STATE REVOLVING FUND PROGRAMS

- Clean Water State Revolving Fund (CWSRF)
  - Clean Water Act (1989)

- Drinking Water State Revolving Fund (DWSRF)
  - Safe Drinking Water Act (1999)
NEW TO 2021

- Updated Application Forms
  - Application Forms – Form 339 (CWSRF) or Form 369 (DWSRF)
    - ADEM Forms – adem.alabama.gov
      - Water Program
    - Fillable electronically
    - Electronic submittals preferred
NEW FOR 2021 - UPDATED CONTACT INFORMATION

- Updated Supplemental General Conditions (SGCs)

- New contact information for identifying DBE contractors/subcontractors

VI – Resources for Identifying DBE Contractors/Subcontractors

The following organizations may provide assistance in selecting DBE participation:

City of Birmingham
Office of Economic Development
ATTN: Marques Shorts
Economic Special-Agent 710
20th Street North
Birmingham, Alabama 35203
Phone: 205-251-2799
Fax: 205-547-7611
Email: economic.development@birmingham.co.md

U.S. Small Business Administration
http://www.sba.gov

National Association of Minority Contractors (NAMIC)
http://www.namic.org

Alabama Department of Transportation
ATTN: John Huffman
1400 Colonnade Boulevard
Montgomery, Alabama 36112
Phone: 334-244-3361
http://www.dot.state.al.us

U.S. Department of Commerce
Minority Business Development Agency
ATTN: Donna Cappi
705 5th Street NW
Washington, District of Columbia 20230
Phone: 202-418-4144
http://www.mbd.gov

Governor’s Office of Minority and Women’s Business Enterprises
ATTN: Kim Lohse
STEP Program Director
401 Adams Avenue
Suite 300
Montgomery, Alabama 36104
Phone: 334-242-0442

Birmingham Construction Industry Authority
ATTN: Ashley O’Dell
100 23rd Street South
Birmingham, Alabama 35222
Phone: 205-554-1778
info@bcia.org
www.bcia.org

NOTES:

(1) The Owner and the prime contractor shall use the necessary resources to identify and directly solicit no less than 3 certified DBE/MBE firms and 3 WBE firms to bid in each expected contract/subcontract area. If a diligent and documented search of ALDOT, SBA, and MBDA directories does not identify 3 potential certified DBE/MBE firms and 3 potential certified WBE firms, then the prime contractor shall post an advertisement in at least 1 of the other online or print resources. Whenever possible, post solicitation for bids or proposals for a minimum of 20 calendar days before the bid or proposal closing date.
NEW FOR 2021

- Updated Supplemental General Conditions (SGCs)
  - New contact information for identifying DBE contractors/subcontractors
  - New project sign requirements
NEW FOR 2021 – SIGN TEMPLATE

STATE OF ALABAMA
Honorable (Name), Governor

ALABAMA DRINKING WATER FINANCE AUTHORITY
INFRASTRUCTURE PROJECT

(NAME OF OWNER)
(NAME OF PROJECT)

$(amount) STATE REVOLVING FUND LOAN

(NAME OF CONTRACTOR) • CONTRACTOR
(NAME OF ENGINEER) • CONSULTING ENGINEER

ALABAMA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
U.S. ENVIRONMENTAL PROTECTION AGENCY
NEW FOR 2021 – SIGN TEMPLATE

1. Sign is to be constructed of ½” MDO plywood, 4’ x 8’. Alternate materials may be used if approved by ADEM prior to use.

2. Paint with two (2) coats oil-base enamel before lettering.

3. Background color white; lettering black.

4. Lettering may be painted or vinyl. All lettering sizes to be proportionate to sign layout.

5. Sign shall be attached to 4” x 4” x 8’ treated posts. Alternatives may be used if approved by ADEM prior to use.

6. Sign shall be placed in a prominent location easily readable from existing street or roadway.

7. Sign shall be maintained in good condition until completion of project.
NEW FOR 2021

- Updated Supplemental General Conditions (SGCs)
  - New contact information for DBE solicitation
  - New project sign requirements

- Increased closing fee
  - $10,000 → $11,000
NEW FOR 2021

- Updated Supplemental General Conditions (SGCs)
  - New contact information for DBE solicitation
  - New project sign requirements

- Increased closing fee
  - $10,000 → $11,000

- Drinking Water Needs Survey and Assessment (DWINSA)
  - Respond to surveys
  - Pre-application priority ranking
UPCOMING IN 2021

