

Addendum to Department of Environmental Quality (DEQ) American Rescue Plan Act (ARPA) Wastewater Funds Implementation Plan

Goal

To provide an update on funding appropriated during the Virginia General Assembly's 2023 Special Session I and to provide further guidance for the ARPA Wastewater Funds Implementation Plan regarding the monitoring of Unique Entity Identifier (UEI) activity, subrecipient monitoring including steps taken for high-risk subrecipients, and procurement.

2023 Update

On September 14, 2023, Governor Youngkin signed legislation passed during the Virginia General Assembly's 2023 Special Session I. This legislation, the Commonwealth's budget bill, appropriated additional ARPA funds received by the Commonwealth, including the following in item 486 under the heading "Drinking Water, Wastewater, and CSOs" (added funds identified using bold text):

- 1) \$1,600,000 in the first year and \$4,150,000 in the second year to the Department of Health (601) for the continuation of funding to provide improvement funds for well and septic systems for homeowners at or below 200 percent of the federal poverty guidelines.*
- 2) \$165,000,000 in the first year to the Department of Environmental Quality (440) for additional grants to the City of Alexandria, Virginia Sanitation Authority and the cities of Lynchburg and Richmond to pay a portion of the costs of combined sewer overflow control projects. The City of Alexandria, Virginia Sanitation Authority is to receive \$40,000,000; the City of Lynchburg is to receive \$25,000,000; and the City of Richmond is to receive \$100,000,000.*
- 3) \$75,900,000 in the first year to the Department of Environmental Quality (440) for grants to the City of Fredericksburg and King George County Service Authority for wastewater projects; to the Towns of Wachapreague, Accomac, Parksley, and Exmore for sewer projects; to the Town of Quantico for water and sewer improvements; and to the City of Falls Church for stormwater improvements. The City of Fredericksburg is to receive \$27,000,000; the King George County Service Authority is to receive \$16,000,000; the Town of Wachapreague is to receive \$2,400,000; the Town of Exmore is to receive \$3,500,000; the Town of Accomac is to receive \$4,500,000; the Town of Parksley is to receive \$1,500,000; the Town of Quantico is to receive \$17,000,000; and the City of Falls Church is to receive \$4,000,000.*
- 4) \$25,000,000 in the first year and \$25,000,000 in the second year to the Department of Health (601) for the continuation of funding to support equal access to drinking water at small and disadvantaged community waterworks. These funds shall be limited in their use to qualifying municipal and private drinking water projects and shall not be used for improvements to the department's internal systems or processes.*
- 5) \$5,700,000 in the first year to the Department of Environmental Quality (440) for grants to the Town of Colonial Beach for water and sewer improvements.*
- 6) \$29,551,500 in the first year and **\$5,000,000** in the second year to the Department of Environmental Quality (440) for grants to the City of Petersburg for water and wastewater upgrades at Poor Creek Pump Station.*

7) \$10,000,000 in the first year to the Department of Conservation and Recreation (199) for improvements to identified high hazard water impounding structures consistent with the provisions of the Dam Safety, Flood Prevention, and Protection Assistance Fund established pursuant to § 10.1-603.17, Code of Virginia.

8) \$150,000 in the first year to the Department of Health (601) for the Town of Goshen for repairs to their water storage tank.

9) \$325,000 the first year to the Department of Environmental Quality (440) for a grant to the Town of Occoquan for outfall sediment removal projects and for stormwater dredging activities.

10) \$3,000,000 the first year to the Department of Environmental Quality (440) for a grant to the Town of Dumfries to support Municipal Separate Storm Sewer System permit activities.

11) \$3,000,000 the first year to the Department of Environmental Quality (440) for a grant to the County of Prince William to assist with the connection of Bristow Manor to the Prince William County wastewater collection system.

12) a) **\$71,055,032** in the second year to the Department of Environmental Quality (440) to reimburse eligible entities for costs incurred for implementation of the Enhanced Nutrient Removal Certainty Program, as provided for in § 62.1-44.19:14, Code of Virginia.

b) Funds authorized in paragraph B.2.k.4), Item 479.20 of Chapter 1, 2021 Acts of Assembly, Special Session I, may be used to reimburse eligible entities for costs incurred for implementation of the Enhanced Nutrient Removal Certainty Program, as provided for in § 62.1-44.19:14, Code of Virginia.¹

The wastewater and stormwater portion of items 2, 3, 5, 6, 9, 10, 11, and 12 in this section of 2023 Special Session I Va. Acts Ch. 2 will be administered by DEQ and are included in this plan.

