**ATTACHMENT 1**

**PLANNING CONSULTATION MEETING AGENDA**

*(Provided to the Applicant at the Planning Consultation meeting)*

1. **PROJECT INFORMATION**
2. What problems does the Applicant expect to alleviate with the project?
3. What is the scope of the project?
4. When does the Applicant expect to implement the project?
5. **PENNVEST PURPOSE (by PENNVEST Project Specialist)**
6. PENNVEST provides funds for design and construction of wastewater and drinking water system improvements, and non-point source pollution abatement projects.
7. PENNVEST primarily provides low interest loans at rates ranging from 1 percent to approximately 5 percent based on various factors set forth in the legislation.
8. **FUNDING INFORMATION (by PENNVEST Project Specialist)**

a. Application

(1) The application process is electronic. See the PENNVEST website at www.pennvest.pa.gov.

(2) Cutoff dates for submission of applications can be found on the PENNVEST website.

b. Types of Assistance

(1) Advance Funding Assistance is for costs associated with design engineering services and, when applicable, Second Opinion Project Review.

(2) Advance Funding Guaranty Program is for small systems that serve 250 customers or less. This program guarantees projects construction funding prior to project design.

(3) Construction Loan Program is for costs associated with the acquisition, construction, improvement, expansion, or rehabilitation of a facility. Eligible costs include design and construction engineering. Interest rates can be as low as 1 percent and the term is generally 20 years, but can be extended to 30 years under certain circumstances.

(4) Terms (loan percentage and/or grant offers) are offered by PENNVEST after review of the Applicant’s financial information.

c. Total Funding Limits (by PENNVEST Project Specialist)

1. Refinancing - PENNVEST cannot refinance a project constructed using funds from another source.

e. Letter of No Prejudice and Pre-closing Letter (by PENNVEST Project Specialist)

(1) If construction must begin prior to funding approval, a written request can be made to PENNVEST for a Letter of No Prejudice. If approved, a Letter of No Prejudice will allow construction to proceed without affecting the Applicant’s eligibility for PENNVEST financing. It is up to the Applicant to obtain any bridge financing that may be necessary to start construction. The Applicant must submit a PENNVEST application within 180 days of the date of the Letter of No Prejudice. The Applicant must also obtain all necessary permits and meet all other PENNVEST technical requirements (DBE, Davis-Bacon, A&E) prior to construction.

(2) If construction must begin after funding approval but before loan closing, a written request for a Pre-closing Letter must similarly be made to and approved by PENNVEST.

f. Tap Fees - Applicants do not have to use tap fees to reduce the amount of financing requested from PENNVEST.

g. Non-Restrictive Procurement Specifications

Recipients of PENNVEST funding may not use bidding documents which are proprietary, exclusionary or discriminatory other than those based on salient performance characteristics. Specifications and bidding documents must either: 1) include a clear description of the of the relevant performance criteria and avoid unnecessarily restrictive criteria, or 2) include at least two manufacturers of comparable quality or utility followed by the words “or equal.”

Base-bidding methodologies are not allowed because they are frequently restrictive. Bidding documents may however make use of qualification of or-equals prior to bidding. If that approach is used bidders may be required to submit the request a reasonable amount of time in advance of bid opening (generally no less than 14 days). Approved or-equals must be provided to potential bidders no less than 7 days prior to bid opening. Bidding documents are not however required to use prequalification.

1. **ELIGIBLE COSTS**

a. Eligible costs include design and engineering, improvements to or expansion of existing facilities and new construction. Typical wastewater projects include treatment plants, interceptor sewers, correction of infiltration/inflow problems, new wastewater systems that serve existing homes with wildcat sewers or malfunctioning onlot systems, and rehabilitation or replacement of an existing wastewater system. Typical drinking water projects include treatment plants, distribution systems, storage tanks and metering systems.

Small systems which receive construction funding may request that PENNVEST fund the development of an Asset Management program.

b. Ineligible costs include Act 537 planning activities, litigation associated with a State enforcement action, land and right-of-way costs for facilities, and facilities that are already under construction (without a Letter of No Prejudice). The rehabilitation or replacement of house laterals is eligible if the Applicant takes responsibility for O&M and has legal access.

1. **PLANNING APPROVAL**

Wastewater funding cannot be approved until an Act 537 Plan, Plan Update, or Planning Module has been approved, if required. Drinking water funding cannot be approved unless an acceptable Feasibility Report has been submitted.

1. **PERMITS ISSUED OR PLANS AND SPECIFICATION APPROVED**
2. NPDES Permits (Part I) will be needed if a surface water discharge is involved.
3. WQM Permit (Part II) will be needed, including approval of an NPDES permit for Stormwater Discharges Associated with Construction Activities, and a sludge disposal/waste management plan, if applicable.

c. Act 40 permit exemption applies for sewer extensions serving 250 EDUs or less. Note that plans and specifications are still required to be approved for PENNVEST.