- Clean Watersheds Needs Survey (CWNS)
  - Expected to begin in late 2021/2022
  - Respond to surveys
SRF PROGRAM DETAILS

- 20-Year Fixed Rate Loan

- Low Interest Rate – 2.2% for 2021

- Minimal Closing Fee

- Principal Forgiveness
THE SRF PROCESS

- Pre-application
- Application
- Credit Review
- Loan Closing
- Pre-construction
- Construction
- Reimbursement
- Project closeout
THE SRF PROCESS

- Pre-application
  - Pre-application form
    - Form 340 – CWSRF
    - Form 370 – DWSRF
    - Available electronically on website
  - Due date is February 1st
- Preliminary engineering report (PER)
- Three (3) years of financial audits
Full Application
- Due within 60 Days of receiving fundability letter
- Electronic submittal preferred

Project Budget/SRF Cost Share
- Total project cost vs SRF assistance requested
  - Additional funding from other programs
  - Self funding parts of the project

Resolution Designating Official Representative
- Keep up to date

Certifications/Form 4700-4
- Cannot close loan with out all signed certifications
SRF PROCESS – APPLICATION

- Projected outlay schedule
  - Should match amount requested for SRF funds
  - Construction start dates determine loan closing
  - Construction end dates determine first payment date
  - Capital interest is calculated based on construction period and payment date
  - Update as soon as possible if changes are needed.
SRF PROCESS – APPLICATION

- Environmental Information Document (EID)
- Audited Financial Statements
- Plans and Specifications
- Engineering Consultant Contract
SRF PROCESS – ENVIRONMENTAL INFORMATION DOCUMENT

- Outline in application forms
- Concurrence Letters (USFWS, COE, AHC, and RPC)
  - US Fish and Wildlife Service (USFWS)
  - Core of Engineers (COE) – New program details
  - Alabama Historical Commission (AHC)
  - Regional Planning Commission (RPC)
  - AL Power or TVA if applicable
    - State that these would not applicable in EID if not
- Project Maps
- Alternatives – four project alternatives required including “no action”
- Environmental Justice
- Public Meeting
SRF PROCESS – AUDITED FINANCIAL REVIEW

- Previous 3 years audited financial statements required
  - Must show a 1.1x coverage ratio
  - Rate increases recommended when the coverage ratio cannot be met
    - Submit audits as soon as possible for review
    - Contacted by SRF financial advisor if recommended
SRF PROCESS – APPLICATION

- Plans and Specifications
  - Must be submitted prior to Project Review and Cost Summary
  - Must be approved prior to bid of project
- Any permits must be obtained by the applicant prior to plan approval
- Engineering Contract
  - Must be approved prior to payment of Engineering expenses
  - Should include a ceiling amount for contract accounting
SRF PROCESS – ENVIRONMENTAL REVIEW

- Environmental Review
  - Completeness of Application and EID
  - Comments will be issued through letter to the applicant and consulting representative

- Finding of No Significant Impact (FONSI) or Categorical Exclusion (CE)
  - 30 day public notice period
  - Completed environmental review
SRF PROCESS – LOAN CLOSURE

- Legal Review
  - Amortization schedules produced by ADEM
  - Loan closure managed by ADEM attorney's
  - Applicant’s financial representative and legal counsel is contacted by attorney
  - Loan approved for closure after final loan documents have been adopted by the borrower
SRF PROCESS – LOAN CLOSURE

- Draft loan documents from closing attorney
- Exact payment amounts and dates are detailed in amortization schedule
- Review information in loan documents and appendices.
  - Principal Forgiveness
  - Capital Interest
  - Payment Start Date
- Project manager will contact you and provide payment request form upon loan closing
Project and Loan Information - Appendix A

Correct contact information

Authorized Representative

Update Application Form

Payment Date

February or August after construction completion date

Loan Amount

Capital Interest

Principal Forgiveness

Loan Recipient:

Name of Borrower
Street Address
City, AL Zip Code

Name and telephone number of contact:

Authorized Representative
Telephone Number

SRF Project Number:
10 digit SRF # starting with CS or FS

SRF Trustee Number:
8 digit identifier (XXX-XXXX-X)

Date of Commencement of Loan Payment:
February or August 15, 20XX
(This date will not be extended or changed for any reason.)

