



CLEAN WATER
STATE REVOLVING FUND
**INTENDED
USE PLAN**

SFY 2026 (July 1-2025 - June 30, 2026)

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I. Introduction

The Arkansas Department of Agriculture's Natural Resources Division prepared the following Clean Water State Revolving Loan Fund (CWSRF) Intended Use Plan (IUP) for state fiscal year 2026 (SFY 2026) beginning July 1, 2025, and ending June 30, 2026. The Water Resources Development Section of the Natural Resources Division administers the CWSRF and prepared this IUP. The Arkansas Development Finance Authority (ADFA) currently assists the Natural Resources Division as acting agent and anticipates transitioning some or all its responsibilities to the Natural Resources Division.

The IUP identifies the projects and administrative costs that anticipate utilizing records of the funds available to the CWSRF for SFY 2026. The capitalization (cap) grants and the prior state match to fund these activities are from prior fiscal years and the federal fiscal year 2025 (FFY 2025) appropriations.

The CWSRF program anticipates disbursing approximately \$84 million in program funding and bond proceeds for projects in SFY 2026. All projects are designed to ensure public health protection and compliance with the Clean Water Act (CWA). Projected sources and uses of funds are displayed in [Chart 3](#).

In accordance with 2 C.F.R § 200.328 and 40 C.F.R § 35.3165, the Water Resources Development Section agrees to provide in its Annual Report information regarding key project characteristics, milestones, and environmental/public health protection results in the following areas:

- 1 Achievement of the outcomes established in the IUP;
- 2 The reasons for delays, if any;
- 3 Environmental results;
- 4 Compliance with Green Project Reserve; and
- 5 Compliance with Additional Subsidization.

The Natural Resources Division will summarize variations from the IUP that occur during SFY 2026 in the annual report.

Throughout the IUP, the Natural Resources Division references loans. However, the Natural Resources Division purchases a bond from its borrowers, and for this reason, all loan references are private bond purchases.

A. Water Resources Reform and Development Act Amendments

The Water Resources Reform and Development Act of 2014 (WRRDA) was signed into law on June 10, 2014. Among its provisions are amendments to Titles I, II, V, and VI of the Federal Water Pollution Control Act (FWPCA), codified at 33 U.S.C. § 1251 et seq., which are

incorporated in the IUP. In accordance with the WWRDA amendments to Titles I, II, V, and VI of the FWPCA, the Natural Resources Division can now offer maximum lending terms of thirty (30) years, or for the life of the project, whichever is less.

B. Infrastructure Investment and Jobs Act

The Infrastructure Investment and Jobs Act (IIJA) was signed into law on November 15, 2021, and provides funds to strengthen the nation's clean water. CWSRF funds have two (2) separate funding categories under IIJA, which are general supplemental and emerging contaminants (EC). The key priority for IIJA is to ensure that rate burden qualified communities benefit from investment in water infrastructure.

II. Clean Water State Revolving Loan Fund Goals

The Natural Resources Division is committed to supporting the two (2) major objectives found in Title VI of the FWPCA, codified at 33 U.S.C. § 1383, and established short and long term goals accordingly. The objectives are to provide funding for eligible wastewater treatment and nonpoint source projects to meet the following requirements of the Federal Water Pollution Control Act Amendments of 1972, commonly referred to as the "Clean Water Act" (CWA):

1. Emphasize nonpoint source pollution (NPS) control and the protection of estuaries.
2. Facilitate the establishment of permanent institutions in each state that would provide continuing sources of financing needed to maintain water quality.

A. Short-Term Goals:

1. The Natural Resources Division will comply with all requests for data related to the use of CWSRF funds as the U.S. Environmental Protection Agency (EPA) specifies for the State Revolving Fund (SRF) Data System and the System for Award Management (SAM) Requirement.
2. The Natural Resources Division will submit the IUP to apply for the federal capitalization grant within the first year that funds are appropriated, contingent on the project priority list supporting the application amount.
3. The Natural Resources Division anticipates closing fifty-two (52) assistance agreements for loans totaling approximately \$175.9 million. The projects are identified in [Chart 1](#).
4. The Natural Resources Division anticipates that fifteen (15) projects will meet the additional subsidization (principal forgiveness) requirements. The projects are identified in [Chart 2](#).
5. The Natural Resources Division anticipates at least eleven (11) projects that include components meeting green project reserve (GPR) requirements. The projects are also identified in [Chart 2](#).
6. The Natural Resources Division plans to increase public knowledge of the CWSRF through press releases featuring approved funding and, potentially, social-media

platforms to highlight program success stories and promote training opportunities. The Natural Resources Division also plans to promote CWSRF by seeking opportunities and providing incentives to promote CWSRF and will participate in up to five (5) public conferences.

7. The Natural Resources Division will continue to use the CWSRF 2% technical assistance funds to provide operator training and technical assistance in rate burden qualified communities.
8. The Natural Resources Division will strive to update the EPA database monthly with all new loan closings and will close all active loans within a timely manner after project completion.
9. The Natural Resources Division will work towards completing and submitting the annual report by the deadline of September 30, 2025.
10. Natural Resources Division staff are encouraged to attend as many EPA training courses as possible based on timing and workload.

B. Long-Term Goals:

1. Achieve statewide compliance with federal and state water quality standards by providing both traditional, low-interest rate loans and innovative assistance to make affordable wastewater treatment projects and other eligible environmental improvements available to communities and other qualified recipients.
2. Progress toward achievement of the long-term water quality compliance goals by achieving binding commitment on projects in a timely manner.
3. Maintain the purchasing power of the CWSRF in perpetuity through sound and effective administration and fiscal management.
4. Promote regionalization of non-compliant systems with compliant systems.

III. Priority List and System

Available CWSRF funds are allocated in accordance with the current priority system by priority ranking, ability of the community to enter a binding commitment, and ability of the community to proceed. The [project priority list](#) (PPL) is located on the agency's website. The Natural Resources Division may fund any projects on the PPL.

The purpose of the priority ranking system is to direct available funding to priority water quality-related needs in Arkansas. The priority ranking system forms the basis for forecasting the allocation of CWSRF funds to projects, which is an essential function of the IUP. The Natural Resources Division evaluates each project that submitted a priority score sheet to be included in the PPL. The project is assigned priority points based on the priority ranking scoring system.

All anticipated projects related to the provision of sewer services, including combined sewer overflow projects, requested by public utilities, were scored, assigned a funding score, and appear on the PPL, as detailed in [Appendix A](#).

The PPL contains projects that are interested in utilizing CWSRF funding. Each project is evaluated to determine its relative priority as compared to the rest of the projects seeking funding through the CWSRF program. The Natural Resources Division prepares the priority system used to rank projects (included as [Appendix A](#)), provides the PPL form, determines the priority points for the projects that return questionnaires, and develops the PPL. The Natural Resources Division uses the PPL to establish a fundable list. The fundable list ([Chart 2](#)) is not a separate list but, instead, is composed of projects from the PPL that expect to close an assistance agreement and expend funds in the current fiscal year. All projects approved for funding with the Natural Resources Division CWSRF were reviewed for consistency with appropriate plans developed and approved under Sections 205(j), 208, 303(c), 319 and 320 of CWA, codified at 33 U.S.C. §§ 1285, 1288, 1313, 1329, and 1330, respectively. *See also* 40 C.F.R. §§ 35.410 to 35.418. Evidence of the review and finding of consistency is documented in each CWSRF project file prior to closing an assistance agreement.

The status of the National Municipal Policy (NMP) projects in the IUP will not be affected by the work completed. All Section 212 projects listed on the NMP projects list are one of the following:

1. Previously funded;
2. In compliance;
3. On an enforcement schedule; or
4. Have an enforcement action filed.

IV. Fundable List of Projects

A list of projects submitted to the Natural Resources Division for CWSRF funding is available in [Chart 2](#). The list is updated from time to time as provided in the Arkansas Natural Resources Commission's Water Authorities rules, 4 CAR Pt. 1. Projects are removed from the list when they receive project funding commitment(s) from any source(s) and the project is complete, after five years without a funding application, or when they request a project be removed. Funding commitment for the CWSRF program means an executed bond purchase agreement (BPA) or a signed assistance agreement if a bond is not required. Effective January 1, 2023, all funded projects have twelve (12) months to open bids and execute the loan (Bond).