1. Drinking Water Permit will be needed, including approval of an NPDES permit for Stormwater Discharges Associated with Construction Activities, and a sludge disposal/waste management plan, if applicable.
2. Water Obstruction and Encroachment Permits are required for projects that encroach on wetlands or streams. A separate permit may be required from the U.S. Army Corps of Engineers.
3. Air Quality Plan Approvals are required for projects involving odor/gaseous emission treatment equipment.
4. Storage Tank Registration is required for substances that are utilized at WWTFs and stored in bulk quantities in aboveground and/or underground storage tanks.
5. PA Department of Transportation Highway Occupancy Permit (HOP), if necessary.
6. DEP will not recommend a project for PENNVEST funding unless all planning and permitting requirements are satisfied by the cutoff date.
7. **OTHER PENNVEST REQUIREMENTS**
8. Each application must include letters from the local planning agency, the county (or regional) planning agency, the county agricultural preservation office (or conservation district) indicating that the project is consistent with their land use or agricultural conservation policies.
9. The sizing of facilities, or treatment facility expansions to serve growth areas should include an allowance for reasonable growth.
10. The cost-effectiveness of the proposed project must be compared with other alternatives (required for all projects). Energy and water-saving alternatives should be considered.
11. The Project Manager reviews the completed work at the time of the Final Inspection. If Asset Management planning work is funded the scope of work must be approved by the Project Manager, with assistance if requested from Central Office.
12. Funding recipients may sell nutrient credits generated by their PENNVEST-funded project. A condition will be placed in the loan agreement which requires that a portion of the value of those credits be owned by PENNVEST.
13. **SRF/FEDERAL REQUIREMENTS**

a. Uniform Environmental Review (UER) Process

(1) Federal Cross-Cutters are laws or Executive Orders that apply to projects constructed using federal funds. Applicants must be in accord with these requirements. A list of these federal requirements is attached to this agenda.

(2) The planning and design of projects which may be funded by PENNVEST should follow the UER Procedures.

1. Disadvantaged Business Enterprise (DBE) requirements apply to all PENNVEST project construction, equipment and supplies. DBE’s must also be solicited for technical services (including engineering and legal) if the procurement is done after the application for PENNVEST funds. The requirements apply to the selection of the prime contractor as well as subcontractors.
2. Applicants for the Advance Funding Guaranty Program (for projects that serve 250 customers or less) are exempt from the federal Cross-Cutter requirements and the DBE requirements because no federal funds are used for this program.
3. Davis-Bacon (DB) Wage Rates must be paid on all construction paid with federal funds. See DEP guidelines for DB.
4. American Iron and Steel requirements must be met on all projects funded with federal funds where plans and specs (construction permit) were approved after April 15, 2014. Specific guidelines on how to comply with this requirement can be found on the DEP website.
5. \*Fiscal Sustainability Plans (FSP) must be completed for all wastewater projects. The Fiscal Sustainability Plan Summary Form (3850-FM-BCW0516) should be completed by the funding recipient for review by the DEP Project Manager before Final Inspection. \* Wastewater Only
6. \*Architectural & Engineering (A&E) Procurement must solicit firms (minimum of three) using the six good faith efforts outlined in DBE regulations 40 CFR 33.301 unless all pre-design, design, and construction services are paid for with non-PENNVEST funds. All efforts made have been properly documented as outlined in the DEP Technical Services Procurement Help Guide. All documentation will be retained in accordance with applicable record retention requirements under the financial assistance agreement for the project. The Architectural & Engineering (A&E) Procurement Compliance Statement (3850-FM-BCW0517) should be completed and submitted by Application Cutoff. \* Wastewater Only
7. **FUNDING PRIORITIES**
8. In establishing priorities, DEP evaluates five criteria: Public Health, Infrastructure Health, Compliance, and Community Health. The fifth criterion for drinking water projects is Source Water Protection and for wastewater projects is Aquatic Health.
9. The Department of Community and Economic Development (DCED) provides a rating for Economic Development.

c. PENNVEST adds ratings for additional factors, performs the financial analysis and determines the loan and grant conditions.

1. **NOTIFICATION OF FUNDING DETERMINATION**
2. PENNVEST will notify Applicants of funding approval.

b. Applicants must update their application and re-e-sign if funding is not approved at a PENNVEST Board Meeting. The Applicant can provide additional information to the DEP Project Manager to improve the project’s priority rating. If any of the technical components were marked incomplete as of the cutoff date the application is stopped until they are made complete.

1. **ROLE OF PENNVEST THROUGHOUT THE PROCESS**
2. Financial issues
3. Review application, rating, evaluation, and recommendation
4. Determine type and amount of funding
5. Perform loan closings and repayment activities
6. Distribute funds

f. Evaluate and approve/disapprove Letter of No Prejudice and Pre-Closing Letter requests

1. **ROLE OF DEP THROUGHOUT THE PROCESS**
2. Act as technical consultant to PENNVEST
3. Conduct planning consultation meetings with potential Applicants
4. Review project plans and specifications
5. Perform technical reviews, including planning and permit reviews and approvals, environmental review and cost-effectiveness analysis review
6. Monitor project compliance with federal and state requirements
7. Prepare rating and recommendation for PENNVEST
8. Review bidding documents to confirm satisfaction with “or equal” requirements

h. Participate in pre-construction conference

1. Conduct interim and final construction inspections

j. Perform technical review of change orders