

American Rescue Plan Act (ARPA)
Frequently Asked Questions
As of March 22, 2022

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Infrastructure Projects Funding

1. How do I apply for APRA funding?

Answer: Please refer to the [ARPA website](#) for details on how to apply for the different funding categories.

2. Will the ARPA application process be part of the State Revolving Fund (CWSRF) loan application process?

Answer: CWSRF and ARPA combination projects will require both a CWSRF loan application and an ARPA grant application.

DWSRF and ARPA combination projects will require one [Drinking Water Infrastructure Final Application](#).

3. For municipalities using local monies for the remainder of project funding, is there a specific authority to accept grant monies requirement or form that will need to be filled out or voted on?

Answer: Yes. A Certificate of Authority must be provided with the final grant agreement to provide proof that the person signing the grant agreement has the authority to do so. A template is available. The certificate must be signed and notarized within 30 days of the grant agreement.

4. What does NHDES consider to be local funding for a project?

Answer: Local funding includes town/city funds raised through taxation and/or user fees, local ARPA dollars received, funds borrowed from other sources such as the municipal bond bank. Local funds do not include grants received from CDBG, NRBC, Congressionally Directed Spending and/or Community Project Funding aka “earmarks,” or any other grants. Grant amounts have or will be deducted from total project cost prior to ARPA award.

5. I missed the pre-application deadline for the State Revolving Fund (SRF) program. How can I apply for ARPA funds without being listed on the Project Priority List (PPL)?

Answer: Funding offers have been made for those projects on the 2021 SRF PPLs. The next request for SRF pre-applications is expected in the Spring of 2022. At this time NHDES anticipates that ARPA funding will be available again for Drinking Water State Revolving Fund (DWSRF) projects in 2022. Currently, all of the ARPA funds budgeted for CWSRF infrastructure projects have been offered. Any unused ARPA funding will be re-allocated, potentially to the 2022 PPLs or other ARPA programs.

There are additional ARPA funding opportunities before Spring of 2022 for sustainability, planning, cybersecurity, and critical flood risk. See the [ARPA website](#) for more information.

6. Can an ARPA grant be used as a non-federal match for other federal programs such as funding through the Community Development Block Grant (CDBG)?

Answer: It is our understanding that ARPA grant funds generally may **NOT** be used as a non-federal match with other federal funding sources. Refer to the final [Treasury Rule on Coronavirus State and Local Fiscal Recovery Funds](#). Coronavirus State and Local Fiscal Recovery Funds (CSFRF/CLFRF, or Fiscal Recovery Funds) and NHDES ARPA funds can be combined to fund a project.

7. How was the estimated ARPA grant amount calculated and how could that change after the final application submittal?

Answer: The recommended ARPA grant amount was determined by using an Affordability Index as described in the [DWSRF Intended Use Plan \(IUP\)](#) and Affordability Score as described in the [CWSRF IUP](#). The percentage of ARPA grant is listed in the charts below. The maximum total ARPA grant amount is \$2 million per program (CW & DW), \$4 million total maximum for one entity for the ARPA grant funding.

Proposed ARPA Grant Amount Associated with DWSRF Applications		
Drinking Water		
Affordability Index	Percent of SRF Request Funded with ARPA Grant	The maximum total grant amount to any water system is \$2,000,000 for the infrastructure category.
0.0 to < 0.7	20%	
0.8 to < 1.4	30%	
1.5 to < 1.9	40%	
2.0 to < 5.0	50%	
		The final ARPA grant amount will be confirmed after the Final Application is submitted. ARPA grant amounts will not be changed post project.

Proposed ARPA Grant Amount Associated with CWSRF Applications		
Clean Water (Wastewater and Stormwater)		
Affordability Score (Wastewater Only)	Percent of SRF Request Funded with ARPA Grant	The maximum total grant amount to any community is \$2,000,000. This includes clean water projects of all categories (Planning, Infrastructure, Asset Management, Energy Audit Measure Implementation, etc.) *All stormwater infrastructure projects shall receive this amount.
0.0 to 1.32	20%	
1.33 to 2.65	30%*	
2.66 to 3.99	40%	
>= 4.0	50%	
	Currently, all ARPA funds budgeted for CWSRF infrastructure projects have been offered. As such, ARPA grant offers will not be increased but may be decreased based on the total project costs presented in the Final Application. ARPA grant amounts will not be changed post project.	