V. Bypass Procedures

If a project's readiness to proceed changes status after it was placed on the fundable list, the state reserves the right to put the project on hold and take another project from the PPL that is ready to proceed in its place. Previous examples of readiness changes include commencement of litigation, withdrawal of other funding, or a change in administration of the entity proposing the project. If a project is not ready to proceed, the Natural Resources Division will substitute the next project on the PPL that is ready to proceed and submitted a funding application. An

explanation of any substitution is included in the annual report.

VI. Type of Communities Served and Financial Assistance Needed

In accordance with the applicable capitalization grant and Title II of the Department of the Interior, Environment, and Related Agencies Appropriations Act, 2010, P.L. 111-88, the Natural Resources Division provides additional subsidization in the form of principal forgiveness. Due to the abundance of loan repayments and the Natural Resources Division's access to the municipal bond market, financing is available for both large and small communities.

The Natural Resources Division anticipates closing twenty-seven (27) loans totaling \$40.6 million in projects to communities with populations of less than 10,000 during SFY 2026 ([Chart 2](#)).

VII. Type and Terms of Assistance

Prior to FFY 2010, the Natural Resources Division made the decision to provide loans as the only type of assistance. Loans provide the most flexible use of funds. By providing assistance in the form of loans, the Natural Resources Division can vary the terms of the loans to assist communities that are rate burden qualified or pledge loans to leverage issues to increase the funds available for the program. Beginning with the American Recovery and Reinvestment Act of 2009 and the FFY 2010 capitalization grant, the Natural Resources Division offers additional subsidization in the form of principal forgiveness, negative interest rate loans, or grants.

Loans are issued with below market interest rates to provide affordable financing and incentives for state priorities while providing flexibility and perpetuity of CWSRF.

Assistance is provided in the form of loans of up to \$55 million in SFY 2026. Due to the significant funding awarded during SFY 2023 and 2024, the program's capacity is limited. Implementing a funding cap helps ensure the program's financial stability and supports responsible lending practices. The funding cap also mitigates the risk of overexposure and encourages sustainable borrowing and repayment behavior. By setting a maximum loan amount, the integrity and long-term viability of the program are preserved.

A. Lending Rate

The lending rate is composed of two (2) parts: the interest rate and the service fee. The lending rate is determined at the time the borrower develops the BPA and the bond ordinance.

Service fees are deposited in the fees and administrative accounts, which are separate from the CWSRF and not subject to the 4% administration cap applicable to the CWSRF.

Standard Lending Rates

1. 3.5% for a 10-year repayment period (2.5% interest, 1% fee)
2. 4.0% for a 20-year repayment period (3.0% interest, 1% fee)
3. 4.5% for a 30-year repayment period (3.5% interest, 1% fee)

The Natural Resources Division varies the standard lending rate to encourage entities to repay loans as quickly as possible. The quicker entities repay, the sooner CWSRF funds are available for future projects.

Principal Forgiveness Lending Rates

0% for all repayment periods (0% interest, 0% fee)

Special Lending Rates

1. Illinois River Basin: 2.5% (1.5% interest reduction, 1% fee) for Illinois River Basin projects addressing water quality concerns related to the Illinois River for a maximum of 360 months or the life of the project, whichever is less.

The Illinois River is a multijurisdictional tributary of the Arkansas River, approximately 100 miles long between the states of Arkansas and Oklahoma. The Illinois River begins in the Ozark Mountains in Washington County, Arkansas, located in the northwest corner of the state, and flows west into northeast Oklahoma. Once the Illinois River enters Oklahoma, it flows southwest and south through the mountains of eastern Oklahoma into Tenkiller Ferry Lake. Phosphorus levels in the Illinois River exceed Oklahoma's water quality criteria and are influenced by various types of city and industrial discharges, as well as nonpoint source run-off. In November 2018, the Natural Resources Division and Oklahoma state agencies announced the completion of a new Memorandum of Agreement committing the states to future collaboration addressing water quality concerns related to the Illinois River. As a result, special lending rates and additional subsidization, where applicable, are incorporated for Illinois River Basin projects specifically designed to reduce phosphorus concentrations in the Illinois River.

2. Buffalo River Watershed: 2.5% (1.5% interest reduction, 1% fee) for Buffalo River Watershed projects addressing water quality concerns related to the Buffalo River for a maximum of 360 months or the life of the project, whichever is less.

The Buffalo National River is an irreplaceable resource for both Arkansas and the nation. Protecting its quality and enhancing its value is a high-priority commitment for Arkansas. As a result, special lending rates and additional subsidization, where applicable, are incorporated for Buffalo River Watershed projects specifically designed to improve water quality in the Buffalo River Watershed.

3. Regionalization: 1.5% (0.5% interest, 1% fee) for regionalization projects addressing water quality concerns for a maximum of 360 months or the life of the project, whichever is less.

Regionalization is the physical interconnection and consolidation of two (2) or more systems including the transfer of all assets to a single system. At least one (1) of the systems must be a small public water/sewer system servicing 10,000 or fewer customers. In cases where a regional solution is clearly feasible but is not pursued, the systems should not expect priority for government-subsidized funding. Small systems may maintain their independence, but users must be willing to pay for it. Conversely, when a system pursues a regional alternative that has large capital costs but will provide a better long-term solution, the project is given priority for funding incentives. As a result, special lending rates and additional subsidization, where applicable, are incorporated for regionalization projects specifically designed to regionalize one (1) or more small systems.

4. Cybersecurity: Reduction of lending rate (up to 0.5%) for eligible cybersecurity component(s) of a publicly-owned, centralized wastewater treatment project, savings not to exceed the cost of the cybersecurity component(s).

Cybersecurity is defined as the cybersecurity component(s) of a centralized wastewater treatment project at publicly-owned treatment works (POTWs). Eligible cybersecurity components are defined in the EPA fact sheet Supporting Cybersecurity Measures with the Clean Water State Revolving Fund. Examples include development of effective cybersecurity practices and measures at POTWs and equipment and technology upgrades, including upgrading outdated computers and software, creating secure network backups, enhancing the security of information technology and operational technology systems, installing or updating supervisory control and data acquisition (SCADA) systems, providing on-site back up power generation, installing threat detection and monitoring systems, and constructing physical barriers and access control systems, including locking doors and cabinets, cabinet intrusion alarms, and network cables protection, to protect information technology (IT) systems from unauthorized physical access. The listed components are eligible for inclusion in POTW centralized wastewater treatment improvement projects.

5. EC: 0% (0% interest, 0% fee) Projects eligible under IJJA-EC project funding receive 100% additional subsidy.
6. Equivalency Projects: Borrowers/Recipients selected by the Natural Resources Division to meet all federal requirements for their projects are eligible to reduce the standard interest rate by up to 1%. Standard fee rate remains the same.
7. Sponsorship Projects: Reduction of lending rate for POTWs to pair with nontraditional projects, usually a nonpoint source project. Refer to EPA website for more information.

Eligible sponsorship projects are defined as a project to protect, conserve, or restore natural resources, including the acquisition of easements and land for the purpose of providing water quality benefits. The following project types are categorically considered eligible for CWSRF nonpoint source funding:

- a. Wetland restoration projects;
- b. Floodplain or stream restoration;
- c. River corridor easements;
- d. Woody buffer plantings;
- e. Dam removal, where there is a water-quality benefit;
- f. Water resource protection through land acquisition or easements for the purpose of providing significant water quality benefits;
- g. Gully stabilization where there is a downstream water-quality benefit; or
- h. Forestland conservation.

The Natural Resources Division verifies that proposed sponsorship projects are eligible and provide a demonstrated significant water-quality benefit. As projects are proposed for CWSRF funding, Natural Resources Division staff coordinates with applicable natural resources programs to ensure the projects meet eligibility definitions and do not present an unintended environmental impact.

