



ARPA FUNDING FREQUENTLY ASKED QUESTIONS

Sanitation District No. 1 of Northern Kentucky (SD1) is ready to assist local cities and counties on projects that qualify for funding under the American Rescue Plan Act of 2021 (ARPA).

While SD1 is not eligible to receive direct funding under ARPA, there are several opportunities to work with SD1 on projects that directly advance SD1's mission of reliably providing the Northern Kentucky region with wastewater and storm water services to protect public health, property and the environment and to support the economic vitality of our community.

Below is a list of frequently asked questions. Please contact Angela Cook at (859) 578-6776 or acook@SD1.org if you have additional questions or would like to discuss an ARPA project.

FREQUENTLY ASKED QUESTIONS

1. Has SD1 directly received any ARPA funds?

Under the federal ARPA guidelines, special-purpose units of government such as SD1 are not eligible to receive ARPA funding directly, though ARPA funds may be transferred to a special-purpose unit of government. (See Coronavirus State and Local Fiscal Recovery Funds Frequently Asked Questions, No. 1.3 at <https://home.treasury.gov/system/files/136/SLFRPFAQ.pdf>).

2. Can SD1 assist a city or county with ARPA spending?

The best way to partner with SD1 on an ARPA-funded project is through one of our existing storm water cost-share programs. SD1 will fund up to half of the costs under our Public Cost-Share Program and up to a third of the costs under our Private Cost-Share Program, up to \$10,000. Details about these programs, as well as our Technical Assistance Program and Public Culvert Cost-Share Program, are available at <https://www.sd1.org/215/Storm-Water-Assistance-Programs>. Information about our Private Lateral Repair Program is available at <https://www.sd1.org/211/Private-Lateral-Repair-Program>.

3. What storm or sanitary projects are eligible to receive ARPA funding?

SD1's interpretation of the federal guidance provided through the Coronavirus State and Local Fiscal Recovery Funds FAQ No. 6.1 is that a storm or sanitary sewer project must meet the eligibility requirements of the EPA's Clean Water State Revolving Fund (CWSRF) to be eligible for ARPA funding. In Kentucky, CWSRF mirrors eligibility under the Kentucky Infrastructure Authority.

KRS Chapter 224A and 200 KAR 17:050 provide detailed guidance on CWSRF eligibility, which generally includes planning, design and construction of wastewater infrastructure projects, storm water projects and nonpoint source projects. This would include most storm and sanitary sewer projects, including the conversion of septic systems to public sewer service.

SD1 can provide specific guidance if there is uncertainty about a particular project. (See Coronavirus State and Local Fiscal Recovery Funds Frequently Asked Question, No. 6.1 at <https://home.treasury.gov/system/files/136/SLFRPFAQ.pdf>; and see CWSRF/Kentucky Infrastructure Authority Loan Programs details at <https://kia.ky.gov/FinancialAssistance/Pages/default.aspx>.)

The information above is intended for general guidance only. Municipalities should rely on the advice of legal counsel to determine final project eligibility for ARPA funding.

4. Does SD1 offer any cost-share programs for sanitary sewer projects?

Other than the Private Lateral Repair Program (see No. 2), SD1 offers no other sanitary sewer cost-share programs at this time.

However, we are interested in partnering with local cities and counties on any sanitary project that would address combined sewer overflows or sanitary sewer overflows, as outlined in our Clean H2O40 Amended Consent Decree Program and Updated Watershed Plan. SD1 can also help local cities and counties in navigating the ARPA process for storm- and sanitary-related projects, even if SD1 is not a funding partner. If you feel you have a project of this nature, contact Angela Cook at (859) 578-6776 or acook@SD1.org to explore.

5. Can cities partner together to leverage ARPA funding?

Our interpretation of Coronavirus State and Local Fiscal Recovery Funds Frequently Asked Question, No. 4.9, is that cities and counties can pool funding for regional projects as long as the project is an eligible use of funds and the recipients can track the use of funds in line with reporting and compliance requirements.

Additionally, as noted in No. 2 and No. 4 above, SD1 offers cost-share programs for projects that qualify under one of our storm water assistance programs (see No. 2), and will work with cities or counties on any project that would address sanitary sewer overflows or combined sewer overflows (see No. 4).

(See Coronavirus State and Local Fiscal Recovery Funds Frequently Asked Question, No. 4.9 at <https://home.treasury.gov/system/files/136/SLFRPFAQ.pdf>.)