Community Grants for Water Infrastructure

Webinar for Community Grant Recipients

Webinar
July 19 and July 27, 2022

ZOOM LOGISTICS AND TECHNICAL ORIENTATION

- Please send a message through chat to Tech Support or email meetings@erg.com if you experience any technical difficulties with Zoom.

- For closed captioning of today's discussion, please select the closed captioning icon at the bottom of your screen.
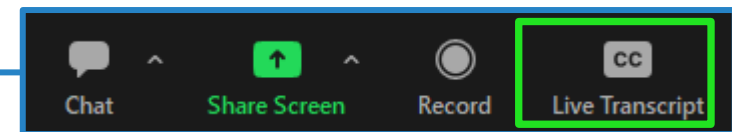
- All participants are in listen-only mode now - please **ask questions in the Chat and hold verbal questions until the end of the presentation.**
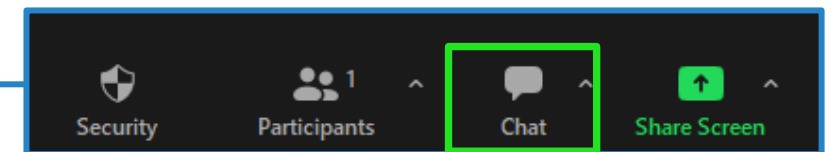
- There will be a notetaker for today's session for purposes of creating a Q&A document.

OVERVIEW

1 Context for FY22 Implementation

2 Roles and Responsibilities

3 Receiving Funds

4 Planning Instructions for Regions and Recipients

5 Questions

CONTEXT: WEBINAR PURPOSE AND GRANTEE ASSISTANCE

- Present and clarify EPA and recipients' obligations and responsibilities highlighted in the [Planning Instructions for Regions and Recipients](#).

    - EPA is working earnestly to provide final information on topics such as Build America Buy America, timing of project execution, reimbursement eligibilities, procurement and cost share. This presentation covers the basics, and we don't have all the answers at this time.

    - Final guidance will reflect the full set of requirements and procedures recipients must adhere to.

- Help recipients understand application requirements and start preparation of grant application for submission soon after final guidance is issued.

- Review specific federal grant requirements such as cost share, MBE/WBE, Davis Bacon, NEPA, etc.

- Obtain recipients' input, questions, identify gaps, and gather other necessary information that can inform the final guidance in fall 2022.

CONTEXT: OVERVIEW

- In March 2022, Congress appropriated $841 million in FY22 funding for [483 water infrastructure projects](#).

- EPA is standing up implementation of this new grant program as quickly as possible, and establishing the appropriate controls to ensure prudent administration of funds, including:

  - Issued [Planning Instructions for Regions and Recipients](#) on July 1, 2022 (signed June 30, 2022)

  - Distributed Planning Instructions via email to the 483 community grant contacts early July

  - Issuing final implementation guidance in the coming months.

- EPA is holding webinars on July 19 and 27 to provide community grantees with initial program planning information and to answer questions.

- Each EPA Region has designated a [Regional Point of Contact](#) for the program. Each of the 483 projects will be assigned to a Regional project officer who will work closely with recipients on their specific projects.

CONTEXT: FY22 PROJECTS BREAKOUT BY EPA REGION

REGION	# OF RECIPIENTS	DOLLAR AMOUNTS
R1 (CT, ME, MA, NH, RI, VT)	66	$87,286,259
R2 (NY, NJ, PR)	60	$79,796,805
R3 (DE, DC, MA, PA, VA, WV)	67	$160,521,239
R4 (AL, FL, GA, KY, MS, NC, SC, TN)	59	$102,120,759
R5 (IL, IN, MI, MN, OH, WI)	81	$128,364,059
R6 (AR, LA, NM, OK, TX)	31	$ 79,091,799
R7 (IA, KS, MO, NE)	8	$15,947,000
R8 (CO, MT, ND, SD, UT, WY)	10	$15,121,000
R9 (AZ, CA, HI, NV, Pacific Islands)	57	$86,491,340
R10 (AK, ID, OR, WA)	44	$86,664,835
Total	**483**	**$841,405,095**