Pursuant to Section 603(c) of CWA, codified at 33 U.S.C. § 1383, sponsorship type projects are eligible for CWSRF funding under Habitat Protection and Restoration and Surface Water Protection and Restoration eligibility as described in [EPA's 2016 Overview of CWSRF Eligibilities document](#). Sponsorship funding is further described in [EPA's Sponsorship Lending and the CWSRF](#). These projects are not considered treatment works projects and, therefore, are not required to comply with the National Environmental Policy Act (NEPA). However, projects may undergo environmental review as part of the permitting review process, as applicable, by other funding sources. The Natural Resources Division reserves the right to request additional review on a case-by-case basis.

Many other federal crosscutters are not required for sponsorship projects, including American Iron and Steel (AIS) and Fiscal Sustainability Plans (FSP), as they are not treatment works projects. Federal labor laws regarding prevailing wages, work hours, and pay rates, collectively known as the Davis-Bacon laws, apply to projects totaling more than \$2,000, regardless of project type. Additionally, the program intends to use repayment funds (Tier II) for all sponsorship projects. Due to the use of repayment funds, EPA signage requirements and the Single Audit Act, codified at 2 C.F.R. Pt. 200, do not apply. Other traditional CWSRF programmatic requirements, such as standard contract documents and CWSRF construction oversight, do not apply to sponsorship projects and are not overseen by CWSRF construction engineers. The relevant regulatory or Natural Resources Division program section (dam safety, nonpoint source, water resources development, etc.) oversee the projects and assist with developing deliverable requirements. Grant conditions required by the capitalization grant are

incorporated in the loan agreement.

B. Repayment Period

The standard repayment period for CWSRF-related loans is twenty (20) years. Upon request the repayment period may be adjusted to ten (10) years or extended to thirty (30) years. In addition, the repayment period may be adjusted to provide rate burden qualified communities with an incentive to use the CWSRF program. An approved applicant's maximum loan term is typically twenty (20) years. However, if an entity qualifies as a rate burden qualified community the option to extend the term (repayment period) based on the life of the project is available. In no case will the loan term exceed the estimated useful life of the project.

VIII. Agriculture Water Quality Loans

The Natural Resources Division has \$20 million in a linked deposit program in financial institutions throughout the state. The interest rate for the Agriculture Water Quality Loan Program is 3% with a maximum term of 20 years or the life of the project, whichever is less.

The Natural Resources Division started a pilot project to expand the link deposit program to include additional financial institutions to provide private lending for stream connectivity and other water-quality activities. The program targets projects that do not have a traditional dedicated source of revenue, such as donations. Financial institution terms are negotiated with each new financial institution with a maximum term of twenty (20) years or the life of the project, whichever is less.

IX. Septic Tank Remediation Program

The Natural Resources Division will make available up to \$2 million in additional funding for the pilot project to improve and protect water quality in four (4) targeted watersheds while assisting residents in remediating failing onsite septic systems.

The Natural Resources Division selected managing organizations to administer the following pilot programs: Beaver Reservoir Watershed, Illinois River Watershed, and Buffalo River Watershed. Organizations interested in offering management assistance applied for two (2) types of assistance: personnel and promotional expenses and program financing. Personnel expenses may be awarded from a state program at the start of the three (3) year project term. Funds for implementation are provided by monthly draw from the CWSRF to reimburse for eligible septic tank remediation projects. One (1) managing organization will be selected per priority watershed for the initial three (3) year period.

By participating and meeting all necessary requirements in the program, residents in the targeted watersheds are eligible to receive some financial assistance, depending on household income and not to exceed \$30,000, in the form of a loan or a loan with subsidy as

reimbursement for repair or replacement of a failing septic system, subject to funding availability.

Targeted Watersheds:

1	Beaver Reservoir Watershed	HUC 11010001	H2Ozarks
2	Illinois River Watershed Partnership	HUC 11110103	Illinois River
3	Buffalo River Watershed	HUC 11010005	H2Ozarks
4	Lake Conway Point Remove Watershed	HUC 11110203	TBD

Each watershed is a priority for the Natural Resources Division, with new or continuing projects. The program was renewed until June 30, 2029, and prior to the expiration date, the pilot program’s effectiveness will be evaluated. If proven effective, the programs may be expanded to additional priority watersheds and additional funding.

X. Green Project Reserve

The Natural Resources Division allocated more than \$281 million to projects or components of projects that meet green requirements, meeting or exceeding required green amounts for the 2022 to 2025 capitalization grants. Green projects allocated to the 2025 capitalization grant are estimated to exceed the requirement. See [Chart 2](#).

The applicant must be a POTW, and the project must demonstrate that it will facilitate compliance with the CWA. Projects eligible for green project reserve must be in one of the following categories:

1. Energy Efficiency – Projects that use improved technologies and practices to reduce the energy consumption of water quality projects, use energy in a more efficient way, or produce/utilize renewable energy.
2. Water Efficiency – Projects that use improved technologies and practices to deliver equal or better services with less water. Water efficiency encompasses conservation and reuse efforts and water loss reduction and prevention to protect water resources for the future.
3. Green Infrastructure – Projects that include a wide array of practices at multiple scales that manage wet weather and maintain and restore natural hydrology by infiltrating, evapotranspiring, harvesting, and using stormwater. On a regional scale, green infrastructure is the preservation and restoration of natural landscape features, such as forests, floodplains, and wetlands, coupled with policies like infill and redevelopment that reduce overall imperviousness in a watershed. On the local scale, green infrastructure consists of site and neighborhood-specific practices, such as bioretention, trees, green roofs, permeable pavements, and cisterns.
4. Environmentally Innovative – Projects that demonstrate new or innovative approaches

to delivering services or managing water resources in a more sustainable way.

XI. Affordability Criteria/Additional Subsidization

33 U.S.C. § 1383(i)(2) requires states to develop affordability criteria to assist in identifying applicants that would have difficulty financing projects without additional subsidization. The Natural Resources Division provides additional subsidization in the form of principal forgiveness for a new funding application for a project that does not currently have approved funding through the Natural Resources Division.

The Natural Resources Division developed the following affordability criteria to determine whether a new funding application is eligible for additional subsidization funds for the CWSRF:

1. Current utility rates or proposed utility rates for 4,000 gallons of water on an annual basis are at least 1.5% of the Median Household Income (MHI) for the project area*; or
2. 51% of customers benefitting from a project are either low or moderate income as defined by the U.S. Department of Housing and Urban Developments' Community Block Grant (CDBG) Program and have 1.25% of MHI; or
3. Projects addressing perfluorooctanesulfonic acid (PFOS)/ per and polyfluoroalkyl substances (PFAS) or other contaminants listed on any of the [Bipartisan Infrastructure Law Clean Water State Revolving Fund Emerging Contaminants Supplemental Appropriation Frequently Asked Questions](#).

**Project area MHI is the average of the most recent three (3) years of available data from the American Community Survey (ACS) five-year estimates provided by the Arkansas State Data Center. Arkansas's MHI for SFY 2026 is \$55,744.*

Once a project is deemed eligible for additional subsidization from the CWSRF, additional priority is given to projects that meet the regionalization or green standards established by the Natural Resources Division, and additional principal forgiveness may be provided.

The Natural Resources Division estimates additional subsidization (FFY 25 capitalization grant) for principal forgiveness in the amount of \$3,113,400, subject to approval of the FFY 25 base grant.

A. Congressional Additional Subsidy Authority

States may provide additional subsidy to any CWSRF-eligible recipient. States must use 10% of the funds available in the base 2025 CWSRF capitalization grant to provide additional subsidization to eligible recipients. Subsidization may be in the form of principal forgiveness, negative interest loans, grants, or any combination thereof and used for initial financing or to buy, refinance, or restructure debt obligations incurred after March 15, 2024.

FFY 2025 Grants	Congressional Additional Subsidization	
	Min. Subsidization	Max Subsidization
Grant Types		
Base	\$1,037,800	\$3,113,400
General	\$ 7,896,350	\$7,896,350
Emerging Contaminants	\$ 1,391,000	\$1,391,000

B. Clean Water Act Statutory Additional Subsidization Authority

IIJA provided additional funding for the CWSRF with appropriations from 2022 through 2026. States must use at least 10% but no more than 30% of the base capitalization grant amount and 49% for the IIJA supplemental grant to provide additional subsidy to the following:

1. Municipalities that meet the state’s affordability criteria.
2. Municipalities that do not meet the state’s affordability criteria but seek additional subsidization to benefit individual ratepayers in the residential user rate class.
3. Entities that implement a process, material, technique, or technology that addresses water or energy efficiency goals, mitigates stormwater runoff, or encourages sustainable project.
4. Planning, design, and construction.

