

DEQ Administered ARPA Wastewater Funds Program Requirements & Procedures

Sewer Collection System (SCS) Program, Combined Sewer Overflow (CSO) Program, Enhanced Nutrient Removal Certainty Program, Pound, Petersburg (ENRCPP) Program, and the 2022 Appropriation Program

General Procedures: There are a number of requirements which are applicable to projects funded through the Sewer Collection System (SCS) Program, Combined Sewer Overflow (CSO) Program, Enhanced Nutrient Removal Certainty Program, Pound, Petersburg (ENRCPP) Program, and the 2022 Appropriation Program. It is the intent of the Department of Environmental Quality (DEQ) to ensure compliance with all of these requirements by grant recipients through the most expeditious, streamlined, and least burdensome method. However, in order for this goal to be achieved, it is important that grant recipients be fully cognizant of these requirements and that they follow through in meeting these requirements in a thorough and timely manner. Please note that the grant recipient is responsible for ensuring adherence to all requirements and that failure to comply with the requirements may result in funds being recouped by the United States Department of the Treasury.

Professional Services Procurement: All goods and services for which the grant recipient will be requesting reimbursement must be procured in accordance with the procedures outlined in the Virginia Public Procurement Act, regardless of population size.

A certification letter must be submitted to DEQ stating that the Virginia Public Procurement Act was followed and was consistent with the standards outlined in the Code of Federal Regulations, [2 CFR 200.317 through 2 CFR 200.320](#) in the procurement of professional services. The template of the certification letter posted on the DEQ website should be used.

Preliminary Engineering Report (PER): For SCS Program sewer collection system projects, CSO Program projects, ENRCPP Program projects, and 2022 Appropriation Program wastewater projects, a completed PER developed in accordance with the Sewage Collection and Treatment regulations will need to be submitted to DEQ for approval. For 2022 Appropriation Program stormwater projects, project planning documents will need to be submitted to DEQ for approval.

Construction Documents and Contract: All goods and services for which the grant recipient will be requesting reimbursement must be procured in accordance with the procedures outlined in the Virginia Public Procurement Act, regardless of population size. In addition, the bid advertisement must discuss and highlight the requirements of the DEQ ARPA Wastewater Funds. Once the grant recipient has completed the bidding process and selected the contractor for the project, the grant recipient must submit the following to DEQ for review:

- Final plans and specifications, signed and stamped by a Professional Engineer
- Certificate to Construct (CTC) for SCS Program sewer collection system projects, CSO Program projects, ENRCPP Program projects, and 2022 Appropriation Program wastewater projects
- Construction Permit (from the Virginia Department of Health) for septic projects
- Tabulation of as-bid costs, including breakdown of eligible and ineligible items
- Certification that project conforms to Davis-Bacon requirements (for projects over \$10,000,000)

- Certification that contracts in excess of \$100,000 that involve employment of mechanics or laborers include a provision for compliance with certain provisions of the Contract Work Hours and Safety Standards Act, 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5).
- Certification that the Virginia Public Procurement Act was followed in the procurement of professional services. The template of the certification letter posted on the DEQ website should be used.

Environmental Permits: All required environmental permits must be in place prior to the initiation of construction. As permits are obtained, please submit copies to DEQ.

Locality Match Certification: For CSO Program projects, grant recipients must provide certification that the locality is contributing local match to the funds it will receive pursuant to 2021 Special Session II Va. Acts Ch. 1, and modified by 2022 Special Session I Va. Acts Ch. 1. The following restrictions apply to the locality match:

- Locality funds should be utilized as match. Sources of locality match could include, but are not limited to, local revenues or rate payer revenues.
- Local ARPA funds and state CSO funds are not eligible sources of locality match. Virginia Clean Water Revolving Loan Fund (VCWRLF) loan proceeds are eligible for use as locality match. VCWRLF principal forgiveness funds are not eligible for use as locality match.
- Locality match funded project costs should not have been incurred prior to March 3, 2021.

Grant Agreement: A grant agreement will be executed after project authorization, receipt of signed task orders for engineering services, and approval of the preliminary engineering report (or project planning documents containing project cost estimates for stormwater projects). Once bids have been received and a construction contract is in place, the grant recipient may request modification of the grant agreement to reflect as-bid construction costs if funds are available. The grant agreement must be executed by December 31, 2024.

Reimbursements: Once the grant has been executed, requests for disbursement may be submitted. It is recommended that disbursement requests be submitted at least quarterly, however monthly requests are highly encouraged. With each request for disbursement, please submit:

- Requisition for Reimbursement Letter on grant recipient's letterhead
- Up-to-date Schedule 1
- Invoices to substantiate requested payment
- Any change orders that have been executed, along with a discussion of the eligible items/costs
- Davis-Bacon certification (for projects over \$10,000,000)

Project costs incurred prior to March 3, 2021 are not eligible to be reimbursed.

Project Schedule: A project schedule is included in the grant agreement. The DEQ Project Manager should be kept updated on any schedule or cost changes throughout the project.

Quarterly Reporting: To comply with Treasury requirements, grant recipients are required to submit quarterly reports using Attachment 4c.

Site Visits: To gauge progress and compliance with approved plans and specifications, site visits will take place at various times throughout the project construction. The DEQ Project Manager will coordinate these visits with the grant recipient. In addition, the DEQ Project Manager should be invited to the pre-bid meeting, pre-construction meeting, and any routine progress meetings. A copy of the Notice to

Proceed should be provided to the DEQ Project Manager.

Project Inspections: During construction, the grant recipient must provide for project inspection. Inspections may be carried out by staff of the consulting engineering firm, third party inspection firm, or by qualified internal staff. These inspections will gauge construction progress, quality, and conformance with plans and specifications. Inspections are very valuable in claim resolution, change order negotiation, and ensuring that payments are made for work in place. Inspections should be documented with construction progress reports that can be reviewed by the DEQ Project Manager during site visits.

Grant Close Out: Reimbursements will be held at 95% of the total grant amount to ensure satisfactory completion of the eligible project. A final site visit will be performed once the Certificate of Substantial Completion or equivalent document is received by DEQ. At this time, the grant recipient must submit a copy of the final change orders/adjustments (if applicable) with the final payment request to the DEQ Project Manager. All funds must be disbursed by December 31, 2026. Unspent funds remaining at the project end date will revert back to DEQ.