SUMMARY OF ROLES AND RESPONSIBILITIES

EPA Headquarters

- Issues implementation guidance and procedures
- Enables grants.gov to accept applications
- Supports technical corrections and cost share waiver reviews
- Conducts outreach and public engagement

EPA Regions

- Review applications and workplans
- Support technical corrections and cost share waiver reviews
- Award grants
- Review designs, plans and specifications
- Provide direct construction monitoring and oversight
- Review invoices and payments
- Perform post-award grant monitoring

EPA Regional Points of Contact

Grant Recipients

- Apply for grant
- Submit workplan
- Implement project construction
- Submit invoices
- Meet applicable federal requirements for projects, as well as reporting and recordkeeping

HOW DO COMMUNITY GRANT RECIPIENTS RECEIVE FUNDS?

Recipient defines project, including its goal and need, and completes the following:

- Outlines project activities
- Develops project budget, identifying cost share funds and/or need for waiver
- Project objectives
- Anticipated environmental results

EPA, in coordination with the recipient, completes the National Environmental Policy Act (NEPA) environmental review process

Recipient completes the following:

- Develops a work plan that ensures procurement-related activities are consistent with Title 2 Code of Federal Regulations §§ 200.317–200.327
- Continues budget development, outlining any pre-award costs associated with work plan activities

EPA project officer reviews work plan

Recipient prepares grant application package and submits it via grants.gov

EPA processes application and issues award to recipient

Recipient works on the project (i.e., work plan activities) and submits reports, invoices, and supporting documentation to EPA

EPA conducts project monitoring and oversight, reviews and approves invoices

Recipient draws funds

☐ EPA role   ☐ Grant recipient role   ■ NEPA process/combined roles

PLANNING INSTRUCTIONS FOR REGIONS AND RECIPIENTS

Provides initial information and guidelines on how EPA will award and administer community grants. The following topics are highlighted during this webinar:

- Technical Corrections

- Cost Share Requirements and Waivers

- Federal Requirements

- Preparation for an Application

- Key Provisions of Award

- Grant Policies and Resources

In the coming months, EPA will make additional resources available to support recipients in successful development of application packages and compliance with federal requirements.

PLANNING INSTRUCTIONS FOR REGIONS AND RECIPIENTS
TECHNICAL CORRECTIONS

Question: The project listed in the FY22 Consolidated Appropriations Act is not the project that our community needs. Can I still receive the funding?

Answer: EPA issues Community Grant awards to entities and for projects that fall within the scope of the appropriation language. A technical correction is needed to modify any of the following project details as specified in the FY22 Consolidated Appropriations Act:

- Project Purpose
- Grant Recipient

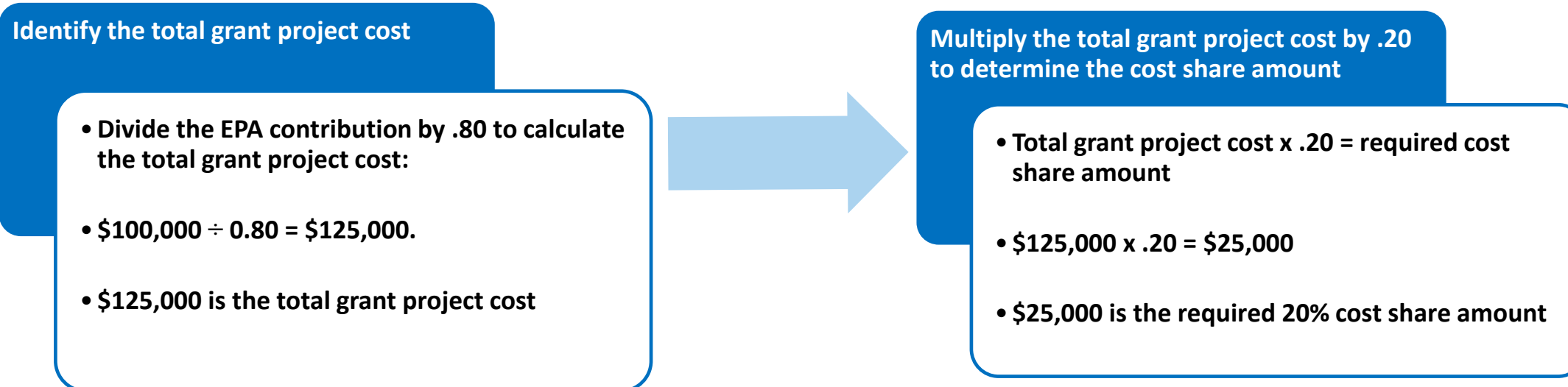| COMMUNITY GRANTEE	EPA REGION
Consult with EPA Regional Contact to determine if a technical correction is needed.	If a technical correction is needed, submits request to EPA HQ for consultation with Congress.

