring entity, who has been authorized by resolution of the governing body to submit the application, must read and sign the application.

<u>Professional Consultants</u>

Application Prepared By: Identify the entity, the individual that helped prepare the application, and the other contact information requested in case questions arise about the application.

Consulting Engineering Firm: Identify the engineering firm retained by the sponsor, the engineer's name, and the other contact information requested in case questions arise about the application.

Legal Counsel's Firm: Identify the law firm retained by the sponsor, the attorney's name, and the other contact information requested in case questions arise about the application.

Bond Counsel's Firm: Identify the bond counsel firm retained by the sponsor, the attorney's name, and the other contact information requested in case questions arise about the application.

8.4.2 Budget Sheets

Note: Multi-year projects should enter only budget costs associated with activities for which financial assistance is being requested.

Line 1.A - Amount needed for personal services related to loan management and clerical duties.

Line 1.B - Amount needed for travel including vehicle rental.

Line 1.C - All legal fees associated with this project including bond counsel fees.

Line 1.D - Amount needed for other administrative expenses, including an independent financial audit, publishing, meetings, and any other expenses expected for project administration, including planning district contracts.

Line 2 - Amounts directly associated with the acquisition of land, existing structures, and related rights-of-way.

Line 3.A - Fees for engineering bidding and design services.

Line 3.B - Fees for engineering construction inspection and audit of construction and related programs.

Line 3.C - Amounts for other technical services, such as surveys, O&M manual preparation, tests, and borings not included in Line 3.A or 3.B.

Line 4 - Amounts for the actual construction of, addition to, or restoration of a facility. Also include in this category the amounts of project improvements, such as roads, access restrictions, new trenches, landscaping, and run-off control measures.

Line 5 - Amount needed for purchase or rental of equipment required for the project.

Line 6 - Amount of contracts (excluding legal, engineering, and construction) associated with the project, including sampling and laboratory services.

Lines 7 & 8 – Identify amounts for items not specifically mentioned above.

Line 9 - Sum of Lines 1 through 8.

Line 10 - Estimated amount for contingencies. Contingencies may not exceed 10% of the amount on Line 9.

Line 11 - Sum of Lines 9 and 10.

Line 12 - Percentage that column total is of total project costs.

8.4.3 Method of Financing

Indicate the source of the secured/unsecured share of funding. If funds have been secured, indicate the amount in the "secured" column. If funds are unsecured at time of application, indicate the amount of the unsecured funds and the date funds are anticipated to be secured in the "unsecured" column. Include any remarks regarding funding in a separate narrative. Total the secured and unsecured amounts at the bottom of the table.

8.4.4 Repayment Information

Identify the specific rate and term of the loan for which the sponsor is applying. Specify the security pledged to repay the loan.

8.4.5 Documents To Be Submitted With Application

The application will not be reviewed by department staff until all documents listed in this section are submitted.

<u>Financial Documents</u>

Provide a copy of the financial audit report for the most recent fiscal year. This report should include all operations of the entity (jurisdiction). If certain funds are reported in separate documents, include all reports concerning fiscal operations of the entity. If different funds are accounted for by different fiscal years, make this notation. **If audit for the most recent year is not available, list reason.**

Provide a copy of the current year's budget and next year's, if approved by the governing board.

<u>Planning and Legal Documents</u>

Provide a copy of the existing or proposed user charge ordinance or resolution currently governing the utility department.

Provide a resolution of authorized signatory for the person or persons signing the loan agreement and payment requests.

Provide the Facilities Plan outlined in section 8.4.16.

8.4.6 General Information

Provide the month and day the sponsor's fiscal year begins.

Fill in population data. Estimate current year if necessary.

List the top five employers in a 30 mile radius of your service area. Also list the number of employees at the facility and the type of business.

8.4.7 Wastewater Utility Information

The following information will be used to evaluate the applicant's capacity to provide local funds for the project.

Current Utility Debt - Provide the information requested in the table for each obligation pledged towards repayment. If the applicant intends to issue General Obligation or Sales Tax bonds, debt secured by the applicant's general obligations or Sales Tax revenues needs to be entered. If the applicant intends to issue Wastewater Revenue, Storm Sewer Revenue, or Project Surcharge Revenue bonds, only debt related to that utility needs to be entered. Include all required debt information requested in the table to assure an appropriate review of the applicant's finances. Include amortization schedules for debt pledged to the same source as this loan.