See 33 U.S.C. § 1383(i). The Natural Resources Division elected to allocate the maximum amount for the FFY 2023 and 2024 capitalization grants and the minimum for the FFY 2025 capitalization grants, leaving approximately \$26.3 million available for projects or project components eligible for additional subsidization in SFY 2026. [Chart 2](#) lists the additional subsidization estimates for projects expected to close in SFY 2026.

Open Capitalization Grants:

Capitalization Grant Year	Type	Min. or Max	Allocated	Available
2023	Base	Max	1,183,521.50	779,278.50
2023	IIJA – GS	Max	4,772,147.98	1,909,002.02
2024	Base	Max	0	2,136,000.00
2024	IIJA-GS	Max	0	7,289,730.00
2024	IIJA-EC	Max	0	1,391,000.00
2025	Base	Min.	0	4,151,200.00
2525	IIJA-GS	Max	0	7,289,730.00
2025	IIJA-EC	Max	0	1,391,000.00
Total			5,955,669.48	26,336,940.52

*Estimate. Includes the 10% minimum and 30% maximum CWA additional subsidization. IJJA general supplement must be 49% subsidy, and IJJA-EC is 100% subsidy.

** May transfer the amount to DWSRF EC grant if funding applications are not received.

XII. Financial Management

A. State Matching

The Natural Resources Division expenses all state match funds for each capitalization grant prior to requesting federal funds for construction reimbursement. The Natural Resources Division is prohibited by Ark. Code Ann. § 15-5-901(b)(12)(B) from disbursing state match in any of the forms used for additional subsidization. If federal funds must be spent on additional subsidization, the Natural Resources Division must disburse state match prior to requesting federal capitalization grant funds for construction.

The Natural Resources Division funds the required state match by using state appropriations, grants from state funding programs, bond proceeds, or loan servicing fees. State match for the FFY 2025 grants is estimated in the table below. State match funds are deposited within sixty (60) days of receipt of grant award.

Grant Year 2025	State Match %	Amount
Base Grant	20%	\$ 2,075,600
IJJA GS Grant	20%	\$ 3,223,000

The Natural Resources Division will deposit and disburse all required state match for the FFY 2025 cap grant on or before November 30, 2025.

B. Anticipated Cash Draw Ratio

The Natural Resources Division, first, disburses 100% of the state match for a capitalization grant and then draws 100% of the federal funds for the capitalization grant, which is less awarded set-asides. The Natural Resources Division is prohibited by Ark. Code Ann. § 15-5-901(b)(12)(B) from disbursing state match in any of the forms used for additional subsidization. If federal funds must be spent on additional subsidization, the Natural Resources Division will continue its current process for future federal capitalization grants.

C. Service Fee

Service fees are collected as part of the loan repayment. The funds are placed in the CWSRF Administration Account, which is a separate fund, and used to fund eligible CWSRF program

expenses.

D. Administrative Funds

Federal Grant Year 2025	4 Percent WRD Admin		
Type	Available	Claiming	Reserve
Base	\$ 415,120		\$ 415,120
General	\$ 644,600	\$ 644,600	
Emerging Contaminants	\$ 55,640		\$ 55,640

CWSRF administration will not exceed the statutory limit set forth in 33 U.S.C. § 1383(d)(7).

E. Two Percent Technical Assistance Funding

Pursuant to 33 U.S.C. § 1383(k), a state may use 2% of the funds awarded to it annually to provide technical assistance to certain projects. The funds are used to enhance or build programs that proactively identify, reach out to, and help rural, small, and tribal POTWs, particularly in rate burden qualified communities.

The programs should help rate burden qualified communities identify needs, develop projects, apply for funding, design and implement projects, build capacity, and create training and career pathways. Technical assistance funding is from the construction grant and used to provide training for wastewater and solid waste operators and managers. The Natural Resources Division contracted with the Environmental Training Academy and will use the \$232,840 claimed last year from the FFY 2022 IIJA general supplemental grant. The Natural Resources Division will also claim the FFY 2023 IIJA general supplemental of \$272,700 to partner with Arkansas Rural Water to provide technical on-site support to small water systems.

Type	Available	Claiming	Reserve
22 Base	\$151,400		\$151,400
22 IIJA GS	\$232,840	\$232,840	
23 Base	\$98,140		\$98,140
23 IIJA GS	\$272,700	\$272,700	
24 Base	\$106,800		\$106,800
24 IIJA GS	\$297,540		\$297,540
25 Base	\$207,560		\$207,560
25 IIJA GS	\$322,300		\$322,300
Total	\$1,689,280	\$272,700	\$1,183,740

F. Transfer of Funds

The Natural Resources Division reserves the option to transfer funds from the Clean Water 2025 federal capitalization grant to the 2025 Drinking Water federal capitalization grant. Specifically, the funds will be transferred from clean water construction to drinking water construction.

The Safe Drinking Water Act Amendments of 1996 (SDWA), 42 U.S.C. § 300f et seq., and subsequent congressional action allow states to transfer an amount equal to 33% of its Drinking Water State Revolving Fund (DWSRF) capitalization grant to the CWSRF or an equivalent amount from the CWSRF to the DWSRF. States may also transfer state matches, investment earnings, or principal and interest repayments between SRF programs and may transfer a previous year’s allocation at any time. The Natural Resources Division intends to transfer \$1,391,000 from the FFY 2024 CWSRF EC grant to the FFY 2024 DWSRF EC grant.

G. Sources and Uses

The Natural Resources Division’s total funding sources for the CWSRF for SFY 2026 are identified in [Chart 3](#). With the FFY 2022, 2023, 2024, and 2025 estimated capitalization grant balances, the required state match for the FFY 2025 capitalization grant, bond proceeds, interest earnings, fees collected, and loan repayments, the Natural Resources Division estimates a little more than \$235.6 million is available during SFY 2026. The Natural Resources Division EPA payment schedule is based on the state’s projection of binding commitments for selected projects included in [Chart 1](#) of the IUP.

The chart below identifies the quarters the Natural Resources Division requested to receive each grant award. The Natural Resources Division agrees to accept grant funds to be released by EPA utilizing the ASAP payment method. Access to the funds will be in accordance with the following schedule:

<u>Capitalization Grant</u>	<u>Year and Quarter</u>	<u>Payment Date</u>	<u>Payment Amount</u>
2025 Base	FFY26 /Quarter 3	04/01/2026	\$10,378,000
2025 IJJA-G	FFY26 / Quarter 4	07/01/2026	\$16,115,000
2025 IJJA-EC	FFY26 / Quarter 2	01/01/2026	\$1,391,000

H. Financial Management Strategies

The Natural Resources Division leverages periodically to increase the funds available for assistance. The Natural Resources Division leveraged the program in August 2023 for \$80 million and, again, in March 2025 for \$70 million to meet the cash flow needs for the CWSRF. The Natural Resources Division anticipates leveraging in SFY 2026 for an estimated \$150 million.

XIII. Assurances and Specific Proposals

The Natural Resources Division provides the necessary assurances and certifications as part of the operating agreement between the Natural Resources Division and the U.S. Environmental Protection Agency. The operating agreement includes the requirements of 40 C.F.R. § 35.3150(b)(4), which are explained below.

A. Binding Commitments

A binding commitment is defined as loan closing or executed BPA, whichever occurs first. The Natural Resources Division enters binding commitments for 120% of each payment within eighteen (18) months of receipt of that payment in compliance with 40 C.F.R. § 35.3135(c). See [Chart 1](#). Binding commitments for the CWSRF program require an executed BPA or a signed assistance agreement if a bond is not required. Effective January 1, 2023, all approved funding must open bids and execute the bond within eighteen (18) months. Funding for loans approved by the Natural Resources Division but without an executed BPA or assistance agreement are considered “approved but not closed,” and those with such agreement are considered “approved and closed.”

B. Expedient and Timely Expenditures

The Natural Resources Division makes every effort to expend all funds in the CWSRF in a timely and expeditious manner in compliance with 40 C.F.R. § 35.3135(d).

