



Commonwealth of Massachusetts  
Executive Office of Energy & Environmental Affairs

# Department of Environmental Protection

One Winter Street Boston, MA 02108 • 617-292-5500

Charles D. Baker  
Governor

Karyn E. Polito  
Lieutenant Governor

Kathleen A. Theoharides  
Secretary

Martin Suuberg  
Commissioner

## **2020 Amended Final Clean Water State Revolving Fund Intended Use Plan**

**September 14, 2020**

### **Amendment**

The Department of Environmental Protection is hereby amending the Final Intended Use Plan (IUP) for the Clean Water State Revolving Fund, dated April 27, 2020, to effectuate the transfer of \$30 million from the Clean Water State Revolving Fund (CWSRF) to the Drinking Water State Revolving Fund (DWSRF). The funds may be used to provide additional subsidy in the form of loan forgiveness. Project activities eligible for this enhanced loan forgiveness include planning and construction for lead removal, corrosion control capital improvements, and full replacement of lead pipes and service lines.

The 2020 CWSRF IUP, Section V. Fiscal Management, subsection e. Transfer of Funds to the Drinking Water State Revolving Fund, is amended by the addition of the following:

On October 4, 2019, the Water Infrastructure Funding Transfer Act (WIFTA) was signed into law. This statute temporarily expands the CWSRF to DWSRF transfer authority specifically to address a threat to public health because of heightened exposure to lead in drinking water. This temporary authority allows the Commonwealth to transfer up to 5% of the cumulative CWSRF federal grants to the DWSRF. The transferred funds may be used to provide financial support in the form of forgiveness of loan principal, negative interest loans or grants (or any combination). This authority is in addition to the existing transfer authority under the Safe Drinking Water Act. The transfer must be completed by October 4, 2020.

Following a public comment processes on the proposed funds transfer that closed on August 6, 2020, and approval by the of Board of Trustees of the Massachusetts Clean Water Trust on September 2, 2020, \$30 million will be transferred from CWSRF to DWSRF. The Trust evaluated the financial impact that the transfer will have on the CWSRF and determined it will not adversely impact the Trust's ability

This information is available in alternate format. Contact Michelle Waters-Ekanem, Director of Diversity/Civil Rights at 617-292-5751.  
TTY# MassRelay Service 1-800-439-2370

MassDEP Website: [www.mass.gov/dep](http://www.mass.gov/dep)

Printed on Recycled Paper

to finance high priority CWSRF projects. This transfer of funds will not result in any changes to the 2020 list of projects. The transfer will be used to provide added subsidies for eligible projects in the 2021, 2022, and possibly the 2023 Drinking Water State Revolving Fund Intended Use Plans. WIFTA funds must be drawn down within 5 years of the date of the WIFTA transfer.

Maria E. Pinaud, Director  
Division of Municipal Services



# Department of Environmental Protection

One Winter Street Boston, MA 02108 • 617-292-5500

Charles D. Baker  
Governor

Karyn E. Polito  
Lieutenant Governor

Kathleen A. Theoharides  
Secretary

Martin Suuberg  
Commissioner

## 2020 Final Intended Use Plan for the Clean Water State Revolving Fund

April 27, 2020

### Executive Summary

The Massachusetts Department of Environmental Protection (MassDEP) is pleased to present the Calendar Year 2020 Intended Use Plan (IUP), which details the projects, borrowers and amounts that will be financed through the Clean Water State Revolving Fund (CWSRF) loan program. The CWSRF is a joint federal-state financing loan program that provides subsidized loans to improve and protect water quality and public health in the Commonwealth.

Massachusetts is offering approximately \$495 million to finance clean water projects across the Commonwealth. As noted in Table 1, approximately \$420 million will fund 41 new construction projects, \$59 million will be allocated towards funding five previously approved multi-year projects, and an additional \$7.6 million will finance ten planning projects. A total of \$3 million has been allocated to the emergency set-aside account, and \$5 million will be directed to the Community Septic Management Program to remediate failed septic systems in participating communities.

Eleven proposals, totaling approximately \$2 million, as shown in Table 2, have been selected to receive financial assistance for their Asset Management plans. Communities will receive 60% of the project cost, up to \$150,000, as a grant from the Massachusetts Clean Water Trust (the Trust), totaling approximately \$1.2 million. The balance of the cost can be made up of local contributions of cash, in kind services, or may be borrowed from the Trust at the standard 2% interest rate for up to five years.

### 2020 Highlights

- Congress requires states to use 10% of the CWSRF grant towards additional subsidy. Massachusetts was awarded \$54 million in 2020. Additional subsidy will be provided in the form of loan forgiveness for communities that might otherwise be unable to afford to undertake the project. MassDEP and the Trust will continue providing additional subsidy as a fixed percentage of principal. Further details may be found in section II(a) of this IUP

This information is available in alternate format. Contact Michelle Waters-Ekanem, Director of Diversity/Civil Rights at 617-292-5751.

TTY# MassRelay Service 1-800-439-2370

MassDEP Website: [www.mass.gov/dep](http://www.mass.gov/dep)

Printed on Recycled Paper

- MassDEP is also offering additional subsidy for all projects with a renewable energy component. Information about the Trust's Affordability Calculation may be found on the following website: <https://www.mass.gov/service-details/the-affordability-calculation>
- To better address specific state priorities, *Section 302 of the 1996 Safe Drinking Water Act Amendments*, allows states the flexibility to move some funds between the Clean and the Drinking Water (DW) SRF programs. Massachusetts will transfer funds from the CWSRF to the DWSRF program in the amount of approximately \$8.43 million (33% of the 2020 DWSRF grant amount of \$25.55 million). These will be recycled funds available from the repayment of previous loans.

MassDEP appreciates the efforts that proponents have invested in the development of applications and recognizes proponents' efforts to enhance and protect the quality of waters of the Commonwealth.