Unique Entity Identifier (UEI)

Subrecipients are required to register for a UEI with the System for Award Management (“SAM”) at <https://www.sam.gov> pursuant to 2 CFR Part 25. The subrecipient’s UEI must remain active throughout the entirety of the grant period. DEQ will confirm compliance on a quarterly basis.

Subrecipient Monitoring

Prior to the execution of the grant agreement, a risk-based assessment will be performed for each project to evaluate each subrecipient’s risk for noncompliance. A copy of the risk assessment questionnaire can be found in Addendum Attachment 1. Subrecipients deemed to be high risk will be required to submit disbursement requisitions monthly and host monthly progress meetings.

Closeout Certification

Following completion of the project, a letter must be submitted to DEQ certifying the following:

1. The Virginia Public Procurement Act was followed in the procurement of professional services and was consistent with the standards outlined in the Code of Federal Regulations, 2 CFR 200.317 through 2 CFR 200.320,

¹ 2023 Special Session I Va. Acts Ch. 2

2. Contracts in excess of \$100,000 that employ mechanics or laborers included 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),
3. Affirmative steps provided in Code of Federal Regulations, 2 CFR 200.321 were taken to assure that minority businesses, women business enterprises, and labor surplus firms were used on the project when possible, and
4. For infrastructure projects with total expected costs exceeding \$10,000,000, all laborers and mechanics employed by contractors and subcontractors in the performance of the project were paid wages at rates not less than those prevailing, as determined by the U.S. Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code.

This letter is required by all subrecipients on all projects. A template for the closeout certification letter can be found in Addendum Attachment 2.

ARPA Wastewater Funds – Risk Assessment Questionnaire

Instructions: Provide answers to each of the nine questions in 500 words or less.

1. Does the organization have new (within the last six months) administration and/or management personnel working on this project?
2. Has the organization made substantial changes to its internal financial systems within the last six months?
3. Does your organization's primary point of contact(s) working on this project have experience working with federal funds or administering projects like this? If so, please describe, including the name and type of federal funding source.
4. Is this project funded by other sources? Is one of the other sources ARPA State and Local Fiscal Recovery Funds?
 - a. If this project is funded by other sources, how will the organization track funds and delineate them as ARPA and non-ARPA funds?
5. Please describe for organization's document retention policies, including detail regarding: if the organization follows a retention schedule (i.e. – Library of Virginia), for how long files are retained, how they are stored, and how accessible they are if requested.
6. Does your organization have experience with programs subject to [Single Audit Requirements](#)?
 - a. If yes, is your last audit available in the [Federal Audit Clearinghouse](#)?
 - i. If no, please submit your organization's last audit with this questionnaire.
7. How will your organization ensure that ARPA funds are not used for ineligible purposes and that there is no fraud, waste, or abuse associated with ARPA funds?
8. If/when potential non-compliance issues with the project are identified, how will your organization address them?
9. Does your organization have written policies and procedures for internal controls/monitoring of funds? If yes, please describe.

[Locality's Letterhead]

[Date]

Virginia Department of Environmental Quality
Clean Water Financing and Assistance Program
1111 East Main Street, Suite 1400
Richmond, VA 23219

Re: American Rescue Plan Act (ARPA) Grant Program
[ARPA Grant Number(s)]: [Project Name(s)] Close Out Certification Letter

To Whom It May Concern:

[Locality Name] and the [purchasing office, or appropriate program] certify that the following requirements of the ARPA Grant Program were met during the course of the [Project Name(s)]:

1. Procurement of all funded goods and services by the grant recipient were made in conformance with the requirements of the Virginia Public Procurement Act and consistent with the standards outlined in Code of Federal Regulations, 2 CFR 200.317 through 2 CFR 200.320,
2. Contracts in excess of \$100,000 that involve employment of mechanics or laborers included 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), and
3. Affirmative steps provided in Code of Federal Regulations, 2 CFR 200.321 were taken to assure that minority businesses, women business enterprises, and labor surplus firms were used on the project when possible.
4. For infrastructure projects with total expected costs exceeding \$10,000,000, all laborers and mechanics employed by contractors and subcontractors in the performance of the project were paid wages at rates not less than those prevailing, as determined by the U.S. Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code (commonly known as the "Davis-Bacon Act"), or by the appropriate State entity pursuant to a corollary State prevailing-wage-in-construction law (commonly known as "baby Davis-Bacon Acts").

If you have questions or need additional information, please contact [Locality Point of Contact] directly at [phone number] or via email at [email address].

Sincerely,

[Name]

[Title]