

Good morning and thank you for joining us today for this PENNVEST Information Exchange.

Filling out an application for anything can be anxiety inducing! The key to a stress-free application is preparation is understanding what to expect, what information will be needed, and what resources are available for help makes all the difference!

So, in today's session we decided to focus on just that...what do you need to know and have prepared before you begin a PENNVEST funding application.

Today we'll explore...

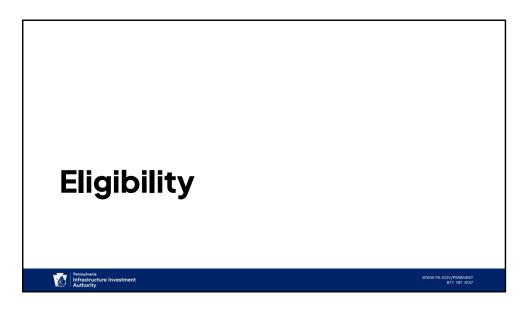
- Who and what is eligible for PENNVEST funding?
- What is involved in the DEP permitting process?
- How do I know if I'm "shovel ready"?
- What documentation does PENNVEST require of applicants?
- What should I prepare for my application narrative?
- What are my application resources?



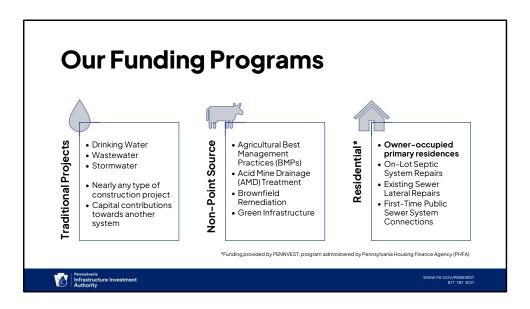
WWW PA GOV/PENNVE

Attendees of this session will learn:

- Who and what is eligible for PENNVEST funding?
- · What is involved in the DEP permitting process?
- How do I know if I'm "shovel ready"?
- What documentation does PENNVEST require of applicants?
- What should I prepare for my application narrative?
- What are my application resources?



Before we begin, we want to talk briefly about eligibility. Who are eligible applicants and what types of projects are eligible for funding?



The purpose of the PENNVEST program is to fund clean water projects.

Most of the projects that we fund are drinking water, wastewater and stormwater projects. These are our "traditional projects".

Examples of eligible drinking water projects include but are not limited to water treatment plant improvements, replacement of water transmission lines, and distribution lines.

Wastewater project examples include wastewater treatment plant upgrades

and equipment as well as upgrades to collection systems, among other things.

Stormwater project funding is available as well. Examples of stormwater projects include construction of new storm sewer systems, upgrades to existing systems, addition of inlets, subsurface infiltration, and pervious pavement, as well as other forms of collecting and managing stormwater

PENNVEST also funds capital contributions. In areas where an outlying municipality conveys sewage to a treatment facility, owned by another entity, PENNVEST can provide funding to be used by the outlying municipality as a contribution towards upgrades to the treatment facility. PENNVEST is able to fund the municipality's documented proportionate share of those upgrades.

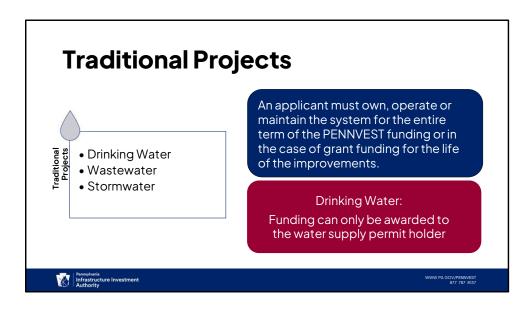
Eligible non-point source projects include agricultural best management practices with the goal of mitigating contaminated water run off to near-by streams.