**TABLE 1**  
**CLEAN WATER STATE REVOLVING FUND**  
**Calendar Year 2020 CWSRF Intended Use Plan**

**NEW PROJECTS**

<b>Rating</b>	<b>Applicant</b>	<b>SRF ID</b>	<b>Project</b>	<b>Project Cost</b>	<b>2020 IUP Cost</b>
161	TAUNTON #(RE)(PF)(H)	4605	Wastewater Treatment Facility Upgrade - Phase 1	\$22,500,000	\$22,500,000
133	NEW BEDFORD (PF)	6657	Pumping Station Improvements	\$27,580,000	\$19,445,000
131	NANTUCKET #(H)	5626	Phase 2 Surfside WWTF Improvements	\$8,944,000	\$8,944,000
120	NEW BEDFORD (PF)	6634	Wastewater Collection System Improvements	\$15,805,000	\$15,805,000
120	FITCHBURG (PF)	4624	CSO 007, 011, 039, 048 Separation/Rehabilitation	\$8,000,000	\$8,000,000
107	REVERE (PF)	6648	Phase 11 Construction- I/I, IDDE, P.S. & Drainage	\$6,700,000	\$6,700,000
100	TAUNTON (PF)(H)	6690	WWTF- Solids Handling Improvements	\$6,000,000	\$6,000,000
100	ACUSHNET (PF)	6647	CWMP Needs Areas 2 Sewer Extension	\$12,686,000	\$12,686,000
100	ACTON #(H)	6630	West Acton Center Sewer Extension Project	\$16,600,000	\$16,600,000
94	NORWOOD (PF)	6715	Underdrain Area Sewer Rehabilitation	\$2,700,000	\$2,700,000
94	WAREHAM (PF)	6642	Process Upgrades at the Wareham WPCF	\$9,000,000	\$9,000,000
93	NANTUCKET (H)	6722	Sea St. Pump Station Force Main No. 3	\$32,000,000	\$32,000,000
92	LYNN WATER AND SEWER COMMISSION	6736	Headworks Screenings and Grit Removal Upgrade	\$27,800,000	\$27,800,000
92	WINTHROP (PF)	4620	Centre Business District Infrastructure Improvement	\$8,635,000	\$8,635,000
87	BROCKTON (PF)(H)	6688	Sewer Rehabilitation Project	\$5,000,000	\$5,000,000
87	ACTON #(RE)(H)	5625	Acton Middle Fort Pond Brook WWTF Upgrades	\$13,300,000	\$13,300,000
83	BARNSTABLE #(PF)(H)	6675	Wastewater Pump Station Improvements Project	\$1,000,000	\$1,000,000
83	NEW BEDFORD #(PF)	4614	Wastewater Treatment Plant Improvements	\$12,750,000	\$12,750,000
82	CHATHAM	4615	Chatham Stormwater Improvement Projects - 2020	\$3,311,000	\$3,311,000
82	CHICOPEE #(PF)	6721	Jones Ferry Wastewater PS Phase II Improvements	\$4,281,600	\$4,281,600
81	LITTLETON #(RE)(H)	6713	Littleton Common Smart Sewer Project	\$22,950,000	\$22,950,000
77	REVERE (PF)	5628	Eliot Circle Wastewater Capacity Improvements	\$9,500,000	\$9,500,000
77	SALEM (PF)	6672	Canal Street Flood Mitigation Project - Phase 2B	\$37,500,000	\$37,500,000
76	BILLERICA #(PF)(H)	4618	Darby and Waterview Avenue Pump Stations	\$2,525,000	\$2,525,000
73	CHICOPEE (PF)	6639	Solids Handling Improvements Project	\$3,178,000	\$3,178,000
72	BELMONT	6702	Sewer and Storm Drain Rehabilitation	\$1,564,000	\$1,564,000
71	SOUTH ESSEX SEWERAGE DISTRICT	6656	Contract No. 20-1 Danvers Siphon Rehabilitation	\$2,500,000	\$2,500,000
69	DUDLEY (PF)	4603	Dudley I/I Mitigation Construction Project	\$1,300,000	\$1,300,000

66 SOUTH ESSEX SEWERAGE DISTRICT	4608 Primary Clarifier Concrete Restoration	\$10,795,400	\$10,795,400
66 BILLERICA (PF)(H)	4621 Sewer Contracts 37 & 38	\$39,564,763	\$39,564,763
65 MARTHA'S VINEYARD AIRPORT COMMISSION	4625 Martha's Vineyard Airport WWTF Upgrades	\$4,500,000	\$4,500,000
65 BARNSTABLE #(PF)(H)	6730 Solids Handling Upgrade Project	\$7,493,000	\$7,493,000
65 BARNSTABLE (PF)(H)	6711 Route 28 and Yarmouth Road Intersection Sewer	\$2,000,000	\$2,000,000
61 GLOUCESTER #(PF)	6683 Pump Station Upgrades, City of Gloucester, MA	\$2,765,000	\$2,765,000
58 SALEM (PF)	4617 Salem Infiltration/Inflow Removal 2020 PEF	\$4,924,200	\$4,924,200
57 BARNSTABLE (PF)(H)	6714 Strawberry Hill Road Sewer Expansion	\$8,500,000	\$8,500,000
55 TYNGSBOROUGH (PF)(H)	6645 I and I Rehabilitation	\$500,000	\$500,000
51 MASSACHUSETTS WATER RESOURCES AUTHORITY	6679 Hayes Pump Station Rehab	\$11,000,000	\$11,000,000
48 SALEM (PF)	4606 Ocean Avenue West Pump Station Improvements	\$2,000,000	\$2,000,000
47 ACTON (H)	6684 South Acton Sewer System Improvements	\$4,520,000	\$4,520,000
46 NAHANT	6737 Sewer Collection System - Repair and Replacement	\$4,082,000	\$4,082,000
<b>TOTAL OF NEW PROJECTS</b>		<b>\$428,253,963</b>	<b>\$420,118,963</b>

(Count: 41)

(Average Rating: 82.61)

(H) - Housing Choice Communities

(PF) - Affordability Criteria

(RE) - Potential Renewable Energy Projects

# - Projects contains Energy Efficiency, Renewable Energy and/or meets EPA's definition of a Green Project (<https://www.epa.gov/greeningepa/energy-and-emissions-epa>)

