

	<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>  <b>Cooperative Agreement</b>	ASSISTANCE ID NO.			DATE OF AWARD 03/03/2011
		PRG	DOC ID	AMEND#	
		XP - 00F30401 - 0			
		TYPE OF ACTION New			MAILING DATE 03/10/2011
PAYMENT METHOD: ASAP			ACH# 66904		
RECIPIENT TYPE: County			Send Payment Request to: Las Vegas Finance Center		
RECIPIENT:			PAYEE:		
Fort Bend County 301 Jackson Street Richmond, TX 77469 EIN: 74-6001969			Fort Bend County 301 Jackson Street Richmond, TX 77469		
PROJECT MANAGER		EPA PROJECT OFFICER		EPA GRANT SPECIALIST	
Ann Werlein 301 Jackson Street Richmond, TX 77469 E-Mail: werleann@co.fort-bend.tx.us Phone: 281-341-8634		Nasim Jahan 1445 Ross Avenue, Suite 1200, 6WQ-AP Dallas, TX 75202-2733 E-Mail: nasim.jahan@epa.gov Phone: 214-665-7522		Jeraldine Englerth Grant Programs Section, 6MD-CG E-Mail: Englerth.Jeraldine@epamail.epa.gov Phone: 214-665-7402	
<b>PROJECT TITLE AND DESCRIPTION</b> Freshwater Supply District #1, City of Arcola Constructing a drinking water distribution system in the Fort Bend County Freshwater Supply District No. 1 and the City of Arcola for delivering treated and safe drinking water from a surface drinking water treatment plant to residents in the Cities of Fresno and Arcola. The recipient has two previous earmark that was funded for the same scope of project. Additional funding is required to complete the project.					
BUDGET PERIOD 03/03/2011 - 01/30/2014		PROJECT PERIOD 03/03/2011 - 01/30/2014		TOTAL BUDGET PERIOD COST \$869,091.00	
				TOTAL PROJECT PERIOD COST \$869,091.00	
<b>NOTICE OF AWARD</b>  Based on your application dated 12/21/2010, including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA), hereby awards \$478,000. EPA agrees to cost-share 55.00% of all approved budget period costs incurred, up to and not exceeding total federal funding of \$478,000. Such award may be terminated by EPA without further cause if the recipient fails to provide timely affirmation of the award by signing under the Affirmation of Award section and returning all pages of this agreement to the Grants Management Office listed below within 21 days after receipt, or any extension of time, as may be granted by EPA. This agreement is subject to applicable EPA statutory provisions. The applicable regulatory provisions are 40 CFR Chapter 1, Subchapter B, and all terms and conditions of this agreement and any attachments.					
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)			AWARD APPROVAL OFFICE		
ORGANIZATION / ADDRESS			ORGANIZATION / ADDRESS		
Grant Programs Section, 6MD-CG 1445 Ross Avenue, Suite 1200 Dallas, TX 75202-2733			U.S. EPA, Region 6 Water Quality Protection Division (6WQ) 1445 Ross Avenue, Suite 1200 Dallas, TX 75202-2733		
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY					
SIGNATURE OF AWARD OFFICIAL		TYPED NAME AND TITLE		DATE	
Digital signature applied by EPA Award Official		Donna Miller, Chief Grant Programs Section		03/03/2011	
<b>AFFIRMATION OF AWARD</b> BY AND ON BEHALF OF THE DESIGNATED RECIPIENT ORGANIZATION					
SIGNATURE		TYPED NAME AND TITLE		DATE	
		Robert E. Hebert, County Judge		3-22-2011	

3-23-11 copy received

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FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$	\$ 478,000	\$ 478,000
EPA In-Kind Amount	\$	\$	\$ 0
Unexpended Prior Year Balance	\$	\$	\$ 0
Other Federal Funds	\$	\$	\$ 0
Recipient Contribution	\$	\$	\$ 0
State Contribution	\$	\$	\$ 0
Local Contribution	\$	\$ 391,091	\$ 391,091
Other Contribution	\$	\$	\$ 0
Allowable Project Cost	\$ 0	\$ 869,091	\$ 869,091

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.202 - Congressionally Mandated Projects	Consolidated Appropriations Act 2008	40 CFR PART 31

Fiscal									
Site Name	Req No	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation
-	1106WE0011	11	E4C	0600HJK	201B51E	4192			478,000
									478,000

