



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460

MAR 29 2010


OFFICE OF  
WATER

**MEMORANDUM**

SUBJECT: Award of Special Appropriations Act Project Grants Authorized by the Agency's  
FY 2010 Appropriations Act

FROM: James A. Hanlon, Director  
Office of Wastewater Management (4201M)

TO: Water Management Division Directors  
Regions I - X



**PURPOSE**

This memorandum provides information and guidelines on how the Environmental Protection Agency (EPA) will award and administer Special Appropriations Act Project (SAAP) grants identified in the State and Tribal Assistance Grants (STAG) account of the fiscal year (FY) 2010 Appropriations Act.

**BACKGROUND**

The EPA section of P. L. 111-88, the "Department of the Interior, Environment, and Related Agencies Appropriations Act, 2010," also referred to as the Agency's FY 2010 Appropriations Act, includes \$156,777,000 in the STAG account for 317 drinking water, wastewater and stormwater infrastructure and water quality protection projects. Also included in the STAG account, as a separate line item, is \$17,000,000 for the United States-Mexico Border Program. The Joint Explanatory Statement accompanying the FY 2010 Appropriations Act identifies two projects to be funded directly from the line item for the United States-Mexico Border Program: "From within the amount provided [for the Mexico Border program], \$2,500,000 is directed to the El Paso and Brownsville, TX projects as in prior years."<sup>1</sup> The FY 2010 Appropriations Act also contains a rescission of \$40,000,000 from the STAG and Superfund appropriations accounts. For the STAG component of the rescission, the conferees directed the Agency to use unobligated balances from prior year categorical and other grant programs. Unlike in previous

<sup>1</sup> "Section 444 of the General Provisions of the Agency's FY 2010 Appropriations Act incorporates by reference a list of Congressionally requested projects. The funding for El Paso and Brownsville is included in that list of projects.

years, the Agency may not include unobligated balances from prior year special project infrastructure grants as part of the rescission.<sup>2</sup>

The requirements governing the award of the special projects and programs are contained in the FY 2010 Appropriations Act and the Joint Explanatory Statement of the FY 2010 Appropriations Act – Department of the Interior, Environment, and Related Agencies Appropriations Act, 2010, the House Report (H.R. 2996). The specific requirements contained in these documents have been incorporated into this memorandum.

### **THREE PERCENT SET-ASIDE**

The Agency's FY 2001 Appropriations Act (P.L. 106-377) included a provision stating that the Administrator may use up to three percent of the amount appropriated for each earmark to fund State, Corps of Engineer or contractor support for the management and oversight of the special projects. This means that the set-aside monies cannot be used to pay for EPA staff or travel expenses. EPA issued a formal policy memorandum on September 27, 2001, that provides information and guidelines on how the Agency will implement the three percent set-aside provision.<sup>3</sup> EPA issued an additional formal policy memorandum, SAAP 06-02, on January 20, 2006, that amends the aforementioned memorandum (Attachment 5).

The three percent set-aside provision is a permanent statutory authority, which means it applies to all FY 2001 and later SAAPs including those listed in the STAG account of this year's Appropriations Act. However, the three percent set-aside provision does not apply to the United States-Mexico Border Program grants or any other funds in the STAG account.

### **PROJECTS**

The Joint Explanatory Statement accompanying the FY 2010 Appropriations Act identifies two projects funded from monies appropriated for the United States-Mexico Border Program. These two projects will be awarded and administered within the guidelines and provisions contained in this memorandum, unless otherwise noted herein.

Attachment 1 identifies the 317 earmarks listed in the STAG account and the two projects funded from monies appropriated for the United States-Mexico Border Program. Attachment 1 shows the original amount appropriated for each project, as well as the actual

---

<sup>2</sup>The conference report accompanying P.L. 111-88 reads “For the STAG component of the rescission, the conferees direct the Agency to use unobligated balances from prior year categorical and other grant programs. Unlike in previous years, the Agency is not to include as part of the rescission unobligated balances from prior year special project infrastructure grants. The conferees are concerned about the method by which the Agency has selected infrastructure grants as eligible for rescission and therefore will not allow the use of these types of funds for this specific rescission.”

<sup>3</sup>This document is available on the internet at [www.epa.gov/owm/mab/owm0318.pdf](http://www.epa.gov/owm/mab/owm0318.pdf).

amount available for grant award after the reduction due to the three percent set-aside provision.<sup>4</sup>

The SAAPs identified in Attachment 1 will be awarded and administered by the Regional Offices. The delegation of authority (1200 TN 516), issued on September 28, 2000 (Attachment 2), is listed in Chapter 1, Delegation Number 1-102, of EPA's Delegation Manual. This delegation of authority transferred the authority to award grants and cooperative agreements for funds included in the STAG account to the Assistant Administrator for Water and the Regional Administrators. Accordingly, the Regions and Headquarters have the necessary authority, effective the date of this memorandum, to award grants and cooperative agreements for the special projects and programs identified in the STAG account of the Agency's FY 2010 Appropriations Act.

### **COST-SHARE REQUIREMENT**

The FY 2010 Appropriations Act contains the following language:

\$156,777,000 shall be for making special project grants and technical corrections to prior-year grants for the construction of drinking water, wastewater and storm water infrastructure and for water quality protection in accordance with the terms and conditions specified for such grants in the joint explanatory statement of the managers accompanying this Act, and, for purposes of these grants, each grantee shall contribute not less than 45 percent of the cost of the project unless the grantee is approved for a waiver by the Agency

Though language from previous year appropriations requiring that waivers be based on financial capability issues was not included in the FY 2010 Appropriations Act or the Joint Explanatory Statement, the Agency will continue to implement the waiver provision in the same manner as previous years. Accordingly, our policy for the projects listed in Attachment 1 is that grant applicants will be expected to pay for 45 percent of the project costs unless there is specific language in the Explanatory Statement or Appropriations Act that specifies a different matching requirement or a waiver to the matching requirement is approved based on financial capability issues.

Furthermore, in those situations where the description in the Joint Explanatory Statement explicitly defines the scope of work of the project, the Federal share of the grant will be limited to 55 percent of the estimated cost for completing the scope of work described, regardless of the amount appropriated for the project, unless a waiver to the matching requirement is approved based on financial capability issues. This means, in some instances, that the grant amount will

---

<sup>4</sup> States that choose to perform the necessary construction oversight activities for the planning, design and building phases of a project at their own expense may request to have the three percent set-aside funds assigned to the respective grant recipients within their States. Headquarters will transfer the necessary funds to the Regions for this purpose after the formal review and approval of the State's request.

be less than the amount appropriated for the project and that some funds will not be obligated. The disposition of any such unobligated grant funds will be determined by Congress.

## **WAIVERS TO THE MATCHING REQUIREMENT**

In March 1997, EPA published *Combined Sewer Overflows -- Guidance for Financial Capability Assessment and Schedule Development*.<sup>5</sup> This financial guidance document includes a process for measuring the financial impact of current and proposed wastewater treatment facilities and drinking water facilities on the users of those facilities, and establishes a procedure for assessing financial capability. The process for assessing financial capability contained in that document was initially developed in the 1970's and has been extensively revised based on EPA's experience in the construction grants, State Revolving Fund (SRF), enforcement and water quality standards programs. The assessment process requires the calculation of a financial capability indicator. The Agency approves waivers in those cases where the financial capability indicator shows that the project would result in a high financial burden on the users of the facility.

Waivers to the 45 percent match requirement must be approved by EPA Headquarters. All requests for an exception should be prepared by the EPA Regional Offices using information provided by the grant applicant. The request must include the information contained in Chapters III and IV of the Financial Capability Assessment guidance document.<sup>6</sup> The requests, including the necessary supporting documentation and appropriate background material, should be submitted to the Chief, State Revolving Fund Branch, (Mail Code 4204M), USEPA, 1200 Pennsylvania Avenue NW, Washington, D.C. 20460.

## **FEDERAL FUNDS AS A SOURCE OF MATCHING FUNDS**

Federal funds from other programs may be used as all or part of the match for the SAAPs only if the statute authorizing those programs specifically allows the funds to be used as a match for other Federal grants. Additionally, the other Federal programs must allow their appropriated funds to be used for the planning, design and/or construction of water, wastewater or groundwater infrastructure projects. Listed below are the major Federal programs whose grant or loan funds can be used to provide all or part of the match for the SAAPs:

- Department of Agriculture, Rural Development program
- Department of Housing and Urban Development, Community Development Block Grant program

---

<sup>5</sup>This document is available on the internet at [www.epa.gov/owm/pdfs/csofc.pdf](http://www.epa.gov/owm/pdfs/csofc.pdf).

<sup>6</sup> All of the financial data used to calculate the financial capability indicator must be indexed to the same year. The Bureau of Labor Statistics web site ([www.bls.gov/cpi/](http://www.bls.gov/cpi/)) contains an "Inflation Calculator" that will automatically perform this function.

- Appalachian Regional Commission grants

As previously stated, Federal funds may be used as all or part of the match for other Federal grant programs only if the authorizing legislation includes such authority. Since the FY 2010 Appropriations Act does not include such language, the SAAP grant funds cannot be used as a source of matching funds for other Federal programs.

## **LOANS FROM A STATE REVOLVING FUND AS A SOURCE OF MATCHING FUNDS**

The Agency provides funding for two separate State Revolving Fund (SRF) loan programs, the Clean Water State Revolving Fund (CWSRF) program and the Drinking Water State Revolving Fund (DWSRF) program. The Agency has taken actions that allow particular sources of funds from the two SRF programs to be used as a source of the local match. Specifically, the Agency issued the following two documents:

- A class deviation from the regulatory provisions of 40 CFR 35.3125(b)(1). The class deviation,<sup>7</sup> issued August 16, 2001, pertains to the CWSRF program.
- A policy memorandum designated as DWSRF 02-01. The policy memorandum,<sup>8</sup> issued October 10, 2001, pertains to the DWSRF program.

The class deviation and policy document listed above allow State SRF programs to use the non-Federal and non-State match share of SRF funds to provide loans that can be used as the match for the special projects. The non-Federal funds include repayments, interest earnings and bond proceeds. The non-State match share (i.e., the overmatch) is any State contribution to the SRF above the statutorily required 20 percent match.

The use of a loan from an SRF to provide part of or the entire match for a SAAP is a State SRF program agency decision. However, the action must be consistent with established State policy, guidelines and procedures governing the use of SRF loans. Projects that receive SRF assistance must also adhere to Federal CWSRF or DWSRF program requirements relating to eligibility and prioritization.

## **PRE-AWARD COSTS**

The Office of Grants and Debarment (OGD) issued a policy memorandum (GPI 00-02) on March 30, 2000, that applies to all grants, including SAAPs awarded on or after April 1,

---

<sup>7</sup>This document is available on the internet at [www.epa.gov/owm/mab/owm0324.pdf](http://www.epa.gov/owm/mab/owm0324.pdf).

<sup>8</sup>This document is available on the internet at [www.epa.gov/owm/mab/owm0325.pdf](http://www.epa.gov/owm/mab/owm0325.pdf).

2000. Additionally, a clarification to the policy memorandum (GPI 00-02(a)) was issued by OGD on May 3, 2000. The two memoranda revised the Agency's interpretation of a provision contained in the general grant regulations at 40 CFR 31.23(a) concerning the approval of pre-award costs.

In essence, the OGD memoranda state that:

- Recipients may incur pre-award costs [up to] 90 calendar days prior to the award date provided they include such costs in their application, the costs meet the definition of pre-award costs and are approved by the EPA Project Officer and EPA Award Official.
- The award official can approve pre-award costs incurred more than 90 calendar days prior to the grant award date, in appropriate circumstances, if the pre-award costs are in conformance with the requirements set forth in 2 CFR 225 (supersedes OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments) and with applicable Agency regulations, policies and guidelines.

The OGD memoranda state that the award official can approve pre-award costs incurred prior to grant award in appropriate situations if the approval of the pre-award costs is consistent with the intent of the requirements for pre-award costs set forth in 2 CFR 225 and are in conformance with Agency regulations, policies and guidelines. If otherwise consistent with the coverage of pre-award costs set forth in 2 CFR 225, Appendix B, the following two situations may meet these requirements:

- Any allowable costs incurred *after* the start of the fiscal year for which the funds were appropriated but before grant award (*for FY 2010 projects, this date is October 1, 2009*).
- Allowable facilities planning and design costs associated with the construction portions of the project included in the grant that were incurred *before* the start of the fiscal year for which the funds were appropriated (*for FY 2010 projects, this date is October 1, 2009*), but only to the extent the costs conform with the requirements in 2 CFR 225.

Appendix B for 2 CFR 225 states that "Pre-award costs are those incurred prior to the effective date of the award directly pursuant to the negotiation and in anticipation of the award where such costs are necessary to comply with the proposed delivery schedule or period of performance. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the award and only with the written approval of the awarding agency." Accordingly, effective April 1, 2000, the Regions have the authority to approve pre-award costs for the two situations described above, but only to the extent that the costs conform with the

requirements in 2 CFR 225. Any approval, of course, is contingent on the Regional Office determination that the pre-award costs in question are in conformance with the applicable Federal laws, regulations and Executive Orders that govern EPA grant awards and are allowable, reasonable and allocable to the project.

The Regions may not approve any pre-award costs for SAAPs, other than those that involve the two situations discussed above, without written approval from Headquarters. The request, with sufficient supporting documentation, should be submitted to the Chief, State Revolving Fund Branch, (Mail Code 4204M), USEPA, 1200 Pennsylvania Avenue NW, Washington, D.C. 20460. The State Revolving Fund Branch will consult, in appropriate circumstances, with the National Policy, Training and Compliance Division (NPTCD) within OGD and the Office of General Counsel.

## **LAWS, REGULATIONS AND REQUIREMENTS**

A listing of the Federal Laws and Executive Orders that apply to all EPA grants, including the projects authorized by the Agency's FY 2010 Appropriations Act, is contained in Attachment 3. Some of the authorities only apply to grants that include construction, e.g., Executive Order 13202. A more detailed description of the Federal laws, Executive Orders, OMB Circulars and implementing regulations pertaining to EPA grants is available through the OGD Grants Intranet website at <http://intranet.epa.gov/ogd/>, or through the OGD Grants Internet website at <http://www.epa.gov/ogd/>.