I. Loan Amount
a. Project Fund: $1,000,049.17
b. Capitalized Interest: $14,950.83
c. Loan Recipient’s Share of Finance Expenses*: $10,000.00
Total Loan Amount: $1,025,000.00

II. Repayment Amount
a. Total Loan Amount: $1,025,000.00
b. Principal Forgiveness: $500,000.00
Total Loan Repayment Amount: $525,000.00

*Note: The Loan Recipient’s share of finance expenses have been adjusted to deduct any applicable loan commitment fees paid by the borrower.
Amortization Schedule - Appendix C

- Payment Start Date
- Principal
- Interest
- Total Amount
Amortization Schedule - Appendix C

- Payment Start Date
- Principal
- Interest
- Total Amount

Start date and principal amount should match Appendix A
LOAN CLOSURE – COMMON QUESTIONS

- Can we start the project prior to loan closure?
  - Applicant may receive short term funding from local banks or use existing cash
  - SRF loan may be used to pay off the bank loan, including accrued interest
  - ADEM must be notified if this plan is to be used
BIDDING AND PR&CS

- Plans and Specs must be submitted and approved prior to Bid.
- Project Review and Cost Summary documentation received (SGC-36 filled out by consulting engineer).
- DBE solicitation documentation of Prime Contractor and contractors must be documented.
- DBE documentation of the contractor is required.
- Approval to award letter issued after a satisfactory review of PR&CS.
PRE-CONSTRUCTION PHASE

- Pre-construction meeting
  - SRF Project Manager must be present

- Contracts must include current ADEM Supplemental General Conditions

- If project is bid prior to loan closing, ADEM must be notified
DBE REQUIREMENTS

- The "Six Good Faith Efforts" approach must be utilized when soliciting disadvantaged business enterprise contractors.
  - Available in Supplemental General Conditions

- Annual DBE Report – EPA Form 5700-52A
ADDITIONAL CONSIDERATIONS

- Failure of the prime contractor to follow the six affirmative steps
  - Document even if there are none available
- Failure to not have procurement processes documented and approved by ADEM
  - Starting prior to loan closing
  - Communication – ask us before proceeding
- Not including ADEM SGCs in contract documents
  - Updated for 2021
  - Must be used even for subcontractors
CONSTRUCTION PHASE

- Davis-Bacon Wage Rates Required
  - Must be incorporated into bidding specifications
  - Project type and county specific
  - Can be obtained at beta.sam.gov
  - Conduct interviews
American Iron and Steel Requirement

- Requires construction materials made of primarily Iron and Steel (>50%) and permanently incorporated into the finished project to be manufactured within the United States
- Supplier provides certification
  - Include where the material is forged and melted. Both must be in the U.S.
- EPA working with suppliers to develop standard documentation
- Contact EPA for help with market research and waiver eligibility
PROJECT REIMBURSEMENT

- Loan must be closed
- ADEM payment request form must be submitted with invoices
  - Change orders
- Only one payment request per month will be processed
- Payments will not be made directly to the contractor
PROJECT REIMBURSEMENT

- Payment Request
  - Pay request form will be provided through email after loan closure
  - Pay request should be submitted electronically by email using the format specified in the quick reference guide provided
  - Pay Request should be emailed to the SRF Project Engineer
  - Carbon Copies (cc) should be provided to Diane Lockwood and Laketa Reese (Fiscal) and the SRF Mailbox (srf@adem.alabama.gov)
  - First request must include wiring instructions from the borrower’s bank
PROJECT CLOSEOUT

- Inspections by SRF staff
  - Documentation review

- Initiation of Operations
  Letter/Performance Certification
  - Return form letters to ADEM
ADDITIONAL CONSIDERATIONS

- Non-eligible costs
  - In-kind labor
  - Land costs
  - Growth specific projects
  - Industry

- Additional Sources of Funding
  - Let us know as soon as possible to avoid issues
  - Still must follow SRF requirements
  - May need to see additional documentation from other funding source for payment reimbursements
    - Submission of payment request forms for both programs.
ADDITIONAL CONSIDERATIONS

- Supplemental applications
  - Same project scope to qualify
  - Environmental Review already completed
  - Supplemental Application Form
  - Due by February 1st of fiscal year
  - Financial Review still required – updated audits

- Principal Forgiveness/IUP
  - Released in April – May
  - 30 day notice period
  - Can begin closing once IUP notice has ended
Submit all required documentation separately if possible.
- Large documents can cause issues
- Documents are sent to multiple places for review

Electronic submittal preferred

Your project manager is your point of contact
QUESTIONS?

Eric Reidy
Chief, SRF Section
eric.reidy@adem.alabama.gov
(334) 271-7805