<b>Approved Budget</b>	
<b>Program Element Classification (Construction)</b>	<b>Approved Allowable Budget Period Cost</b>
1. Administration Expense	\$0
2. Preliminary Expense	\$0
3. Land Structure, Right Of Way	\$0
4. Architectural Engineering Basic Fees	\$60,000
5. Other Architectural Engineering Fees	\$25,000
6. Project Inspection Fees	\$10,000
7. Land Development	\$0
8. Relocation Expenses	\$0
9. Relocation Payments to Individuals & Bus.	\$0
10. Demolition and Removal	\$0
11. Construction and Project Improvement	\$744,091
12. Equipment	\$0
13. Miscellaneous	\$30,000
14. Total (Lines 1 thru 13)	\$869,091
15. Estimate Income	\$0
16. Net Project Amount (Line 14 minus 15)	\$869,091
17. Less: Ineligible Exclusions	\$0
18. Add: Contingencies	\$0
19. Total (Share: Recip <u>45.00%</u> Fed <u>55.00%</u> )	\$869,091
20. TOTAL APPROVED ASSISTANCE AMOUNT	\$478,000

### **Administrative Conditions**

This Assistance Agreement is awarded in accordance with the **Federal Grants and Cooperative Agreement Act of 1977**. Areas of substantial EPA involvement, beyond the normal exercise of performance evaluation and program review, have been detailed in specific output objectives which resulted from negotiation between EPA and the recipient. These areas are included in the application for this award and have become a part of this Agreement.

1. The recipient covenants and agrees that it will expeditiously initiate and timely complete the project work for which assistance has been awarded under this Agreement, in accordance with all applicable provisions of **40 CFR Chapter 1, Subchapter B**. The recipient warrants, represents, and agrees that it and all its contractors, employees and representatives, will comply with all APPLICABLE provisions of **40 CFR Chapter 1, Subchapter B, INCLUDING BUT NOT LIMITED TO** the provisions of **40 CFR Parts 31, 32, 33, 34 and 35**. This award may be reduced or terminated at such time the recipient fails to comply with the program objectives, grant award conditions, or Federal reporting requirements.
2. Recipient standards of administration, property management, procurement and financial management, as well as records and facilities of recipients, their contractors and subcontractors are subject to audit and inspection by the Comptroller General of the United States and the U.S. Environmental Protection Agency in accordance with Office of Management and Budget (OMB) Circulars A-87, A-102, or A-110, as appropriate, A-133 and 40 CFR Part 31. The recipient's standards governing procurement will be in accordance with 40 CFR, Part 31.36, Part 33 and OMB Circular A-102. The recipient shall maintain a financial management system which meets the requirements of 40 CFR Part 31.20.
3. The Federal share of allowable expenditures chargeable to this assistance project will be financed by the EPA AUTOMATED CLEARING HOUSE (EPA-ACH) PAYMENT SYSTEM or U.S. TREASURY AUTOMATED STANDARD APPLICATION FOR PAYMENTS (ASAP) SYSTEM.

The recipient will strictly adhere to the accounting and reporting procedures described in the EPA-ACH Recipient's Manual for the duration of the project. Three conditions should receive special attention:

- a. Cash drawdowns will be made only as actually needed for disbursements.
- b. SPECIAL NOTE: When a drawdown under the EPA-ACH Payment System occurs, the recipient must show the Assistance Agreement Number(s) under "Financial Data" on the EPA-ACH Payment Request Form. Requests for payment should be faxed to:

(702) 798-2423

Las Vegas Finance Center

Attention: Region 6 Financial Specialist, Eileen Brasier

- c. The recipient will impose the same standards of timing and reporting on secondary recipients, if any.

4. Payment to consultants. EPA participation in the salary rate (excluding overhead) paid to individual consultants retained by recipients or by a recipient's contractors or subcontractors shall be limited to the maximum daily rate for a Level IV of the Executive Schedule (formerly GS-18), to be adjusted annually. This limit applies to consultation services of designated individuals with specialized skills who are paid at a daily or hourly rate. As of January 1, 2011, the limit is \$596.00 per day and \$74.50 per hour. This rate does not include transportation and subsistence costs for travel performed (the recipient will pay these in accordance with their normal travel reimbursement practices).