The regulations at 40 CFR Part 31 apply to grants and cooperative agreements awarded to State and local (including tribal) governments. The regulations at 40 CFR Part 30 apply to grants with non-profit organizations and with non-governmental for-profit entities. In appropriate circumstances, such as grants for demonstration projects, the research and demonstration grant regulations at 40 CFR Part 40 can be used to supplement either 40 CFR Part 30 or Part 31.

The Agency issued a memorandum<sup>9</sup> on January 3, 1995 concerning the application of 40 CFR Part 29 (Intergovernmental Review) to the special projects authorized by the Agency's FY 1995 Appropriations Act. That memorandum also applies to the special projects authorized by the Agency's FY 2010 Appropriations Act.

The Davis-Bacon Act does not apply to SAAP grants awarded under the authority of the Agency's FY 2010 Appropriations Act because the Appropriations Act does not include language that positively asserts such authority. The Agency issued a memorandum on November 30, 2009 concerning the application of Davis-Bacon Act wage requirements to FY

---

<sup>9</sup>This document is available on the internet at [www.epa.gov/owm/mab/owm0326.pdf](http://www.epa.gov/owm/mab/owm0326.pdf)

2010 SRF assistance agreements.<sup>10</sup> If Clean Water or Drinking Water SRF funds are used to provide the 45 % match for a FY 2010 SAAP grant, and if the SRF loan agreement was executed on or after October 30, 2009 and prior to October 1, 2010, the entire project is subject to Davis-Bacon Act requirements.

## **SPECIFIC ENVIRONMENTAL REQUIREMENTS**

The National Environmental Policy Act (NEPA) and other relevant applicable statutes and Executive Orders, such as the Endangered Species Act (ESA), apply to the SAAPs and programs in the STAG account authorized by the Agency's FY 2010 Appropriations Act. The applicable NEPA regulations are the Council of Environmental Quality's implementing regulations at 40 CFR Parts 1500-1508 and EPA's NEPA regulations at 40 CFR Part 6.

EPA revised the regulations that implement NEPA on October 19, 2007. These regulations replace all previous guidance and memoranda. In accordance with EPA's revised NEPA regulations, EPA must complete the NEPA process before a grant award for construction. It should be noted that NEPA and other cross-cutting Federal requirements that apply to the major Federal action (i.e., the approval and/or funding of work beyond the conceptual design point) cannot be delegated. Although EPA may fund the grantee or state/tribal development of an Environmental Information Document (EID) or other analysis for cross cutting authorities or executive orders in order to provide supporting information, EPA has the legal obligation to make the NEPA related decision to issue the NEPA documents, to sign NEPA determinations, and to fulfill other cross-cutting Federal requirements before approving or paying for design and/or construction. Therefore, EPA grant funds cannot be used to prepare a federal document, such as an Environmental Assessment (EA) or Environmental Impact Statement (EIS). In April 2008, EPA issued a handbook entitled *Environmental Review Guide for Special Appropriation Grants* to help grantees develop an EID. This handbook, as well as an online training course, can be found on EPA's webpage at <http://www.epa.gov/compliance/nepa/epacompliance/saaptraining/index.html>.

When both EPA and another Federal agency are funding the same project, the agencies may negotiate an agreement for one to be the lead agency for performing grant oversight and management activities, including those related to NEPA and other cross-cutting Federal requirements. The lead agency can be the one which is providing the most funds for the project, or the agency that provided the initial funds for the project. If an EIS is required, EPA should be a co-lead or cooperating agency so that it can adopt the EIS without re-circulating the document. If the project requires an EA, EPA may adopt the other agency's EA and use it as a basis for its Finding of No Significant Impact (FONSI), provided EPA has independently reviewed the EA and agrees with the analysis and circulates the FONSI and attached EA for the requisite 30 day comment period. Note that EPA may not use a Categorical Exclusion (CE) of another Federal agency unless EPA's regulations at 40 CFR Part 6 also provide for the CE.

---

<sup>10</sup>This document is available on the internet at [www.epa.gov/owm/cwfinance/cwsrf/davis\\_bacon.pdf](http://www.epa.gov/owm/cwfinance/cwsrf/davis_bacon.pdf)



## **OPERATING GUIDELINES**

The authority for awarding grants for the SAAPs listed in Attachment 1 is P. L. 111-88, the “Department of the Interior, Environment and Related Agencies Appropriations Act, 2010.” The Catalog of Federal Domestic Assistance (CFDA) number for the SAAPs is 66.202 "Congressionally Mandated Projects." The Object Class Code (budget and accounting information) for the SAAPs is 41.92. Applicants should use Standard Form 424 (OMB Number: 4040-0004) to apply for the grants.

### Grants Involving Geospatial Information

In accordance with OMB Circular A-16 and the One-Stop Geospatial E-gov Initiative, Program Offices must indicate in the funding recommendation for a proposed assistance agreement if the grant involves or relates to the creation, collection or analysis of geospatial information. Geospatial information includes information that identifies the geographic location and characteristics of natural or constructed features or boundaries on the Earth, or applications tools, and hardware associated with the generation, maintenance, or distribution of such information. The information may be derived from, among other things, Global Positioning Systems (GPS), remote sensing, mapping, charting, and surveying technologies, or statistical data.

### Grants to Non-Profit Organizations

Funds appropriated under the STAG account can, if the situation warrants, be used for grants to non-profit organizations. However, grants cannot be awarded to a non-profit organization classified by the Internal Revenue Service as a 501(c)(4) organization unless that organization certifies that it will not engage in lobbying activities, even with their own funds (see Section 18 of the Lobbying Disclosure Act, 2 U.S.C.A § 1611). The rationale for any award to a non-profit organization should be clearly explained, suitably documented, and included in the project file.

Additionally, EPA Order 5700.8, “Assessing Capabilities of Non-Profit Applicants for Managing Assistance Awards<sup>11</sup>,” requires programmatic and administrative capability determinations be made for each monetary action for a non-profit recipient. Further, if the award is for more than \$200,000 in federal funds, the applicant may be required to complete an “EPA Administrative Capability Questionnaire” and submit supporting documentation demonstrating sufficient administrative capability to successfully manage the agreement. The inability to successfully demonstrate either programmatic or administrative capability under the Order may result in the Agency not making an award.

---

<sup>11</sup> The Order may be found on the EPA Intranet at: [http://intranet.epa.gov/ogd/policy/order/5700\\_8.pdf](http://intranet.epa.gov/ogd/policy/order/5700_8.pdf). The order is also available at [www.epa.gov/ogd/grants/award/5700\\_8.pdf](http://www.epa.gov/ogd/grants/award/5700_8.pdf).

### Grants to Private For-Profit Entities

Funds appropriated under the STAG account may be used for grants to private for-profit entities, such as a privately owned drinking water company, when the language contained in the Conference Report clearly indicates that intention. The specific requirements for awarding a grant to a private for-profit entity will be addressed in a policy memorandum in the future, if necessary.

### Grant Recipient

The intended recipient of the grant funds listed in Attachment 1 can, in the appropriate circumstances, refer to any of the following: a governmental or non-profit entity, a nongovernmental for-profit entity, the geographical area where the project will be located, the geographical area that will benefit from the project, or the name of the project. For example, if the earmark designation is a county, the funds could, in certain circumstances and with the consent of the county, be awarded to a governmental entity or entities within the county. In any such situation, the intended recipients, and the amount each is to receive, should be confirmed by the sponsoring congressperson(s) or senator(s). In the event that technical corrections are necessary, earmark recipients must work with their congressional delegations/sponsors to make the necessary changes in subsequent appropriations.

### Ownership Requirements

With the exception of small, on-site/decentralized wastewater treatment systems, which are discussed later in this section, only water infrastructure facilities that are or will be owned by the grant or subgrant recipient are eligible for grant funding. This means that house laterals (the sewer line from the collection system to the house) and drinking water service lines (the line from the drinking water distribution system to the house) must be owned by the grantee or subgrantee in order for these facilities to be eligible for grant funding. The ownership requirement applies to new construction, as well as the rehabilitation of existing facilities, and to infiltration/inflow correction associated with existing sewer lines, including house laterals. The grantee or subgrantee can have ownership by either fee simple title, by the issuance of an enforceable easement with right of access, or other suitable authority such as an ordinance assuring right of access for such purposes as inspection, monitoring, building, operation, rehabilitation and replacement. Since the grantee or subgrantee has ownership of these facilities, the grantee or subgrantee would be responsible for the operations and maintenance of those facilities for the life of those facilities. Additionally, the grantee or subgrantee could not transfer ownership of the facilities to any entity without written approval from EPA.

In rare situations where a grant or subgrant is awarded to a governmental or non-profit entity that does not have the legal authority to own or operate water infrastructure facilities, and

the grant includes the construction or acquisition of infrastructure facilities, that entity can transfer ownership of the grant funded infrastructure facilities with the approval of EPA. In all cases, the receiving entity must have the managerial and legal capability to assume all of the relevant responsibilities associated with the ownership of an EPA grant funded infrastructure facility, including any special conditions contained in the original grant agreement. Generally, EPA's approval to transfer ownership should be incorporated into the grant award document in the form of a special term and condition.

### On-Site Systems

For small, privately-owned, on-site/decentralized wastewater treatment systems, such as a septic system or individual drinking water wells, an eligible applicant may apply for a grant to build or renovate these privately-owned systems. In such cases the applicant must:

- demonstrate that the total cost and environmental impact of building the decentralized system will be less than the cost of a conventional system
- certify that ownership by a public entity or a suitable non-profit organization (such as a home owners' association or cooperative) is not feasible and list the reasons
- certify that the treatment facilities will be properly operated and maintained for the life of the facilities
- provide assurance of access to the systems at all reasonable times for such purposes as inspection, monitoring, building, operation, rehabilitation and replacement

### Intermunicipal Projects and Service Agreements

Although a SAAP grant may be awarded to one entity, the successful operations of the grant funded project may depend on the support and cooperation of other entities, municipalities, or utility districts. This is especially evident when one entity is providing wastewater treatment services or supplying drinking water to another entity. Accordingly, for projects involving interactions between two or more entities, the applicant should provide assurances that the grant funded project will function as intended for its expected life. Adequate assurance may be met through the creation of special service districts, regionalization of systems, or intermunicipal service agreements.

Special service districts and regionalization of systems are considered to be obligations in perpetuity to serve the customers of the newly created authority and automatically meet the expected lifetime requirements. The intermunicipal service agreement or contract is a legal document for cooperative ventures between separate entities, both of which wish to continue functioning with a large degree of independent control in their respective service areas. Such

agreements will need to extend for a minimum number of years for an EPA funded project to be considered viable. For the purposes of SAAPs, EPA will accept the following contract lifetimes as meeting the minimum standard<sup>12</sup>:

<b>SAAP Contract Lifetimes</b>	
<b>Item</b>	<b>Life (years)</b>
Land	Permanent
Wastewater/Water Conveyance Structures: collection systems, pipes, interceptors, force mains, tunnels, distribution lines, etc.	40
Other Structures: plant buildings, concrete tankage, basins, lift stations and pump station structures, inlet structures, etc.	30
Wastewater and Drinking Water Process Equipment	15
Auxiliary Equipment	10

A shorter time frame may be accepted if suitably justified and approved by EPA. Additionally, should a SAAP project include more than one of these components at a facility, the minimum number of years will be the higher of the component lifetimes.

#### Non-Construction Costs

The scope of work of a grant may include planning, design and administrative activities, and the cost of land. Land need not be an "integral part of the treatment process" as in the Clean Water Act Title II construction grant program. However, all elements included within the scope of work of the grant must conform to the requirements of 40 CFR Parts 30 or 31. This means, if planning, design and administrative activities are included in the grant, the procurement of those services and the contracts must comply with the applicable sections of Parts 30 or 31. If land is

<sup>12</sup>The anticipated useful life of the facility components is based on the low end of the assumed service life for items in EPA's Construction Grants Program and past experience with the award and administration of SAAPs.

included, there will be a Federal interest in the land regardless of when it was purchased and the purchase must be (must have been) in accordance with the applicable sections of Parts 30 or 31 and the Uniform Relocation Assistance and Real Property Acquisition regulations for Federal and Federally assisted programs at 49 CFR Part 24.

### Refinancing

Funds appropriated for the SAAPs may not be awarded solely to repay loans received from SRF Programs or other indebtedness unless there are explicit instructions to do so in the Appropriations Act or accompanying reports, or the facts of the case are such that this is the only way to award the funds that were appropriated for the project. Any request to use SAAP grant funds to repay a loan, in whole or in part, must be approved, in writing, by EPA Headquarters. The request, with sufficient supporting documentation, should be submitted to the Chief, State Revolving Fund Branch, (Mail Code 4204M), USEPA, 1200 Pennsylvania Avenue NW, Washington, D.C. 20460.

### Definitions

In the context of determining that the scope of work of the grant is in conformance with the project description contained in Attachment 1, the word ‘water’ can be considered to mean: drinking water, wastewater, storm water or combined sewer overflow. Furthermore, the words ‘and’ & ‘or’ as used in the project description are interchangeable. Additionally, the phrases ‘sewer project,’ ‘sewer improvements,’ ‘sewer upgrade,’ ‘sewer development,’ ‘sewer expansion,’ ‘sewer system,’ ‘plant project,’ ‘plant upgrade,’ or ‘plant expansion’ are considered broad enough to include all aspects of the upgrade, expansion and development of a complete wastewater treatment system as defined at 40 CFR 35.2005(12). Comparable phrases concerning the project descriptions for drinking water facilities should be similarly interpreted.

## **GRANTS MANAGEMENT: ENVIRONMENTAL RESULTS UNDER EPA ASSISTANCE AGREEMENTS**

EPA Order 5700.7<sup>13</sup>, ‘Environmental Results Under Assistance Agreements,’ applies to all funding packages/funding recommendations submitted to the Grants Management Offices after January 1, 2005. The Order requires EPA Program Offices to: 1) link proposed assistance agreements to the Agency’s Strategic Plan/Government Performance and Results Act (GPRA) architecture; 2) ensure that outputs and outcomes are appropriately addressed in assistance agreement work plans<sup>14</sup> and funding recommendations; and 3) ensure that progress in achieving

<sup>13</sup>The Order is available on the EPA intranet at <http://intranet.epa.gov/ogd/policy/order/5700.7.pdf>. The Order is also available at [www.epa.gov/ogd/grants/award/5700.7.pdf](http://www.epa.gov/ogd/grants/award/5700.7.pdf).