**MULTI-YEAR CARRYOVER AND STATUTORY PROJECTS**

Applicant	SRF ID	Project	Project Cost	2020 IUP Cost
LYNN WATER AND SEWER COMMISSION	4488	West Lynn Sewer Separation	\$99,637,090	\$22,200,000
MASSACHUSETTS WATER RESOURCES AUTHORITY	4150	DITP Asset Protection Phase 3	\$66,500,000	\$600,000
MASSACHUSETTS WATER RESOURCES AUTHORITY	4117	Facility Asset Protection	\$45,448,945	\$7,000,000
MASSACHUSETTS WATER RESOURCES AUTHORITY	3981	Remote Headworks Upgrade	\$129,936,000	\$21,000,000
MASSACHUSETTS WATER RESOURCES AUTHORITY #	4446	Nut Island HW Odor Control & HVAC - Contract 7548	\$57,565,399	\$7,900,000
<b>TOTAL OF MULTI-YEAR CARRYOVER AND STATUTORY PROJECTS</b>			<b>\$399,087,434</b>	<b>\$58,700,000</b>

(Count: 5)

**MassDEP PRIORITY PROJECTS**

Applicant	SRF ID	Project	Project Cost	2020 IUP Cost
EMERGENCY SRF SET-A-SIDE	2977		\$3,000,000	\$3,000,000
COMMUNITY SEPTIC MANAGEMENT	3850	Community Septic Management Program	\$5,000,000	\$5,000,000
<b>TOTAL OF MassDEP PRIORITY PROJECTS</b>			<b>\$8,000,000</b>	<b>\$8,000,000</b>

(Count: 2)

**PLANNING PROJECTS**

Applicant	SRF ID	Project	Project Cost	2020 IUP Cost
GLOUCESTER	6697	Gloucester Comprehensive Wastewater Management Plan	\$225,000	\$225,000
HAVERHILL (H)	6631	CMOM Program Planning and Discrete Sewer System In	\$1,370,000	\$1,370,000
MILLBURY	4609	MS4 Permit Compliance	\$500,000	\$500,000
NEW BEDFORD	4612	Sewer and Stormwater System IDDE	\$2,000,000	\$2,000,000
QUINCY (H)	6669	Stormwater Management Planning Study	\$200,000	\$200,000
QUINCY (H)	6668	Stormwater Drainage Study	\$350,000	\$350,000
REVERE	6652	FOG Control and CMOM Equipment Procurement	\$800,000	\$800,000
REVERE	6651	Alternative Wastewater Connections(s)/Storage Eval	\$750,000	\$750,000
REVERE	6628	Phase 12 Investigations	\$1,300,000	\$1,300,000
WESTPORT	6695	Integrated Plan for WRM - Phase II	\$150,000	\$150,000
<b>TOTAL OF PLANNING PROJECTS</b>			<b>\$7,645,000</b>	<b>\$7,645,000</b>

(Count: 10)

**TOTAL OF INTENDED USE PLAN** **\$842,986,397** **\$494,463,963**

**TABLE 2**  
**CLEAN WATER STATE REVOLVING FUND**  
**Calendar Year 2020 CWSRF ASSET MANAGEMENT PLANNING PROJECTS**

**ASSET MANAGEMENT PLANNING PROJECTS**

Rating	Applicant	SRF ID	Project	Project Cost	Grant Amount
100	HAVERHILL	6644	Asset Management Plan	\$250,000	\$150,000
97	WEST SPRINGFIELD	6735	2020 West Springfield Stormwater AMP	\$168,000	\$100,800
91	FITCHBURG	6712	Fitchburg Asset Management	\$161,000	\$96,600
87	GREAT BARRINGTON	6700	Great Barrington Sewer and Stormwater AMP	\$181,250	\$108,750
82	FALL RIVER	6725	Asset Management WWTF	\$140,000	\$84,000
82	PALMER	6699	2020 Palmer Sewer and Stormwater AMP	\$211,875	\$127,125
73	MELROSE	6655	City of Melrose Sewer Asset Management Planning	\$100,000	\$60,000
72	BARNSTABLE	6727	Asset Management WWTF	\$106,000	\$63,600
70	MILLIS	5627	Town of Millis, MA - Asset Management Plan	\$214,995	\$128,997
50	EASTHAMPTON	6629	City of Easthampton, MA - Asset Management Plan	\$175,000	\$105,000
48	SOMERVILLE	6646	Sewer System Evaluation Survey and Plan	\$250,000	\$150,000
<b>TOTAL OF ASSET MANAGEMENT PLANNING PROJECTS</b>				<b>\$1,958,120</b>	<b>\$1,174,872</b>

(Count: 11)

<b>TOTAL OF PROJECT PRIORITY LIST</b>	<b>\$1,958,120</b>	<b>\$1,174,872</b>
---------------------------------------	--------------------	--------------------



# **2020 Intended Use Plan and Project Priority List for the Clean Water State Revolving Fund**

## **I. Background**

In 1987, Congress established a program of capitalization grants for States to create Clean Water State Revolving Fund (CWSRF) loan programs. These programs provide state-administered subsidized, below-market-rate, loans to finance the construction of publicly owned water pollution abatement projects. Under the CWSRF program, states provide a 20% match to the federal capitalization grant to create the loan fund. Projects to be financed are selected using a priority ranking system based upon the public health and environmental protection benefits of the proposed projects.

The CWSRF is jointly administered by the Massachusetts Department of Environmental Protection (MassDEP) and the Massachusetts Clean Water Trust (the Trust). MassDEP manages the technical aspects of the project development, while the Trust manages the disbursement of funds and the sale of bonds to provide capital to the program.

Pursuant to the applicable provisions of the Federal Water Pollution Control Act of 1972, as amended, Chapter 21 of the General Laws, and 310 CMR 44.00, MassDEP has developed its Calendar Year 2020 Intended Use Plan/Project Priority List (IUP/PPL), with its attendant ranking of water pollution abatement projects. In order for a project to receive financial assistance under the SRF Loan program, that project must appear on the PPL and the Intended Use Plan Project Listing.

This IUP includes approximately \$495 million in financing and describes Massachusetts' intended uses for all funds available in the CWSRF program for 2020, including the projects that Massachusetts expects to provide financial assistance to and an overview of how the state will comply with federally mandated requirements.