Subagreements with firms for services which are awarded using the procurement requirements in 40 CFR 30 or 31, as applicable, are not affected by this limitation unless the terms of the contract provide the recipient with responsibility for the selection, direction, and control of the individuals who will be providing services under the contract at an hourly or daily rate of compensation. See 40 CFR 31.36(j) or 30.27(b).

**5. National Term and Condition: Drug-Free Workplace Certification for all EPA recipients**

The recipient organization of this EPA assistance agreement must make an ongoing, good faith effort to maintain a drug-free workplace pursuant to the specific requirements set forth in Title 40 CFR 36.200 - 36.230. Additionally, in accordance with these regulations, the recipient organization must identify all known workplaces under its federal awards, and keep this information on file during the performance of the award.

Those recipients who are individuals must comply with the drug-free provisions set forth in Title 40 CFR 36.300.

The consequences for violating this condition are detailed under Title 40 CFR 36.510. Recipients can access the Code of Federal Regulations (CFR) Title 40 Part 36 at [http://www.access.gpo.gov/nara/cfr/waisidx\\_06/40cfr36\\_06.html](http://www.access.gpo.gov/nara/cfr/waisidx_06/40cfr36_06.html).

6. EPA is fully funding this assistance agreement based on the terms of a congressional earmark. If future earmarks are not provided for this project and recipient, supplemental funding for this project is not guaranteed.

7. Congress has prohibited EPA from using its FY 2011 appropriations to provide funds to the Association of Community Organizations for Reform Now (ACORN) or any of its subsidiaries. None of the funds provided under this agreement may be used for subawards/subgrants or contracts to ACORN or its subsidiaries. Recipients should direct any questions about this prohibition to their EPA Grants Management Office.

**8. HOTEL-MOTEL FIRE SAFETY**

Pursuant to 40 CFR 30.18, if applicable, and 15 USC 2225a, the recipient agrees to ensure that all space for conferences, meetings, conventions, or training seminars funded in whole or in part with federal funds complies with the protection and control guidelines of the Hotel and Motel

Fire Safety Act (PL 101-391, as amended). Recipients may search the Hotel-Motel National Master List at <http://www.usfa.dhs.gov/applications/hotel/> to see if a property is in compliance (FEMA ID is currently not required), or to find other information about the Act.

**9. LOBBYING AND LITIGATION - ALL RECIPIENTS**

The chief executive officer of this recipient agency shall ensure that no grant funds awarded under this assistance agreement are used to engage in lobbying of the Federal Government or in litigation against the United States unless authorized under existing law. The recipient shall abide by its respective OMB Circular (A-21, A-87, or A-122), which prohibits the use of federal grant funds for litigation against the United States or for lobbying or other political activities.

The recipient agrees to comply with Title 40 CFR Part 34, *New Restrictions on Lobbying*. The recipient shall include the language of this provision in award documents for all subawards exceeding \$100,000, and require that subrecipients submit certification and disclosure forms accordingly.

In accordance with the Byrd Anti-Lobbying Amendment, any recipient who makes a prohibited expenditure under Title 40 CFR Part 34 or fails to file the required certification or lobbying forms shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure.

**10.** Management fees or similar charges in excess of the direct costs and approved indirect rates are not allowable. The term "management fees or similar charges" refers to expenses added to the direct costs in order to accumulate and reserve funds for ongoing business expenses, unforeseen liabilities, or for other similar costs which are not allowable under this assistance agreement. Management fees or similar charges may not be used to improve or expand the project funded under this agreement, except to the extent authorized as a direct cost of carrying out the scope of work.

**11.** In accordance with OMB Circular A-133, which implements the Single Audit Act, the recipient hereby agrees to obtain a single audit from an independent auditor, if it expends \$500,000 or more in total Federal funds in any fiscal year. Within nine months after the end of a recipient's fiscal year or 30 days after receiving the report from the auditor, the recipient shall submit the SF-SAC and a Single Audit Report Package. **The recipient MUST** submit the SF-SAC and a Single Audit Report Package, using the Federal Audit Clearinghouse's Internet Data Entry System. For complete information on how to accomplish the single audit submissions, you will need to visit the Federal Audit Clearinghouse Web site: <http://harvester.census.gov/fac/>

**12.** EPA's financial obligations to the recipient are limited by the amount of federal funding awarded to date as shown on line 15 in its EPA approved budget. If the recipient incurs costs in anticipation of receiving additional funds from EPA, it does so at its own risk.