Acid mine drainage treatment systems, brownfield remediation, and green infrastructure projects are other types of non-point source projects funded through PENNVEST. Green infrastructure projects include the addition of a green roof on a building, inclusion of pervious pavement that would channel or absorb

stormwater in a business or a street revitalization project.

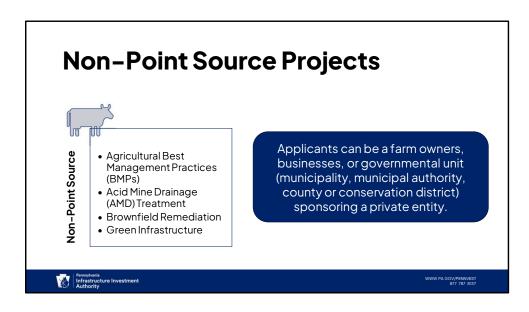
Lastly, we have a residential program, called the Homeowner Sewage Program, that is funded through PENNVEST but is administered by the Pennsylvania Housing Finance Agency. Through this program we provide funding directly to a residential property owner for on lot septic system repairs and first-time connection to a public sewage system.

Today's presentation will focus on the preparation for Traditional Projects and Non-point Source project applications.



Traditional project applicants must own, operate or maintain the system for the entire term of the PENNVEST funding. If grant funding is applied to the project, the applicant must own, operate or maintain the system for the life of the improvements.

Additionally, all drinking water project require the applicant to be the water supply **permit holder**.



For non-point source projects, applicants may be farmers, businesses, or governmental units, such as municipalities, authorities, counties or conservation districts.



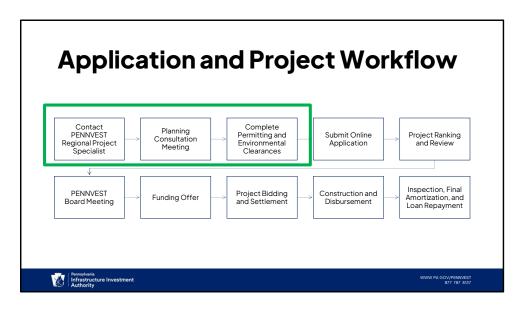
I want to touch on some projects that are not eligible to receive funding through PENNVEST.

We cannot fund new development UNLESS the redevelopment will address a current water quality problem on the site.

And lastly, PENNVEST is not able to fund any projects that have started construction prior to the PENNVEST funding offer and settlement.



Next, lets dive into preparing everything that is required for a PENNVEST application.



Applying for PENNVEST funding is a multi-step process. Because our topic today is preparing everything you need to begin a PENNVEST application, our focus will be on the initial steps outlined in green on the slide.

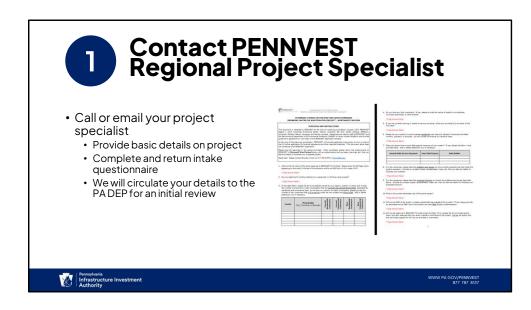


The first and probably most important step is to contact the PENNVEST project specialist serving your area. Your project specialist will be your main point of contact moving through the PENNVEST process.

If you're not sure who to reach out to, you can go to www.pa.gov/pennvest and select **Contact PENNVEST** from the left navigation panel. Under the **Project Management** section, there is a link to **Find Your Regional Project Specialist**.

We will also share PENNVEST regional contact information at the end of this

presentation and show you how to find this information online.

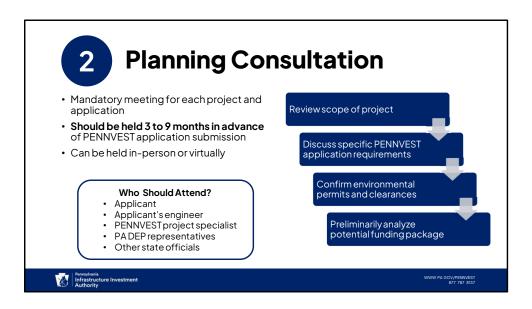


For this step, you will reach out to your PENNVEST project specialist.