All new CWSRF eligible projects are eligible for loans at an interest rate at 2% or below. The Commonwealth subsidizes these loans, funding the spread between market interest rates and the 2% loan. This subsidy, offered by the Commonwealth, will continue to be allotted to the SRF programs in this and upcoming budget cycles. Certain priority projects, with the primary purpose of nutrient reduction, may be eligible for 0% interest rate loans, provided they meet specific statutory requirements. Prior to committing to permanent financing, MassDEP will review all submitted information to determine a projects' eligibility for the reduced interest rate.

This IUP contains a list of eleven Clean Water proposals totaling \$2 million that will receive grant funding for their Asset Management Planning projects. These communities will receive 60% of the project cost, up to \$150,000, as a grant from the Trust, totaling \$1.2 million. The balance of the cost can be made up of local contribution of cash, in kind services, or may be borrowed from the Trust at the standard 2% interest rate.

To be considered for funding priority, communities must have appropriated the necessary local project funds or have committed to a schedule to obtain those funds by October 16, 2020.

Completed applications must be submitted to MassDEP at the earliest possible time, but not later than October 16, 2020. A complete application must contain the local funding authorization and the required supporting documentation. Any project not meeting these deadlines will be removed from the IUP Project Listing. Projects offered financing that do not advance, may be replaced by the highest ranked project on the PPL that is ready to proceed.

All SRF related documents, including this IUP, the priority ranking system, loan application forms, regulations, and IUPs from the previous year, may be found on the MassDEP web site at <http://www.mass.gov/eea/agencies/massdep/water/grants/state-revolving-fund.html>.

## **II. Calendar Year 2020 Project Funding**

In 2020, MassDEP expects to finance 41 new construction projects, five carryover projects, and ten planning projects totaling \$495 million. Included in this amount is a \$3 million emergency reserve to finance unanticipated problems of acute public health concern that may arise during the year. A \$5 million allocation to the Community Septic Management Program is also proposed. Table 1 is the funding list for 2020 and Table 3 is the extended PPL.

Following are some of the more notable requirements applicable to the CWSRF program:

### **a. Additional Subsidy**

Eligible construction projects appearing on the 2020 IUP will receive additional subsidy, to the extent that funds are available, in the form of loan forgiveness based on the affordability tier system described below and provided as a set percentage based on the community's tier ranking.

Massachusetts has established an Affordability Criteria to calculate and distribute loan forgiveness. The assignment of communities to affordability tier is based on an Adjusted Per Capita Income (APCI) calculation. Tiers ranking are calculated annually by comparing a community's APCI as a percentage of the Commonwealth's APCI. See the table below for the tier breakdown.

<b>Tier</b>	<b>Percent of state APCI</b>	<b>Minimum Loan Forgiveness</b>
1	Greater than 80%, but less-than 100%	3.3%
2	Greater than 60%, but less than 80%	6.6%
3	Less than 60%	9.9%

Projects that have a renewable energy component will qualify as a Tier 1 community and receive loan forgiveness for the portion of the loan that is financing the renewable energy component. Additional subsidy will be disbursed over construction contracts that are executed by June 30, 2021. Planning projects are not eligible for loan forgiveness.

In addition to meeting the Affordability Criteria, under Chapter 259 of the Acts of 2014, *An Act Improving Drinking Water and Wastewater Infrastructure*, applicants for additional subsidy are required to (1) establish water enterprise funds (or equivalent separate restricted accounts) and (2) not have made any transfers from such enterprise fund since January 1, 2015 to fund the community's general operating budget.

**b. Housing Choice Initiative**

Communities that have earned the Housing Choice designation, at the time of the SRF project solicitation, are eligible to have their loan's interest rate reduced by 0.5% (for example from the standard 2% to 1.5% for a standard term loan). However, under no circumstance can the interest rate fall below 0%. For example, if a community qualifies for a 0% loan for a nutrient management project, it cannot receive an added discount through Housing Choice. Housing choice initiative communities must also certify to the enterprise account requirement noted above.

**c. Green Infrastructure**

Congress requires that at least 10% of the federal grant be dedicated to Green Infrastructure projects or components as defined by the United State Environmental Protection Agency (USEPA). For Massachusetts, this requires that an estimated \$5.4 million be allocated towards Green Infrastructure projects, projects that minimize greenhouse gas (GHG) emissions and energy use. For 2020, MassDEP will work to determine the value of the green projects or portions of projects that qualify as green. The total value of green components of those projects will be determined when detailed project applications are submitted. MassDEP expects to meet the minimum \$5.4 million that USEPA requires be allocated towards green infrastructure projects.

**d. Applicant Cap**

The Massachusetts SRF regulations (310 CMR 44) place a limit on any one proponent receiving any more than 33% of the available funding in a given year. Because of the shortfall of available funding relative to the number of worthwhile projects, and in order to extend financial assistance to as many highly ranked projects as possible, MassDEP is implementing an applicant cap of \$50 million for the 2020 funding period. MassDEP, however, reserves the right to waive the applicant cap limitation if MassDEP determines that one or more projects on the IUP Project Listing are not ready to proceed. If the applicant cap is waived, communities may see an increase in financing support for projects not fully funded on the IUP listing.

**e. Fiscal Sustainability Planning**

For treatment works proposed for repair, replacement, or expansion, the USEPA requires that borrowers develop and implement a fiscal sustainability plan (FSP) that includes:

- an inventory of critical assets that are a part of the treatment works;
- an evaluation of the condition and performance of inventoried assets or asset groupings;
- a certification that the recipient has evaluated and will be implementing water and energy conservation efforts as part of the plan; and
- a plan for maintaining, repairing, and, as necessary, replacing the treatment works, and a plan for funding such activities; or
- a certification that the borrower has developed and implemented a plan that meets these requirements.

With the exception of the third bullet above, these are all components of an asset management plan. The USEPA issued a Best Management Practices guide for the development of asset management plans, which may be used as a basis for the development of an FSP <https://www.epa.gov/sustainable-water-infrastructure/asset-management-water-and-wastewater-utilities> There are numerous other guidance documents available on the USEPA website and

several other states (New Mexico and New Jersey among others) have developed detailed guidance on the development of asset management plans, which is publicly available.

