

# **The State Revolving Fund Loan Program in Massachusetts**

**Presentation to the Massachusetts Municipal Association  
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# State Revolving Fund Loan Program

**Purpose:** Federal-State partnership to finance water infrastructure and other projects to protect or improve public health, water quality and environmental resources

**Rate:** Standard 2% Interest Loans. 0% for qualifying Nutrient Removal projects.

**Term:** Standard 20 year, up to 30 years with a MA Registered P.E. –certification of extended useful life of the asset.

**Eligible Borrowers:** cities, towns, public water suppliers, and wastewater districts.

# Mass Clean Water Trust

The Clean Water Trust is a Massachusetts legislative creation tasked to administer the Clean Water and Drinking Water State Revolving Fund Loan Programs.

## Trustees:

- Treasurer, Receiver General of the Commonwealth
- Secretary, Executive Office of Administration and Finance
- Commissioner, Mass Department of Environmental Protection

# SRF Project Selection Criteria

- Public Health

- Exposures
- Frequencies
- Seriousness

- Environmental Impacts

- Resource affected
- Frequency
- Seriousness

# SRF Criteria (cont.)

- Project Effectiveness
  - Reduction in violations
  - Restoration of designated use
  - Protects resources/  
prevents problems

# SRF Criteria (cont.)

- Planning for Project
  - Needs analyzed
  - Options reviewed
  - Recommended option selected
- Programmatic concerns
  - Compliance and Enforcement issues
  - Regional solutions
  - Energy efficiency/renewables
  - Innovative approaches

# Competing for SRF Loans

## ■ CWSRF

- \$350M-\$450M annually
- Avg. 78 applications/yr.
- Avg. 66 selected for IUP
- Attrition rate 49%
- Bypass projects (moved up to funded list) 3/yr
- *Odds of winding up on a list 89%*
- Range of loans \$200,000 to \$38M

## ■ DWSRF

- \$100M-\$125M annually
- Avg. 67 applications/yr.
- Avg. 54 selected for IUP
- Attrition rate 33%
- Bypass projects (moved up to funded list) 5/yr
- *Odds of winding up on a list 88%*
- Range of loans \$250,000 to \$21M

# Project eligibilities

## ■ Clean Water Projects

- Planning
  - Wastewater
  - Storm water
  - Integrated
- Septic system replacement
- Stormwater management
- WWTP upgrades
- Combined Sewer Overflow mitigation
- Infiltration and Inflow reduction
- Green Infrastructure
- Decentralized wastewater systems
- Sewer rehabilitation and/or expansion
- Landfill capping
- Brownfields –water quality

## ■ Drinking Water Projects

- Planning
- Water Treatment Plant rehabilitation and/or upgrades
- Finished water storage
- Distribution system repairs and improvements
- System Security measures



# 2014 State Water Infrastructure Bill

## Ch 259 of the Acts of 2014

### ■ Authorized

- Local tech assistance grants
- State cost share for fee to join a regional water system
- Enhanced subsidies for certain categories of SRF loans
  - Regional approaches
  - Green infrastructure
  - Innovative technology
  - Repair from natural disaster
  - Relief for PWS affected by contaminated groundwater
- Regional Water Entity Reimbursement Fund

### ■ Appropriated

- Tech Assistance and Planning Grants
  - \$400K/ year since 2015
    - \$40K maximum grant
    - 35 grants issued
    - Used for
      - Asset management planning
      - CWMP
      - Green Infrastructure opportunities

# SRF and Ch 259 (cont.)

- Promulgating amendments to CWSRF regulations at 310 CMR 44, DWSRF regulations at 310 CMR 45
  - Publishing to Central Register in January 2017
  - Insure consistency with Federal WRRDA
  - Detail specifics of what projects qualify for enhanced subsidy and how.
  - Additional subsidy is subject to legislative appropriation.

# Massachusetts SRF Websites

- MassDEP
  - <http://www.mass.gov/eea/agencies/massdep/water/grants/state-revolving-fund.html>
  - Steve McCurdy, Director 617-292-5779
- Clean Water Trust
  - <http://www.mass.gov/treasury/affiliated-prog/wpat/>