<sup>14</sup>For construction projects, output/outcome information can be typically found in a Facility Plan, Preliminary Engineering Report, or an Environmental Information Document but should be incorporated into the workplan as a narrative. Should these documents not exist at the time of grant application then the grantee should qualify and/or quantify outputs and outcomes in the workplan to the best extent possible.

agreed-upon outputs and outcomes is adequately addressed in recipient progress reports and advanced monitoring activities.

### The Strategic Plan/GPRA Architecture

EPA's *2006-2011 Strategic Plan*<sup>15</sup> sets out five long-term goals for the five-year period. Each of these five goals is supported by a series of objectives and sub-objectives that identify, as precisely as possible, what environmental outcomes or results the EPA seeks to achieve within a defined time frame using resources expected to be available. The objectives and sub-objectives established in EPA's Strategic Plan are part of the 'GPRA architecture' that is used to measure the EPA's progress in meeting its strategic goals.

Program offices must include in the funding package for a proposed assistance agreement a description of how the project fits within the EPA's Strategic Plan/GPRA architecture. In developing the aforementioned descriptions, a project officer must list all applicable EPA strategic goals and objectives and, where available, sub-objectives in the Strategic Plan/Program Results Code (PRC) crosswalk in the funding recommendation. The project officer must ensure that the PRC(s) listed on the commitment notice is consistent with the selected strategic goals, objectives and sub-objectives.

### Environmental Results: Outputs and Outcomes

The term 'output' means an environmental activity, effort, and/or associated work products related to an environmental goal or objective that will be produced or provided over a period of time or by a specified date. See EPA Order 5700.7. Outputs may be quantitative or qualitative but must be measurable during an assistance agreement funding period. Outputs reflect the products and services provided by the recipient, but do not, by themselves, measure the programmatic or environmental results of an assistance agreement. Examples of outputs for SAAPs are:

- Number of additional homes (or equivalents) provided adequate wastewater treatment (can be centralized or decentralized).
- Number of additional homes (or equivalents) provided safe drinking water.
- Percent improvement in infrastructure reliability and maintenance (e.g., collection and distribution system improvements, pump replacement, improvements at wastewater treatment or drinking water facilities plant, upgrade, expansion, integrity, reduction of infiltration/inflow, etc.).

---

<sup>15</sup>The Strategic Plan is available on the internet at [www.epa.gov/ocfo/plan/2006/entire\\_report.pdf](http://www.epa.gov/ocfo/plan/2006/entire_report.pdf).

- Capacity (MGD) of newly constructed wastewater treatment plant
- For expansion of an existing wastewater treatment plant, increase in capacity (MGD) of plant
- For upgrade of an existing wastewater treatment plant, new level of treatment provided
- Storage (MG) provided by newly constructed drinking water tank
- Storage (MG) provided by new reservoirs
- Feet of sewer lines replaced
- Feet of sewer lines extended
- Feet of water lines replaced
- Feet of water lines extended
- Wet weather improvements
- Environmental restoration improvements
- Enhanced security improvements to wastewater or drinking water facilities

The term “outcome” means the result, effect or consequence that will occur from carrying out an environmental program or activity that is related to an environmental or programmatic goal or objective. See EPA Order 5700.7. Outcomes may be environmental, behavioral, health-related or programmatic in nature, must be quantitative, and may not necessarily be achievable within an assistance agreement funding period. There are two major types of outcomes - end outcomes and intermediate outcomes. End outcomes are the desired end or ultimate results of a project or program. They represent results that lead to environmental/public health improvement. Intermediate outcomes are outcomes that are expected to lead to end outcomes but are not themselves ‘ends.’ Given that the end outcomes of an assistance agreement may not occur until after the assistance agreement funding period, intermediate outcomes realized during the funding period are an important way to measure progress in achieving end outcomes.

Program offices must include in the funding recommendation for a proposed assistance agreement an assurance that the program office has reviewed the assistance agreement work

plan<sup>16</sup> and that the work plan includes, or will include, well-defined outputs and, to the maximum extent practicable, well-defined outcomes.

The CWSRF program has finalized a ‘Benefits Assessment’ format for individual projects, see Attachment 4. This format can be used to measure ‘outcomes’ for the SAAPs. Accordingly, the Regions can include the information contained in Items 1, 2, 3 and 4 of Attachment 4 as a means for measuring and reporting outcomes.

#### Environmental Results: Review of Recipient Performance Reports

EPA Order 5700.7 also establishes requirements for program office review of construction and non-construction interim and final recipient performance reports for progress in achieving outputs and outcomes contained in assistance agreement work plans. Under 40 CFR Parts 30 and 31, EPA may require recipients to submit performance/progress reports as frequently as quarterly but no less frequently than annually. These regulations also require recipients to provide the EPA with an acceptable final performance report within 90 days of the project end date. While performance reports are one way for the EPA to obtain information on a recipient’s progress toward achievement of agreed-upon outputs and outcomes, program offices may also conduct mid-year and end-of-year reviews to evaluate recipient performance.

The review of recipient performance reports is largely the responsibility of the EPA project officer. The project officer must review interim<sup>17</sup> and final<sup>18</sup> performance reports to determine whether they adequately address the achievement of agreed-upon outputs/outcomes, including providing a satisfactory explanation for insufficient progress or a failure to meet planned accomplishments (when compared with the most recently approved project schedule and completion dates for project milestones). This review must be documented in the official project file. If a report does not adequately address the achievement of outputs/outcomes, the project officer should seek further explanation from the recipient and require appropriate corrective action.

Award officials must use the following special conditions in all assistance agreements requiring performance reports to provide a comparison of actual accomplishments to agreed-upon outputs/outcomes:

---

<sup>16</sup>See Footnote 13, supra.

<sup>17</sup>For construction projects, on-site technical inspections and certified percentage of construction data meet the interim reporting requirements, see 40 CFR 31.40(c).

<sup>18</sup>For construction projects, the final inspection report or other final performance report should include a comparison of the actual outcomes/outputs with those incorporated into the assistance agreement, see 40 CFR 31.40(b).



Required special conditions for assistance agreements to State and local governments:

*In accordance with 40 CFR. §31.40, the recipient agrees to submit performance reports that include brief information on each of the following areas: 1) a comparison of actual accomplishments to the outputs/outcomes established in the assistance agreement work plan for the period; 2) the reasons for slippage if established outputs/outcomes were not met by the agreed upon or scheduled date; and 3) additional pertinent information, including, when appropriate, analysis and information of cost overruns or high unit costs.*

*In accordance with 40 CFR. §31.40(d), the recipient agrees to inform EPA as soon as problems, delays or adverse conditions become known which will materially impair the ability to meet the outputs/outcomes specified in the assistance agreement work plan.*

Required special conditions for assistance agreements to institutions of higher education and other non-profit organizations:

*In accordance with 40 CFR §30.51(d), the recipient agrees to include in performance reports submitted under this agreement brief information on each of the following areas: 1) a comparison of actual accomplishments to the outputs/outcomes specified in the assistance agreement work plan and scheduled or established for the period; 2) reasons why anticipated outputs/outcomes were not met; and 3) other pertinent information, including, when appropriate, analysis and information of cost overruns or high unit costs.*

*In accordance with 40 CFR §30.51(f), the recipient agrees that it will notify EPA of problems, delays or adverse conditions which materially impair the ability to meet the outputs/outcomes or objectives of the award specified in the assistance agreement work plan and what corrective actions are being contemplated to resolve the situation.*

Environmental Results: Advanced Monitoring (On-Site Reviews or Desk Reviews)

EPA Order 5700.7 directs program offices, when conducting on-site reviews or desk reviews to include an assessment of the recipient's progress in achieving the outputs and outcomes set forth in the assistance agreement work plan.<sup>19</sup> If the assessment reveals significant problems in meeting agreed-upon outputs/outcomes, the project officer must require the recipient to develop and implement an appropriate corrective action plan and implementation schedule. The results of the assessment must be documented in the Grantee Compliance Database in a format determined by OGD's Director of the National Policy, Training and Compliance Division.

---

<sup>19</sup>See Footnote 13, supra.

## GRANTS MANAGEMENT: OTHER REQUIREMENTS

Grants awarded under the authority of an Appropriations Act are subject to assistance agreement regulations, OMB Cost Principles and Agency policies. The SAAP grants must be awarded and managed as any other assistance agreement. OGD has developed Orders, Grants Policy Issuances (GPIs), and grant guidance documents to assist project officers and Program Offices to understand and meet the requirements (available on the Grants Intranet website at <http://intranet.epa.gov/ogd/policy/policy.htm>). Several grant requirements are discussed in further detail below.

### Cost Review Requirements

A specific cost review checklist was developed for SAAPs, and is available on the OGD Grants Intranet website at [http://intranet.epa.gov/ogd/cost\\_review/main/index.htm](http://intranet.epa.gov/ogd/cost_review/main/index.htm) for project officer use. The checklist applies to all funding packages/funding recommendations submitted after October 1, 2007.

### Subaward Policy

OGD added a section to the Assistance Administration Manual 5700 outlining Agency policy on the award and management of subawards, "*Policy on Subawards Under Assistance Agreement*". The policy applies to subaward work under awards and supplemental amendments issued after May 15, 2007. The policy clarifies subrecipient eligibility, addresses subaward competition requirements, and provides guidance regarding the distinctions between procurement contracts and subawards. It also includes special considerations regarding subawards to 501(c)(4) and for-profit organizations, and subawards to foreign/international organizations or any entity performing work in a foreign country. The policy is primarily implemented through an administrative National Term and Condition for Subawards. The subaward policy can be found on the OGD Grants Intranet website at <http://intranet.epa.gov/ohr/rmpolicy/ads/updates.htm> (under Update 3).

### Post-Award Management: Baseline and Advanced Monitoring

EPA Order 5700.6A2, issued September 24, 2007, which went into effect on January 1, 2008,<sup>20</sup> streamlines post-award management of assistance agreements and helps ensure effective oversight of recipient performance and management. The Order encompasses both the administrative and programmatic aspects of the Agency's financial assistance programs. It requires each EPA program office providing assistance to develop and carry out a post-award monitoring plan, and conduct annual baseline monitoring or the equivalent, for every award. If during monitoring it is determined that there is reason to believe that the grantee has committed

---

<sup>20</sup>The Order is available on the EPA intranet at [http://intranet.epa.gov/OGD/policy/order/5700\\_6.pdf](http://intranet.epa.gov/OGD/policy/order/5700_6.pdf).

or commits fraud, waste and/or abuse, then the project officer must contact the Office of the Inspector General.

All baseline monitoring activities must be documented in the Integrated Grants Management System (IGMS) Post-Award Database. OGD has agreed that the semi-annual or annual inspection for a SAAP project is equivalent to a baseline monitoring activity. Project officers must indicate in the Post-Award Database that a semi-annual or annual inspection has been completed for the SAAP project by checking the box for SRF/SAAPs under the Alternatives Completed in Lieu of Baseline Monitoring section and attaching the relevant documentation. Advanced monitoring activities must be documented in the official grant file and in the Grantee Compliance Database. The EPA Order applies to the projects identified in Attachment 1.

In addition to the general requirements contained in the EPA Order, the following types of activities, which are directly related to construction projects, should be considered in the development of a post-award monitoring plan:

- Review periodic payment requests
- Identify erroneous payments
- Compare completion percentages and milestones with the approved project schedule.
- Compare actual costs incurred with the approved project budget
- Conduct interim inspections
- Review change orders and claims
- Review and approve final payment requests
- Determine that the project is capable of meeting the objectives for which it was planned, designed and built and is operational

Many of these activities can be performed by a State, the Corps of Engineers or a contractor, and as such, are eligible for funding under the three percent set-aside provision. ). Inspections should be performed in sufficient frequency by the State, Corps of Engineers, or contractor to provide adequate oversight of the project. The goal is to inspect projects once a year during the construction phase of the project.

## **PROJECT OFFICER RESPONSIBILITIES**

A directive in the Assistance Administration Manual 5700 outlines roles and responsibilities for all EPA staff with grants management responsibilities and is available on the OGD Grants Intranet website at <http://intranet.epa.gov/OGD/policy/11.0-Roles-Topics.htm>.

The project officers must review the grant application to determine that:

- The scope of work of the grant is clearly defined
- The scope of work is in conformance with the project description
- Project schedule and milestones are addressed
- There is a clearly stated environmental or public health objective
- There is a narrative description of anticipated outputs and outcomes
- The applicant has the programmatic capability to successfully manage the project
- It is expected that the project will achieve its objective(s)
- The costs are necessary, reasonable, and allocable to the project

Grant applications should be processed in a timely manner, but the applications should be carefully reviewed and the grant awarded only when it is prudent to do so. Additionally, the Regions may impose reasonable requirements through grant conditions in those situations considered necessary.

On September 15, 2009, OGD issued “Managers’ Guidance for Assessing Grants Management and the Management of Interagency Agreements under the Performance Appraisal and Recognition System (PARS)” (<http://intranet.epa.gov/policy/pars/index.htm>). OGD issued the guidance for consideration in assessing grants project officer and supervisor/manager compliance with key grants management policies under the 2009 PARS process and in developing 2010 PARS performance agreements. In addition, OGD provided a two-page Manager's Guide to facilitate discussions with project officers while reviewing their grants management performance under PARS (Attachment C to the September 15, 2009 memorandum

## **PROJECT MANAGEMENT RESOURCES**

State agencies should be invited to participate as much as possible in the pre-application, application review, and grant administration process.

Legislative language in the Agency's FY 1997 Appropriations Act authorized the use of Title II obligations for State administration of wastewater SAAPs and construction grant projects. The guidance document on the implementation of this provision was issued by the Director, Municipal Support Division, on December 3, 1996.<sup>21</sup> This provision does not apply to the United States-Mexico Border Program grants or any other funds in the STAG account.

States may also use funds awarded under Section 106 of the Clean Water Act (P. L. 92-500) for activities associated with these special projects provided Section 106 program officials agree and the activities are included in the Section 106 approved workplan.