**13. Reporting Subawards and Executive Compensation.**

**a. Reporting of first-tier subawards.**

**1. Applicability.** Unless you are exempt as provided in paragraph d. of this award term, you must report each action that obligates \$25,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512(a)(2) of the

American Recovery and Reinvestment Act of 2009, Pub. L. 111-5) for a subaward to an entity (see definitions in paragraph e of this award term).

2. Where and when to report.

i. You must report each obligating action described in paragraph a.1. of this award term to [www.fsrs.gov](http://www.fsrs.gov).

ii. For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)

3. What to report. You must report the information about each obligating action that the submission instructions posted at [www.fsrs.gov](http://www.fsrs.gov) specify.

b. Reporting Total Compensation of Recipient Executives.

1. Applicability and what to report. You must report total compensation for each of your five most highly compensated executives for the preceding completed fiscal year, if --

i. the total Federal funding authorized to date under this award is \$25,000 or more;

ii. in the preceding fiscal year, you received—

(A) 80 percent or more of your annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

(B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>.)

2. Where and when to report. You must report executive total compensation described in paragraph b.1. of this award term:

i. As part of your registration profile at [www.ccr.gov](http://www.ccr.gov).

ii. By the end of the month following the month in which this award is made, and annually thereafter.

c. Reporting of Total Compensation of Subrecipient Executives.

1. Applicability and what to report. Unless you are exempt as provided in paragraph d. of this award term, for each first-tier subrecipient under this award, you shall report the names and total compensation of each of the subrecipient's five most highly compensated executives for the subrecipient's preceding completed fiscal year, if --

i. in the subrecipient's preceding fiscal year, the subrecipient received—

(A) 80 percent or more of its annual gross revenues from

Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and  
(B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and

ii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/excomp.htm>.)

2. Where and when to report. You must report subrecipient executive total compensation described in paragraph c.1. of this award term:

- i. To the recipient.
- ii. By the end of the month following the month during which you make the subaward. For example, if a subaward is obligated on any date during the month of October of a given year (i.e., between October 1 and 31), you must report any required compensation information of the subrecipient by November 30 of that year.

d. Exemptions

If, in the previous tax year, you had gross income, from all sources, under \$300,000, you are exempt from the requirements to report:

- i. subawards,  
and
- ii. the total compensation of the five most highly compensated executives of any subrecipient.

e. Definitions. For purposes of this award term:

1. Entity means all of the following, as defined in 2 CFR part 25:
  - i. A Governmental organization, which is a State, local government, or Indian tribe;
  - ii. A foreign public entity;
  - iii. A domestic or foreign nonprofit organization;
  - iv. A domestic or foreign for-profit organization;
  - v. A Federal agency, but only as a subrecipient under an award or subaward to a Non-federal entity.

2. Executive means officers, managing partners, or any other employees in management positions.

3. Subaward:

- i. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.
- ii. The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see Sec. --.210 of the attachment to OMB Circular A-133, "Audits of States, Local



Governments, and Non-profit Organizations”).

iii. A subaward may be provided through any legal agreement, including an agreement that you or a subrecipient considers a contract.

4. Subrecipient means an entity that:

- i. Receives a subaward from you (the recipient) under this award; and
- ii. Is accountable to you for the use of the Federal funds provided by the subaward.

5. Total compensation means the cash and noncash dollar value earned by the executive during the recipient’s or subrecipient’s preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):

- i. *Salary and bonus* .
- ii. *Awards of stock, stock options, and stock appreciation rights* . Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
- iii. *Earnings for services under non-equity incentive plans* . This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
- iv. *Change in pension value*. This is the change in present value of defined benefit and actuarial pension plans.
- v. *Above-market earnings on deferred compensation which is not tax-qualified* .
- vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.

#### **14. Trafficking in persons.**

a. *Provisions applicable to a recipient that is a private entity* .

