



Amendments to the Clean Water State Revolving Fund Program

Kelly Tucker and Emily Nicasio
WEF & NACWA Webinar
December 16, 2014

The Clean Water SRF

- The SRFs are federally capitalized, state-run water infrastructure banks
 - Provide billions annually
 - Offer low interest rates, flexible terms
 - Borrowers include municipalities, businesses, non-profits, and individuals
- Created in 1987 when Congress amended the Clean Water Act

WRRDA Amendments

- The Water Resources Reform and Development Act (WRRDA) was passed on June 10, 2014 and included several amendments to the CWSRF program
- 4 Regional and State workshops conducted in September 2014
- Initial Interpretive Guidance was issued on September 18, 2014

Highlights of WRRDA Amendments

- Eligibilities
- Additional Subsidization
- Fiscal Sustainability Plans
- Cost and Effectiveness
- A/E Procurement

Eligibilities

- The CWSRF now has 11 project eligibilities
 1. Publicly owned treatment works
 2. Nonpoint source projects
 3. Implementation of National Estuary Program CCMP
 4. Decentralized systems
 5. Stormwater projects
 6. Water conservation
 7. Watershed pilot projects
 8. Energy efficiency
 9. Water reuse projects
 10. Security measures at POTWs
 11. Technical assistance to small/medium POTWs

Additional Subsidization

- The CWSRF now has the permanent authority to provide additional subsidization
- There is no minimum amount of additional subsidization required
- The maximum percentage that may be provided ranges from 0% - 30%
- Additional subsidization may only be provided to a municipality or intermunicipal, interstate, or State agency for the following:
 - To benefit a municipality that meets the State's affordability criteria
 - To benefit individual ratepayers in the residential user rate class
 - To implement a process, material, technique, or technology that:
 - addresses water or energy efficiency goals
 - mitigates stormwater runoff, or
 - encourages sustainable project planning, design, and construction

Fiscal Sustainability Plans

- Projects involving the repair, replacement, or expansion of a publicly owned treatment works are now required to develop a fiscal sustainability plan (FSP)
 - Applies only to loans
 - Applies to new project applications received on or after October 1, 2014
- States will set deadlines and establish standards for FSP development to meet the statutory requirements:
 - an inventory of critical assets that are part of the treatment works
 - an evaluation of the condition and performance of inventories assets or asset groupings
 - a certification that the assistance recipient has evaluated and will be implementing water and energy conservation efforts as part of the plan
 - a plan for maintaining, repairing, and replacing the treatment works, and a plan for funding such activities

Cost and Effectiveness

- Assistance recipients must certify that they have
 - studied and evaluated the cost and effectiveness of the processes, materials, techniques, and technologies for carrying out the proposed project or activity
 - selected, to the maximum extent practicable, a project or activity that maximizes the potential for efficient water use, reuse, recapture, and conservation, and energy conservation, taking into account—
 - the cost of constructing the project or activity;
 - the cost of operating and maintaining the project or activity over the life of the project or activity; and
 - the cost of replacing the project or activity;

Cost and Effectiveness

- Applies to all project types
- Applies to the following public entities:
 - Municipality
 - Intermunicipal, interstate, or State agency
- Applies to applications received on or after October 1, 2015
- Guidance on this provision has not been finalized

A/E Procurement

- Qualifications-based selection procedures (40 USC 1101-1104) must be used to procure A/E services contracts funded with federal dollars
 - Applies to equivalency projects
 - Applies to new solicitations, significant contractual amendments, and contract renewals initiated on or after October 1, 2014
- An equivalent State requirement can substitute

A/E Procurement

- QBS procedure per 40 USC 1101-1104
 - Public announcement of the solicitation
 - Evaluation and ranking of qualifications statements based on established, publicly available criteria
 - Discussion with at least three firms to consider anticipated concepts and compare alternative methods for furnishing services
 - Selection of at least three firms considered to be the most highly qualified to provide the services required
 - Contract negotiation with the most highly qualified firm to determine compensation that is fair and reasonable

Other Changes

- Allows CWSRF loan terms up to 30 years or useful life, whichever is less
- Codifies Davis-Bacon provision
- Codifies American Iron and Steel provision

More Information

For State CWSRF program contact information, visit:

<http://www.epa.gov/owm/cwfinance/cwsrf/contacts.htm>

Questions?

Kelly Tucker

U.S. EPA

202-564-0608

tucker.kelly@epa.gov

Emily Nicasio

U.S. EPA

202-564-9920

nicasio.emily@epa.gov



Clean Water
State Revolving Fund