The Agency's FY 2001 Appropriations Act states that "the Administrator may use up to 3 percent of the amount of each project appropriated to administer the management and oversight of construction of such projects through contracts, allocation to the Army Corps of Engineers, or grants to States." Regardless of the means used to administer the management and oversight of project construction, EPA is ultimately responsible for the project grant and must provide oversight of the project management resource used (contractor, Corps of Engineers, or State). For contractors and the Corps of Engineers, EPA personnel will have direct involvement and oversight of these resources. In the case of States receiving three percent set-aside grants, the EPA Regional Office should conduct annual State visits to monitor overall management and oversight of project grants. A discussion of the three percent set-aside provision is contained on page two of this memorandum.

## **VOLUNTARY ENVIRONMENTAL INITIATIVES**

The following sections describe various Agency initiatives targeting the water infrastructure sector, both drinking water and wastewater, and may be applicable to certain water quality management activities. Since SAAPs are typically water infrastructure and water quality protection projects, these initiatives are listed here to inform SAAP grant recipients of their purpose in addressing key water infrastructure and quality issues. Incorporating these initiatives into SAAPs is strictly voluntary but should be considered where possible in order to produce better outputs and more effective environmental results.

The voluntary environmental initiatives discussed below are eligible for funding with SAAP funds only if the specific voluntary initiative activity selected by the recipient falls within the scope of the project as defined by Congress. Applicants that are interested in including one or more of the voluntary initiative activities in their workplan should discuss the matter with their regional project officer to determine the eligibility of the activity.

---

<sup>21</sup>This document is available on the internet at [www.epa.gov/owm/mab/owm0328.pdf](http://www.epa.gov/owm/mab/owm0328.pdf).

## Sustainable Water Infrastructure

As the country's water infrastructure ages, we are facing a looming crisis in replacing and maintaining the systems that protect the quality of our drinking water and our streams. Deferred maintenance, crumbling systems and a gap between revenues and long term costs are presenting an increasing challenge to the utilities and communities that provide us safe and clean water. As a result, EPA has been pursuing a Sustainable Water Infrastructure Initiative in an attempt to raise the visibility of the challenges and to affect a change towards more sustainable practices.

In May 2007, EPA and six national water and wastewater associations signed an agreement to jointly promote effective utility management based on a series of *10 Attributes of Effectively Managed Utilities and other Keys to Management Success*. For the first time, this Agreement provides utilities with a common management framework to evaluate and pursue management improvements in all facets of utility operations. Since signing the Agreement, EPA and the Associations have developed a suite of tools to help utilities as they move towards ever more sustainable practices. These include 1) a Primer to help utilities better understand the Attributes and set their priorities – as well as an on-line, interactive tool based on the Primer, 2) a series of suggested utility-specific performance measures linked to the Attributes and Keys to Management Success, 3) an electronic resource “toolbox” that provide utilities with easy access to various guides and other resources linked to the Attributes, and 4) a set of case studies illustrating some of the successes that utilities have had through embracing Effective Utility Management. These implementation tools can be found at <http://www.epa.gov/waterinfrastructure/watereum.html>.

In accordance with the framework provided by Effective Utility Management, several specific areas and approaches that utilities have found useful in the move to greater sustainability are outlined below. EPA strongly encourages that the principles and approaches outlined here be considered by those receiving special appropriations for water, wastewater, stormwater, or water quality protection projects. Doing so will not only help utilities in the long run, but in many cases actually reduce costs in the short term.

## Environmental Management Systems

An Environmental Management System (“EMS”) is a comprehensive approach for identifying, monitoring, and managing activities that have potential environmental impacts. An EMS provides structure and consistency for overseeing daily activities that shift the environmental focus from reactive to proactive and from focusing exclusively on regulatory compliance to focusing on continual environmental performance in all operations.

The implementation of an EMS at water and wastewater utilities can result in increased efficiency, reduced costs and greater operational consistency; improved ability to meet

environmental compliance requirements; improved succession planning; and better relationships with regulators.

Working with utilities that have successfully implemented an EMS, EPA has developed a number of state-of-the-art tools and guidance to help water and wastewater utilities as they launch an EMS or strive to improve an existing EMS. These tools are available free of charge at [www.peercenter.net](http://www.peercenter.net). The tools include:

- On-line EMS Tutorial for Wastewater Utilities
- Energy Management Guidebook
- Environmental Management Systems and Asset Management Pamphlet
- On-line Toolkit for Wastewater Utilities

A similar implementation guide for water utilities, *Environmental Management Systems: A Tool to Help Water Utilities Manage More Effectively*, is available at [www.waterresearchfoundation.org](http://www.waterresearchfoundation.org).

### Asset Management

Asset management (“AM”) processes help utilities inventory the condition, age, service history and estimated useful life of each asset - and then prioritize assets based on criteria that include: remaining useful life; criticality of the asset; failure probability; cost; actual or potential risk to public health or environment; customer demands and improved operations.

During initial AM implementation, the data and information collected helps build asset management plans that document preventive maintenance schedules, data collection instructions, operational controls and work instructions, performance monitoring requirements, quality control processes, necessary funding reserves for rehabilitation/replacement, etc.

The five major steps of developing an asset management system are based on answering the following questions:

- 1) What is the current state of my assets?
- 2) What is my required level of service?
- 3) Which assets are critical to sustained performance?
- 4) What are my best O&M and capital improvement strategies?

### 5) What is my best long term funding strategy?<sup>22</sup>

Through preventative maintenance and prioritization of rehabilitation and replacement, Asset Management can improve the efficiency of operations and reduce the long term costs of providing service. The following links will provide additional information on the subject of Asset Management:

EPA's Asset Management web site

<http://www.epa.gov/owm/assetmanage/index.htm>

Asset Management: A Handbook for Small Water Systems

[http://www.epa.gov/safewater/smallsystems/pdfs/guide\\_smallsystems\\_asset\\_mgmt.pdf](http://www.epa.gov/safewater/smallsystems/pdfs/guide_smallsystems_asset_mgmt.pdf)

### Water Efficiency

Water Efficiency can make infrastructure systems more sustainable by reducing the quantity of water treated and distributed through water and wastewater systems. Water withdrawn from the environment for human use must be used wisely and effectively, and successfully perform its intended function while using only a minimum amount of water. EPA is promoting the improvement of water use practices to increase efficiency, eliminate waste, and conserve water resources, resulting in a decreased burden on our infrastructure.

The WaterSense program, <http://www.epa.gov/watersense>, works to enhance the market for water efficient products by labeling those products which perform as well as their less efficient counterparts. Promoting water efficiency in communities is important to long term sustainability.

Also, a tremendous amount of drinking water is lost from aging and leaky distribution pipes. By addressing water loss from a distribution system, utilities can reduce the burden on our treatment systems and recover the cost of more of the clean water that they provide.

### Watershed Approaches to Infrastructure

There are a variety of watershed-based approaches to infrastructure management which

---

<sup>22</sup> Pricing is an issue related to asset management. When measured as percentage of household income, the U.S. pays less for water/wastewater bills than other developed countries. Because of this, the public has been led to believe that water is readily available and cheap. Thinking in this area needs to shift to meet our essential infrastructure needs. Prices should be appropriately structured to operate, maintain, and replace infrastructure assets as needed, with appropriate considerations for disadvantaged communities.

EPA has brought together information and tools on water and wastewater pricing which can be found at <http://www.epa.gov/waterinfrastructure/pricing/index.htm>.

The Environmental Finance Center at Boise State, Idaho also provides free "Rate Check Up" software which may be useful. <http://efc.boisestate.edu/efc/Tools/UtilityRateDesignwithRATECheckup/tabid/85/Default.aspx>.



can achieve cost efficiency while producing the same or better water quality results, as well as ancillary benefits. To move towards a sustainable future, utilities will need to look beyond their 'fence lines' and traditional approaches to adopt practices that will help move their systems toward being managed in a sustainable manner while ensuring protection of water quality.

For example, the use of Green Infrastructure to manage wet weather employs site-specific best management practices (BMPs) that are designed to maintain natural hydrologic functions by absorbing and infiltrating precipitation where it falls. Examples include rain gardens, swales, porous pavements, and green roofs. Green Infrastructure can reduce our reliance on traditional stormwater structures (i.e. pipes, channels, and treatment plants) that are increasingly expensive to build, operate and maintain. In addition, green infrastructure has numerous other benefits such as the protection of surface water quality and drinking water supplies, mitigation of urban heat islands effects, reductions in energy demand (and resulting mitigation of greenhouse gas emissions), and the protection of highly valued natural habitats, forests, and agricultural lands. More information can be found at [http://cfpub.epa.gov/npdes/home.cfm?program\\_id=298](http://cfpub.epa.gov/npdes/home.cfm?program_id=298).

Source Water Protection is another watershed approach that can reduce the need for or burden on water infrastructure. Protecting drinking water sources usually requires the combined efforts of many partners in a watershed, such as public water systems, communities, resource managers and the public. Information on source water protection can be found at <http://cfpub.epa.gov/safewater/sourcewater>.

Additional details on the Sustainable Infrastructure Initiative can be found at [www.epa.gov/waterinfrastructure](http://www.epa.gov/waterinfrastructure).

## **PROJECT SPECIFIC GUIDELINES**

The Appropriations Act and Conference Report contain a number of provisions related to individual projects. The following discussion describes the Agency's interpretation and planned implementation of these provisions.

### Insular Territories Projects

Earmark Number 75 in the Agency's FY 2010 Appropriations Act provides \$600,000 to the Guam Waterworks Authority for wastewater infrastructure improvements. The Omnibus Territories Act of 1977 (P.L. 95-134) authorizes Departments and Agencies to award grants to Insular Territories, such as Guam, without a matching requirement. Historically, EPA has exercised this discretionary authority and awarded funds to the Insular Territories without any matching requirement. The Agency intends to continue this practice. Accordingly, the FY 2010 funds earmarked for Guam can be awarded without a matching requirement.

## **REVISION OF LANGUAGE CONTAINED IN PREVIOUS APPROPRIATIONS**

The Agency's FY 2010 Appropriations Act amended the following STAG earmarks:

The designated recipient for Earmark Number 9 (FY 2002) was changed from the "Southeast Alabama Regional Water Authority" to the "City of Thomasville," Alabama.

The designated recipient for Earmark Number 20 (FY 2002) was changed from the "Alabama Regional Water Authority" to the "City of Thomasville," Alabama.

The designated recipient for Earmark Number 20 (FY 2003) was changed from the "Southwest Alabama Regional Water Authority" to the "City of Thomasville," Alabama.

The designated recipient for Earmark Number 31 (FY 2004) was changed from the "Southwest Alabama Regional Water Supply District" to the "City of Thomasville," Alabama.

Earmark Number 30 (FY 2004) was changed from "\$2,000,000 to the Tom Bevill Reservoir Management Area for construction of a drinking water reservoir" to "\$2,000,000 to Fayette County", Alabama, for "water system upgrades."

The designated recipient for Earmark Number 44 (FY 2009) was changed from the "San Bernardino Municipal Water District" to the "San Bernardino Municipal Water Department."

Earmark Number 95 (FY 2009) was changed from "\$300,000 to the Village of Crestwood, Illinois for water storage improvements" to "\$300,000 to the City of Quincy", Illinois, for "drinking water system improvements."

Earmark Number 96 (FY 2008) was changed from "\$300,000 to the City of Prescott," Kansas, for a "wastewater treatment plant construction" to "\$170,800 to the City of Prescott," Kansas for a "wastewater treatment plant construction" and "\$129,200 to the City of Wichita," Kansas for a "stormwater technology pilot project."

The project description for Earmark Number 108 (FY 2009) to the City of Manhattan, Kansas was changed to "water mainline extension project."

Earmark Number 111 (FY 2009) was changed from "\$290,000 to the Riley County Board of Commissioners for the Konza Sewer Main Extension" to "\$290,000 to the City of Manhattan," Kansas, for "the Konza Water Main Extension Project."

The designated recipient for Earmark Number 154 (FY 2009) was changed from the “City of Warrensburg,” Missouri to “Johnson County,” Missouri.

The designated recipient for Earmark Number 151 (FY 2009) was changed from the “City of Gravois Mills,” Missouri to the “Gravois Arm Sewer District,” Missouri.

The designated recipient for Earmark Number 155 (FY 2009) was changed from “McDonald County,” Missouri to “PWSD #1 of McDonald County,” Missouri.

Earmark Number 131 (FY 2008) was changed from “\$150,000 for the City of Hayti,” Missouri, “Pemiscot Consolidated Public Water Supply District 1 for a water storage tank” to “\$150,000 to the Pemiscot Consolidated Public Water Supply District 1 for a drinking water source protection infrastructure project.”

The project description for Earmark Number 245 (FY 2009) to the City of Lake Norden, South Dakota was changed to “drinking water infrastructure improvements.”

## **ACTIONS**

If you have not already done so, you and your staff should initiate discussions with the appropriate grant applicants to develop a detailed scope of work and to explain the grant application and review process. Additionally, the grant applicant should be provided with a copy of this memorandum prior to grant award to ensure that the applicant is on notice of the applicable requirements before the grant is awarded.

If you have any questions concerning the contents of this memorandum, you may contact the National SAAP Coordinator, Emily Nicasio, at (202) 564-9920, or have your staff contact George Ames, Chief, State Revolving Fund Branch, at (202) 564-0661.