Call or e-mail them and give some basic details on your project. Your project specialist will be able to provide direction depending on the information you have provided. If they have determined that the project status is ready to move through the process, they will send a questionnaire where you'll be asked some very straightforward questions about your project and system to allow a preliminary evaluation of your project. The questionnaire also helps us prepare for the planning consultation.

If you work for an engineering firm that works in different PENNVEST regions,

work with the appropriate project specialist to receive their questionnaire. Each project specialist may have a slightly different questionnaire because each likes to gather some additional information. Once we receive the completed questionnaire, we will review and circulate your information to DEP for their initial review as well. Again, the review of your questionnaire helps PENNVEST and DEP prepare for the next step...



...the planning consultation...

The planning consultation is mandatory and should take place between 3 to 9 months in advance of submitting your PENNVEST application; however, we can certainly meet earlier in the process.

These planning consultations can take place virtually or in person at your location, whichever is more convenient for you.

Participants in the planning consultation include:

- Applicant
- Applicant's engineer
- PENNVEST project specialist
- Representatives from DEP, whom PENNVEST will coordinate with and invite to this meeting
- Representatives from other state agencies as needed

During this consultation, we learn about the project: the problem description, alternatives that were explored, project cost and project timeline. We also talk about the benefits of the project...does it address public health, safety, resolve compliance issues, needed for system resiliency, does the project have an economic development component such as job creation, retention, or capital investment from the companies impacted by the project. We'll discuss environmental permits and clearances, ranking (DEP, DCED and PV rankings) and what an applicant can do to increase their project ranking. We discuss potential financing like the County Cap Interest Rates, Hardship (Target Rate).

By the end of this meeting applicants know what is necessary to apply to PENNVEST, when they should apply, and the technical components that DEP needs to review prior to application deadline to deem the project as **shovel ready**.

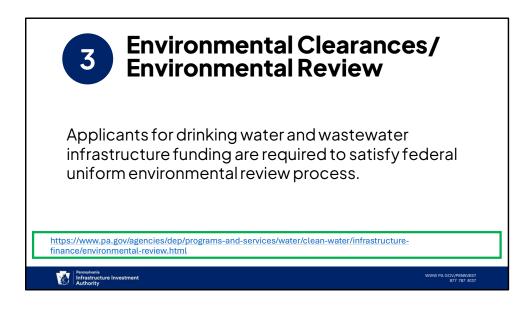


The third step, is the environmental clearances process, and this portion is to be done in coordination with your DEP representative.

This process is a significant difference within PENNVEST compared to some other funding programs.

At PENNVEST, all projects must be shovel ready at the time you submit your funding application; biddable plans and specs and DEP related permits issued as well as any necessary public comment periods have run, all the design & engineering should also be substantially complete.

All those costs, except for Act 537 sewage facilities planning are generally reimbursable. When you submit your PENNVEST construction application, you can factor those costs into your application. For example, if your engineering planning cost is \$150,000 to get you to that shovel ready stage, you can factor in those costs as part of your PENNVEST construction application and reimburse yourself once you finalize the settlement step.



The PA Department of Environmental Protection is responsible for reviewing the uniform environmental review process.

Applicants for some types of projects can satisfy the requirement using a process called a **categorical exclusion**. The process is a streamlined review which recognizes that some categories of projects involve less of an environmental concern due to their construction footprint.

Other projects require a NEPA like environmental assessment, which is a report that addresses specific environmental topics that are relevant to the

project.

Applicants should work directly with DEP to complete this process.



Please note, the web address at the bottom of the slide has all the information needed to go through each of the DEP permit application steps. You will receive a PDF of today's slides, and the links provided on the slides will be clickable so you may utilize this information after today's session.