C. Environmental Review Requirements

The Natural Resources Division conducts environmental reviews as specified in the State Environmental Review Process (SERP) of the operating agreement and in compliance with 40 C.F.R. § 35.3140. To date, none of the projects in the CWSRF program required an environmental impact statement. The projects were either issued a finding of no significant impact or a categorical exclusion.

XIV. Federal Requirements

The Natural Resources Division complies with the following federal requirements:

1. American Iron and Steel (AIS) requirements forth in 42 U.S.C. § 300j-12(a)(4);
2. Rate Burden Qualified;
3. Federal Environmental crosscutters;
4. System for Award Management (SAM.gov);
5. Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, codified at 2 CFR Part 200;
6. Build America, Buy America (BABA), codified at 41 U.S.C. § 8301 et seq.;
7. State Cyber Security;
8. Wage Requirements; and

9. Telecommunications Prohibition.

A. Equivalency

Equivalency loans are listed in the annual report as a project or a group of projects equal to the capitalization grant amount that are required to submit an audit that complies with the Single Audit Act requirements, SAM.gov reporting requirements, BABA requirements, and AIS requirements. The Natural Resources Division will determine if such loans are required to comply with these requirements. Because it is unknown which projects listed on the PPL will execute loan agreements first, it is not possible to list specific loans that meet these requirements for the anticipated FFY 2025 and 2026 capitalization grants.

B. Architectural and Engineering (A/E) Contracts

Arkansas's governor certified that the Procurement of Professional Services laws, codified at Ark. Code Ann. §§ 19-65-101 to 19-65-205, are equivalent to Selection of Architects and Engineers requirements of 40 U.S.C. §§ 1101 to 1104. *See* 33 U.S.C. § 1382(b)(14).

C. Audits and Reporting

The Natural Resources Division's IUP and annual reports are posted on the Department's [website](#).

An independent audit and single audit, as required, are conducted by an outside certified public accounting firm annually. Project milestones and information are reported through EPA's database and SAM.gov. The databases are updated no less than quarterly. However, the goal is to update monthly.

D. Cost and Effectiveness Analysis

As part of the technical review and selection of alternatives, projects are reviewed for cost and effectiveness. The cost and effectiveness analysis for all alternatives considered includes a present worth analysis of the total project cost, associated operations and maintenance cost, and the cost of replacing the project or activity. The analysis also evaluates the cost and effectiveness of the processes, materials, techniques, and technologies. Non-cost factors are considered in the analysis, including to the extent practicable, whether the project maximizes the potential for efficient water use, reuse, recapture, and conservation; green infrastructure; and sustainable design.

E. Davis-Bacon Related Act Provision

Section 602(b)(6) of the FWPCA permanently applies the prevailing wage provision of section 513 of FWPCA (Davis-Bacon laws) to any projects for treatment works that are funded by

CWSRF. Consistent with EPA’s prior implementation of the provisions, application of the Davis-Bacon laws extends to both assistance agreements funded with capitalization grants and all CWSRF funded projects involving the construction of treatment works, regardless of the source of the funding (e.g., prior years’ appropriations, state match, bond proceeds, interest earnings, principal repayments, etc.). Any project that is considered a “treatment work,” as defined in section 212 of the FWPCA, now incorporated in section 502(26) of the FWPCA, must comply with the Davis-Bacon laws, regardless of funding. *See* 40 C.F.R. § 35.3135(f).

F. Fiscal Sustainability Plan

Section 603(d)(1)(E) of the FWPCA requires loan recipients to develop and implement a fiscal sustainability plan (FSP) when the funded project involves the repair, replacement, or expansion of a publicly owned treatment works. *See* 33 U.S.C. § 1383(d)(1)(E). Because the Natural Resources Division makes BPAs, it does not plan for borrowers to implement an FSP. Once the analysis is complete, the project is presented to the Arkansas Natural Resources Commission. Upon approval, the Natural Resources Division considers the application complete. The Natural Resources Division does not consider the first submittal of an application form to be the application.

G. Signage

The Natural Resources Division agrees to comply with all SRF signage guidance to enhance public awareness of EPA assistance agreements nationwide.

H. Build America, Buy America Act Requirements

On November 15, 2021, the Build America, Buy America (BABA) was signed into law to strengthen Made in America laws and bolster America’s industrial base, protect national security, and support high-paying jobs. *See* 41 U.S.C. § 8301 et seq. BABA requires that no later than May 14, 2022, 180 days after the enactment of the IIJA, the head of each covered federal agency shall ensure that “none of the funds made available for a federal financial assistance program for infrastructure, including each deficient program, may be obligated for a project unless all of the iron, steel, manufactured products, and construction materials used in the project are produced in the United States.” The requirement expands domestic sourcing requirements to require that all steel, iron, manufactured products, non-ferrous metals, plastic, and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables), glass (including optic glass), lumber, and drywall used in infrastructure projects for federal financial assistance programs must be produced in the United States. *See also* 2 C.F.R. § 184.1.

XV. Intended Use Plan Amendment Procedures

Revisions to the IUP that are determined substantive require public notice and EPA notification

and approval. Significant changes to the IUP may be made through an amendment and posted to the Natural Resources Division’s website. Revisions to the IUP deemed non-substantive are made by the Natural Resources Division with notification to EPA. Non-substantive changes may be made by the Natural Resources Division without public notification.

Any changes in the project funding list are in accordance with procedures provided in the CWSRF priority system and list. Any amended IUP will be posted as “Amended” on the Natural Resources Division’s website.

XVI. Public Review & Comment

To ensure that the public has an opportunity to review the state’s proposed plans for the program, a draft IUP was published on the Natural Resources Division’s [website](#) to accept comments on the IUP. To ensure that interested parties were made aware of the draft IUP and the comment period, the Natural Resources Division also published the public notice advertisement for the CWSRF and DWSRF IUPs in the Arkansas Democrat-Gazette, a statewide paper, on October 26, 2025, and November 02, 2025. The public comment period remained open with a deadline for submitting written comments of December 02, 2025. Copies of the IUP are also available, upon request, at the Natural Resources Division office. The IUP will be revised after the comment period to respond to major comments and concerns as required by 42 U.S.C. § 300j-12(b)(3)(B) and 40 C.F.R. §§ 35.3150(a) and 35.3555(b).

XVII. APPENDIX A – Project Priority List

A. General Information

Priority points are used for ranking proposed clean water projects for eligibility for CWSRF funding. The Natural Resources Division updates and posts the PPL as necessary (up to 4 times) in SFY 2026 to reflect new projects. An electronic notice is sent to all interested parties that requested to be added to the Water Resources Development (WRD) mailing list. To see the current list, visit the Natural Resources Division’s [website](#).

Due Date	Publish Date
March 15	April 1
July 15	August 1
November 15	December 1

The purpose of the ranking system is to direct available funding to address the priority water quality-related needs of the Natural Resources Division. The new priority ranking system forms the basis for forecasting the allocation of funds to projects that form an essential function of the IUP. Based on the information available at the time of IUP development, the Natural Resources Division evaluates each project that applied for funding and assigns it priority points

based on the new priority ranking scoring system.

All anticipated projects related to the provision of sewer services, including combined sewer overflow projects, requested by public utilities, were assigned a score and appear on the PPL. In addition, as detailed below, the Natural Resources Division funds stormwater and nonpoint source projects that do not appear on the PPL.

B. Assignment of Priority Points

Each project's priority score is generated from assignment of points based on the priority points criteria detailed below. Scores form a strategic foundation upon which the Natural Resources Division can prioritize allocation of funding to projects that meet the state's goals of protecting and improving water quality and human health.

The priority ranking system criteria and methodology are intended to be objectively straight forward, qualitative, and nontechnical to ensure that applicants have some reasonable amount of predictability and transparency of scoring expectations. The CWSRF system relies on readily available information with the expectation that it should be easy for the applicant to complete the PPL scoring sheet and relatively easy for the Natural Resources Division staff to review and assign priority points.