## Attachments

cc: Municipal Construction Program Managers, Regions I – X  
Regional NEPA Contacts, Regions I – X  
Catherine Vaas, NPTCD  
Ed Walsh, OCFO

# ATTACHMENT 1

**SPECIAL WATER AND WASTEWATER INFRASTRUCTURE PROJECTS (STAG ACCOUNT)  
INCLUDED IN EPA'S FY 2010 APPROPRIATIONS ACT**

Line Item #	State	Earmark Designation	Conference Report Earmark Amount	Final Amount*
52	CT	City of Norwich for wastewater treatment facility improvements	\$ 300,000	\$ 291,000
53	CT	The Mattabasset District for wastewater treatment facility upgrades	\$ 500,000	\$ 485,000
54	CT	The Town of Prospect for drinking water infrastructure	\$ 495,000	\$ 480,000
55	CT	Town of East Lyme for drinking water system improvements	\$ 300,000	\$ 291,000
130	MA	City of Gloucester for Essex Avenue Wastewater Treatment Facility Upgrade	\$ 500,000	\$ 485,000
131	MA	City of Marlborough for infrastructure upgrades at the Westerly Wastewater treatment facility	\$ 300,000	\$ 291,000
132	MA	Pioneer Valley Planning Commission for the Connecticut River CSO	\$ 871,500	\$ 845,000
133	MA	The Cities of Fall River and New Bedford and the towns of Acushnet, Mansfield, Norton and Foxboro for Bristol County CSO upgrades	\$ 750,000	\$ 727,000
134	MA	The City of Malden for citywide lead water service replacement	\$ 500,000	\$ 485,000
140	ME	City of Portland for a combined sewer overflow and storm water runoff improvements project	\$ 1,250,000	\$ 1,212,000
141	ME	Limestone Water and Sewer District for design and construction of new wastewater pipes and pumping stations	\$ 550,000	\$ 533,000
142	ME	The Town of Machias for sewer system upgrades	\$ 500,000	\$ 485,000
183	NH	City of Berlin for replacement and upgrades of water lines and mains	\$ 450,000	\$ 436,000
184	NH	City of Keene for a wastewater treatment facility upgrades project	\$ 300,000	\$ 291,000
185	NH	City of Manchester for the Phase II combined sewer overflow abatement program	\$ 450,000	\$ 436,000
186	NH	City of Nashua for combined sewer overflow improvements	\$ 300,000	\$ 291,000
187	NH	Conway Village Fire District for water and wastewater treatment extension project	\$ 300,000	\$ 291,000
188	NH	Town of Winchester for a wastewater treatment facility upgrades project	\$ 300,000	\$ 291,000
250	RI	City of Cranston for wastewater infrastructure	\$ 400,000	\$ 388,000
251	RI	City of East Providence for drinking water infrastructure improvements	\$ 400,000	\$ 388,000
252	RI	The City of Newport for UV disinfection system improvements	\$ 500,000	\$ 485,000
253	RI	Town of North Providence for storm water infrastructure improvements	\$ 400,000	\$ 388,000
293	VT	Ferrisburgh Fire District #1 for water infrastructure improvements	\$ 300,000	\$ 291,000
294	VT	Town of Guilford for drinking water system improvements	\$ 375,000	\$ 363,000
295	VT	Village of Waterbury for wastewater system improvements	\$ 825,000	\$ 800,000
			<b>\$ 12,116,500</b>	<b>\$ 11,749,000</b>
189	NJ	City of Hackensack for the Clay Street area combined sewer overflow improvement project	\$ 300,000	\$ 291,000
190	NJ	City of New Brunswick for water pumping station improvements	\$ 300,000	\$ 291,000
191	NJ	City of Orange Township for drinking water system improvements	\$ 300,000	\$ 291,000
192	NJ	City of Perth Amboy for drinking water infrastructure improvements	\$ 300,000	\$ 291,000
193	NJ	Monmouth County for water and wastewater infrastructure improvements	\$ 500,000	\$ 485,000
194	NJ	Passaic Valley Sewerage Commission for a Combined Sewage Overflow Project	\$ 750,000	\$ 727,000
195	NJ	The Borough of Califon for Railroad Ave/Main Street stormwater improvements	\$ 500,000	\$ 485,000
196	NJ	The Borough of Fort Lee for CSO abatement upgrades	\$ 500,000	\$ 485,000
197	NJ	The Borough of Hopatcong for drinking water infrastructure improvements	\$ 500,000	\$ 485,000
206	NY	Gowanus Canal Conservancy for Gowanus Canal water quality improvement	\$ 300,000	\$ 291,000
207	NY	Onondaga County for storm water infrastructure improvements	\$ 400,000	\$ 388,000
208	NY	Rockland Co. Sewer District No. 1 for Ramapo wastewater treatment	\$ 500,000	\$ 485,000
209	NY	The City of Glen Cove for water and stormwater infrastructure improvements	\$ 500,000	\$ 485,000
210	NY	The City of New York, New York City Department of Parks and Recreation for Bronx River stormwater management	\$ 550,000	\$ 533,000
211	NY	The City of Rochester for the Highland Reservoir	\$ 600,000	\$ 582,000

Region 1

Region 2

## Region 3

212	NY	The City of White Plains for a drinking water transmission line	\$	500,000	\$	485,000
213	NY	The Town of Pendleton for the replacement of grinder pumps	\$	500,000	\$	485,000
214	NY	The Town of Urbana for water and wastewater infrastructure	\$	500,000	\$	485,000
215	NY	The Village of Saugerties for water and wastewater infrastructure improvements	\$	800,000	\$	776,000
216	NY	Westchester Joint Water Works for water main rehabilitation	\$	517,000	\$	501,000
217	NY	Nassau County for Bay Park STP outfall project	\$	300,000	\$	291,000
218	NY	Saratoga Hospital in Saratoga, NY for water supply improvements	\$	300,000	\$	291,000
			<b>\$</b>	<b>10,217,000</b>	<b>\$</b>	<b>9,909,000</b>
56	DE	New Castle County for Turkey Run interceptor improvements	\$	300,000	\$	291,000
57	DE	Sussex County Council for the Johnson's Corner wastewater improvement project	\$	300,000	\$	291,000
135	MD	City of Frostburg for combined sewer overflow improvements	\$	300,000	\$	291,000
136	MD	Maryland Department of the Environment for Salisbury cast iron distribution	\$	500,000	\$	485,000
137	MD	The City of Rockville for sanitary sewer rehabilitation	\$	750,000	\$	727,000
138	MD	The Town of Chesapeake Beach for WWTP Enhanced Nutrient Removal Upgrade and Expansion	\$	700,000	\$	679,000
139	MD, DC, VA	Washington Suburban Sanitary Commission (MD), Washington Area Sewer Authority (DC), and Fairfax County Public Works Department (VA) for water and wastewater infrastructure improvements at the Blue Plains Wastewater Treatment Plant	\$	1,200,000	\$	1,164,000
237	PA	Allegheny County Sanitary Authority for the Three Rivers Wet Weather Demonstration Program	\$	225,000	\$	218,000
238	PA	Chester County Economic Development Council for the Upper Worthington Infrastructure Improvement Project	\$	225,000	\$	218,000
239	PA	Findlay Township Municipal Authority for water and sewer upgrades	\$	500,000	\$	485,000
240	PA	Haines Aaronsburg Municipal Authority for water line interconnection	\$	250,000	\$	242,000
241	PA	Hegins-Hubley Authority for facility improvements	\$	68,000	\$	65,000
242	PA	Lehigh County Authority for the Vera Cruz wastewater collection system	\$	500,000	\$	485,000
243	PA	Municipal Authority of the City of Lower Burrell for Wildlife Lodge Road sanitary sewer extension	\$	800,000	\$	776,000
244	PA	Northampton, Bucks County Municipal Authority for wastewater infrastructure improvements	\$	500,000	\$	485,000
245	PA	The City of Reading for wastewater infrastructure improvements at Fritz's Island	\$	500,000	\$	485,000
246	PA	Thornbury Township for Cheyney University/ Thornbury Township wastewater treatment facility improvements	\$	250,000	\$	242,000
247	PA	Tri-County Joint Municipal Authority for water treatment infrastructure	\$	393,000	\$	381,000
248	PA	Westmoreland County Industrial Development Corporation for wastewater infrastructure replacement	\$	300,000	\$	291,000
249	PA	York City Sewer Authority for wastewater facility infrastructure	\$	225,000	\$	218,000
287	VA	Caroline County for the Dawn Community	\$	300,000	\$	291,000
288	VA	Halifax County Service Authority for Maple Avenue wastewater plant upgrades	\$	500,000	\$	485,000
289	VA	The City of Alexandria for a water reuse project	\$	500,000	\$	485,000
290	VA	The City of Alexandria, Arlington County for Four Mile Run infrastructure improvements	\$	500,000	\$	485,000
291	VA	The City of Falls Church for storm water infrastructure	\$	500,000	\$	485,000
292	VA	Town of Onancock for wastewater treatment system improvements	\$	300,000	\$	291,000
314	WV	Marshall County Sewerage District for wastewater infrastructure improvements	\$	800,000	\$	776,000
316	WV	The Town of Rowlesburg for drinking water infrastructure improvements	\$	500,000	\$	485,000
317	WV	Town of Moorefield for wastewater treatment facility upgrades	\$	2,500,000	\$	2,425,000
			<b>\$</b>	<b>15,186,000</b>	<b>\$</b>	<b>14,727,000</b>
6	AL	City of Brewton for a wastewater improvements project	\$	300,000	\$	291,000
7	AL	East Alabama Water Sewer and Fire Protection District for wastewater system planning	\$	275,000	\$	266,000
8	AL	Fayette County for the construction of a drinking water reservoir	\$	6,000,000	\$	5,820,000
9	AL	The City of Enterprise for the Enterprise Southeast lagoon upgrade project	\$	500,000	\$	485,000
10	AL	The City of Sulligent for a water well and storage tank project	\$	500,000	\$	485,000
11	AL	Washington County Commission for the Washington County sanitary sewer extension	\$	500,000	\$	485,000

## Region 4

58	FL	City of West Palm Beach for water infrastructure improvements	\$	500,000	\$	485,000
59	FL	Jacksonville Water and Sewer Expansion Authority for septic tank replacement	\$	500,000	\$	485,000
60	FL	Santa Rosa County for Navarre Beach water clarifier	\$	220,000	\$	213,000
61	FL	South Seminole and North Orange County Wastewater Transmission Authority for wastewater infrastructure improvements	\$	500,000	\$	485,000
62	FL	St. Johns River Water Management District for East-Central Florida Integrated Water Resources Project	\$	300,000	\$	291,000
63	FL	The City of Clearwater for wastewater treatment facility improvements	\$	500,000	\$	485,000
64	FL	The City of Homestead for water utility upgrades	\$	500,000	\$	485,000
65	FL	The City of Opa-Locka Public Works Division for wastewater infrastructure improvements	\$	500,000	\$	485,000
66	FL	The City of Quincy for inflow and infiltration improvements	\$	440,000	\$	426,000
67	FL	The City of Sunrise for a water reclamation system	\$	1,000,000	\$	970,000
68	FL	City of Tampa for reclaimed water expansion project	\$	300,000	\$	291,000
69	GA	City of Rome for construction of a new	\$	300,000	\$	291,000
70	GA	Fort Valley Utility Commission for wastewater reclamation facility	\$	500,000	\$	485,000
71	GA	Metropolitan North Georgia Water Planning District for multiple water and wastewater system improvements	\$	500,000	\$	485,000
72	GA	The City of Atlanta for sewer system infrastructure improvements	\$	500,000	\$	485,000
73	GA	The City of Crawfordville for the sewer rehabilitation	\$	500,000	\$	485,000
74	GA	The City of Kingsland for water and sewer infrastructure	\$	500,000	\$	485,000
113	KY	City of Burgin for upgrades to the drinking water distribution system	\$	340,000	\$	329,000
114	KY	City of Eubank for a water line replacement project	\$	200,000	\$	194,000
115	KY	City of Franklin for a sewer line replacement project	\$	100,000	\$	97,000
116	KY	City of Vine Grove for construction of additional sewer lines	\$	840,000	\$	814,000
117	KY	Fleming County for a sewer collection expansion project	\$	620,000	\$	601,000
118	KY	Franklin County Fiscal Court for the Farmdale area wastewater treatment plant	\$	900,000	\$	873,000
119	KY	Owensboro-Daviess County Regional Water Resource Agency for the Locust Hills Subdivision sewer installation project	\$	220,000	\$	213,000
120	KY	Perry County Sanitation District No. 1 for wastewater treatment infrastructure	\$	500,000	\$	485,000
121	KY	The City of Paris for combined utilities water plan improvements	\$	500,000	\$	485,000
122	KY	The City of Tompkinsville for a water treatment plant backwash lagoon project	\$	189,750	\$	184,000
123	KY	The City of Wurtland for the Wurtland/Greenup/Lloyd regional sewer project	\$	500,000	\$	485,000
159	MS	Black Bayou Water Association for drinking water improvements	\$	250,000	\$	242,000
160	MS	City of Batesville for design and construction of wastewater improvements projects	\$	275,000	\$	266,000
161	MS	City of Carthage for a wastewater improvements and rehabilitation project	\$	275,000	\$	266,000
162	MS	City of Pearl for rehabilitation of wastewater gravity mains	\$	277,000	\$	268,000
163	MS	City of Ridgeland for construction of a new potable water well	\$	200,000	\$	194,000
164	MS	Hinds County Board of Supervisors for planning and design of a centralized wastewater system	\$	300,000	\$	291,000
165	MS	Leflore County Board of Supervisors for a stormwater project	\$	143,000	\$	138,000
166	MS	Mississippi Band of Choctaw Indians for rehabilitation of wastewater pump stations	\$	380,000	\$	368,000
167	MS	Tunica County Utility District for construction of a wastewater treatment facility	\$	400,000	\$	388,000
173	NC	City of Raleigh Public Utilities Department for the Dempsey E. Benton Water Treatment Plant Backwash Waste Facility	\$	500,000	\$	485,000
174	NC	Greenville Utilities Commission for construction of a wastewater pumping station	\$	300,000	\$	291,000
175	NC	McDowell County for water system improvements	\$	500,000	\$	485,000
176	NC	Town of Ahoskie for wastewater system improvements	\$	300,000	\$	291,000
177	NC	Town of Cary Public Works and Utilities Department for Western Wake regional wastewater management facility	\$	1,000,000	\$	970,000
254	SC	Laurens Commission of Public Works for construction of a pump station, water lines, and water tank	\$	300,000	\$	291,000
255	SC	The City of Rock Hill for the Phase II Hagins-Fewell Neighborhood Infrastructure Improvement Project	\$	600,000	\$	582,000
256	SC	The Town of Coward for drinking water and wastewater improvements	\$	500,000	\$	485,000
261	TN	Campbell County Government for Campbell County waterline improvements	\$	500,000	\$	485,000

262	TN	City of Tusculum for planning, design, and construction of a wastewater treatment facility and collection system	\$	500,000	\$	485,000
263	TN	Dickson County Water Authority for construction of a drinking water system	\$	250,000	\$	242,000
264	TN	Hancock County for a drinking water extension project	\$	500,000	\$	485,000
265	TN	Springville Utility District of Henry County for drinking water system improvements	\$	500,000	\$	485,000
266	TN	The City of Harrogate for wastewater system improvements	\$	500,000	\$	485,000
			\$	<b>30,294,750</b>	\$	<b>29,377,000</b>