At project completion, MassDEP requires certification from the project engineer stating that an FSP has been developed and implemented. The development of FSPs is an eligible SRF cost, and borrowers on the 2020 IUP may request an increase to their project cost to cover the development of the FSP.

#### **f. Cost and Effectiveness**

USEPA requires a certification that the borrower:

- has studied and evaluated the cost and effectiveness of the processes, materials, techniques, and technologies for carrying out the proposed project; and
- has selected, to the maximum extent practicable, a project that maximizes the potential for efficient water use, reuse, recapture, conservation, and energy conservation, considering:
  - the cost of constructing the project;
  - the cost of operating and maintaining the project over the life of the project; and
  - the cost of replacing the project.

MassDEP expects that applicants will have evaluated the cost of their project as well as the effectiveness of the solution in the required planning element such as a Comprehensive Wastewater Management Plan or a Project Evaluation Report. These reports typically evaluate alternatives and compare their various life cycle costs. The only additional work is to evaluate that the project maximizes the potential for efficient water use and energy conservation. This evaluation, if not already complete, can be appended to the planning document.

A Cost and Effectiveness Certification form is required to be submitted with each Loan Application package.

#### **g. Architectural and Engineering (A/E) Services Procurement**

The USEPA requires that A/E services that are paid with federal funds be procured using the qualifications-based selection process under Chapter 11 of Title 40, United States Code or an equivalent state qualifications-based requirement.

There are two Massachusetts statutes for procuring A/E services: Chapter 149 for vertical construction; and Chapter 30B for horizontal construction. Chapter 149 appears to meet the qualifications-based selection requirement while Chapter 30B does not.

Rather than add a third method of procurement or forcing communities into using a different method of procurement for horizontal construction and/or owner's project manager services, the Trust has chosen to not use federal funds for any A/E services. SRF funds will still be available for construction services. However, on large projects that receive federal funds for construction, the A/E services may be split out into a separate loan using non-federal.

#### **h. Project Accounting**

Project Accounting – The USEPA requires that project accounts be maintained in accordance with most recent applicable standard. The current standard is Governmental Accounting Standards

Board (GASB) Statement No. 34, which was issued in June 1999 and details governmental reporting requirements including standards for reporting infrastructure assets.

### **III. Short and Long-Term Goals**

The following are the goals that Massachusetts has set for its CWSRF.

#### **a. Short Term Goals**

- Incorporate the affordability criteria into the additional subsidy distribution;
- Provide enhanced subsidy to projects that include renewable energy components recommended by comprehensive energy audits;
- Finance projects that focus on rehabilitation of wastewater infrastructure that promote sustainable infrastructure and smart growth principles; to include prioritization of regional wastewater management alternatives where appropriate;
- Identify and finance stormwater management projects that utilize green infrastructure approaches
- Finance projects to correct combined sewer overflows, including those affecting the Connecticut and Merrimack Rivers, Boston Harbor and Buzzards Bay;
- Finance wastewater treatment projects to address nutrient removal, especially those which implement the Cape Cod 208 Plan recommendations;
- Utilize the SRF program to provide \$5 million in loan assistance for the correction/upgrade of failed septic systems through the Collection Systems, Nonpoint Source, and Community Septic Management Programs;
- Finance studies that encourage comprehensive water resource management planning;
- Perform outreach activities to Clean Water SRF borrowers that identify the focus on and eligibility of energy efficiency/alternative energy projects;
- Reserve \$3 million in available program capacity, to finance at MassDEP's discretion unanticipated problems of acute public health concern that may arise during the year. To be financed under this reserve, proposed projects must constitute an imminent environmental or public health threat and otherwise meet MassDEP's applicable criteria; and
- Support planning and construction projects for compliance with NPDES stormwater discharge permits.

#### **b. Long Term Goals**

- Continue correction of combined sewer overflows (CSO), Sanitary Sewer Overflows (SSO) and inflow/infiltration (I/I) problems, which retain high public health and environmental priority as serious sources of water quality degradation;
- Continue upgrading secondary treatment to address nutrients;
- Support financing of non-traditional solutions to water quality problems, particularly those caused by stormwater;
- Develop infrastructure projects that promote and support smart growth by concentrating development and avoiding sprawl into green space;
- Ensure that wastewater treatment projects financed through the SRF fully consider cost-effective energy efficiency measures and/or renewable energy strategies;
- Promote investments in nutrient reduction particularly as they affect waterbodies that have established Total Maximum Daily Loads (TMDLs) or those that have been identified through the Massachusetts Estuary Project;

- Continue financing projects identified in the statewide Nonpoint Source Program.
- Establish and efficiently manage a permanent source of financing for the construction of publicly owned water pollution abatement facilities and implementation of non-point source management projects to enhance and protect the quality of the waters of the Commonwealth.

#### **IV. Allocation of Funds**

##### **a. Criteria and Method for Distribution of Funds**

Massachusetts seeks to finance projects that mitigate documented impacts to public health or the environment, and for which proponents have completed comprehensive planning and alternatives analysis. Details supplied through the Project Evaluation Form (PEF) help MassDEP to determine the extent to which projects meet the goals of the program.

Once all projects have been rated and ranked following the *Clean Water State Revolving Fund 2020 Project Evaluation Form* instructions and guidance

<https://www.mass.gov/lists/state-revolving-fund-applications-forms#2020-project-evaluation-form-instructions-and-guidance>, the PPL is developed as shown in Table 3. With input from the Trust, MassDEP identifies all the sources of funds and spending limits and develops the IUP Project Listing as shown in Table 1.

To be considered eligible for funding, projects must meet State and Federal eligibility requirements, must be ready to proceed during the funding period, have appropriated local funds necessary to finance the project, and a MassDEP-approved planning element. An approvable planning element can be a Project Evaluation Report, Comprehensive Water Resources Management Plan, Long-term CSO Strategy, Stormwater Management Plan, or other MassDEP sanctioned planning document. Projects on Cape Cod are required to be consistent with the Cape Cod Area-Wide Section 208 Water Quality Management Plan. Two Cape Cod communities: Barnstable and Chatham have proposals on this IUP, which the Cape Cod Commission has determined are consistent with the Cape Cod 208 Plan.