1. You as the recipient, your employees, subrecipients under this award, and subrecipients’ employees may not—
  - i. Engage in severe forms of trafficking in persons during the period of time that the award is in effect;
  - ii. Procure a commercial sex act during the period of time that the award is in effect; or
  - iii. Use forced labor in the performance of the award or subawards under the award.
2. We as the Federal awarding agency may unilaterally terminate this award, without penalty, if you or a subrecipient that is a private entity —
  - i. Is determined to have violated a prohibition in paragraph a.1 of this award term; or
  - ii. Has an employee who is determined by the agency official authorized to terminate the award to have violated a prohibition in paragraph a.1 of this award

term through conduct that is either—

- A. Associated with performance under this award; or
- B. Imputed to you or the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, “OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),” as implemented by our Agency at 2 CFR 1532.

b. *Provision applicable to a recipient other than a private entity* . We as the Federal awarding agency may unilaterally terminate this award, without penalty, if a subrecipient that is a private entity—

- 1. Is determined to have violated an applicable prohibition in paragraph a.1 of this award term; or
- 2. Has an employee who is determined by the agency official authorized to terminate the award to have violated an applicable prohibition in paragraph a.1 of this award term through conduct that is either—
  - i. Associated with performance under this award; or
  - ii. Imputed to the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, “OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),” as implemented by our agency at 2 CFR 1532

c. *Provisions applicable to any recipient* .

- 1. You must inform us immediately of any information you receive from any source alleging a violation of a prohibition in paragraph a.1 of this award term.
- 2. Our right to terminate unilaterally that is described in paragraph a.2 or b of this section:
  - i. Implements section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7104(g)), and
  - ii. Is in addition to all other remedies for noncompliance that are available to us under this award.
- 3. You must include the requirements of paragraph a.1 of this award term in any subaward you make to a private entity.

d. *Definitions* . For purposes of this award term:

- 1. “Employee” means either:
  - i. An individual employed by you or a subrecipient who is engaged in the performance of the project or program under this award; or
  - ii. Another person engaged in the performance of the project or program under this award and not compensated by you including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward cost sharing or matching requirements.
- 2. “Forced labor” means labor obtained by any of the following methods: the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.
- 3. “Private entity”:
  - i. Means any entity other than a State, local government, Indian tribe, or foreign public entity, as those terms are defined in 2 CFR 175.25.
  - ii. Includes:
    - A. A nonprofit organization, including any nonprofit institution of higher

education, hospital, or tribal organization other than one included in the definition of Indian tribe at 2 CFR 175.25(b).

B. A for-profit organization.

4. "Severe forms of trafficking in persons," "commercial sex act," and "coercion" have the meanings given at section 103 of the TVPA, as amended (22 U.S.C. 7102).

**15.** Pursuant to 40 CFR 31.41(b) and 31.50(b), EPA recipients shall submit an **annual** Federal Financial Report (SF-425) to EPA no later than 30 calendar days following the end of the reporting quarter.

The following reporting period end dates shall be used for interim reports: 3/31, 6/30, 9/30, or 12/31.

At the end of the project, the recipient must submit a final Federal Financial Report to EPA no later than 90 calendar days after the end of the project period. The form is available on the internet at <http://www.epa.gov/ocfo/finservices/forms.htm> . All FFRs must be submitted to the Las Vegas Finance Center: US EPA, LVFC, PO Box 98515, Las Vegas, NV 89193, or by Fax to: 702-798-2423.

The LVFC will make adjustments, as necessary, to obligated funds after reviewing and accepting a final Federal Financial Report. Recipients will be notified and instructed by EPA if they must complete any additional forms for the closeout of the assistance agreement. EPA may take enforcement actions in accordance with 40 CFR 31.43 if the recipient does not comply with this term and condition.

**16. UTILIZATION OF SMALL, MINORITY AND WOMEN'S BUSINESS ENTERPRISES**

**GENERAL COMPLIANCE, 40 CFR, Part 33**

The recipient agrees to comply with the requirements of EPA's Program for Utilization of Small, Minority and Women's Business Enterprises in procurement under assistance agreements, contained in 40 CFR, Part 33.

**FAIR SHARE OBJECTIVES, 40 CFR, Part 33, Subpart D**

A recipient must negotiate with the appropriate EPA award official, or his/her designee, fair share objectives for MBE and WBE (MBE/WBE) participation in procurement under the financial assistance agreements.