Region 5

89	IL	City of Decatur for water infrastructure improvements	\$	250,000	\$	242,000
90	IL	City of Lexington for water infrastructure improvements	\$	100,000	\$	97,000
91	IL	City of Peoria for sewer and stormwater improvements	\$	300,000	\$	291,000
92	IL	Naperville Heritage Society, Naperville, for stormwater management at Naper settlement	\$	500,000	\$	485,000
93	IL	Sharpsburg and Neighboring Area Water System for infrastructure	\$	500,000	\$	485,000
94	IL	The Village of Buckner for a water storage tank	\$	352,000	\$	341,000
95	IL	The Village of Carol Stream for Tubeway Drive stormwater lift station rehabilitation	\$	192,500	\$	186,000
96	IL	The Village of Hopedale for wastewater treatment facility upgrades	\$	180,000	\$	174,000
97	IL	The Village of Johnsburg for wastewater treatment infrastructure	\$	500,000	\$	485,000
98	IL	The Village of Park Forest for sanitary sewer infrastructure	\$	500,000	\$	485,000
99	IL	Will County for Ridgewood water and waste- water infrastructure improvements	\$	550,000	\$	533,000
100	IL	Macoupin County for water infrastructure	\$	250,000	\$	242,000
101	IN	City of Tipton for drinking water and wastewater infrastructure upgrades project	\$	300,000	\$	291,000
102	IN	Clinton County Government for the Eastside Regional stormwater improvements	\$	500,000	\$	485,000
103	IN	The City of Portage for water infrastructure improvements	\$	800,000	\$	776,000
104	IN	Wadesville-Blairsville Regional Sewer District for the sanitary sewer system project	\$	500,000	\$	485,000
143	MI	City of Port Huron for combined sewer overflow improvements	\$	300,000	\$	291,000
144	MI	Lansing Board of Water & Light for Lansing energy efficient drinking water system	\$	500,000	\$	485,000
145	MI	Oakland/Macomb County Drain Drainage District for interceptor improvements	\$	500,000	\$	485,000
146	MI	The City of Detroit DEGC for East Riverfront wastewater infrastructure	\$	500,000	\$	485,000
147	MI	The City of Grand Rapids for Eastside CSO separation	\$	500,000	\$	485,000
148	MI	Wayne County for the Rouge River Wet Weather Demonstration Project	\$	500,000	\$	485,000
149	MN	City of Faribault for wastewater infrastructure improvements	\$	150,000	\$	145,000
150	MN	City of St. Cloud for water infrastructure improvements	\$	300,000	\$	291,000
151	MN	Grand Rapids Public Utilities Commission for wastewater facilities improvements	\$	1,000,000	\$	970,000
152	MN	South Bend Township for water and sewer infrastructure	\$	500,000	\$	485,000
153	MN	The City of Maple Plain for water treatment facility infrastructure	\$	500,000	\$	485,000
219	OH	Belmont County Commissioners for construction of sanitary sewer system	\$	400,000	\$	388,000
220	OH	Butler County Commissioners for the Ross Township sewer project	\$	500,000	\$	485,000
221	OH	City of Fostoria for the planning, design and construction of a new sanitary pump station and force main	\$	500,000	\$	485,000
222	OH	City of Fremont for combined sewer overflow improvements	\$	500,000	\$	485,000
223	OH	Knox County for construction of wastewater collection and treatment system	\$	400,000	\$	388,000
224	OH	Muskingum County Commissioners for Maysville sewer improvements	\$	500,000	\$	485,000
225	OH	Ottawa County for the Ottawa County sanitary sewer project	\$	500,000	\$	485,000
226	OH	The City of Ashland for a waterline replacement project	\$	500,000	\$	485,000
227	OH	The City of Stow for sanitary sewer system infrastructure	\$	500,000	\$	485,000
228	OH	The City of Vandalia for airport access road water and sewer extensions	\$	500,000	\$	485,000
229	OH	The City of Worthington for sanitary sewer improvements	\$	500,000	\$	485,000
230	OH	The Village of Dillonvale for water meter replacement	\$	100,000	\$	97,000
231	OH	The Village of Tiro for a water distribution system	\$	500,000	\$	485,000
232	OH	Trumbull County Commissioners for wastewater infrastructure improvements	\$	300,000	\$	291,000
307	WI	City of Janesville for wastewater treatment plant improvements	\$	400,000	\$	388,000
308	WI	City of Waukesha Water Utility for drinking water system improvements	\$	400,000	\$	388,000



## Region 6

309	WI	Milwaukee Metropolitan Sewerage District for the replacement of a central sewer system	\$	400,000	\$	388,000
310	WI	The City of Abbotsford for water treatment infrastructure	\$	1,000,000	\$	970,000
311	WI	The City of Park Falls for sewer infrastructure	\$	550,000	\$	533,000
312	WI	The Village of Athens for wastewater treatment facility upgrades	\$	1,000,000	\$	970,000
313	WI	The Village of Stetsonville for a public drinking water system	\$	1,000,000	\$	970,000
315	WV	Ohio River Valley Sanitation Commission of organic detection system improvements	\$	1,200,000	\$	1,164,000
			<b>\$</b>	<b>23,674,500</b>	<b>\$</b>	<b>22,960,000</b>
12	AR	Cabot Waterworks for wastewater improvements	\$	500,000	\$	485,000
13	AR	City of Dardanelle for water treatment plant expansion	\$	300,000	\$	291,000
14	AR	City of Forrest City for water infrastructure improvements	\$	300,000	\$	291,000
15	AR	City of Warren for water infrastructure improvements	\$	300,000	\$	291,000
16	AR	Fort Chaffee Redevelopment Authority for water system improvements	\$	300,000	\$	291,000
17	AR	The City of Fayetteville for Elkins Outfall Sewer Line sewer replacement	\$	500,000	\$	485,000
124	LA	City of Baton Rouge for East Baton Rouge Parish wastewater system improvements	\$	300,000	\$	291,000
125	LA	City of Lake Charles for wastewater system improvements	\$	300,000	\$	291,000
126	LA	Lafayette Utilities System for drinking water and wastewater line relocations and upgrades project	\$	300,000	\$	290,000
127	LA	St. Tammany Parish for Bayou Chinchuba Regional water retention	\$	500,000	\$	485,000
128	LA	The City of Monroe for a wastewater treatment system	\$	500,000	\$	485,000
129	LA	City of Grambling for drinking water system improvements	\$	300,000	\$	291,000
198	NM	The Pueblo of San Felipe for wastewater infrastructure	\$	400,000	\$	388,000
199	NM	City of Carlsbad for a water reuse project	\$	300,000	\$	291,000
200	NM	City of Portales for wastewater treatment plant improvements	\$	300,000	\$	291,000
233	OK	City of Enid for planning, design and construction of a wastewater treatment plant	\$	300,000	\$	291,000
234	OK	Lawton Ft. Sill Chamber of Commerce for Lawton Industrial Park Expansion for Water and Sewer Line Extensions	\$	750,000	\$	726,000
267	TX	City of Beaumont for a sewer line rehabilitation project	\$	400,000	\$	388,000
268	TX	City of Lubbock for a treated drinking water pipeline project	\$	200,000	\$	194,000
269	TX	City of Lufkin for design and construction of drinking water infrastructure, storage and treatment capacity	\$	400,000	\$	388,000
270	TX	City of Nacogdoches for construction of two detention ponds	\$	500,000	\$	485,000
271	TX	City of Round Rock for planning, design and construction of a regional water supply system	\$	300,000	\$	291,000
272	TX	The City of Andrews for Andrews arsenic filtration pilot project	\$	400,000	\$	388,000
273	TX	The City of Austin for Austin Sanitary Sewer Overflow Prevention	\$	500,000	\$	485,000
274	TX	The City of Baytown for water and wastewater infrastructure improvements	\$	500,000	\$	484,000
275	TX	The City of Crystal City for water infrastructure improvements	\$	500,000	\$	485,000
276	TX	The City of Gainesville for the water treatment plant expansion project	\$	500,000	\$	485,000
277	TX	The City of Joshua for the Joshua drainage project in Johnson County	\$	1,000,000	\$	970,000
278	TX	The City of La Vernia for drinking water infrastructure	\$	500,000	\$	485,000
279	TX	The City of Petersburg for elevated water tank replacement	\$	439,000	\$	425,000
280	TX	The City of Temple for industrial park wastewater line and interceptor	\$	500,000	\$	485,000
	TX	El Paso Set-Aside from US-Mexico Border Program	\$	1,250,000	\$	1,250,000
	TX	Brownsville Set-Aside from US-Mexico Border Program	\$	1,250,000	\$	1,250,000
			<b>\$</b>	<b>15,589,000</b>	<b>\$</b>	<b>15,192,000</b>
81	IA	City of Boone for wastewater and stormwater infrastructure improvements	\$	300,000	\$	291,000
82	IA	City of Clinton for construction of a new wastewater treatment facility	\$	300,000	\$	291,000
83	IA	City of Keokuk for a stormwater and sewer separation project	\$	300,000	\$	291,000
84	IA	City of Ottumwa for wastewater and stormwater infrastructure improvements	\$	300,000	\$	291,000
85	IA	The City of Garner for wastewater treatment infrastructure improvements	\$	500,000	\$	485,000
105	KS	City of Buhler for construction of an adsorption media drinking water treatment facility	\$	600,000	\$	582,000
106	KS	City of Iola for drinking water and wastewater pipe improvements project	\$	300,000	\$	291,000
107	KS	City of Junction City for construction of a drinking water project	\$	250,000	\$	242,000

Region 7	108	KS	City of Marion for construction of a wastewater project	\$	150,000	\$	145,000
	109	KS	City of Russell for replacement of cast iron drinking water lines	\$	400,000	\$	388,000
	110	KS	Pottawatomie County for construction of a main pump wastewater station	\$	400,000	\$	388,000
	111	KS	The City of DeSoto for water treatment infrastructure improvements at the Sunflower Army Ammunition Plant	\$	500,000	\$	485,000
	112	KS	The City of Rose Hill for the Berlin Drainage Project	\$	500,000	\$	485,000
	154	MO	City of Lee's Summit for a wastewater infrastructure improvements project	\$	1,500,000	\$	1,455,000
	155	MO	City of New Haven for consolidation and replacement of wastewater pump stations	\$	300,000	\$	291,000
	156	MO	PWSD #1 of McDonald County for wastewater infrastructure	\$	465,000	\$	451,000
	157	MO	The City of East Prairie for stormwater and sewer infrastructure	\$	200,000	\$	194,000
	158	MO	The City of Saint Joseph for stormwater and wastewater infrastructure	\$	500,000	\$	485,000
	181	NE	City of Plattsmouth for combined sewer overflow improvements	\$	1,200,000	\$	1,164,000
	182	NE	The City of Omaha for CSO controls	\$	500,000	\$	485,000
				\$	<b>9,465,000</b>	\$	<b>9,180,000</b>

Region 8	50	CO	City of Monte Vista for wastewater facility consolidation	\$	300,000	\$	291,000
	51	CO	City of Rifle for drinking water infrastructure improvements	\$	300,000	\$	291,000
	168	MT	Butte-Silver Bow Consolidated Government for drinking water improvements for the City of Butte	\$	500,000	\$	485,000
	169	MT	City of Bozeman for water treatment facility improvements	\$	500,000	\$	485,000
	170	MT	City of Missoula for wastewater facility improvements	\$	200,000	\$	194,000
	171	MT	Crow Tribe in Crow Agency for wastewater infrastructure improvements	\$	300,000	\$	291,000
	172	MT	Em-Kayan County Water and Sewer District for infrastructure improvements	\$	290,600	\$	280,000
	178	ND	City of Valley City for drinking water system improvements	\$	400,000	\$	388,000
	179	ND	City of Washburn for drinking water treatment facility upgrades	\$	400,000	\$	388,000
	180	ND	Stutsman Rural Water District, Stutsman County for drinking water system improvements	\$	400,000	\$	388,000
	257	SD	City of Elk Point for water and wastewater infrastructure improvements	\$	400,000	\$	388,000
	258	SD	City of Lead for water and wastewater infrastructure improvements	\$	400,000	\$	388,000
	259	SD	City of Rapid City for wastewater infrastructure improvements	\$	300,000	\$	291,000
	260	SD	Brant Lake Sanitary District for wastewater infrastructure improvements	\$	400,000	\$	388,000
	281	UT	City of Lindon for channel improvements in a stormwater detention and management area	\$	500,000	\$	485,000
	282	UT	City of Taylorsville for stormwater infrastructure improvements and upgrades	\$	500,000	\$	485,000
	283	UT	Clearfield City for a drinking water and wastewater improvements project	\$	300,000	\$	290,000
	284	UT	Draper City for construction of a culinary reservoir	\$	500,000	\$	485,000
	285	UT	South Salt Lake City for a waterline replacement project	\$	300,000	\$	291,000
	286	UT	Weber County for the Weber County stormwater master plan	\$	500,000	\$	485,000
				\$	<b>7,690,600</b>	\$	<b>7,457,000</b>

18	AZ	City of Safford for water infrastructure improvements	\$	300,000	\$	291,000
19	AZ	The Pascua Yacqui Tribe for the master drainage plan	\$	1,000,000	\$	970,000
20	AZ	The Town of Chino Valley for water and wastewater infrastructure	\$	500,000	\$	485,000
21	AZ	The Town of Miami for sewer collection system upgrades	\$	220,000	\$	213,000
22	CA	Big Bear Department of Water and Power for Big Bear Lake water system infrastructure improvements	\$	750,000	\$	727,000
23	CA	Carlsbad for Vista-Carlsbad joint wastewater project	\$	500,000	\$	485,000
24	CA	City of East Palo Alto for the East Palo Alto water supply and stormwater management improvements	\$	875,000	\$	848,000
25	CA	City of Eureka for the Martin Slough interceptor project	\$	875,000	\$	848,000
26	CA	City of Galt for Wastewater Treatment Plant Upgrades	\$	500,000	\$	485,000
27	CA	City of Rialto for Inland empire groundwater remediation and drinking water system improvements	\$	300,000	\$	291,000
28	CA	City of Santa Monica for the Santa Monica water system reliability project	\$	875,000	\$	848,000
29	CA	City of Westminster for Stormwater System improvements	\$	875,000	\$	848,000
30	CA	Helix Water District for the El Monte Valley groundwater recharge project	\$	500,000	\$	485,000
31	CA	Monterey County Water Resources Agency for the Lower Carmel River and Lagoon Floodplain restoration and enhancement project	\$	500,000	\$	485,000

