

# PL113-121: Water Resources Reform and Development Act of 2014

Title V – Water Infrastructure Financing:

- Clean Water State Revolving Fund
- Water Infrastructure Finance and Innovation Act



# Clean Water SRF Revisions

- Revised Three Sections:
  - §601 - General authority for capitalization grants
  - §602(b) – Capitalization grant agreements
  - §603 - Water pollution control revolving funds
- Added New §608 – Requirements (Buy American)
- Report on the Allotment of Funds

# §601- General authority

- Broadens general purpose and authority of SRF program to:

*“to accomplish the objectives, goals, and policies of this [Clean Water Act] by providing assistance for projects and activities identified in §603(c).”*

## §602(b) – Capitalization grant agreements

- Two items of note
  - Beginning FY16: Recipients certify that they have studied cost and effectiveness of processes, materials, techniques and technologies; and selected project/activity that maximizes potential for water/energy efficiency, reuse and conservation goals
  - Architectural and engineering service contracts must comply with federal qualifications-based contracting standards as established by Title 40 USC chapter 11

## §603 - Water pollution control revolving funds

- Expands list of eligible activities
- Extends loan repayment terms to 30 years
- Fiscal Sustainability Plans – new requirement
- Codifies additional subsidization

# §603 – List of Eligible Activities

- Itemized list specifying broad array eligible activities including UOTF-related activities such as water reuse and efficiency and energy conservation
- §122 – Watershed pilot projects (revised)
  - Green infrastructure
  - Integrated Water Resource Plans
  - Resiliency projects
  - Partnerships with non-points sources
- Land acquisitions by POTWs (§212 revised)

# Fiscal Sustainability Plans

- SRF recipients must develop (or certify) FSP that includes:
  - Inventory of critical assets
  - Evaluation of asset conditions
  - Water and energy conservation efforts are part of plan
  - Maintaining, repairing, replacing treatment works

# §603 (i) – Additional Subsidization

- Codifies authority to provide negative interest loans or loan forgiveness (appropriations caveat, applies to FY14 money) for
  - Municipalities that meet State affordability criteria
  - Projects that address water efficiency, energy efficiency, stormwater mitigation; or
  - Projects that encourage sustainable project planning, design, construction



# §608 – Buy American

- Applies to iron and steel products
- EPA can waive requirement in cases where
  - Inconsistent with public interest
  - Products aren't produced in sufficient quantity
  - Cost will increase more than 25%

# State Allocation Formula

- EPA to report to Congress whether current State allocation formula
  - Addresses WQ needs of eligible States based on
    - State needs surveys
    - Any other information deemed appropriate
- Due by December 31, 2015

# Current Implementation Status

- Interim guidance issued August 1, 2014
  - NACWA/EPA meeting August 20
- Final guidance issued September 1, 2014
- State trainings in September
- Full implementation October 1, 2014



# Water Infrastructure Financing and Innovations Act (WIFIA)

- EPA administers program for drinking water and wastewater projects (ACOE for flood control)
- 5- year pilot program for direct loans/loan guarantees
- Projects costing \$20 million or more (\$5 m for smaller communities) and regionally significant
- Eligible entities include many different types of corporate entities and government agencies (including SRFs)

# WIFIA

- \$175 billion in total funding available over five years
- 51% match required
- Tax-exempt municipal bonds cannot be used for match
- SRF programs: Right of first refusal
- Buy American attaches

# WIFIA – Implementation Status

## EPA Listening Sessions:

- July 22, 2014 – Chicago, IL
- Dates TBD for
  - New York City, NY
  - Atlanta, GA
  - Dallas, TX
  - Los Angeles, CA
  - San Francisco, CA
  - Washington, DC