

2020 Intended Use Plan

AMENDMENT



Clean Water State Revolving Fund

Financial Assistance Division | Oklahoma Water Resources Board

Amendment to 2020 CWSRF IUP

The 2020 IUP document can be found at www.owrb.ok.gov/cwsrf. The section proposed to be amended is found below with the changes denoted by strikethrough and underline. Public comment period ends May 15th, 2020.

ADDITIONAL SUBSIDIZATION

FWPCA section 603(i) includes the authority for a CWSRF Program to provide a certain percentage of its capitalization grant as additional subsidization to a municipality or intermunicipal, interstate, or State agency. There is no minimum amount of additional subsidization required; however, the maximum allowable is 30 percent depending on the total appropriations received.

If the total appropriations are:

- Less than \$1 billion then no additional subsidy is authorized;
- Greater than or equal to \$1.3 billion then up to 30 percent is authorized; or
- Greater than \$1 billion but less than \$1.3 billion then the maximum is equal to the percentage above \$1 billion.

Additional Subsidy can be provided to an eligible recipient that:

- Meets the affordability criteria of the State;
- Does not meet the affordability of the State but seeks additional subsidization to benefit individual rate payers in the residential user rate class; and/or
- Implements a process, material, technique or technology to address water or energy efficiency goals, mitigates stormwater runoff or encourages sustainable project planning, design and construction.

However, as part of the FFY 2019 Appropriations Act, 10 percent of the capitalization grant shall be used by each state to provide additional subsidy to eligible recipients in the form of forgiveness of loan, negative interest loans, or grants (or a combination of these), and shall be so used by the State only 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 on or after the date of enactment of this Act.

These two separate requirements for additional subsidization can be additive. Therefore, each state must provide 10 percent and can provide up to 40 percent of the capitalization grant as subsidy. If

providing more than the 10 percent required in the Appropriation Bill, the state must also comply with the requirements set forth in the CWA.

For SFY 2020, the Oklahoma CWSRF will provide loan forgiveness in an amount equal to 10% if its capitalization grant to eligible recipients for eligible projects that meet the State's Affordability Criteria as defined in the Affordability Criteria Section of this IUP and are in communities with a population of 3,300 or less. There is a maximum of one (1) loan forgiveness project per entity per SFY.

Projects considered for loan forgiveness include the following:

- Phase I projects (Planning and Design that results in a Permit to Construct) with cost schedules that show the full project balance is expected to be drawn within a nine (9) to twelve (12) month cycle from beginning of state fiscal year, July 1st, 2019. These projects may be eligible for up to the full amount of project cost in compliance with the [Engineering Services Schedule](#). [A maximum of five Phase I projects will be awarded this state fiscal year to ensure available funding for Phase II construction loans rolled over from Phase I of previous SFY.](#)
- Phase II projects (Ready to Proceed) with cost schedules that show the full loan forgiveness balance is expected to be drawn within a nine (9) to twelve (12) month cycle from beginning of state fiscal year, July 1st, 2019. These projects may be eligible for up to \$200,000 ~~or 50% of eligible costs, whichever is lower~~. A ~~50%~~-borrower's contribution [over the \\$200,000](#) is to originate from local funds, grants, OWRB funding, or a combination thereof. If borrower's ~~required 50%~~ contribution originates from a source other than CWSRF financing, documented proof of secured funding must be submitted prior to OWRB Board approval. Evidence will be required to confirm Permit to Construct application has been submitted.

Priority consideration will be extended to Phase II projects whose entities received loan forgiveness for Phase I in SFY 2019, as well as new Phase I projects. Secondary consideration will be extended to Phase II projects whose entities did not participate in Phase I loan forgiveness in SFY 2019. [In the event that funds are still remaining after the prioritized projects have been funded, OWRB will make the funds available for eligible projects that have a documented emergency that is an imminent threat to public health, safety, environment or welfare.](#)

The final list of projects that received additional subsidization will be available in the SFY 2020 CWSRF Annual Report.