To begin the permitting process, contact your DEP regional office. Your DEP representative will determine what permits you will need for the project. Should you be required to submit multiple permits, DEP has permit coordinators to assist you with those applications throughout the process.

Complete and submit the permit application or applications that have been required by your DEP representative. It is imperative that permit applications are submitted to DEP in plenty of time for the review and approval of those permits PRIOR TO your anticipated PENNVEST application submittal date.

As the permit or permits move through the DEP review process, you can tract the status of each using the "**Track a Permit**" button at the top of this webpage.

During the review process, your DEP representative may contact you to gain more information or clarification about the application. It is important to respond to DEP in a timely manner to avoid delays in the approval of your permits, and PENNVEST funding approval.

Once DEP has completed the review of your permit or permits, you will receive the final decision from them. The permit detail page will include the decision and for issued permits you'll also see the issued date and expiration date on this page.



Biddable Plans and Specifications are usually submitted with any DEP permit application. Projects that do not require DEP permits must submit biddable plans and specs to the DEP representative prior to PENNVEST's application cut off. I encourage you to work with your DEP representative to ensure the proper requirements are met.

It is important to be sure to be detailed and thorough.

Plans should be legible and drawn to a scale.

The size of the plans should not be larger than 36 inches by 50 inches.

Each plan shall include:

- name of the municipality, authority, company, water district, or institution served
- the scale in feet
- graphic scale
- the date, name, and address of the project
- seal of the design engineer

The plans shall also include:

- topographic maps
 - To include the location of the existing and potential sources of pollution listed in any reports
- general layouts
- plan views
- elevations
- sections
- supplementary views



This slide evidences some more items that DEP will be looking for on the biddable plans and specs. Again, I encourage you to visit DEP's website and work with DEP to ensure a proper submittal of the plans and spec.

Additional information to include in the plan:

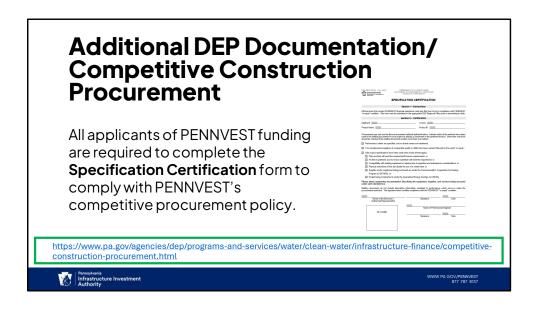
- The datum used
- The north point
- Boundaries of the municipalities, water districts, or specified areas to be served
- Land area owned and/or controlled by the water supplier, including the

Zone I wellhead protection area

- Topography of the drainage area and site, including wells, springs, streams, lakes, dams, and reservoirs
- The location and outline form of equipment
- Water levels
- Flood levels
- The locations and logs of test

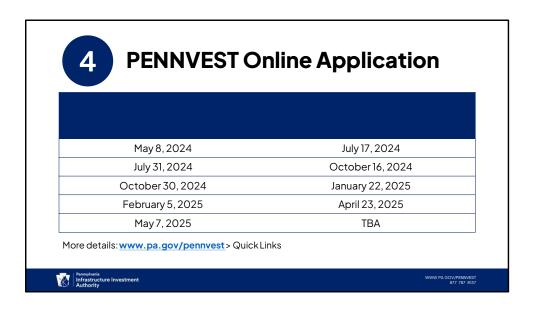
borings and wells

 The diameter and depth of well casings and liners



Lastly, to comply with PENNVEST's competitive procurement policy, funding applicants must complete the Specification Certification form found at the webpage listed on this slide.

The form is to be submitted to your DEP representative prior to the PENNVEST application cut-off date.



THIS SLIDE AND NOTES WILL CHANGE AFTER THE APRIL BOARD MEETING.