PLANNING INSTRUCTIONS FOR REGIONS AND RECIPIENTS
COST SHARE REQUIREMENT

Question: How do I calculate the 20% cost share requirement for my project?

Answer: For the purposes of calculating the cost share amount, the **amount specified in the FY22 appropriation (EPA contribution) represents 80% of the total grant project cost.***

Here's an example of how to calculate the cost share amount using $100,000 as the EPA contribution:

Identify the total grant project cost

- Divide the EPA contribution by .80 to calculate the total grant project cost:

- $100,000 ÷ 0.80 = $125,000.

- $125,000 is the total grant project cost

Multiply the total grant project cost by .20 to determine the cost share amount

- Total grant project cost x .20 = required cost share amount

- $125,000 x .20 = $25,000

- $25,000 is the required 20% cost share amount

Confirm:
Total grant project cost = EPA Contribution + Cost Share Amount.

$125,000   = $100,000   + $25,000 ✔

*Grant applications are not required to reflect costs that exceed total grant project costs as calculated above; this is the minimum total grant project cost required to receive the full FY22 appropriation amount.

PLANNING INSTRUCTIONS FOR REGIONS AND RECIPIENTS
COST SHARE REQUIREMENT WAIVERS

? Question: How do I know if my community qualifies for a <u>cost share waiver</u>?

Answer: Upon request, EPA will consider several factors in defining disadvantaged communities for the purposes of community grants. Projects in communities that meet at least one of the criteria identified in the planning instructions may apply for a waiver of non-federal cost share under the community grant program.

EPA WILL CONSIDER THE FOLLOWING FACTORS:		
Median household income (MHI) is less than 80% of state MHI	≥ 3.4% unemployed population ≥ 16 years in civilian labor force	Within county with a Social Vulnerability Index score higher than 0.80
$25,766 or less upper limit of Lowest Quintile Income	≥ 12.1% vacant households	≥ 30.9% population living under 200% of poverty level
Within census tracts that have a poverty rate greater than or equal to 20%	Sewer and drinking water costs are greater than 2% of the 20th percentile household income (i.e., the Lowest Quintile of Income for the Service Area)	≥ 11.7% population receiving food stamps/SNAP benefits

PLANNING INSTRUCTIONS FOR REGIONS AND RECIPIENTS
FEDERAL REQUIREMENTS

? **Question:** Are there federal requirements my project needs to follow?

Answer: Recipients are required to adhere to all applicable federal requirements which include federal laws and Executive Orders that apply to Community Grant projects. These include requirements related to procurement and the environmental review process including:

- Federal Procurement
- Davis-Bacon Act
- Build America, Buy America Act
- American Iron and Steel
- Disadvantaged Business Enterprises (DBE) Program
- National Environmental Policy Act (NEPA)

PLANNING INSTRUCTIONS FOR REGIONS AND RECIPIENTS
FEDERAL REQUIREMENTS: PROCUREMENT

? **Question:** What do I need to know about procurement in order to hire a contractor?

Answer: Whenever a recipient purchases supplies or hires a contractor, this is considered a procurement action. The term "procurement" covers many different, but coordinated actions, such as how the request for proposals or contract documents (plans and specifications) are prepared and advertised.

With very few exceptions, recipients must follow a competitive process when using EPA funds to purchase supplies, equipment, and professional services.

EPA's Best Practice Guide for Procuring Services, Supplies and Equipment Under EPA Assistance Agreements describes the financial transactions covered by the competitive procurement requirements and other rules you must follow when awarding and administering EPA funded contracts.