## Region 9

32	CA	Municipal Water District of Orange County for water supply improvements	\$	875,000	\$	848,000
33	CA	Palmdale Water District for water main replacement	\$	500,000	\$	485,000
34	CA	Shasta County for Elk Trail Water System Improvements	\$	875,000	\$	848,000
35	CA	South Montebello Irrigation District for water system infrastructure improvements	\$	550,000	\$	533,000
36	CA	South Pasadena for Wilson Reservoir replacement	\$	300,000	\$	291,000
37	CA	The City of Arcadia for the Arcadia and Sierra Madre joint water infrastructure project	\$	500,000	\$	485,000
38	CA	The City of Bell for Sewer Infrastructure Modernization	\$	675,000	\$	654,000
39	CA	The City of Calimesa for storm drain improvements	\$	500,000	\$	485,000
40	CA	The City of Cathedral City for South City Improvement District groundwater protection	\$	500,000	\$	485,000
41	CA	The City of Ceres for East Service Road sanitary sewer extension	\$	500,000	\$	485,000
42	CA	The City of Culver City for storm water improvements	\$	500,000	\$	485,000
43	CA	The City of Los Angeles for the Elysian Park water recycling project	\$	500,000	\$	485,000
44	CA	The City of Ridgecrest for wastewater treatment facility infrastructure	\$	400,000	\$	388,000
45	CA	The City of San Jose for the San Jose Redevelopment Area sewer main rehabilitation	\$	300,000	\$	291,000
46	CA	The City of San Juan Capistrano for ground water recovery plant expansion and regional distribution facility	\$	625,000	\$	606,000
47	CA	The City of Temple City for storm drain installation	\$	200,000	\$	194,000
48	CA	The City of Vallejo for Mare Island sanitary sewer and storm drain improvements	\$	750,000	\$	727,000
49	CA	Western Municipal Water District for Arlington Desalter Biondenitrification	\$	625,000	\$	606,000
75	GU	Guam Waterworks Authority for Wastewater Infrastructure Improvements	\$	600,000	\$	582,000
76	HI	County of Kauai for the Waimea Wastewater Treatment Plant expansion project	\$	1,000,000	\$	970,000
77	HI	Hawaii County for the Hawaii Ocean View Estates drinking water source development project	\$	220,000	\$	213,000
78	HI	Hawaii County for the Kapulena drinking water source development project	\$	739,750	\$	717,000
79	HI	Maui County for infrastructure improvements at the Kamole water treatment plant	\$	1,000,000	\$	970,000
80	HI	Maui County for Kaa Force main replacement	\$	1,000,000	\$	970,000
201	NV	City of Boulder City for water infrastructure improvements	\$	290,000	\$	281,000
202	NV	City of Carson City for the Marlette-Hobart water system improvements	\$	350,000	\$	339,000
203	NV	City of Fernley for a wastewater infrastructure project	\$	300,000	\$	291,000
204	NV	Las Vegas Paiute Tribe for water infrastructure improvements	\$	550,000	\$	533,000
205	NV	Lyon County Utilities for wastewater infrastructure improvements at Mound House	\$	500,000	\$	485,000
			\$	<b>24,794,750</b>	\$	<b>24,041,000</b>

## Region 10

1	AK	City of Buckland for construction of a piped water and sewer system	\$	500,000	\$	484,000
2	AK	City of Homer for planning and design of a new drinking water system	\$	500,000	\$	485,000
3	AK	City of Kodiak for water and sewer improvements	\$	300,000	\$	290,000
4	AK	City of Soldotna for a water and wastewater improvements project	\$	500,000	\$	484,000
5	AK	Municipality of Skagway for a wastewater treatment facility expansion project	\$	300,000	\$	291,000
86	ID	City of American Falls for construction of a wastewater treatment facility	\$	300,000	\$	291,000
87	ID	Granite Reeder Water and Sewer District for construction of a sewage collection system	\$	300,000	\$	291,000
88	ID	The City of Buhl for wastewater treatment infrastructure	\$	750,000	\$	727,000
235	OR	City of Vernonia wastewater system improvements	\$	300,000	\$	291,000
236	OR	Umatilla County for Milton-Freewater stormwater system improvements	\$	300,000	\$	291,000
296	WA	City of Puyallup for wastewater pump and main force upgrades	\$	500,000	\$	485,000
297	WA	Cowlitz Public Utility District in Cowlitz County for replacement of wastewater infrastructure	\$	400,000	\$	388,000
298	WA	Jefferson County Department of Community Development for the Port Hadlock wastewater system	\$	1,000,000	\$	970,000
299	WA	The City of Buckley for emergency inertie booster station	\$	333,850	\$	323,000
300	WA	The City of Lacey for regional reclaimed water project	\$	500,000	\$	485,000
301	WA	The City of Rock Island for wastewater system infrastructure	\$	500,000	\$	485,000

302	WA	The City of Seattle for the Magnuson Park Wetlands Project	\$	500,000	\$	485,000
303	WA	The City of South Bend for the Willapa Regional wastewater facilities project	\$	500,000	\$	485,000
304	WA	The City of Tacoma for the Tacoma downtown sustainable storm drainage system	\$	1,500,000	\$	1,455,000
305	WA	West Sound Utility District for the Port Orchard reclaimed water distribution system	\$	165,000	\$	160,000
306	WA	Whatcom County for stormwater system improvements	\$	300,000	\$	291,000
			<b>\$</b>	<b>10,248,850</b>	<b>\$</b>	<b>9,937,000</b>

---

**\$ 159,276,950.00 \$ 154,529,000.00**

3% available: **\$ 4,747,950.00**

\*Final Amount calculated as: Conference Report Earmark Amount less 3% administrative set-aside. 3% set-aside not applied to US-Mexico Border Program.

# ATTACHMENT 2

## GENERAL, ADMINISTRATIVE, AND MISCELLANEOUS

- 102. Grants and Cooperative Agreements for Water Infrastructure Projects or Other Water Resource Projects from Funds Appropriated for the State and Tribal Assistance Grant Account or the Environmental Programs and Management Account

**AUTHORITY.** To approve and administer grants and cooperative agreements for water infrastructure projects or other water resource projects from funds appropriated for the State and Tribal Assistance Grant Account or the Environmental Programs and Management Account or any successor accounts, including a project authorized by Section 510 of the Water Quality Act of 1987, P.L. 100-4, 101 Stat. 7,80, EPA's FY 1991 Appropriations Act (P.L. 101-507), and any subsequent public law; and to perform other activities necessary for the effective administration of those grants and cooperative agreements.

2. **TO WHOM DELEGATED.** The Assistant Administrator for Water and Regional Administrators.
3. **REDELEGATION AUTHORITY.**
  - a. The authority granted to the Regional Administrator may be redelegated to the Division Director level, or equivalent, and no further.
  - b. The authority granted to the Assistant Administrator for Water may be redelegated to the Office Director level, or equivalent, and no further.
4. **LIMITATIONS.**
  - a. Except as provided in c. below, this delegation applies only to those grants and cooperative agreements for which authority is provided exclusively in a statute other than the Clean Water Act or the Safe Drinking Water Act (e.g., a statute making appropriations to the State and Tribal Assistance Grant Account or the Environmental Programs and Management Account or any successor accounts).
  - b. Awards are subject to guidance issued by the Office of the Comptroller or by the Office of Water or its Component Offices.
  - c. This delegation also applies to grants and cooperative agreements for projects described in, and pursuant to the 1987 Water Quality Act Section 510, as amended by EPA's 1991 Appropriations Act (P.L. 101-507), as amended.

5. **ADDITIONAL REFERENCES**

- a. **Authority to execute (sign) these financial assistance agreements is delegated to the Regional Administrators under Delegation 1-14, Assistance Agreements;**
- b. **40 CFR Part 31;**
- c. **40 CFR Part 40 for Demonstration grants;**
- d. **40 CFR Part 35, Subpart K; and**
- e. **EPA Assistance Administration Manual**

# ATTACHMENT 3



**LISTING OF CROSS-CUTTING  
FEDERAL AUTHORITIES  
FOR SPECIAL APPROPRIATIONS ACT PROJECTS**

**Environmental Authorities**

Archeological and Historic Preservation Act, Pub. L. 93-291, as amended

Clean Air Act, Pub. L. 95-95, as amended

Clean Water Act, Titles III, IV and V, Pub. L. 92-500, as amended

Coastal Barrier Resources Act, Pub. L. 97-348

Coastal Zone Management Act, Pub. L. 92-583, as amended

Endangered Species Act, Pub. L. 93-205, as amended

Environmental Justice, Executive Order 12898

Flood Plain Management, Executive Order 11988 as amended by Executive Order 12148

Protection of Wetlands, Executive Order 11990 as amended by Executive Order 12608

Farmland Protection Policy Act, Pub. L. 97-98

Fish and Wildlife Coordination Act, Pub. L. 85-624, as amended

Magnunson-Stevens Fishery Conservation and Management Act, Pub. L. 94-265

National Environmental Policy Act, Pub. L. 91-190

National Historic Preservation Act, Pub. L. 89-655, as amended

Safe Drinking Water Act, Pub. L. 93-523, as amended

Wild and Scenic Rivers Act, Pub. L. 90-54, as amended

**Economic and Miscellaneous Authorities**

Debarment and Suspension, Executive Order 12549

Demonstration Cities and Metropolitan Development Act, Pub. L. 89 -754,  
as amended, and Executive Order 12372

Drug-Free Workplace Act, Pub. L. 100-690

Government Neutrality Toward Contractor's Labor Relations, Executive Order 13202 as  
amended by Executive Order 13208

New Restrictions on Lobbying, Section 319 of Pub. L. 101-121

Prohibitions relating to violations of the Clean Water Act or Clean Air Act with respect to  
Federal contracts, grants, or loans under Section 306 of the Clean Air Act and Section  
508 of the Clean Water Act, and Executive Order 11738.

Uniform Relocation and Real Property Acquisition Policies Act, Pub. L. 91-646, as  
amended

**Civil Rights, Nondiscrimination, Equal Employment Opportunity Authorities**

Age Discrimination Act, Pub. L. 94-135

Equal Employment Opportunity, Executive Order 11246

Section 13 of the Clean Water Act, Pub. L. 92-500

Section 504 of the Rehabilitation Act, Pub. L 93-112 supplemented by Executive Orders  
11914 and 11250

Title VI of the Civil Rights Act, Pub. L 88-352

**Disadvantaged Business Enterprise Authorities**

EPA's FY 1993 Appropriations Act, Pub. L. 102-389

Section 129 of the Small Business Administration Reauthorization and Amendment Act,  
Pub. L. 100-590

Small, Minority and Women Owned Business Enterprises, Executive Orders 11625,  
12138 and 12432

# ATTACHMENT 4

**CWSRF BENEFITS ASSESSMENT – CORE MEASURES FOR PROJECTS**

- This page lays out the measures. An electronic version of this worksheet will be used for reporting. It will include links to the DEFINITIONS and DATA SOURCES listings found on the following pages. These describe the data requested and EPA’s plans to aggregate the information for all projects.
- Complete measures 0, 1, 2, 3, and 4 for **each individual project** at the time of loan execution; a single loan may finance multiple projects. \*1, 2, and 3b are optional for nonpoint source projects. Please include clarifying and other comments where applicable.

CWSRF Core Benefits Measures

**0. Basic project information (complete for all projects)**

- a. Project name \_\_\_\_\_  
Project tracking # \_\_\_\_\_ Additional tracking # \_\_\_\_\_  
(phased project?  phase # \_\_\_\_\_ | original project # \_\_\_\_\_)
- b. Permit: Type \_\_\_\_\_ Number \_\_\_\_\_  
Waterbody ID#/12-digit HUC \_\_\_\_\_  
Other location information: \_\_\_\_\_
- c. CWSRF loan amount to the project \$ \_\_\_\_\_
- d. Total CWSRF loan amount \$ \_\_\_\_\_ Execution date \_\_\_\_\_  
Interest rate (final) \_\_\_\_\_% Repayment period \_\_\_\_\_ yrs
- e. NIMS categories for the project.  
Circle all NIMS categories that apply to the project. For a nonpoint source project, enter the sub-category.  
**I II IIIA IIIB IVA IVB V VI X NPS=VII -** \_\_\_\_\_

**1.\* User population served by the:**

project \_\_\_\_\_ | treatment facility(ies) \_\_\_\_\_

**2.\* Volume of wastewater treated/processed**

project \_\_\_\_\_ mgd | treatment facility(ies) \_\_\_\_\_ mgd

**3. Improvement or maintenance of water quality.**

- a. Does this project contribute to (check one)  
water quality improvement?  neither   
water quality maintenance?
- \*b. Does this project allow the system to (check one)  
achieve compliance?  neither   
maintain compliance?
- c. Is the affected surface water  or groundwater :  
meeting standards , impaired , threatened   
or not assessed ?

**d. Does this project’s specific loadings reductions allow the system to address:**

- an existing TMDL allocation?
- a projected TMDL allocation?
- a watershed management plan?  N/A

**4. Contribution to protection or restoration of designated uses and outcomes in the affected waterbody.**

Mark all applicable boxes with a . For the designated uses, specify **one** primary use that drives the water quality goals of the project, if applicable. **P**=primary **O**=other.

If the project does not provide any water quality or public health benefits, but **only** improves infrastructure simply check this box.