- 8. I'm on the funded portion of the SRF PPL. Can I increase my project scope and ask for more SRF loan so I can receive more ARPA grant?**

Answer: No. Budgeted funds for SRF and ARPA have been allocated for the year.

- 9. I have an offer for 3 of the 5 projects I applied for. Can I select which projects I want to use the money for?**

Answer: No. Each funding offer is project specific and cannot be moved or combined.

- 10. I applied for DWSRF but only received ARPA grant funds. How will I fund the rest of my project?**

Answer: These DWSRF projects will need to obtain the remaining project funds from [another source \(e.g. local funds, DWGTF, USDA Rural Development, Community Development Block Grant, etc.\)](#). If SRF awarded projects decline funding, NHDES may offer funds to another project on the PPL depending on the time of year. Note: DWSRF requires that funds are offered in order of ranking.

- 11. If our community is offered SRF/ARPA now and another funding option becomes available can I decline funding?**

Answer: Yes, offers of SRF and/or ARPA funding can be declined.

- 12. If our community was offered a SRF loan and an ARPA grant are we required to borrow the SRF funds in order to receive the ARPA grant?**

Answer: No. Borrowing the SRF loan funds is not required in order to receive the ARPA grant.

13. What if all the NHDES ARPA funds are not used?

Answer: Any unused ARPA funding will be re-allocated, most likely to the 2022 PPLs or other ARPA programs.

14. Can I use the ARPA and/or SRF funds for a different project than what was in my pre-application?

Answer: No. Each project was ranked for funding based on the information in the pre-application, and funding offers are specific to that project.

15. Can I reduce the scope of my project to maximize the amount of ARPA grant and reduce the amount of SRF loan I need to take?

Answer: No. The ARPA grant is a percentage of the total project cost. If the project scope is reduced, then the ARPA grant is reduced.

Timing

16. Can we recover costs/expenses relative to the project incurred prior to entering into loan/grant agreement?

*Answer: Eligible non-construction costs related to the project, retroactive back to March 3, 2021, may qualify for reimbursement once the funding assistance agreement is approved by the Governor and Executive Council (G&C). **Non-construction work completed prior to G&C approval is at the funding recipient's own risk and subject to review by the NHDES project manager.***

17. Are there any limitations on signing contracts or starting work before a certain date?

Answer: See Q&A #16 above. Further, no construction work can start prior to the completion of an environmental review.

18. How long are ARPA funds available?

Answer: Project deadlines will be specified in the individual funding assistance agreements. However, in general, all ARPA funds must be obligated (approved by G&C) by December 31, 2024 and funds must be spent (fully reimbursed by NHDES) by December 31, 2026.

19. Can the environmental review begin before entering into loan/grant agreement?

Answer: *Yes, with a reasonable expectation that construction will proceed. Beginning an environmental review must be discussed with the NHDES project manager and determined on a case by case basis.*

Accepting Funds

20. Does an applicant have to have the authority to borrow/accept grant funds prior to submitting a final grant application?

Answer: *It depends on the program. The final application for a DWSRF loan can be submitted prior to the authorization for funding being obtained however, the application will not be considered complete until the authorization(s) are received. The final application for a CWSRF loan does require the authority to borrow to be in place prior to submission. Note: Originals of the authorization to accept grant funds must be submitted along with a certified copy of the warrant article or other evidence of authority to appropriate funds for the project. Links to templates are available on the ARPA website.*

21. What happens if a funding recipient does not submit a final grant application by June 1, 2022 (Drinking Water) or June 30, 2022 (Clean Water)?

Answer: *Failure to submit the final grant application by the deadline listed in the offer letter will jeopardize the ARPA funding award. It is important to keep NHDES up to date on your progress for accepting funds.*

22. How should my warrant article/resolution be written if I am receiving a SRF loan and ARPA grant?

Answer: *For the SRF program, even if you are eligible for principal forgiveness, the warrant article/resolution must provide the authority to borrow the full project amount in the "bonds or notes" amount.*

For municipal entities, NHDES recommends warrant articles/resolutions be checked for completeness and appropriateness by your Town's/City's counsel. If for some reason Town/City counsel is not an option, there are other resources available. You may reach out to the Department of Revenue Administration with questions. Staff are assigned by municipality; contact Bruce Kneuer and he will redirect inquiries to the proper person.