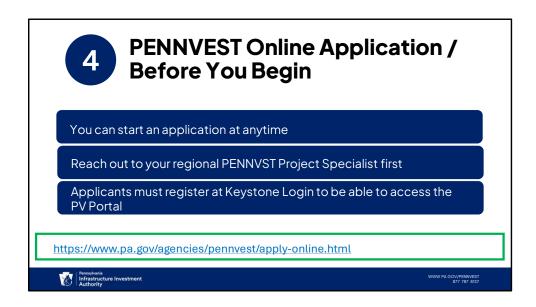
You may begin and work on the PENNVEST online application anytime through this process, but please do not submit until your project is shovel ready. It is also recommended that you do not start an application until after the PENNVEST planning consultation meeting.

The PENNVEST application process is fully electronic from start to finish,

and we accept applications four times per year. The application cut off dates are listed on the left-hand side of the slide and those application dates correspond with our PENNVEST Board of Directors meeting dates on the right-hand side. Roughly 2½ months after the cut off date is when the Board of Directors meet to review and formally approve the applications that have been submitted and deemed **technically and administratively eligible** for funding.

Applications are due to PENNVEST on or before the specified cut off date no later than 5 PM Eastern Time.

Dates for the new fiscal year are approved during the April board meeting, once approved the dates are announced in the **Quick Links** area of PENNVEST homepage.



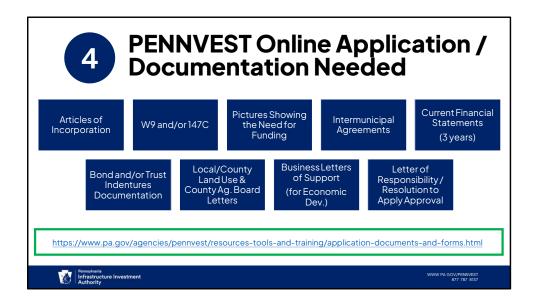
Applicants can begin an application at any time but remember that the planning consultation meeting with your PENNVEST Project Specialist and DEP regional representative is the mandatory first step and will provide you with information you will need prior to beginning your application. Once your application has been started, you can save your information, then leave the PV Portal and return to the application as needed prior to completing it.

The PV Portal is a web-based platform used not only to apply for PENNVEST funding but to track the entire financing process from start to loan pay-off. Anyone linked to an application must first register for credentials within the

Keystone Login system before they can access the PV Portal.

We use the Keystone login system to authenticate users for our application.

If you've worked with other Commonwealth agencies, you may already have a Keystone login which you can use to access the PENNVEST application portal. The link on this slide will take you to our **Apply For PENNVEST Funding** webpage that includes all links needed to start an application, including a link to the Keystone Login system where you can log into the PV Portal or register for Keystone Login credentials.



PENNVEST applications require several documents to be uploaded into application system, so prior to beginning an application, it is best to compile this information for a smooth and efficient application process.

- PENNVEST collects documents to confirm the identity of the applicant. We will require Articles of Incorporation, if applicable, W9 and 147C documentations to verify identity and tax Ids in order to create or verify the legal entity in the PENNVEST system.
- PENNVEST will require pictures that evidence problems being

experienced, which the project will cure.

- All intermunicipal agreements impacting the system will be required as part of the application.
- Current financial statements are required for the most recent 3 years. If the applicant is behind on financials, they must complete all required years of financials before applying.
- Any existing Bond documentation and/or Trust Indentures should be part of the application.
- PENNVEST requires local and county land use as well as County Agricultural Board concurrence letters **these can take some time to acquire, so start these early**.
- If the application pertains to an economic development project letters of support from businesses will be required.
- Documents such as a Letter of Responsibility and Resolution to Apply may need to be approved by the applicant's board prior to the application cut off.

Our website offers templates for many of the letters required. These are available at the link shown on this slide.



The PENNVEST online application is designed to walk you through each step of the application process and provide details of what should be included in each section. However, we wanted to offer some best practices to help you provide the most valuable detail to aid PENNVEST, DEP and DCED in the application review process and help you achieve the status of what is an "administratively complete" application.