Eligibility includes consistency with the assurances described in this document and the requirements contained within MassDEP's financial assistance regulations. Certain projects on the 2020 PPL may have higher priority point totals than the projects on the IUP Project Listing. That occurred because those projects on the PPL are not ready to proceed. An important indicator of readiness to proceed is that a project has completed the State Environmental Review Process.

MassDEP reserves the right to increase the amount allocated to any project appearing on this IUP, should additional federal or state funding or program loan capacity become available.

##### **b. Project Bypass Procedure**

A project on the IUP Project Listing may be bypassed if MassDEP determines that the bypassed project will not be ready to proceed during the Funding period. Project(s) bypassed will be replaced by the highest ranked priority project(s) on the PPL that are ready to proceed, or the funds may be used for cost increases to other projects approved previously. Complete project applications not received by MassDEP by October 16, 2020 will be automatically considered for bypassing.

The Trust and MassDEP will not add projects to the PPL/IUP beyond those that may qualify for emergency assistance. MassDEP, considering any material program change that would require

amendments to this IUP, will provide public notice and an appropriate comment period before issuing an amended IUP.

### **c. Types of Projects to be Funded and Financing Rates**

Any water pollution abatement project of an eligible borrower is eligible to receive financial assistance from the Trust. Such eligible projects include, but are not limited to:

- Wastewater Treatment Projects, as defined in 310 CMR 44.03;
- Infiltration Inflow (“I/I”) Projects, as defined in 310 CMR 44.03;
- Collection System Projects, as defined in 310 CMR 44.03. However, 85% of the expected wastewater flow into the proposed collection system must be for wastewater flows in existence as of July 1, 1995;
- Nonpoint Source Projects, as defined in 310 CMR 44.03;
- Nutrient Management Projects, as defined in 310 CMR 44.03;
- Stormwater Projects;
- Green Infrastructure Projects; and
- The planning or design for any project in one of the categories identified above.

Costs of construction that MassDEP determines are necessary for the completion of the project are eligible for financing through the loan and can receive a subsidy under the loan, subject to the applicant cap. Although costs for design are eligible, they will not be financed during this funding period due to the high demand for construction funding.

All projects on the IUP are eligible for 2% interest rate loans. Certain projects that are primarily for nutrient removal are eligible for 0% interest rate loans. These nutrient removal projects will be evaluated in accordance with 310 CMR 44.04(2) and a determination will be made as to the eligibility for 0% interest loans before the loan is permanently financed.

## **V. Financial Management**

### **a. Source of State Match**

Based on a 2020 federal grant of \$54 million, the required 20% state match totals \$11 million. These funds are provided to the Trust from the Commonwealth’s Capital Plan.

### **b. Fee Income**

The Trust charges approximately \$5.50 per \$1,000 as a loan origination fee to offset the costs incurred during bond issuance. Recipients of SRF loans are charged an annual administrative fee of 0.15% (15 basis points) against the outstanding loan principal to fund salaries and expenses of the Trust and MassDEP related to SRF project development and loan management. As of June 30, 2019, the Trust has approximately \$53 million in administrative fees available.

### **c. Program Administration**

The Commonwealth of Massachusetts intends to use the full 4% of the Federal capitalization grant funds for administrative support of activities related to the Fund. Use of those funds is detailed in the CWSRF Grant Application that the Trust files each year with the USEPA.

**d. Anticipated Cash Draw Ratio**

Massachusetts will draw 100% of the state match funds before drawing federal funds. This will ensure that Massachusetts remains in compliance with the required cash draw ratios.

**e. Transfer of Funds to the Drinking Water State Revolving Fund (DWSRF)**

*Section 302 of the 1996 Safe Drinking Water Act Amendments* allows states the flexibility to move funds between the Clean and the Drinking Water SRF programs, to better address specific state priorities. The USEPA allows an equivalent of up to 33% (thirty-three percent) of the Drinking Water grant to be transferred between the CWSRF and DWSRF.

The CWSRF IUP capacity frequently allows Massachusetts to finance all the requested projects in a given year. Generally, a third of requested DWSRF projects go unfunded. The level of federal grant funding of the DWSRF is insufficient to meet the need for project financing. Transferring a limited amount of funds from the CWSRF to the DWSRF this year and in the future will help increase the overall capacity of the DWSRF and reduce the number of unfunded projects. Massachusetts will transfer funds from the CWSRF to the DWSRF program in the estimated amount of \$8.43 million (33% of the 2020 DWSRF grant amount of \$25.55 million). This transfer of funds will not result in any changes to the 2020 list of projects. The transfer will be used to increase the capacity of the 2020 IUP.

**f. Estimated Sources and Uses**

The sources of funds available to the Massachusetts CWSRF include the federal capitalization grant, state match and borrower loan repayments. The Trust may leverage these funds up to 3 times. Under this authority, the Trust will offer to finance approximately \$500 million.

**VI. Program Management**

**a. Assurances and Special Conditions**

MassDEP and the Trust have provided the required assurances and certifications as part of the Operating Agreement (OA) between Massachusetts and the USEPA. The OA describes the mutual obligations among USEPA, MassDEP, and the Trust. The purpose of the OA is to provide a framework of procedures to be followed in the management and administration of the CWSRF.

The OA addresses the commitment to key CWSRF requirements, including:

- Section 602(a) Environmental Reviews: The CWSRF will conduct environmental reviews according to the State Environmental Review Process developed for the SRF.
- Section 603(b) (3) Binding Commitments: The CWSRF will enter into binding commitments for 120% of each quarterly grant payment within one year of receipt of the payment.
- Section 602(b) (4) Expeditious and Timely Expenditures: The CWSRF will expend all funds in the CWSRF in a timely manner.
- Consistency with Planning. The Commonwealth agrees that it will not provide assistance to any project unless that project is consistent with plans developed under Section 205(j), 208, 303(e), 319, or 320.