Complete the Wastewater Utility Cash Flow table. Obtain prior year information from previous system audits. The Current Year column should contain information from the system's current year utility budget. The Future Year column should contain anticipated cash flow information for the utility's first full fiscal year of operation after project completion.

Provide a balance for each restricted account or activity, identify the activity to be completed with the funding, and specify the method used to restrict the funds (*i.e.*, governing board resolution, board motion, by-laws, etc.).

Check whether the sponsor is an incorporated municipality, sanitary district or other system. Municipalities and Sanitary Districts provide rate information based on 5,000 gallons (670 cubic feet) per month. All Other Systems provide rates based on 7,000 gallons (935 cubic feet) per month.

Fill in the current monthly rate being charged to businesses and domestic users to include individual households and farmsteads. If fees are billed quarterly, calculate the monthly rate. Include the proposed new monthly rate. Complete the information for the total number of business and domestic hookups which will be served systemwide. Provide the current average monthly usage by business, domestic, and other customers and specify either gallons or cubic feet. If there is a special rate being charged for users other than business and domestic hookups, provide information about that rate, the number of customers for which the rate applies, and the user's average usage.

Indicate whether fees are calculated on the amount used or on a flat rate.

Furnish dates for when the current rate was adopted, when the proposed fee schedule will take effect, and what the rate was prior to the current rate.

Attach the current and proposed rate ordinances or resolutions and rate schedules.

List the system's five largest customers, the type of business, and the percent this account represents when compared to total system revenues.

For Storm Sewer Projects Only: Indicate if the applicant has a storm sewer fee. If yes, provide a copy of the storm water fee rate ordinance or resolution and explain how the fee is calculated.

8.4.8 Property Tax Information

Fill out this section only if a general obligation bond is being pledged towards repayment of the loan. The property tax information will be used to evaluate the applicant's ability to repay the loan. The purpose of this section is to evaluate a borrower's tax base and customers in order to assess the condition of the community.

Provide the assessed valuation and full and true valuation for the current and last two years.

Provide the amount levied and collected for the most recent three years for which data is available. Indicate any penalties, interest charged, or late payments.

List the three largest taxpayers within the system's service area and describe the type of property involved and the assessed valuation.

Provide the information requested in the table for each obligation to which the general fund has been pledged towards repayment.

8.4.9 Sales Tax Information

Fill out this section only if sales tax is being pledged towards repayment of the loan.

The sales tax information will be used to evaluate the applicant's ability to repay the loan.

Provide the amount of sales tax collections by month for each of the last fifteen months.

Provide the information requested in the table for each obligation to which sales tax has been pledged towards repayment.

8.4.10 Facilities Plan Checklist

The Facilities Plan Checklist is provided for your convenience. Review the checklist to make sure the required steps have been taken to ensure an adequate Facilities Plan has been prepared.

8.4.11 Certification of Point Source Needs Categories

Form is self-explanatory.

8.4.12 Certification of NonPoint Source Needs Categories

Form is self-explanatory.

8.4.13 Preaward Compliance Review EPA Form 4700-4 General Instructions

Recipients of federal financial assistance from the U.S. Environmental Protection Agency must comply with the following statutes.

Title IV of the Civil Rights Act of 1964 provides that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. The Act goes on to explain that the title shall not be construed to authorize action with respect to any employment practice of any employer, employment agency, or labor organization (except where the primary objective of the federal financial assistance is to provide employment).

Section 13 of the 1972 Amendments to the Federal Water Pollution Control Act provides that no person in the United States shall on the grounds of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under the Federal Water Pollution Control Act, as amended. Employment discrimination on the basis of sex is prohibited in all such programs or activities.

Section 504 of the Rehabilitation Act of 1973 provides that no otherwise qualified handicapped individual shall solely by reason of handicap be excluded from participation in, be denied the benefit of or be subjected to discrimination under any program or activity receiving federal financial assistance. Employment discrimination on the basis of handicap is prohibited in all such programs or activities.

The Age Discrimination Act of 1975 provides that no person on the basis of age shall be excluded from participation under any program or activity receiving Federal financial assistance. Employment discrimination is not covered. Age discrimination in employment is prohibited by the Age Discrimination in Employment Act administered by the Equal Employment Opportunity Commission.