• The Name of the application should include the name of the entity

applying for funding as well as a short description of the project. **Example: ABC Municipal Authority – Lead Service Line Replacement, Phase 1**

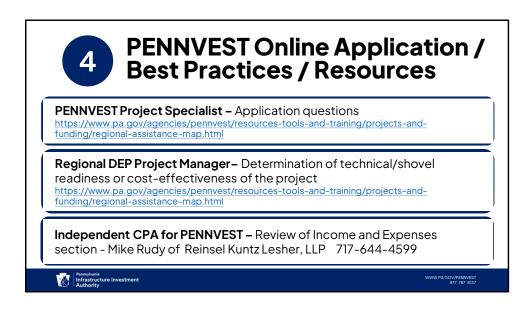
- **Committed Funding -** Other Sources of funding you've received for the project must be included in the application. Please do not include funding applied for but not yet awarded.
- An anticipated timeline for the design and construction of the project is required
- The Narrative should include the problem being experienced and construction components necessary to solve those problems.
 - Many applicants will provide a long history of the system with little
 description of the project and the problem being addressed. A system
 history is fine to include, but when discussing the problem, the focus in the
 narrative should include:
 - the problem being addressed by the funding requested
 - The cause of the problem
 - How many people or households are impacted by the problem
 - What permit exceedances or compliance problems have occurred because of the problem
 - What operational issues caused or contributed to the problem

• What actions, components and equipment is planned to correct the problem



- A **cost-effective analysis** is required for every project, indicating alternate solutions you explored and an explanation as to why the solution decided on is the most cost-effective.
- Detailed anticipated cost breakdown/budget is required. We understand this information can change as the formal bidding process takes place.
- ALL yes or no questions must be answered.
- Understand the data/information that you are entering into the application. For instance, within the Income and Expense section

under the last audited year for Non-operating Revenues, if the system received a state grant that year, the application writer shouldn't assume it will be reoccurring. Over reporting revenue could have a negative impact on the financial analysis of the application. Also, when it comes to budgeting, state all assumptions.



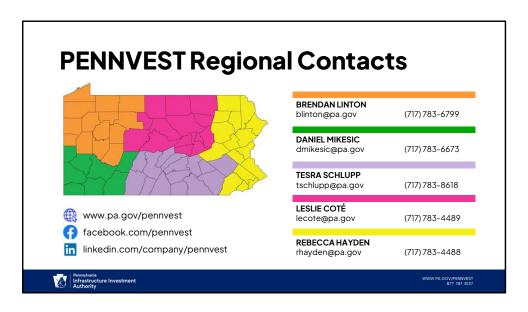
Should you have questions as you prepare your application, there are people who can provide help.

Questions about the funding application should be directed to your regional PENNVEST Project Specialist.

To help you determine if your project meets the shovel ready requirement and help you with questions about the cost-effectiveness section of the application, contact your Regional DEP Project Manager.

The link provided on this slide will help you find your PENNVEST and DEP contacts, I'll show you this webpage in a minute.

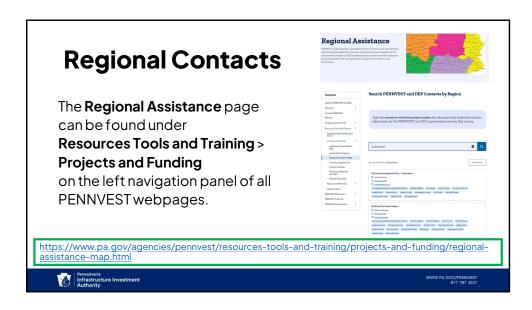
But before we look at that, we have one more contact to mention. You should work with our contracted Certified Public Accountant, Mike Rudy of Reinsel Kuntz Lesher, LLP, before submitting your funding application to have him review the **Income and Expense** section. His phone number is available on this slide.