**Accepting the Fair Share Objectives/Goals of Another Recipient**

The dollar amount of this assistance agreement is \$250,000, or more; or the total dollar amount of all of the recipient's non-TAG assistance agreements from EPA in the current fiscal year is \$250,000, or more. The recipient accepts the applicable MBE/WBE fair share objectives/goals negotiated with EPA by the Texas Water Development Board as follows:

MBE: CONSTRUCTION-34.84%; SUPPLIES-9.67%; SERVICES-16.05%; EQUIPMENT-7.22%  
WBE: CONSTRUCTION-6.72%; SUPPLIES-5.20%; SERVICES-21.31%; EQUIPMENT-4.14%

By signing this financial assistance agreement, the recipient is accepting the fair share objectives/goals stated above and attests to the fact that it is purchasing the same or

similar construction, supplies, services and equipment, in the same or similar relevant geographic buying market as **Texas Water Development Board** .

**Negotiating Fair Share Objectives/Goals, 40 CFR, Section 33.404**

The recipient has the option to negotiate its own MBE/WBE fair share objectives/goals. If the recipient wishes to negotiate its own MBE/WBE fair share objectives/goals, the recipient agrees to submit proposed MBE/WBE objectives/goals based on an availability analysis, or disparity study, of qualified MBEs and WBEs in their relevant geographic buying market for construction, services, supplies and equipment.

The submission of proposed fair share goals with the supporting analysis or disparity study means that the recipient is **not** accepting the fair share objectives/goals of another recipient. The recipient agrees to submit proposed fair share objectives/goals, together with the supporting availability analysis or disparity study, to the Regional MBE/WBE Coordinator within 120 days of its acceptance of the financial assistance award. EPA will respond to the proposed fair share objective/goals within 30 days of receiving the submission. If proposed fair share objective/goals are not received within the 120 day time frame, the recipient may not expend its EPA funds for procurements until the proposed fair share objective/goals are submitted.

**SIX GOOD FAITH EFFORTS, 40 CFR, Part 33, Subpart C**

Pursuant to 40 CFR, Section 33.301, the recipient agrees to make the following good faith efforts whenever procuring construction, equipment, services and supplies under an EPA financial assistance agreement, and to require that sub-recipients, loan recipients, and prime contractors also comply. Records documenting compliance with the six good faith efforts shall be retained:

- (a) Require DBEs are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. For Indian Tribal, State and Local and Government recipients, this will include placing DBEs on solicitation lists and soliciting them whenever they are potential sources.
- (b) Make information on forthcoming opportunities available to DBEs and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by DBEs in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of 30 calendar days before the bid or proposal closing date.
- (c) Consider in the contracting process whether firms competing for large contracts could subcontract with DBEs. For Indian Tribal, State and local Government recipients, this will include dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by DBEs in the competitive process.
- (d) Encourage contracting with a consortium of DBEs when a contract is too large for one of these firms to handle individually.
- (e) Use the services and assistance of the SBA and the Minority Business Development Agency of the Department of Commerce.

(f) If the prime contractor awards subcontracts, require the prime contractor to take the steps in paragraphs (a) through (e) of this section.

**MBE/WBE REPORTING, 40 CFR, Part 33, Sections 33.502 and 33.503**

The recipient agrees to complete and submit EPA Form 5700-52A, "MBE/WBE Utilization Under Federal Grants, Cooperative Agreements and Interagency Agreements" beginning with the Federal fiscal year reporting period the recipient receives the award, and continuing until the project is completed. **Only procurements with certified MBE/WBEs are counted toward a recipient's MBE/WBE accomplishments.** The reports must be submitted **semiannually** for the periods ending March 31<sup>st</sup> and September 30<sup>th</sup> for:

Recipients of financial assistance agreements that capitalize revolving loan programs (CWSRF, DWSRF, Brownfields); and

All other recipients not identified as annual reporters (40 CFR Part 30 and 40 CFR Part 35, Subpart A and Subpart B recipients are annual reporters).

**The reports are due within 30 days of the end of the semiannual reporting periods (April 30<sup>th</sup> and October 30<sup>th</sup>). Reports should be sent to Region 6 MBE/WBE Coordinator. Final MBE/WBE reports must be submitted within 90 days after the project period of the grant ends. Your grant cannot be officially closed without all MBE/WBE reports.**

EPA Form 5700-52A may be obtained from the EPA Office of Small Business Program's Home Page on the Internet at [www.epa.gov/osbp](http://www.epa.gov/osbp).