Title IX of the Education Amendments of 1972 provides that no person on the basis of sex shall be excluded from participation in, be denied the benefit of, or be subjected to discrimination under any education program or activity receiving federal financial assistance. Employment discrimination on the basis of sex is prohibited in all such education programs or activities. Note: an education program or activity is not limited to only those conducted by a formal institution.

The information on this form is required to enable the U.S. Environmental Protection Agency to determine whether applicants and prospective recipients are developing projects, programs and activities on a nondiscriminatory basis as required by the above statutes.

Submit this form with the original and required copies of applications, requests for extensions, requests for increase of funds, etc. Updates of information are all that are required after the initial application submission.

If an item is not relevant to the project for which assistance is requested, write “NA” for “Not Applicable.”

In the event applicant is uncertain about how to answer certain questions, EPA program officials should be contacted for clarification.

IA. “Applicant” means any entity that files an application or unsolicited proposal or otherwise requests EPA assistance.

IB. “Recipient” means any entity, other than the applicant, which will actually receive EPA assistance.

IC. Self-explanatory.

II. Self-explanatory.

III. “Civil rights lawsuits” means any lawsuit or complaint alleging discrimination on the basis of race, color, national origin, sex, age or handicap pending against the applicant and/or entity which actually benefits from the grant. For example, if a city is the named applicant but the grant will actually benefit the Department of Water, civil rights lawsuits involving both the city and the Department of Water should be listed.

IV. “Civil rights compliance review” means any review assessing the applicant’s and/or recipient’s compliance with laws prohibiting discrimination on the basis of race, color, national origin, sex, age or handicap. If any part of the review covered the entity which will actually benefit from the grant, it should be listed.

V. Self-explanatory.

VII. The word "community" refers to the area under the applicant's and/or recipient's jurisdiction. The "community" might be a university or laboratory campus, or a community within a large city. If there is a significant disparity between minority and non-minority populations to receive service, not otherwise satisfactorily explained, the Regional office may require a map which indicates the minority and non-minority population served by this project, program or activity.

VII. This information is required so that reviewers may determine if a disparity in the proposed provision of services will exist in the event the application is approved for funding. Give population of recipient's jurisdiction, broken out by categories as specified.

In the event the applicant cannot provide the requested information because the funds will be distributed over a wide demographic area which is yet to be determined, an explanation may be provided on a separate sheet. For example, a State applying for a capitalization grant under the State Revolving Fund program may not know which cities and counties will apply for, and receive, SRF loans.

VIII. Self-explanatory.

IX. "Jurisdiction" means the geographical area over which applicant has the authority to provide service.

X. Self-explanatory.

"Burden Disclosure Statement" - EPA estimates public reporting burden for the preparation of this form to average 30 minutes per response. This estimate includes the time for reviewing instruction, gathering and maintaining the data needed and completing and reviewing the form. Send comments regarding the burden estimate, including suggestions for reducing this burden, to Chief, Information Policy Branch, PM-223, U.S. Environmental Protection Agency, 401 M Street, S.W. Washington, D.C. 20460; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

8.4.14 Certification Regarding Debarment, Suspension, and Other Responsibility Matters

Under Executive Order 12549, an individual or organization debarred or excluded from participation in federal assistance or benefit programs may not receive any assistance award under a federal program, or a sub-agreement thereunder for $25,000 or more.

Accordingly, each prospective recipient of an EPA grant, loan, or cooperative agreement and any contract or sub-agreement participant thereunder must certify to or provide an explanation why they cannot. For further details, see 40 CFR §32.510, Participants' responsibilities.

8.4.15 Notice of Public Hearing

The facilities planning process requires public participation is required for SRF program. The applicant must hold a public hearing to discuss the project, the proposed financing and subsequent affects on the system users. A "Notice of Public Hearing" must be published in an appropriate legal newspaper at least 10 days prior to the hearing. A copy of the affidavit of publication must be submitted as part of the Facilities Plan. Other notification methods may be used with prior approval by the department. A sample Notice can be found below.

At minimum, the following items shall be addressed at the public hearing:

- The need for the project;
- All alternatives that were evaluated, including the cost of each;
- A description of the proposed project;
- The proposed financing for the project;
- The amount of SRF loan expected to be borrowed;
- The revenue source pledged for repayment;
- The interest rate and term of the loan; and
- The affect of the proposed financing on user rates.

