



Clean Water
State Revolving Fund

CWSRF Amendments Issues and Opportunities

**Council of Infrastructure Financing
Authorities**

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Outline

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

Eligibilities

603(c)(1-11)

Opportunities

- Marketing to new borrowers
- Ability to fund new types of projects
 - Privately-owned stormwater projects
 - Privately-owned water reuse projects
 - New decentralized systems

Issues

- Definition of treatment works
- Potential need to update integrated priority systems to reflect new eligibilities
- Potential need to revise State regulations to be able to fund new eligibilities

Fiscal Sustainability Plans

603(d)(1)(E)

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Opportunities

- Promote asset management
- Promote energy and water efficiency
- Ensure sustainability of SRF-funded projects



Issues

- For the borrower:
 - Cost
 - Time
 - Technical expertise
- For the SRF:
 - Less competitive source of funding due to new requirement
 - Staff time associated with technical assistance or review
 - Requirement only applies to POTW loans for “repair, replacement, or expansion”

Cost and Effectiveness

602(b)(13)

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Opportunities

- Promote cost-effective approaches
- Promote energy and water efficiency



Issues

- For the borrower:
 - Cost
 - Time
 - Technical expertise
- For the SRF:
 - Less competitive source of funding due to new requirement
 - Staff time associated with technical assistance or review
 - Potential confusion with former cost-effectiveness requirement
 - Only applies to assistance provided to public entities (beginning Oct 1, 2015)

A/E Procurement

602(b)(14)

Opportunities

- Greater creativity in engineering approaches
- May result in more sustainable projects



Issues

- For the borrower:
 - Lack of expertise executing a QBS process
 - Wanting to use a firm on retainer
 - Wanting to use design-build procedures
 - Not having 3 interested firms
- For the SRF:
 - Less competitive source of funding due to new requirement
 - Staff time associated with technical assistance or review
 - Complicates the selection of equivalency projects
 - May change how a State applies equivalency requirements

Additional Subsidization

603(i)

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Opportunities

- Pass-through loan structure available for private and non-profit entities
- States have the flexibility to choose not to provide additional subsidization
- Additional subsidization is not limited to disadvantaged communities
- States can encourage sustainability by using additional subsidization for priority projects

Issues

- Cannot be provided directly to private entities or non-profits
- Appropriation must be over \$1 billion for there to be any additional subsidization
- States must develop affordability criteria based on income, unemployment data, population trends, or other data they believe to be relevant

Administrative Funds

603(d)(7)

Opportunities

- Availability of administrative funds is no longer dependent on continued federal appropriations
- 0.2% of the fund valuation is a significant amount of funds for most SRFs
- Funding of technical assistance and project development

Issues

- No anticipated issues

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