**b. Federal Requirements**

A number of federal requirements apply in an amount equal to the capitalization grant including:

- Single Audit Act (2 CFR 200 Subpart F)
- Disadvantaged Business Enterprise compliance
- Federal environmental crosscutters
- Federal Funding Accountability and Transparency Act reporting

MassDEP and the Trust will identify the group of projects that must comply with these requirements in the grant application. Frequently, the group of projects changes as projects move towards construction, usually due to attrition. If changes are made to the group of projects, appropriate amendments to the grant application will be made.

**c. Davis-Bacon Wage Rates**

The amendments to the Clean Water Act, as part of WRRDA, apply the Davis-Bacon Act requirements to all treatment works projects going forward. The Davis-Bacon requirements do not apply to nonpoint source or decentralized wastewater treatment projects. MassDEP ensures that the required Davis Bacon language is included in contracts and conducts field verifications of project compliance with the wage rate requirements.

**d. American Iron and Steel**

The amendments to the Clean Water Act, as part of WRRDA, apply the American Iron and Steel (AIS) requirements to all treatment works projects going forward. MassDEP ensures that the required AIS language is included in contracts and conducts field verifications of project compliance. Appropriate AIS language has also been included in the Project Regulatory Agreement and the Financing Agreement.

**e. Audits and Reporting**

MassDEP and the Trust will comply with all the auditing and reporting requirements of the USEPA. A single audit is conducted annually and reporting to the USEPA is done through the Clean Water Benefits Reporting system, the National Information Management System, Annual Report, and FFATA reporting.

**VII. Public Review and Comment**

Notice of the availability of the Draft Calendar Year 2020 IUP/PPL was made on February 14, 2020. A public hearing on the Draft IUP was to take place on March 16, 2020, at the MassDEP offices at One Winter Street, Boston, MA. Due to protocols put in place by the State of Massachusetts in response to the COVID-19 emergency, the public hearing was canceled. The requirement to hold a public hearing was suspended on March 26, 2020, by the Governor's COVID-19 Order 17. MassDEP received written testimony during the public comment period that closed at 5:00 PM on March 16, 2020. The final recommendation reflects the testimony received during the public review process. Records of testimony received are maintained in MassDEP's files.

**TABLE 3**  
**CLEAN WATER STATE REVOLVING FUND**  
**Calendar Year 2020 CWSRF Project Priority List**

**NEW PROJECTS**

Rating	Applicant	NPDES/PERMIT	SRF ID	Project	Project Cost
161	TAUNTON #(RE)(PF)(H)	MA0100897	4605	Wastewater Treatment Facility Upgrade - Phase 1	\$22,500,000
133	NEW BEDFORD (PF)	MA0100781	6657	Pumping Station Improvements	\$27,580,000
131	NANTUCKET #(H)	GW Permit	5626	Phase 2 Surfside WWTF Improvements	\$8,944,000
120	NEW BEDFORD (PF)	MA0100781	6634	Wastewater Collection System Improvements	\$15,805,000
120	FITCHBURG (PF)	MA0100986	4624	CSO 007, 011, 039, 048 Separation/Rehabilitation	\$8,000,000
107	REVERE (PF)	MA0103284	6648	Phase 11 Construction- I/I, IDDE, P.S. & Drainage	\$6,700,000
100	TAUNTON (PF)(H)	MA0100897	6690	WWTF- Solids Handling Improvements	\$6,000,000
100	ACUSHNET (PF)	MA0100781	6647	CWMP Needs Areas 2 Sewer Extension	\$12,686,000
100	ACTON #(H)	GW Permit	6630	West Acton Center Sewer Extension Project	\$16,600,000
94	NORWOOD (PF)	MA0103284	6715	Underdrain Area Sewer Rehabilitation	\$2,700,000
94	WAREHAM (PF)	MA0101893	6642	Process Upgrades at the Wareham WPCF	\$9,000,000
93	NANTUCKET (H)	GW Permit	6722	Sea St. Pump Station Force Main No. 3	\$32,000,000
92	LYNN WATER AND SEWER COMMISSION	MA0100552	6736	Headworks Screenings and Grit Removal Upgrade	\$27,800,000
92	WINTHROP (PF)	MA0103284	4620	Centre Business District Infrastructure Improvemen	\$8,635,000
87	BROCKTON (PF)(H)	MA0101010	6688	Sewer Rehabilitation Project	\$5,000,000
87	ACTON #(RE)(H)	GW Permit	5625	Acton Middle Fort Pond Brook WWTF Upgrades	\$13,300,000
83	BARNSTABLE #(PF)(H)	GW Permit	6675	Wastewater Pump Station Improvements Project	\$1,000,000
83	NEW BEDFORD #(PF)	MA0100781	4614	Wastewater Treatment Plant Improvements	\$12,750,000
82	CHATHAM	GW Permit	4615	Chatham Stormwater Improvement Projects - 2020	\$3,311,000
82	CHICOPEE #(PF)	MA0101508	6721	Jones Ferry Wastewater PS Phase II Improvements	\$4,281,600
81	LITTLETON #(RE)(H)	TBD	6713	Littleton Common Smart Sewer Project	\$22,950,000
77	REVERE (PF)	MA0103284	5628	Eliot Circle Wastewater Capacity Improvements	\$9,500,000
77	SALEM (PF)	MA0100501	6672	Canal Street Flood Mitigation Project - Phase 2B	\$37,500,000
76	BILLERICA #(PF)(H)	MA0101711	4618	Darby and Waterview Avenue Pump Stations	\$2,525,000
73	CHICOPEE (PF)	MA0101508	6639	Solids Handling Improvements Project	\$3,178,000
72	BELMONT	MA0103284	6702	Sewer and Storm Drain Rehabilitation	\$1,564,000
71	SOUTH ESSEX SEWERAGE DISTRICT	MA0100501	6656	Contract No. 20-1 Danvers Siphon Rehabilitation	\$2,500,000
69	DUDLEY (PF)	MA0100706	4603	Dudley I/I Mitigation Construction Project	\$1,300,000