Minutes must be kept at the public hearing and should include a summary of the comments received on the proposed project. A copy of the minutes must be submitted as part of the Facilities Plan.

NOTICE OF PUBLIC HEARING
for the
WASTEWATER PROJECT

The {city, town, district} is seeking $XXX,XXX of funding from the Board of Water and Natural Resources for {briefly describe project}. The funds could be either a grant from the state Consolidated Water Facilities Construction Program or a loan from the Clean Water State Revolving Fund (SRF) Program. The Clean Water SRF loan terms are ___% for ____ years, and the Board of Water and Natural Resources may forgive all or a portion of loan principal. The amount, source of funds, and terms will be determined by the Board of Water and Natural Resources when the application is presented at a scheduled board meeting. The purpose of the public hearing is to discuss the proposed project, the proposed financing, and the source of repayment for the loan. The public is invited to attend and comment on the project.

The public hearing will be held at {location} on {date} at {time}.

8.4.16 Facilities Plan

The following summarizes the minimum information expected in a facilities plan. The information is provided in two sections. The first section is information required in **all** facilities plans. The second section provides more detail based on the project type.

INFORMATION REQUIRED FOR ALL FACILITIES PLANS

Project Executive Summary

- Provide a detailed narrative describing the selected project alternative. Be specific, providing the feet or miles of pipe to be constructed, replaced or repaired; treatment process being utilized; capacity of storage tanks; cubic yards of sediment removal; feet of shoreline stabilization; and so forth. Identify the preferred method of construction or project completion, an itemized break-out of estimated costs, the area to be affected by the project, maps showing locations of services and extent of construction, anticipated operation and maintenance (O&M) cost changes resulting from the project, anticipated rate effects caused by any proposed borrowing or changes to O&M expenses.

Project Development

- Discussion of existing conditions and need for proposed project;
- Discussion of compliance issues; and
- Map showing project area in relation to the community.

Environmental Considerations

- Narrative discussion of any direct environmental impacts;
- Cultural resources review:
  - Completed Cultural Resources Effects Assessment Summary form;
  - Archaeological survey for any project, or a portion of a project, where construction will occur in an undisturbed area, which includes pasture and tilled crop land;
  - Database search of Historic Register if an archaeological survey was not required or if the report does not identify the presence or absence of historic properties within the project area. The database search is available at www.nr.nps.gov;
- Request for comments to the review agencies and responses from each; and
- Approved mitigation plans for addressing any adverse affects identified by the review agencies.

Alternative Development and Selection

- A narrative discussion of appropriate alternatives to include the no action alternative;
- Unit cost breakdowns and present worth or uniform annual cost evaluations for each feasible alternative;
- Narrative discussion justifying the alternative selected;
- Proposed financing of selected alternative and the impact to user fees;
- Discussion of further activities or requirements needed for project development, *i.e., conditional use permits, soil borings or groundwater investigations, new or revised Surface Water Discharge Permits, Corps of Engineers 404 permit, and land/easement acquisition*; and
- Schedule identifying project milestones.

Public Participation

- Proof of public hearing advertisement (affidavit preferred; newspaper copy acceptable);
- Minutes of the public hearing; and
- Narrative discussion of steps taken to resolve issues identified in the public hearing

INFORMATION REQUIRED BASED ON PROJECT TYPE

Rehabilitation of Existing Wastewater Collection or Storm Water Systems

- A narrative description of the system to include age, present condition, problems occurring within the system, and known infiltration/inflow (I/I);
- A map or maps of the project area that shows the following:
  - Existing and proposed pipe type and size;
  - Any historic properties identified within the project area; and
  - Floodplains if the project involves a lift station;
- Alternatives to consider: no-action, trenchless technology, and open trench construction: and
- If I/I studies have been undertaken, the following items must be included:
  - A detailed explanation of the methods used to determine the locations and extent of I/I; and
  - A summary of the findings to include specific areas discovered to have I/I and the extent of I/I in each area.