Bruce K. Kneuer
Supervisor - Municipal Bureau
NH Department of Revenue Administration
109 Pleasant Street
P.O. Box 487
Concord, NH 03302-0487
Phone: (603) 230-5953
bruce.kneuer@dra.nh.gov

NH Municipal Association (NHMA) members who are seeking assistance with drafting warrant articles/resolutions that will employ the SRF as a funding source can contact the NHMA Legal Advisory Service. NHMA's staff includes two attorneys who are available to answer inquiries and provide general legal assistance by e-mail and telephone to elected and appointed officials from member towns, cities, and village districts. NHMA staff can be reached at (800) 852-3358 or by email at legalinquiries@nhmunicipal.org.

Stephen C. Buckley, Esq.
Legal Services Counsel
NH Municipal Association
25 Triangle Park Drive
Concord, NH
03301
Tel: (603) 224-7447
Email: sbuckley@nhmunicipal.org

For ARPA-only, grant-funded projects, municipalities may already have the authority to accept grant funds. A certificate of vote of authorization is required. Information and templates are available online:

[Certificate of Vote of Authorization For ARPA Infrastructure Projects](#)
[Drinking Water Infrastructure Projects](#)

23. Will ARPA grants affect Wastewater SAG Funding?

Answer: Yes, SAG will not be awarded for projects or portions of projects that are ARPA grant funded.

Bidding/Engineering/Design/Construction

24. Will ARPA-only projects have to follow federal provisions?

Answer: Davis-Bacon* and American Iron and Steel are not required for ARPA-only construction projects, however an environmental review will be required.

**For projects over \$10 million (based on expected total cost), Davis-Bacon will be required. Additional federal requirements may be required and will be outlined in the grant agreement with the funding recipient. If the ARPA funds are co-funded with any other funding programs those funding requirements would apply. Refer to the [Federal Provisions Chart](#) for additional guidance.*

25. Is there a requirement for soliciting engineering services?

Answer: Engineering services for Clean Water infrastructure projects require Qualifications-Based Selection (QBS) procurement process, as described in Env-Wq 509, with the exception of projects funded by the Disadvantaged Program and Planning Projects. If the recipient is already working with a consultant that was selected using the QBS process, the recipient will be required to provide certification that the selected firm was hired using the QBS process. Drinking water infrastructure projects do not require QBS however a copy of the engineering contract must be submitted.*

**All projects funded with ARPA grants must meet the requirements of [Uniform Guidance 2 CFR 200.317 through 2 CFR 200.327 for procurement](#). Documentation of procurement procedures will be required. QBS for engineering services satisfies this requirement and is strongly recommended for projects that will pursue funding under CWSRF for future phases, as it is a requirement under that program.*

26. Are NHDES Standard State Engineering contracts and EJCDC Engineering contracts acceptable formats for engineering services agreements?

Answer: Yes.

27. Do standard procurement procedures need to be followed such as front end specifications and either public bidding or soliciting competitive bids?

Answer: Yes. Required procurement procedures for clean water infrastructure projects are described in Env-Wq 510. Required procurement procedures for drinking water infrastructure projects are described in Env-Dw 1109. Additional requirements may be listed in Exhibit A of the grant agreement.

28. Does NHDES anticipate alternate construction contract front-end documents for ARPA projects?

Answer: We anticipate SRF/ARPA combination projects will utilize the current SRF construction contract front-end documents. For ARPA-only or projects co-funded with

another source, NHDES anticipates there may be an adapted version of the front-end documents.

29. Are in-house expenses eligible for reimbursement along with ongoing operating expenses?

Answer: No. Administrative, clerical staff time and operation and maintenance costs are not eligible expenses. However, force account and clerk of the works costs may qualify for reimbursement with proper documentation and subject to review and approval by the NHDES project manager.

Disbursements

30. How will ARPA funds be disbursed for a project?

Answer: Payment method (Exhibit C of the Grant Agreement) will be determined based on the type of project. Generally, ARPA funds will be reimbursed as work is completed. If a project is co-funded with SRF loan funds then generally ARPA funds will be disbursed first. If other funding is used other provisions may apply.