Question: What does the Davis-Bacon Act entail?

Answer: The Davis-Bacon Act (DBA) requires that all contractors and subcontractors performing construction, alteration, and repair (including painting and decorating) work under federal contracts in excess of $2,000, pay their laborers and mechanics not less than the prevailing wage and fringe benefits for the geographic location.

The Final Implementation Guidance will provide additional information about Davis Bacon requirements. The terms and conditions for each grant award will include specific requirements.

PLANNING INSTRUCTIONS FOR REGIONS AND RECIPIENTS
FEDERAL REQUIREMENTS: BUILD AMERICA, BUY AMERICA (BABA)

Question: What are Build America, Buy America requirements?

Answer: Community Grant recipients are required to ensure that procurement plans comply with [Build America, Buy America (BABA)](#) requirements prior to grants being awarded. Requirements call for all of the iron, steel, manufactured products, and construction materials used in the project to be produced in the United States.

EPA is requesting various BABA waivers and we will provide more information in the final guidance.

PLANNING INSTRUCTIONS FOR REGIONS AND RECIPIENTS
FEDERAL REQUIREMENTS: AMERICAN IRON AND STEEL

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Question: What does the American Iron and Steel provision require?

Answer: The American Iron and Steel (AIS) provision requires Community Grant recipients to procure and use iron and steel products that are produced in the United States for the construction, alteration, maintenance, or repair of a public water system or treatment works.

FEDERAL REQUIREMENTS: DBE

? **Question:** What does EPA's Disadvantaged Business Enterprise (DBE) Program require?

Answer: Under EPA's DBE Program, Community Grant recipients who procure goods and services are required to seek and are encouraged to use disadvantaged business enterprises (DBEs) for their procurement needs under EPA grant agreements.

- Key components of the [Disadvantaged Business Enterprises (DBE) Program](#) include:

  - Fair Share Objectives,

  - Six Good Faith Efforts,

  - DBE (MBE/WBE) Reporting, and

  - DBE (MBE/WBE) Certification.

- Grant recipients must [report](#) DBE participation on EPA Form 5700-52A, when the budget for procuring construction, equipment, services, supplies, and subawards (under 'Other') exceeds $250,000 (Simplified Acquisition Threshold).

PLANNING INSTRUCTIONS FOR REGIONS AND RECIPIENTS
FEDERAL REQUIREMENTS: NATIONAL ENVIRONMENTAL POLICY ACT

Question: What are my responsibilities for compliance with the National Environmental Policy Act (NEPA) and required environmental review for my project?

Answer: NEPA requires evaluation of how federal grant actions may affect the quality of the environment. Under NEPA, environmental impacts must be considered before EPA can award the grant.

1. Review EPA's list of actions that can be categorically excluded from preparing an Environmental Information Document (EID).

2. Submit a request to EPA for a categorical exclusion (CATEX) or submit an EID.

3. Coordinate with EPA in the cross-cutter review process. Environmental laws and Executive Orders that are integrated with the NEPA review are referred to as "cross-cutters."

PLANNING INSTRUCTIONS FOR REGIONS AND RECIPIENTS
FEDERAL REQUIREMENTS: NEPA, CONTINUED

NEPA SUMMARY
To begin the NEPA process, the recipient determines whether to: 1. Request a categorical exclusion (CATEX) from EPA, or   2. Prepare and submit an environmental information document to EPA to support an Environmental Assessment (EA)   EPA, in coordination with the recipient, concludes the NEPA process through completion of one of the following: • A CATEX determination   • An EA and Finding of No Significant Impact   • An Environmental Impact Statement and Record of Decision

PLANNING INSTRUCTIONS FOR REGIONS AND RECIPIENTS
FEDERAL REQUIREMENTS: PREPARATION FOR AN APPLICATION

Question: How can I prepare for a grant award?

Answer: In order to apply for federal funds, recipients must be registered in SAM.gov, obtain a unique entity identifier (UEI) and then register in Grants.gov . In addition to registration, recipients must complete all applicable federal requirements and submit a complete application package via Grants.gov.