New Wastewater Collection Lines or Interceptor or Storm Sewers

- Discussion of the ability of the existing wastewater infrastructure (treatment facilities, lift stations, and downstream mains) to accommodate the new flows;
- A map or maps of the project area that show the following:
  - Proposed project route;
  - Wetlands;
  - Any historic properties identified within the project area; and
  - Floodplains;
- Discussion of the ability of the existing infrastructure to accommodate the new flows;
- Discussion of the indirect and cumulative impacts that will result from the project, with emphasis on wetlands, historic properties, endangered species habitat, and floodplain development within the area of impact, and mitigation efforts to address any identified impacts; and
- Alternatives to consider: no-action.

Wastewater Treatment

- Narrative describing the existing facility and a map of its location;
- Evidence of consultation from the DENR Surface Water Quality program regarding potential stream reclassifications, change in permit conditions, or other items that may result in increased treatment requirements;
- All data, records, and technical information used for the basis of the design;
- Design calculations for each feasible alternative (this may be omitted for

extensive mechanical treatment options);

- A map or maps for each alternative that show the following:
  - Wetlands;
  - Any historic properties identified within the project area;
  - Floodplains;
  - Airports;
  - All residences, commercial or business development, and water supplies within one-half mile of proposed lagoon, artificial wetland, or land application systems; and
  - Projects involving effluent irrigation or land application of bio-solids will require additional siting information.
- Supplemental information regarding the construction features and static water levels for each well located within one-fourth mile of proposed lagoon or artificial wetland, or land application systems and information regarding water use for each well located within 1,000 feet of proposed lagoon or artificial wetland, or land application systems;
- Alternatives to consider: no-action, collection rehabilitation where excessive I/I is identified, and various treatment technologies to include total retention and discharging lagoons systems, artificial wetlands, and mechanical treatment, where appropriate.

8.4.17 Review Agencies for State Revolving Fund Projects

The following agencies must be given the opportunity to comment on the proposed project. It is the responsibility of the project sponsor or its consultant to supply these agencies with a brief project description and map of the project area. The final facilities plan must include each agency's response.

United States Department of Interior
Fish and Wildlife Service
420 S. Garfield Avenue
Pierre, SD 57501-5408
Attn: Donald Gober, Field Supervisor

South Dakota Dept. of Game, Fish and Parks
Division of Wildlife
523 E. Capitol Avenue
Pierre, SD 57501-3181
Attn: Leslie Petersen, Interagency Coordinator

United States Department of Agriculture
Natural Resources Conservation Service
200 Fourth Street SW
Huron, SD 57350-2475
Attn: Deanna Peterson, State Soil Scientist

U.S. Army Corps of Engineers, Omaha District
Planning Division
Attention: CENWO-PM-AE
106 South 15th Street
Omaha, NE 68102-4901

8.4.18 CULTURAL RESOURCES EFFECTS ASSESSMENT SUMMARY

Applicant _________________________ Project Contact _________________________________
Address____ Telephone Number________________

Legal Location of Project ____
City ________________ County _____________ Project No.______________________________

Project Description ____
____
____
____
____

For projects that involve new construction on vacant land please include information as to what previously occupied the site and whether that site has any known historic or archaeological significance.
____
____
____

Please describe below or attach information supporting the determination of effect.
____
____
____
____

A map showing the project location is required. Drawings or photographs may also be helpful.

Please indicate the effect the project will have on cultural resources based on the review performed:

_______ No Historic Properties Affected: There are no historic properties present or the undertaking will not affect any properties eligible for or listed in the National Register of Historic Preservation.

_______ No Adverse Effect: This property is listed in or eligible for the National Register of Historic Places. This project will have no adverse effect upon the historic significance of the property because the proposed undertaking meets the Secretary of the Interior's Standards for the Treatment of Historic Properties.

_______ Adverse Effect: This property is listed in or eligible for eligible for the National Register of Historic Places. This project will have an adverse effect upon the historic significance of the property. (Attach proposed mitigation measures that may minimize the adverse effect.)

Prepared by: ____ Date ________________

DETERMINATION OF EFFECTS

I have reviewed the project description and the information provided concerning historical and cultural effects of this project. Based on that review, the Department of Environment and Natural Resources concurs with the applicant's determination of the effects that the construction of this project will have on historical or cultural resources. Additionally, if historical or cultural resources are discovered during project construction, the contractor is required to cease construction and notify the State Historical Preservation Officer.

Approved by: ____ Date ________________
SD Department of Environment and Natural Resources