

CONTINGENCY FUND BALANCE STATEMENT

I. Fund Overview

Fund Name: Municipal Water & Sewer Infrastructure Contingency Fund
Funding Source: State and Local Fiscal Recovery Funds (SLFRF) under ARPA
Current Balance (as of March 11, 2025): \$1,200,000.00
Proposed Transfer Amount: \$1,200,000.00
Recipient Project/ Department: North Windham Wastewater Treatment System Project
Remaining Balance After Transfer: \$0

II. Fund Utilization & Impact Assessment

The Municipal Water & Sewer Infrastructure Contingency Fund was established to support water and sewer infrastructure projects that align with the County's strategic goals and federal funding requirements. This transfer to the North Windham Wastewater Treatment System Project is within the allowable use of SLFRF funds and ensures the project remains on track without impacting other planned or emergency expenditures. The transfer will fully utilize the remaining contingency funds, but it will apply the funding to a project that can expend the funds within the required SLFRF deadline, ensuring compliance with federal regulations. This action meets the County's infrastructure needs and eliminates the risk of recapture by ensuring timely and eligible use of the funds.

III. Federal Guidance on Eligible Uses

Under the American Rescue Plan Act (ARPA), the State and Local Fiscal Recovery Funds (SLFRF) Program provides direct funding to municipalities for infrastructure improvements, including investments in water and sewer systems. Treasury guidance explicitly allows funding for:

1. Wastewater Infrastructure: Supporting the development, improvement, and expansion of publicly owned wastewater treatment facilities.
2. Stormwater & Sewer Upgrades: Addressing environmental concerns and mitigating potential health hazards.
3. Economic Development Support: Enabling infrastructure investments that promote local economic growth and attract businesses.

The North Windham Wastewater Treatment System Project qualifies under SLFRF guidelines as it:

- Expands wastewater treatment capacity to support economic and residential growth.
- Enhances environmental sustainability by improving water quality.
- Aligns with Cumberland County's strategic investment in sustainable infrastructure.

IV. Prior County Approvals & Precedents

Previous Cumberland County Commission approvals for SLFRF funding in the amount of \$1,530,000.00 in support of the North Windham Wastewater Treatment System Project. The County has historically leveraged unallocated/contingency funds for high priority infrastructure needs that support long term economic and environmental goals.

- This transfer ensures compliance with both Treasury guidance and County financial policies, maintaining fiscal responsibility while advancing regional infrastructure objectives.

Approved SLFRF Municipal Water Sewer Grants as of 12/31/2024

Project Name	Type of Project	Current Amount	Requested Revised amount
County: Municipal Water & Sewer Grant Program Various Projects to be funded to Towns/Cities	Contingency funding for subawards funded through the Municipal Water & Sewer grant program.	\$1,200,000.00	\$0
Town of Bridgton- Sewer Main Extension	Municipal water and sewer infrastructure investments	\$450,000.00	\$450,000.00
Town of Brunswick- Bay Bridget Public Water Supply	Municipal water and sewer infrastructure investments	\$1,500,000.00	\$1,500,000.00
Town of Pownal- PCWA Infrastructure	Municipal water and sewer infrastructure investments	\$19,243.98	\$19,243.98
Town of Windham -North Windham Wastewater Treatment System	Municipal water and sewer infrastructure investments	\$1,530,000.00	\$2,730,000.00

V. Conclusion & Recommendation

The proposed \$1.2 million transfer from the Municipal Water & Sewer Infrastructure Contingency Fund to the North Windham Wastewater Treatment System Project aligns with SLFRF funding guidelines and will not impact other planned uses.

It is recommended that the Cumberland County Commissioners approve this transfer in accordance with SLFRF guidelines and established County infrastructure investment priorities.