As you heard throughout the presentation today, your first step in securing funding through PENNVEST is to speak to your PENNVEST project specialist.

Here is a list of all the PENNVEST project specialist names, e-mail addresses and phone numbers, as well as the counties that they serve across the Commonwealth.

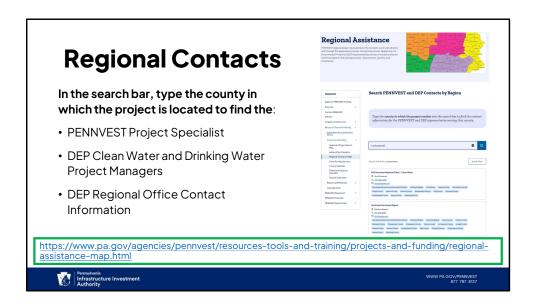
But I also promised that I would show you the webpage that will help you locate both PENNVEST and DEP contacts, so let's look at that.



The PENNVEST website offers a Regional Assistance page that allows you to find PENNVEST and DEP contact information by county.

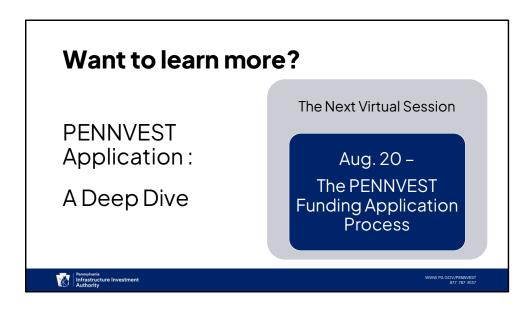
To locate this, use the left-hand navigation panel from any PENNVEST webpage.

- Expand Resources Tools and Training Section
- Expand Projects and Funding
- Select Regional Assistance Map



Once you are on the Regional Assistance page, type the county in which the project is located into the **Search Bar** this will show you the:

- PENNVEST Project Specialist serving that area
- DEP Clean Water and Drinking Water Project Managers for the region
- As well as the DEP Office Contact Information for that region



Now that you know how to prepare for a PENNVEST funding application, you may want to attend our virtual session in August where we will walk attendees through a demonstration of the online application within the PV Portal.

Attendees of this session will learn:

- How to Access the PV Portal (Keystone Login)
- Defining what type of entity you are as an applicant
- Defining your project
- Project Description
 - Project Plan

- Narrative
- Measures
- Benefits
- Keystone Benefits
- Green Infrastructure
- Income/Expense
- Economic Impact
- Debt
- Budget
- Rates
- Required Documents
- I've submitted my application now what?
 - Understanding the dashboard
 - The role of PV Portal through the life of your loan



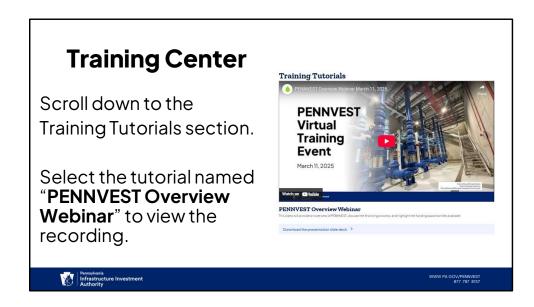
To view the recording of today's session or register for the August session, visit www.pa.gov/pennvest.

In the left-hand navigation panel, expand Resources Tools and Training.

Select Training Center



To register for the August webinar, select the August 20th event in the Virtual Information Exchange Event list to view the event details and registration form.



If you are not aware of the different funding programs offered through PENNVEST, you may also want to watch the recording of the PENNVEST overview session we presented in March.

To view this recording, scroll down to the Training Tutorials section within this Training Center and select "PENNVEST Overview Webinar" to view the session recording.

Today's session recording will also be posted in this area soon.



We thank you for joining us for this session on how to prepare for a PENNVEST Application. We hope you found the information presented today valuable.

Again, we are here to help, so do not hesitate to reach out to us at any time should you have questions.