**CONTRACT ADMINISTRATION PROVISIONS, 40 CFR, Section 33.302**

The recipient agrees to comply with the contract administration provisions of 40 CFR, Section 33.302.

**BIDDERS LIST, 40 CFR, Section 33.501(b) and (c)**

Recipients of a Continuing Environmental Program Grant or other annual reporting grant, agree to create and maintain a bidders list. Recipients of an EPA financial assistance agreement to capitalize a revolving loan fund also agree to require entities receiving identified loans to create and maintain a bidders list if the recipient of the loan is subject to, or chooses to follow, competitive bidding requirements. Please see 40 CFR, Section 33.501 (b) and (c) for specific requirements and exemptions.

17. In accordance with the policies set forth in EPA Order 1000.25 and Executive Order 13423, Strengthening Federal Environmental, Energy and Transportation Management (January 24, 2007), the recipient agrees to use recycled paper and double sided printing for all reports which are prepared as a part of this agreement and delivered to EPA. This requirement does not apply to reports prepared on forms supplied by EPA, or to Standard Forms, which are printed on recycled paper and are available through the General Services Administration.

18. Recipients shall fully comply with Subpart C of 2 CFR Part 180 entitled, "Responsibilities of Participants Regarding Transactions Doing Business With Other Persons," as implemented and supplemented by 2 CFR Part 1532. Recipient is responsible for ensuring that any lower tier covered transaction, as described in Subpart B of 2 CFR Part 180, entitled "Covered Transactions," includes a term or condition requiring compliance with Subpart C. Recipient is responsible for further requiring the inclusion of a similar term or condition in any subsequent lower tier covered transactions. Recipient acknowledges that failing to disclose the information required under 2 CFR 180.335 may result in the delay or negation of this assistance agreement, or pursuance of legal remedies, including suspension and debarment.

Recipients may access the Excluded Parties List System at <http://www.epls.gov>. This term and condition supersedes EPA Form 5700-49, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters."

**19. Central Contractor Registration and Universal Identifier Requirements.**

A. Requirement for Central Contractor Registration (CCR). Unless you are exempted from this requirement under 2 CFR 25.110, you as the recipient must maintain the currency of your information in the CCR until you submit the final financial report required under this award or receive the final payment, whichever is later. This requires that you review and update the information at least annually after the initial registration, and more frequently if required by changes in your information or another award term.

B. Requirement for Data Universal Numbering System (DUNS) numbers. If you are authorized to make subawards under this award, you:

1. Must notify potential subrecipients that no entity (see definition in paragraph C of this award term) may receive a subaward from you unless the entity has provided its DUNS number to you.

2. May not make a subaward to an entity unless the entity has provided its DUNS number to you.

C. Definitions. For purposes of this award term:

1. Central Contractor Registration (CCR) means the Federal repository into which an entity must provide information required for the conduct of business as a recipient. Additional information about registration procedures may be found at the CCR Internet site (currently at <http://www.ccr.gov>).

2. Data Universal Numbering System (DUNS) number means the nine-digit number established and assigned by Dun and Bradstreet, Inc. (D&B) to uniquely identify business entities. A DUNS number may be obtained from D&B by telephone (currently 866-705-5711) or the Internet (currently at <http://fedgov.dnb.com/webform>).

3. Entity, as it is used in this award term, means all of the following, as

defined at 2 CFR part 25, subpart C:

- a. A Governmental organization, which is a State, local government, or Indian tribe;
- b. A foreign public entity;
- c. A domestic or foreign nonprofit organization;
- d. A domestic or foreign for-profit organization; and
- e. A Federal agency, but only as a subrecipient under an award or subaward to a Non-federal entity.

4. Subaward:

- a. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.
- b. The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see Sec. --.210 of the attachment to OMB Circular A-133, "Audits of States, Local Governments, and Non-profit Organizations").
- c. A subaward may be provided through any legal agreement, including an agreement that you consider a contract.

5. Subrecipient means an entity that:

- a. Receives a subaward from you under this award; and
- b. Is accountable to you for the use of the Federal funds provided by the subaward.

### **Programmatic Conditions**

1. This award is subject to all applicable Federal crosscutting laws and authorities as well as EPA, Office of Wastewater Management, policy guidance dated July 27, 2009, and attached hereto as Attachment A.