66	SOUTH ESSEX SEWERAGE DISTRICT	MA0100501	4608 Primary Clarifier Concrete Restoration	\$10,795,400
66	BILLERICA (PF)(H)	MA0101711	4621 Sewer Contracts 37 & 38	\$39,564,763
65	MARTHA'S VINEYARD AIRPORT COMMISSION	TBD	4625 Martha's Vineyard Airport WWTF Upgrades	\$4,500,000
65	BARNSTABLE #(PF)(H)	GW Permit	6730 Solids Handling Upgrade Project	\$7,493,000
65	BARNSTABLE (PF)(H)	GW Permit	6711 Route 28 and Yarmouth Road Intersection Sewer	\$2,000,000
61	GLOUCESTER #(PF)	MA0100625	6683 Pump Station Upgrades, City of Gloucester, MA	\$2,765,000
58	SALEM (PF)	MA0100501	4617 Salem Infiltration/Inflow Removal 2020 PEF	\$4,924,200
57	BARNSTABLE (PF)(H)	GW Permit	6714 Strawberry Hill Road Sewer Expansion	\$8,500,000
55	TYNGSBOROUGH (PF)(H)	MA0100633	6645 I and I Rehabilitation	\$500,000
51	MASSACHUSETTS WATER RESOURCES AUTHORITY	MA0103284	6679 Hayes Pump Station Rehab	\$11,000,000
48	SALEM (PF)	MA0100501	4606 Ocean Avenue West Pump Station Improvements	\$2,000,000
47	ACTON (H)	GW Permit	6684 South Acton Sewer System Improvements	\$4,520,000
46	NAHANT	MA0100552	6737 Sewer Collection System - Repair and Replacement	\$4,082,000

---

**TOTAL OF NEW PROJECTS**
**\$428,253,963**

(Count: 41)

(Average Rating: 82.61)

(H) - Housing Choice Communities

(PF) - Affordability Criteria

(RE) - Potential Renewable Energy Projects

# - Projects contains Energy Efficiency, Renewable Energy and/or meets EPA's definition of a Green Project (<https://www.epa.gov/greeningepa/energy-and-emissions-epa>)

**MULTI-YEAR CARRYOVER AND STATUTORY PROJECTS**

Applicant	NPDES/PERMIT	SRF ID	Project	Project Cost
LYNN WATER AND SEWER COMMISSION	MA0100552	4488	West Lynn Sewer Separation	\$99,637,090
MASSACHUSETTS WATER RESOURCES AUTHORITY	MA0103284	4150	DITP Asset Protection Phase 3	\$66,500,000
MASSACHUSETTS WATER RESOURCES AUTHORITY	MA0103284	4117	Facility Asset Protection	\$45,448,945
MASSACHUSETTS WATER RESOURCES AUTHORITY	MA0103284	3981	Remote Headworks Upgrade	\$129,936,000
MASSACHUSETTS WATER RESOURCES AUTHORITY #	MA0103268	4446	Nut Island HW Odor Control & HVAC - Contract 7548	\$57,565,399
<b>TOTAL OF MULTI-YEAR CARRYOVER AND STATUTORY PROJECTS</b>				<b>\$399,087,434</b>

(Count: 5)

**MassDEP PRIORITY PROJECTS**

Applicant	NPDES/PERMIT	SRF ID	Project	Project Cost
COMMUNITY SEPTIC MANAGEMENT	N/A	3850	Community Septic Management Program	\$5,000,000
EMERGENCY SRF SET-A-SIDE	N/A	2977		\$3,000,000
<b>TOTAL OF MassDEP PRIORITY PROJECTS</b>				<b>\$8,000,000</b>

(Count: 2)

**PLANNING PROJECTS**

Applicant	SRF ID	Project	Project Cost
GLOUCESTER	6697	Gloucester Comprehensive Wastewater Management Plan	\$225,000
HAVERHILL (H)	6631	CMOM Program Planning and Discrete Sewer System In	\$1,370,000
MILLBURY	4609	MS4 Permit Compliance	\$500,000
NEW BEDFORD	4612	Sewer and Stormwater System IDDE	\$2,000,000
QUINCY (H)	6669	Stormwater Management Planning Study	\$200,000
QUINCY (H)	6668	Stormwater Drainage Study	\$350,000
REVERE	6652	FOG Control and CMOM Equipment Procurement	\$800,000
REVERE	6651	Alternative Wastewater Connections(s)/Storage Eval	\$750,000
REVERE	6628	Phase 12 Investigations	\$1,300,000
WESTPORT	6695	Integrated Plan for WRM - Phase II	\$150,000
<b>TOTAL OF PLANNING PROJECTS</b>			<b>\$7,645,000</b>

(Count: 10)

**TOTAL OF PROJECT PRIORITY LIST****\$842,986,397**

**TABLE 4**  
**CLEAN WATER STATE REVOLVING FUND**  
**Calendar Year 2020 CWSRF ASSET MANAGEMENT PLANNING PROJECTS**

**ASSET MANAGEMENT PLANNING PROJECTS**

Rating	Applicant	SRF ID	Project	Project Cost
100	HAVERHILL	6644	Asset Management Plan	\$250,000
97	WEST SPRINGFIELD	6735	2020 West Springfield Stormwater AMP	\$168,000
91	FITCHBURG	6712	Fitchburg Asset Management	\$161,000
87	GREAT BARRINGTON	6700	Great Barrington Sewer and Stormwater AMP	\$181,250
82	FALL RIVER	6725	Asset Management WWTF	\$140,000
82	PALMER	6699	2020 Palmer Sewer and Stormwater AMP	\$211,875
73	MELROSE	6655	City of Melrose Sewer Asset Management Planning	\$100,000
72	BARNSTABLE	6727	Asset Management WWTF	\$106,000
70	MILLIS	5627	Town of Millis, MA - Asset Management Plan	\$214,995
50	EASTHAMPTON	6629	City of Easthampton, MA - Asset Management Plan	\$175,000
48	SOMERVILLE	6646	Sewer System Evaluation Survey and Plan	\$250,000
<b>TOTAL OF ASSET MANAGEMENT PLANNING PROJECT</b>				<b>\$1,958,120</b>

(Count: 11)

**TOTAL OF PROJECT PRIORITY LIST** **\$1,958,120**