The Natural Resources Division staff rank eligible projects for funding based on information available from a variety of sources, including the PPL application, funding application, and other information available to the state. The Natural Resources Division staff may ask an applicant to provide necessary documentation in order to assign points for a particular criterion. Any ranking criteria that cannot be verified is awarded zero (0) points at the discretion of the Natural Resources Division staff.

C. Priority Points Criteria

The measures that establish the priority ranking system are designed to prioritize projects that improve water quality, particularly for utilities struggling with compliance, and projects that improve water quality for impaired waters. Additionally, a heavy emphasis is placed on projects that are closer to being ready to construct, ensuring the efficient use of funds and faster achievement of water quality benefits. Finally, the Natural Resources Division awards points for state priorities rooted in best practices to ensure healthy, sustainable utilities, including points for:

1. Small communities;
2. Green projects;
3. Multi-year funding (to ensure projects already begun can be completed);
4. Utilities with asset management plans;
5. Utilities using CWSRF to fund only a portion of the project; and

6. Projects that include consolidation or are for utilities that have already undergone consolidation.

Specific criteria and associated points are detailed in the table below. For more information and guidance on each criterion, please refer to the Natural Resources Division's PPL score sheet, which includes additional details and links to more information. Any revisions to the priority points criteria are documented and posted in a revised IUP. The point totals for each project are included in the attached PPL and are published to the Natural Resources Division's website up to four times each year. Already funded projects receive 1,000 points in case the projects need to apply for additional funding. Projects in the 1,000-point range do not affect projects below 1,000 points.

#	Criteria	Points Awarded for a "Yes" Answer
PROJECT BENEFITS		
Basic Eligibility		
1	Is the project (in total or in part) eligible for the CWSRF?	10
System Functionality		
2	Will the project improve, repair, upgrade, enhance, rehab, restore, create, or expand an engineered, constructed, or natural system that improves or protects surface water or ground water quality?	10
Permit Compliance		
3	Is the recipient required to meet a water quality-related permit that will be impacted by the project?	10
4	Will the project help an entity out of compliance with a water quality-related permit achieve compliance?	5
Improves Quality of Impaired Water Bodies		
5	Will the project benefit a water body that is listed as impaired on the State's 303(d) list--Category 4 or Category 5--or 305(b) list?	10
6	Will the project support implementation of a TMDL?	5
7	Will the project reduce phosphorous contamination in the Illinois River Watershed or improve water quality in the Buffalo River Watershed?	5
AFFORDABILITY & NEED		
8	Is the recipient a community with a population under 10,001 people?	5
	Is the recipient a community with a population under 1,001 people?	10
READINESS TO PROCEED		
9	Has a complete funding application been submitted for the project?	4
	Has the Arkansas Natural Resources Commission approved funding?	1000
	Has a complete Benefits Report been submitted for the project?	4
	Has the Environmental Review been completed for the project?	4
	Have the plans and specs been approved for the project?	4
	Has ADEQ completed permit review and/or issuance?	4
OTHER FACTORS		
GPR		
10	Will any aspect or portion of the project count as a Green Project?	5
MULTI-YEAR		
11	Is the project a continuation of an effort that received CWSRF funding in the past 2 years?	10

#	Criteria	Points Awarded for a "Yes" Answer
PROJECT BENEFITS		
ASSET MANAGEMENT PLAN		
12	Does the borrower either have an asset management plan or will develop an asset management plan as part of this project?	5
CONSOLIDATION & REGIONALIZATION		
13	Will the project include consolidation and regionalization between utilities, at least one of which has a population of under 10,000 people?	30
	If not, will the project be for a utility that was formed through consolidation or regionalization between utilities, at least one of which has a population under 10,000 people, that occurred in the past?	5
CO-FUNDING		
14	Will another funding source (either the community or a different lending source) be contributing to the project?	10

D. Alternative Criteria for Nontraditional Projects

In addition to the projects listed in the PPL, the Natural Resources Division may also fund up to \$5 million in nontraditional projects in SFY 2026 that meet alternative criteria establishing the contribution the projects make to improving water quality.

Stormwater projects and NPS projects are eligible for the pool of alternative funding on a first-come, first-serve basis. The projects are still subject to all applicable state and federal rules and requirements, and the terms of the funding package, including the interest rate and loan length, are established by the Natural Resources Division. In addition, the Natural Resources Division specifies steps to apply for project funding and determines how it will underwrite the projects.

XVIII.APPENDIX B – Charts

Chart 1 Binding Commitments

Project Name / Community Served	Loan Number	Estimated Binding Commitment Date	Estimated State Fiscal Year 2026				Totals
			QTR 1	QTR 2	QTR 3	QTR 4	
Bentonville	02668- CW-L	9/15/2025				55,000,000.00	55,000,000.00
Bryant	02404- CW-L	11/15/2025	1,871,358.00				1,871,358.00
Calico Rock	02358- CW-L	11/1/2025	938,825.00				938,825.00
Camden	02318- CW-L	11/15/2025	3,520,061.00				3,520,061.00
Cave City	02612- CW-L	11/20/2025	609,515.00				609,515.00
Dierks	02280- CW-L	11/15/2025	181,051.50				181,051.50
Dierks	02281- CW-F	11/15/2025	3,543,154.50				3,543,154.50
Dyess	02607- CW-L	11/20/2025	3,393,302.00				3,393,302.00
El Dorado Rural PWA	02458- CW-L	9/1/2025				173,680.75	173,680.75
El Dorado Rural PWA	02459- CW-F	9/1/2025				521,042.25	521,042.25
Elkins	02596- CW-L	11/20/2025	32,663,474.50				32,663,474.50
Elkins	02597- CW-F	11/20/225	2,336,525.50				2,336,525.50
Glenwood	02336- CW-L	9/15/2025				4,383,515.00	4,383,515.00

Project Name / Community Served	Loan Number	Estimated Binding Commitment Date	Estimated State Fiscal Year 2026				Totals
			QTR 1	QTR 2	QTR 3	QTR 4	
Gurdon	02613- CW-L	11/20/2025	4,350,382.00				4,350,382.00
Hampton	02610- CW-L	11/20/2025	2,291,184.00				2,291,184.00
Hardy	02592- CW-L	11/20/2025	1,004,323.00				1,004,323.00
Hardy	02593- CW-F	11/20/2025	334,774.00				334,774.00
Holiday Island	02420- CW-L	8/15/2025				838,704.00	838,704.00
Horatio	02282- CW-L	11/15/2025	1,259,325.50				1,259,325.50
Horatio	02283- CW-F	11/15/2025	377,976.50				377,976.50
Jennette	02328- CW-L	11/20/2025	291,006.00				291,006.00
Jennette	02329- CW-F	11/20/2025	214,894.00				214,894.00
Junction City	02598- CW-L	12/1/2025	300,000.00				300,000.00
Junction City	02599- CW-F	12/1/2025	1,200,000.00				1,200,000.00
Keiser	02492- CW-L	10/20/2025	4,347,000.00				4,347,000.00
Keiser	02594- CW-L	10/20/2025	1,088,315.00				1,088,315.00
Keiser	02595- CW-F	10/20/2025	3,264,947.00				3,264,947.00
Magazine	02279- CW-F	7/23/2025				4,382,946.50	4,382,946.50

Project Name / Community Served	Loan Number	Estimated Binding Commitment Date	Estimated State Fiscal Year 2026				Totals
			QTR 1	QTR 2	QTR 3	QTR 4	
Magazine	02278- CW-L	7/23/2025				335,931.50	335,931.50
Maynard	02603- CW-L	11/20/2025	405,033.00				405,033.00
McGehee	02351- CW-L	8/15/2025				539,115.75	539,115.75
McGehee	02352- CW-F	8/15/2025				1,617,347.25	1,617,347.25
Mena	02481- CW-L	12/15/2025	11,583,500.00				11,583,500.00
Monticello	01389- CW-L	3/1/2026		2,300,880.00			2,300,880.00
Mt Top SID #66	02583- CW-L	2/15/2026		570,000.00			570,000.00
Mulberry	02614- CW-L	6/30/2026			859,624.00		859,624.00
Oxford	02590- CW-L	6/30/2026			471,657.00		471,657.00
Oxford	02591- CW-F	6/30/2026			1,414,970.00		1,414,970.00
Pleasant Plains	02316- CW-F	8/20/2025				2,015,817.75	2,015,817.75
Pollard	02265- CW-L	6/12/2026			438,053.25		438,053.25
Pollard	02266- CW-F	6/12/2026			146,017.75		146,017.75
Poyen	02588- CW-L	11/20/2025	1,842,060.00				1,842,060.00
Poyen	02589- CW-F	11/20/2025	1,842,060.00				1,842,060.00