Designated uses	Protection	Restoration
Drinking water supply	P <input type="checkbox"/> O <input type="checkbox"/>	P <input type="checkbox"/> O <input type="checkbox"/>
Shellfish harvesting	P <input type="checkbox"/> O <input type="checkbox"/>	P <input type="checkbox"/> O <input type="checkbox"/>
Cold water fishery	P <input type="checkbox"/> O <input type="checkbox"/>	P <input type="checkbox"/> O <input type="checkbox"/>
Warm water fishery	P <input type="checkbox"/> O <input type="checkbox"/>	P <input type="checkbox"/> O <input type="checkbox"/>
Primary contact recreation	P <input type="checkbox"/> O <input type="checkbox"/>	P <input type="checkbox"/> O <input type="checkbox"/>
Secondary contact recreation	P <input type="checkbox"/> O <input type="checkbox"/>	P <input type="checkbox"/> O <input type="checkbox"/>
Agriculture	P <input type="checkbox"/> O <input type="checkbox"/>	P <input type="checkbox"/> O <input type="checkbox"/>
Other – please specify	P <input type="checkbox"/> O <input type="checkbox"/>	P <input type="checkbox"/> O <input type="checkbox"/>
Other – please specify	P <input type="checkbox"/> O <input type="checkbox"/>	P <input type="checkbox"/> O <input type="checkbox"/>

Other uses and outcomes	Protection	Restoration
Other public health	<input type="checkbox"/>	<input type="checkbox"/>
Water reuse/recycling	<input type="checkbox"/>	<input type="checkbox"/>
Groundwater protection	<input type="checkbox"/>	<input type="checkbox"/>
Other – please specify	<input type="checkbox"/>	<input type="checkbox"/>
Other – please specify	<input type="checkbox"/>	<input type="checkbox"/>

**Reporting information: person filling out this form**

Name \_\_\_\_\_ Phone # \_\_\_\_\_ Agency \_\_\_\_\_ Date completed \_\_\_\_\_

## DEFINITIONS and DATA SOURCES for the Core Benefits Measures

### **0.**

#### **a. Project name and tracking #s**

Enter the project name and the number used to track the project in your state CWSRF program. If additional tracking information is required, enter "a," "b," "c," etc. For example, if the project number refers to the loan and this only one of three projects under that loan, differentiate the projects as "a," "b," and "c." If the project received a previous CWSRF loan, note the tracking number of the original loan/project.

#### **b. Permit type & number, waterbody ID/12-digit HUC, other location information**

Permit type will usually be "NPDES," but may be groundwater or land discharge. Please also enter a waterbody ID #, a HUC (hydrologic unit code) number, or some other geographic information for the affected waterbody(ies). This is especially important if the facility that the project affects does not have a permit or if the project affects a waterbody or waterbodies other than the receiving waterbody for this facility. A permit number itself should allow states and EPA to access this information. This information will allow EPA to access additional information about the waterbody from other data sources. Waterbody ID #'s are part of the National Hydrography Dataset (NHD) and are available through map interfaces on the EPA and USGS websites, as are HUCs. State environmental or mapping agencies can also often provide this information.

#### **c. CWSRF loan amount to the project**

Enter the amount loaned to finance the specific project. This may differ from the total loan amount if the loan finances multiple projects.

#### **d. Total CWSRF loan amount and execution date**

Enter the total loan amount and the date of loan execution.

##### **Interest rate and repayment period**

EPA will use this information and market data to compute estimated borrower savings due to the CWSRF interest rate subsidy. Report the final interest rate that includes any fees to best capture the borrower's realized savings.

#### **e. NIMS project categories for the loan**

This is the simplest way to describe a project. Its use here allows reporting for the individual projects that often receive financing from a single CWSRF loan, thus accurately cataloging benefits information. Select all categories that apply to the project (not all categories that apply to the loan). (The electronic version makes this much easier.)

**Note:** If the project includes multiple NIMS categories (next page), please consider reporting project cost allocated to each NIMS category. This optional step will help EPA use environmental benefits information to the greatest effect.

Category

- I** Secondary treatment and best practicable wastewater treatment technology.
- II** Advanced treatment.
- IIIA** Infiltration/inflow correction.
- IIIB** Replacement and/or major rehabilitation of existing sewer systems.
- IVA** New collector sewer systems and appurtenances.
- IVB** New Interceptor sewer systems and appurtenances.
- V** Correction of combined sewer overflows.
- VI** Municipal storm water management programs pursuant to NPDES permits.
- VII** Nonpoint source projects related to
  - A** agriculture activities
  - B** animal agricultural activities
  - C** forestry activities
  - D** development: roads, buildings, etc
  - E** ground water pollution
  - F** boating and marinas
  - G** mining and quarrying activities
  - H** idle, and underused industrial sites
  - I** petroleum or chemical tanks
  - J** sanitary landfills
  - K** stream bank/shoreline modification, dams, wetland/riparian improvements
  - L** rehabilitation/replacement of individual or community sewage disposal systems
- X** Recycled water distribution

**1.**

**User population served**

Enter the number of people that the project serves directly and the number of people currently connected to the permitted facility or system that the CWSRF project improves. If this information has not been updated on the permit recently, the applicant should be able to provide it easily.

Example: A project that simply extends sewer lines to a neighborhood that was formerly on septic would only register the population of that neighborhood as served directly. I&I improvements throughout the system that allow the treatment plant to maintain capacity for the newly connected neighborhood, however, would register the entire population connected to that facility as served directly. In both example cases, we would enter the entire population connected to the facility in the facility blank. Thus for the latter case, we enter the entire population connected to the facility in both blanks.

**2.**

**Volume of wastewater treated/processed**

For the project, enter the flow that it directly affects. This figure could be equivalent to the entry for the facility(ies), the design flow obtained from the engineering plans or updated permit for the facility. When flow cannot be accurately calculated for each phase of a phased project, divide the final resulting affected flow and design flow by the number of anticipated loan commitments and report the quotient for each commitment year.

Example 1:

A CWSRF loan funds rehabilitation of two pump stations, each of which processes 8% of total flow to the treatment facility. Enter 16% of the total flow for the project and enter the total design flow for the facility.

Example 2:

A CWSRF loan funds I&I repair designed to only affect 5% of flow but is designed to reduce wet weather flow by 12%. Because this project is **not** predominantly a wet weather project, we would count the 5%. (If it was a wet weather project, we would count the 12%.) Enter the total design flow for the facility.

### **3.**

**a. Improvement or maintenance of water quality.**

To contribute to water quality improvement, a project must reduce pollutant loading to the receiving waterbody. A project that simply sustains the treatment capacity of a facility counts for water quality maintenance. Find this information in the engineering and/or environmental review documents for a project. It may be wise to confirm pre-project pollutant loadings with information from the most recent Discharge Monitoring Reports (DMRs). (See also 3d.)

**b. Compliance**

Use the engineering and environmental review documents, the DMRs, and the permit (most likely a NPDES permit, but also possibly a reuse, recharge, or land discharge permit), along with any administrative, consent, or court orders. Any project that eliminates risk of noncompliance can be counted as having maintained compliance.

**c. Is the affected 'surface water' or 'groundwater' meeting standards, impaired, or threatened?**

Check the surface water or the groundwater box. Access the name of the receiving waterbody from the permit or another state data system (or a different affected waterbody for a nonpoint source project or other project). Then look it up on the 303(d) impaired waters list, or on a state groundwaters list, to learn if it is meeting standards, impaired or threatened, or not assessed.

**d. Does this project allow the system to address a TMDL allocation or watershed management plan?**

Because TMDL implementation is incomplete and NPDES permits are only renewed every five years, it will be necessary to contact the state environmental agency's TMDL office to learn if the receiving waterbody has an approved TMDL. If it does, refer back to the engineering and environmental documents to see if the CWSRF-funded project reduced the specified pollutants in the TMDL. In some cases, this TMDL information will already be attached to the permit. *Projects on impaired waters do NOT automatically address a TMDL.*

In the Chesapeake Bay watershed and others, states are implementing watershed management plans that will prevent the need for a TMDL. Check with the appropriate state offices to determine whether the project helps implement such a plan.

For projects on waterbodies without TMDLs or management plans or for projects that do not help meet the goals – often pollutant-specific – of such efforts, check the N/A box. A project may address both TMDLs and a watershed management plan – check both boxes.

Example:

On a nutrient impaired stream, a new wastewater treatment plant replaces a smaller early-1980s POTW and the aging septic tanks of a few subdivisions. In the next few years, its up-to-date treatment processes will improve pollutant removal efficiency. Because state or local planning has targeted the area for development, however, the plant is designed and permitted for a higher level of loadings to the stream than the existing POTW. Average effluent loadings over the lifetime of the plant will be significantly greater than those from the old POTW.

- a. Check the N/A box. The project will degrade, not maintain or improve, water quality.
- b. Check the box for achieves compliance, since the project will comply with stricter permit limits.
- c. The receiving waterbody is impaired.
- d. Although a TMDL has been submitted to EPA for the stream, the permit does not contain any allocations. The TMDL program office, however, quotes a projected allocation figure for nutrients that the new facility does meet. Check the projected TMDL allocation box.

#### **4.**

##### **Contribution to protection or restoration of designated uses<sup>c</sup> in the receiving waterbody.**

If the project maintains or improves water quality or, as in the case of the example for measure 3, increases effluent loadings but meets its permit, it is contributing to protection of the uses you find when matching pollutants. If the project reduces loadings of a pollutant that is impairing a designated use (303(d) list), the project contributes to restoration of that use.

While some project benefits are better described as infrastructure improvement, we should make an effort—to the extent that the documentation allows—to link project benefits to the affected waterbody of the facility/system.

While it may be obvious in some cases, we can systematically link a project to uses of the affected waterbody. First, identify the pollutants that the project removes from the influent sewage (design and environmental review documents) and that show up in the water quality criteria for the receiving waterbody's uses (water quality standards database) and outcomes. The design objectives for the project will make it clear which pollutants are targeted and will often mention uses/outcomes that are driving the project. Only mark uses/outcomes that are *explicitly addressed or strongly inferred* by the planning and design documentation. If these documents do not specify uses/outcomes, mark those that the project significantly affects. For the designated uses, specify one and only one primary use that drives the water quality goals of the project, if applicable.<sup>11</sup> Specify "other" for additional uses.

---

<sup>c</sup> Note that EPA will report this measure using a summary use/outcome list. It may make sense for states to record the measure using their own established state designated uses; EPA would then work with states to equate state uses with EPA reported summary uses. For the pilot effort, the form will provide a summary use/outcome list with space for states to enter additional uses and outcomes.

<sup>11</sup> If two separate uses more or less equally contribute to the project's goals, make a note. The electronic form will have a separate option for this.



For projects that address, for example, a sewage spill that does not flow into the receiving waterbody, we assume that the "other public health" outcome category is most appropriate.

Example:

A project renovates a POTW and installs post-secondary chemical phosphorus removal equipment to comply with new TMDL allocations. The receiving waterbody is temperature impaired for its designated use as a cold water fishery and is also bacteria-impaired for its use of primary contact recreation. The project reduces effluent loadings of BOD, TSS, ammonia, and phosphorus. Because these pollutants are listed in the criteria for the receiving waterbody's two designated uses, the project protects both uses. Because the TSS reduction will affect the listed bacteria impairment, the project contributes to restoration of the primary contact recreation use. But because the project did not change effluent temperature, it will not be credited with restoring the cold water fishery use. Nonetheless, the cold water fishery is the primary use for this waterbody because its more stringent water quality criteria drive efforts to reduce loadings. Do not mark additional uses that are not explicitly addressed or strongly inferred in the planning/design documentation, even if project improvements incidentally protect these uses (e.g. agriculture).

Additional important comments

It is important to take every reasonable step to accurately link loan dollars spent for a project to the uses/outcomes that the project benefits. We can rarely measure protection or restoration of fishing or recreational uses on the scale of a single CWSRF project and the associated affected waterbody. State assigned designated uses and accompanying water quality criteria allow us to link the loading reductions from a CWSRF project to fishing, swimming, and other uses of and outcomes for affected waterbodies.

# ATTACHMENT 5



UNITED STATES ENVIRONMENTAL PROTECTION  
AGENCY  
WASHINGTON, D.C. 20460



SAAP-06-02

January 20, 2006

**MEMORANDUM**

SUBJECT: Update to Guidelines for Implementing the Three Percent Set-aside Provision

FROM: George Ames, Chief /s/  
State Revolving Fund Branch

TO: Special Appropriations Act Projects Coordinators

The purpose of this memorandum is to provide Regional Coordinators with an update to the guidelines for implementation of the three percent set-aside provision (“guidelines”), issued on September 27, 2001. Specifically, this memorandum will change the process for distribution of the set-aside to those States that choose to accept the set-aside for project inspection purposes.

**Background**

Page six of the guidelines discusses the process for transference of the set-aside funds to those states that have opted to accept the funds. Specifically, the guidelines state:

“The Regional Offices should submit requests to Headquarters for distributions from the set-aside account. All requests for use of the set-aside funds should include the information contained in Attachment 1. In cases where the funds are to be awarded to a State, the request should be on a State-by-State basis. An example of a request that was prepared by the State of South Dakota, which is less than two pages, is shown in Attachment 2. The 253 special projects, including project descriptions and grant amounts, are listed on Attachment 3.”

This process has been in place since FY 2001. The Regional Coordinators must individually make requests on a state-by-state basis after each state has submitted its request to the Region. EPA Headquarters transfers funds to the Regions on a state-by-state basis, followed by the state applying for the set-aside grant.

### Modification

Following discussion with the Regional Coordinators at the annual SAAP meeting held in November, 2005, we have decided to modify the process for requesting set-aside funds for states. As of the beginning of FY 2006, the following streamlined process will be in place:

1. At the beginning of each fiscal year, after the final dollar amount per project is published, each Regional Coordinator will request the set-aside funds to be awarded to states in their respective regions for that fiscal year, based upon the projects listed in the appropriations conference report. The request should be for one lump sum per region. This request should be sent to Jordan Dorfman ([dorfman.jordan@epa.gov](mailto:dorfman.jordan@epa.gov)).
2. EPA Headquarters will transfer the specified amount to each Region.
3. Each state may submit its request for set-aside funds and grant application at the same time, for review by the Regional Coordinator.
4. The Region will award the set-aside grants.
5. Any remaining funds will be carried over to the next fiscal year.

### Conclusion

We believe that this process will reduce the time and effort needed to award three percent set-aside grants to the states, and reduce the burden on the Regional Coordinators. Thank you for your patience. If you have any questions, please call Jordan Dorfman at (202) 564-0614.

cc: Jim Hanlon, OWM  
Sheila Frace, MSD  
Ben Hamm, MAB