

January 7, 2010

Responsible Official  
Applicant Water System Name  
Address  
City, State Zip

**RE: Potential Reallocation Process for Federal Funds Deobligated after February 17, 2010 under the American Recovery and Reinvestment Act of 2009**

**Dear Responsible Official:**

As you may recall the American Recovery and Reinvestment Act of 2009 (ARRA) requires that projects funded all or in part with ARRA funds meet additional requirements beyond those of regularly funded projects. One of the main provisions required ARRA-funded projects to be under construction by February 17, 2010. Based on a recently received memorandum from the Environmental Protection Agency (EPA), it appears that several states may not meet the federally mandated deadline.

**What does this mean for Mississippi's Loan Applicants that were unable to receive funding during FY-2009?**

It means that projects which were not ready to proceed by the deadline of February 17, 2010, get a second chance at a loan providing principal forgiveness for your needed capital improvement.

EPA has established a series of steps that will be implemented in the event that other states lose their funds because they are unable to meet the federal requirements. These new steps involve new deadlines while still requiring the original special provisions to newly funded projects. Those provisions, including Buy American, Davis-Bacon Act, Wage Rate Requirements, etc., will still be required of any project funded through reallocated ARRA monies.

In order for Mississippi to receive any reallocated funds after the February 17<sup>th</sup> deadline, the EPA must be assured:

- That there is a demand for additional funds for needed capital improvements within the state.
- That Mississippi has the ability to award assistance agreements to recipients who can put additional funds into contracts or construction within 120 days (4 months) of the original deadline or by **June 17, 2010**.

In order to meet these assurances, I will be preparing a certified list of water systems that are able to enter into loan assistance agreements and will be able to sign construction contracts by June 17, 2010. Those eligible systems interested in receiving the potentially reallocated funds should fill out the enclosed form for "ARRA Reallocation Consideration." It should be noted that our receipt of an appropriate Ranking Form(s) and an Approved Facilities Plan will be main factors in determining funding consideration since this additional Federal deadline has be imposed.

Return the enclosed form **no later than January 27, 2010, by 5 pm**. As always, our DWSRF Program staff will assist you and your consulting engineers in anyway so that these additional funds can be obtained for needed projects.

If you have any questions concerning the reallocation process or other ARRA requirements, please contact me at 601-576-7518 or by e-mail at [wmoody@msdh.state.ms.us](mailto:wmoody@msdh.state.ms.us).

Sincerely,

William F. Moody, P.E., BCEE  
Director, Drinking Water SRF  
Bureau of Public Water Supply

cc: Consulting Engineer