Project Name / Community Served	Loan Number	Estimated Binding Commitment Date	Estimated State Fiscal Year 2026				Totals
			QTR 1	QTR 2	QTR 3	QTR 4	
Poyen	02605- CW-L	6/30/2026	787,415.00				787,415.00
Stephens	02418- CW-L	8/1/2025				359,985.85	359,985.85
Stephens	02419- CW-F	8/1/2025				973,358.15	973,358.15
Stuttgart	02491- CW-L	10/20/2025	2,347,000.00				2,347,000.00
Van Buren	02608- CW-L	11/20/2025	4,430,000.00				4,430,000.00
Van Buren	02609- CW-L	11/20/2025	3,435,000.00				3,435,000.00
Ward	02541- CW-L	6/30/2026			791,516.00		791,516.00
Warren	02600- CW-L	6/30/2026			900,000.00		900,000.00
Warren	02604- CW-L	6/30/2026			824,558.00		824,558.00
<i>Section 212 SFY Total</i>			96,053,462.00	2,870,880.00	5,846,396.00	71,141,444.75	175,912,182.75
Cumulative Section 212 Totals		1,396,008,169.0 0	1,492,061,631.0 0	1,494,932,511.0 0	1,500,778,907.0 0	1,571,920,351.7 5	
Section 319 Projects							
Nonpoint Croplands			100,000.00	100,000.00	100,000.00	100,000.00	400,000.00
				0.00	0.00	0.00	0.00
<i>Section 319 SFY Totals</i>			100,000.00	100,000.00	100,000.00	100,000.00	400,000.00

Project Name / Community Served	Loan Number	Estimated Binding Commitment Date	Estimated State Fiscal Year 2026				Totals
			QTR 1	QTR 2	QTR 3	QTR 4	
Cumulative Section 319 Totals		1,851,178.00	1,951,178.00	2,051,178.00	2,151,178.00	2,251,178.00	8,404,712.00
Administrative Program							
<i>Administrative Program SFY Totals</i>			<i>289,110</i>	<i>289,110</i>	<i>289,110</i>	<i>289,110</i>	<i>1,156,440</i>
Cumulative Administration	1,156,440		1,445,550	1,734,660	2,023,770	2,312,880	7,516,860
SUMMARY BINDING COMMITMENTS							
Section 212			96,053,462.00	2,870,880.00	5,846,396.00	71,141,444.75	175,912,182.75
Section 319			100,000.00	100,000.00	100,000.00	100,000.00	400,000.00
Administrative Program			289,110.00	289,110.00	289,110.00	289,110.00	1,156,440.00
<i>Sub Totals</i>			<i>96,442,572.00</i>	<i>3,259,990.00</i>	<i>6,235,506.00</i>	<i>71,530,554.75</i>	<i>177,468,622.75</i>
Cumulative Totals	1,399,015,787.0 0		1,495,458,359.0 0	1,498,718,349.0 0	1,504,953,855.0 0	1,576,484,409.7 5	6,075,614,972.7 5
Required Cumulative Binding Commitments	444,764,346.00		444,764,346.00	444,764,346.00	444,764,346.00	444,764,346.00	
Percentage - Actual/Required	315%		336%	337%	338%	354%	

Chart 2 Fundable Project List

PPL #	Entity	Commission Approval	Interest Rate	Term	Est. Binding Commitment	Total Assistance	Estimated Loan Closing Date	Green Eligible %	Green Category	Green Funding	Population	Rate Burden Qualified	Project Description	Additional Subsidy (PF)
27	Bentonville	1/15/2025	3%	20	4/22/2025	55,000,000.00	9/15/2025				59,471		Repair/replace failing infrastructure and increase capacity.	No
34	Bryant	11/15/2023	3%	20	9/17/2024	1,871,358.00	11/15/2025				21,877		Reroute wastewater flows and create available capacity.	No
96	Calico Rock	6/22/2023	0.75%	20	9/17/2024	938,825.00	11/1/2025				1,945		Upgrades to wastewater treatment facility.	No
66	Camden	6/22/2023	0.75%	20	4/22/2025	3,520,061.00	11/15/2025	100%	Energy Efficiency	3,520,061.00	10,165		Replacement of collection system.	No
116	Cave City	11/20/2024	3%	20	4/22/2025	609,515.00	11/20/2025	100%	Energy Efficiency	609,515.00	1,994	yes	Replacement of concrete sewer main.	No
28	Dierks	6/22/2023	0.75%	20	4/8/2025	1,181,051.50	11/15/2025	100%	Energy Efficiency	1,181,051.50	894		Replace sewer main.	Yes
28	Dierks	6/22/2023	0.00%	20	4/8/2025	3,543,154.50	11/15/2025	100%	Energy Efficiency	3,543,154.50	894	yes	Replace sewer main.	Yes
43	Dyess	11/20/2024	3%	20	3/26/2025	3,393,302.00	11/20/2025				322		Rehabilitation of wastewater collection system.	Yes
144	El Dorado Rural PWA	11/15/2023	2.5%	20	3/26/2025	173,680.75	9/1/2025				16,869		Extend wastewater collection system.	Yes
144	El Dorado Rural PWA	11/15/2023	0%	20	3/5/2025	521,042.25	9/1/2025				16,869	yes	Extend wastewater collection system.	Yes

PPL #	Entity	Commission Approval	Interest Rate	Term	Est. Binding Commitment	Total Assistance	Estimated Loan Closing Date	Green Eligible %	Green Category	Green Funding	Population	Rate Burden Qualified	Project Description	Additional Subsidy (PF)
29	Elkins	11/20/2024	3%	20	3/5/2025	32,663,474.50	11/20/2025	100%	Energy Efficiency	32,663,474.50	3,889		Updating wastewater collection system.	Yes
29	Elkins	11/20/2024	0%	20	9/10/2024	2,336,525.50	11/20/2025	100%	Energy Efficiency	2,336,525.50	3,889	yes	Updating wastewater collection system.	Yes
85	Glenwood	6/22/2023	0.75%	20	8/7/2024	4,383,515.00	9/15/2025	100%	Energy Efficiency	4,383,515.00	2,070	yes	Upgrades to wastewater collection system.	Yes
139	Gurdon	11/20/2024	3%	20	8/7/2024	4,350,382.00	11/20/2025				1,836		Replace pumps in wastewater collection system.	Yes
51	Hampton	11/20/2024	3%	20	9/18/2024	2,291,184.00	11/20/2025				1,145		Wastewater collection system rehabilitation.	Yes
22	Hardy	11/20/2024	3%	20	3/19/2025	1,004,323.00	11/20/2025				764		Wastewater treatment facility improvements.	Yes
22	Hardy	11/20/2024	0%	20	7/31/2024	334,774.00	8/15/2025				764	yes	Wastewater treatment facility improvements.	Yes
36	Holiday Island	11/15/2023	3%	20	7/31/2024	838,704.00	11/15/2025				2,415	yes	Centralized wastewater treatment improvement.	No
30	Horatio	6/22/2023	0.75%	20	6/26/2024	1,259,325.50	11/15/2025				897		Wastewater system improvements and replacement.	Yes
30	Horatio	6/22/2023	0%	20	6/26/2024	3,777,976.50	11/20/2025				897	yes	Wastewater system improvements and replacement.	Yes
50	Jennette	6/22/2023	0.75%	20	6/26/2024	291,006.00	11/20/2025				117		Wastewater collection system improvement.	Yes
50	Jennette	6/22/2023	0%	20	6/26/2024	214,894.00	12/1/2025				117	yes	Wastewater collection system improvement.	Yes