Complete grant applications include several standard forms and attachments. Two key application components are:

- **Work plan:** The project workplan describes the proposed project and outlines all project activities to be performed under the grant. It also includes Environmental Results, milestone schedule, and information on compliance with federal regulations applicable to the grant.

- **Budget information:** The project budget information must include a detailed Budget Narrative and identify the source of Cost Share.

PLANNING INSTRUCTIONS FOR REGIONS AND RECIPIENTS
KEY PROVISIONS OF AWARD: PRE-AWARD COSTS

? **Question:** We've already begun to incur costs for our project. When can we be reimbursed for these costs?

Answer:

- Costs incurred by recipients prior to receiving grant awards will be assessed on a case-by-case basis, as part of EPA's review of the project workplan and budget.

- Costs incurred prior to grant award may be allowable if the costs are in conformance with applicable federal and EPA regulations and if they are incurred on or after March 15, 2022.

- Projects that completed construction before March 15, 2022, are not eligible to receive community grant funding and will need a technical correction.

- All costs incurred before EPA makes the award are at the recipient's risk.

PLANNING INSTRUCTIONS FOR REGIONS AND RECIPIENTS
KEY PROVISIONS OF AWARD: TERMS AND CONDITIONS

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Question: What will the terms and conditions of my award include?

Answer:

EPA's General Terms and Conditions are applicable to the EPA's assistance agreements, including community grants. EPA will ensure that any additional applicable award-specific programmatic terms and conditions will be included in the grant agreements.

PLANNING INSTRUCTIONS FOR REGIONS AND RECIPIENTS
GRANT POLICIES AND RESOURCES

Question: Where can I learn more?

Answer: (1 of 2)

- **EPA Community Grants program**: The EPA Community Grants web page will be updated as new information becomes available.

- **Grants Policy Resources:** EPA grant policies may affect how recipients manage and administer EPA assistance agreements.

- **EPA Office of Grants and Debarment Guidance on Selected Items of Cost for Recipients:** The Guidance on Selected Items of Cost for Recipients provides information on the allowability of specific costs.

PLANNING INSTRUCTIONS FOR REGIONS AND RECIPIENTS
GRANT POLICIES AND RESOURCES (CONTINUED)

Question: Where can I learn more?

Answer: (2 of 2)

- **Best Practice Guide for Procuring Services, Supplies, and Equipment Under Assistance Agreements:** The Best Practice Guide will help grant recipients (other than states) meet federal procurement requirements.

- **Grants Management Training for Applicants and Recipients:** EPA's online training courses are free and are designed to introduce potential EPA grant recipients to key aspects of the entire grant lifecycle, from preparation of an application through grant closeout.

- **Interim General Budget Development Guidance for Applicants and Recipients of EPA Financial Assistance:** Community grantees may refer to this guidance to learn more about cost eligibility and preparation of the budget component of the application package.

Questions

Thank You

EPA Community Grants Program
https://www.epa.gov/sustainable-water-infrastructure/epa-community-grants

APPENDIX 1 – FY22 EXPLANATORY STATEMENT LANGUAGE

Community Project Funding Items/Congressionally Directed Spending Items. -From within funds provided for capitalization grants for the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund, the Committees recommend $443,639,051 from the Clean Water SRF and $397,766,044 from the Drinking Water SRF be for Community Project Funding/Congressionally Directed Spending grants for the construction of drinking water, waste-water, and storm-water infrastructure and for water quality protection. Each project shall provide not less than 20 percent matching funds from non-Federal sources, unless approved for a waiver. Applicable Federal requirements that would apply to a Clean Water State Revolving Fund or Drinking Water State Revolving Fund project grant recipient shall apply to a grantee receiving a CPF grant under this section. The Committees note that the following funding sources are to be treated as non-Federal funds and can be used to meet the non-Federal matching fund requirement: U.S. Department of Housing and Urban Development, Community Development Block Grant program; U.S. Department of Agriculture, Rural Development Program; and Appalachian Regional Commission grants. Funding made available to jurisdictions through the American Rescue Plan Act of 2021 (P.L. 117-2) are considered Federal funds and may not be applied towards the non-Federal cost share requirement. A detailed list of projects is in the table titled "Interior and Environment Incorporation of Community Project Funding Items/Congressionally Directed Spending Items.