PPL #	Entity	Commissi on Approval	Intere st Rate	Term	Est. Binding Commitme nt	Total Assistance	Estimated Loan Closing Date	Green Eligibl e %	Green Category	Green Funding	Populati on	Rate Burden Quali fied	Project Description	Additional Subsidy (PF)
37	Junction City	11/20/2024	3%	20	8/7/2024	300,000.00	12/1/2025				480		Wastewater line improvements.	Yes
37	Junction City	11/20/2024	0%	20	7/8/2024	1,200,000.00	10/20/2025				480	yes	Wastewater line improvements.	Yes
25	Keiser	6/22/2023	0.75%	20	7/8/2024	4,347,000.00	10/20/2025				719	yes	Wastewater collection system improvement.	Yes
25	Keiser	11/20/2024	3%	20	10/16/2024	1,088,315.00	10/20/2025				719		Rehabilitation of wastewater collection system.	Yes
25	Keiser	11/20/2024	0%	20	7/15/2024	3,264,947.00	7/23/2025				719		Rehabilitation of wastewater collection system.	Yes
129	Magazine	6/22/2023	0.75%	20	7/15/2024	4,382,946.50	7/23/2025				744		Wastewater collection and treatment rehabilitation.	Yes
129	Magazine	6/22/2023	0%	20	11/12/2024	335,931.50	11/20/2025				744		Wastewater collection and treatment rehabilitation.	Yes
46	Maynard	11/20/2024	3%	20	6/11/2025	405,033.00	8/15/2025				376		Wastewater treatment facility improvements.	No
47	McGehee	6/22/2023	0.75%	20	8/7/2024	539,115.75	8/15/2025	100%		539,115.75	3,555		Wastewater collection system improvement.	No
47	McGehee	6/22/2023	0%	20	8/7/2024	1,617,347.25	12/15/2025	100%		1,617,347.25	3,555	yes	Wastewater collection system improvement.	No
105	Mena	2/28/2024	3%	20	7/31/2024	11,583,500.00	3/1/2026				5,618		Wastewater treatment facility improvements.	Yes
154	Monticello	9/28/2022	0.75%	20	8/29/2024	2,300,880.00	2/15/2026				8,175		Sewer collection system relocation.	No

PPL #	Entity	Commission Approval	Interest Rate	Term	Est. Binding Commitment	Total Assistance	Estimated Loan Closing Date	Green Eligible %	Green Category	Green Funding	Population	Rate Burden Qualified	Project Description	Additional Subsidy (PF)
26	Mt Top SID #66	9/18/2024	3%	20	8/7/2024	570,000.00	6/30/2026				8,620		New wastewater treatment plant and collection system improvements.	Yes
177	Mulberry	11/20/2024	3%	20	8/7/2024	859,624.00	6/30/2026				1,616	yes	Collection system extension.	No
132	Oxford	11/20/2024	3%	20	8/29/2024	471,657.00	6/30/2026				601		Installation of a new wastewater treatment facility.	Yes
132	Oxford	11/20/2024	0%	20	8/14/2024	1,414,970.00	8/20/2025				601		Installation of a new wastewater treatment facility.	Yes
40	Pleasant Plains	6/22/2023	0%	20	8/7/2024	2,015,817.75	6/12/2026				350		New wastewater treatment plant and collection system.	Yes
62	Pollard	6/22/2023	0.75%	20	8/1/2024	438,053.25	6/12/2026				189		Wastewater system improvement.	Yes
62	Pollard	6/22/2023	0%	20	0910/2024	146,017.75	11/20/2025				189		Wastewater system improvement.	Yes
10	Poyen	11/20/2024	3%	20	0910/2024	1,842,060.00	11/20/2025				265		Lift station upgrades and regionalization with Malvern.	No
10	Poyen	11/20/2024	0%	20	8/7/2024	1,842,060.00	6/30/2026				265		Lift station upgrades and regionalization with Malvern.	No
64	Poyen	11/20/2024	3%	20	6/26/2024	787,415.00	8/1/2025				265		Wastewater treatment facility improvements.	No
33	Stephens	11/15/2023	3%	20	9/17/2024	359,985.85	8/1/2025	100%		359,985.85	746		Wastewater system improvements.	Yes
33	Stephens	11/15/2023	0%	20	5/20/2025	973,358.15	10/20/2025	100%		973,358.15	746		Wastewater system improvements.	Yes

PPL #	Entity	Commissi on Approval	Intere st Rate	Term	Est. Binding Commitme nt	Total Assistance	Estimated Loan Closing Date	Green Eligibl e %	Green Category	Green Funding	Populati on	Rate Burden Qualifi ed	Project Description	Additional Subsidy (PF)
93	Stuttgart	11/15/2023	3%	20	3/5/2025	2,347,000.00	11/20/2025				7,788		Wastewater treatment facility improvements.	No
91	Van Buren	11/20/2024	3%	20	7/25/2024	4,430,000.00	11/20/2025				24,138		Wastewater collection and conveyance improvement.	No
91	Van Buren	11/20/2024	3%	20	11/12/2024	3,435,000.00	6/30/2026				24,138		Upsizing and replacing collection system.	No
4	Ward	7/17/2024	3%	20	7/15/2024	791,516.00	6/30/2026				6,840		Upgrade wastewater collection system.	No
49	Warren	11/20/2024	3%	20	5/20/2025	900,000.00	6/30/2026				5,211		Remove Sludge and update the aeration system	No
53	Warren	11/20/2024	3%	20	3/5/2025	824,558.00	6/30/2026				5,211		Improvements to WW system and replace force main	No
200	AG Loans	n/a	3%	up to 20	6/30/2025	400,000.00	6/30/2026				0		Agriculture BMP to reduce non-point source pollution that impacts water quality	n/a
Total						180,712,182.75				51,727,104.00				

Chart 3 Sources and Uses of Funds

	4/30/2025	Est. 6/30/2025
Beginning Balance (SFY 2025 Carryover) data as of 04/30/2025	36,356,659.00	36,456,659.00
Federal Base Grant FFY 2022	2,143,956.05	2,144,956.05
Federal Grant IIJA-G FFY 2022	11,167,820.00	11,167,820.00
Federal Base Grant FFY 2023	4,808,860.00	4,808,860.00
Federal Grant IIJA-G FFY 2023	13,089,600.00	13,089,600.00
Federal Base Grant FFY 2024	5,340,000.00	5,340,000.00
Federal Grant IIJA-G FFY 2024	14,579,184.09	14,579,184.09
Federal Base Grant FFY 2025		10,378,000.00
Federal Grant IIJA-G FFY 2025		16,115,000.00
Federal Grant IIJA EC FFY 2025		1,391,000.00
State Match - FFY2025 Base Grant		2,075,600.00
State Match - FFY2025 General Supplemental Grant		3,223,000.00
SRF Series 2023 Bond Proceeds	8,063,146.00	8,064,146.00
SRF Series 2025 Bond Proceeds	63,934,786.00	63,934,786.00
Principal Repayments *	451,312,813.43	676,969,220.15
Interest Earnings on Loans & Investments *	6,683,742.59	13,367,485.18
Sub Total	581,123,908.16	\$ 846,648,657.47
Total Sources of Funds	617,480,567.16	883,105,316.47
<u>USES OF FUNDS</u>		
<i>CWSRF Loan Commitments for SFY 2025</i>		
ANRC Approved Loans (not closed as of 4/30/25)		193,180,580.75
ANRC Approved Loans closed, undisbursed funds as of (4/30/25)		378,081,287.53
Sub Total		\$ 571,261,868.28
<i>CWSRF Set-Aside Programs for SFY 2025</i>		
IIJ FFY22 General Supplemental Administration	53,085.47	-
IIJ FFY23 General Supplemental Administration	545,000.00	-
IIJ FFY24 General Supplemental Administration *	275.91	114,044.15
<i>Debt Service Obligations</i>		
Leveraged Bond Principal (Jul 24 to Jun 25)		3,410,000.00
Leveraged Bond Interest (Jul 24 to Jun 25)		3,501,750.00
Sub Total		\$ 6,911,750.00
Total Uses of Funds		\$ 578,173,618.28
Funds (needed)/available		304,931,698.19

*Estimated amount

Fees are not deposited into the Fund; therefore, based on EPA guidance they are not included in the Sources and Uses for the Fund
 Note: Negative available funds are a timing difference that can be taken care of by issuing new bonds.