All Federal Cross-cutters.doc SAAP Guidance 2008 final signed.pdf

2. The recipient will submit the reimbursement request, **Standard Form 271 (SF 271)**, **Outlay Report and Request for Reimbursement for Construction Programs** and appropriate invoices if required, to the Office of Inspection and Field Support (IFS) Division of the Texas Water Development Board (TWDB) for approval. When the IFS and EPA Project Officer (PO) approve the payment, the EPA PO will notify the recipient to withdraw the approved amount from the ASAP system. Please note that the recipient can **only** withdraw the amount of federal share of allowable project cost after the cost is incurred. The recipient will be assessed the interest penalty if the recipient withdraws the Federal share of allowable project cost before it incurs the cost. The interest rate of the penalty will be set by the U. S. Department of Treasury and will be significantly above the market rate.

In accordance with 40 CFR 31.40 and 31.41, the recipient must submit Quarterly and Final Performance Reports and Quarterly and Final Financial Status Reports to the

EPA PO for monitoring the project progress and financial management. The *SF 271, Outlay Report and Request for Reimbursement for Construction Programs* may be used for the Quarterly and Final Performance Reports and Quarterly Financial Status Reports. The *SF 425, Federal Financial Report*, should be used for the Final Financial Status Report.

3. Federal laws and regulations shall apply except in those cases where State requirements are more stringent than Federal requirements. Where questions arise as to applicability, the TWDB should be contacted.
4. Project management and execution will be very closely monitored by IFS and/or EPA representatives throughout the assistance agreement's project and budget periods. Effective implementation of the scope of work involves a jointly supported strong ongoing collaboration between the recipient and EPA. Technical assistance and coordination will be routine. EPA, TWDB and the recipient will maintain a continuous dialogue for the rapid identification, solution, and escalation of problems to top-level managers.

The IFS and EPA PO will conduct post award monitoring to ensure that administrative and programmatic conditions are being met. This will involve periodic reviews of five core areas: (1) compliance with all programmatic terms and conditions; (2) correlation of the work plan and progress under the award; (3) availability of funds to complete the project; (4) proper management of and accounting for applicable equipment/land purchased under the award; and (5) compliance with all statutory and regulatory requirements of the program. To accomplish this, the IFS and EPA PO will periodically review post-award activities, including but not limited to those listed below, to ensure that Federal laws, regulations, and grant conditions are being followed.

- Procurement activities, including solicitation advertisement, service and contract documents, cost and price analysis, (appraisal report for acquiring land, rights of way, easements, site assessment reports), Disadvantage Business Enterprise (DBE), etc.
- Monitoring of construction management activities to assure adherence with approved Plans & Specifications.
- Approving payment requests, including the final payment.
- Change orders and contractors' claims.
- Analyze environmental review documents for NEPA-compliance, if appropriate.
- Determine that the project is capable of meeting its objectives and is operable.

Also, the EPA PO will assure that the recipient understands and meets requirements related to the National Environmental Policy Act and applicable Federal crosscutting laws and authorities.

5. EPA Region 6 "Supplemental Conditions for Federally Assisted Water and Wastewater Treatment Facilities" (commonly known as "pink sheets") attached hereto as Attachment D, must be included in all construction contract bidding documents, and shall control where a conflict arises with other contract provisions. Certain provisions also pertain to professional services contracts, and these



provisions must be applied as appropriate.

6. Executed site certificate(s) shall be submitted to the EPA PO, as evidence that sites, easements and rights-of-way have been acquired.

7. The recipient will ensure that any design and construction performed under this assistance agreement shall be consistent with the EPA document, *Guidance on Quality Assurance for Environmental Technology, Design, Construction and Operation (EPA QA/G-11)*, Attachment E.

8. All of the following must be submitted to and approved by IFS and EPA PO before recipient may advertise for bids for construction.

- a. Plans and specifications and addenda to the plans and specifications.
- b. An updated project schedule.

All change orders executed after the award of the contract must be submitted and approved by IFS and EPA.

9. By accepting this grant, the Recipient agrees that it must expeditiously initiate and complete the project in accordance with the following schedule:

<u>Number of Months From Grant Award Date</u>	<u>Tasks</u>
4	Submittal of Architectural/Engineering Contracts
9	Submittal of Plans and Specifications
12	Advertise for construction bids
16	Submittal of Bid Document
22	Start Construction
36	Completion of construction
40	Final Performance Report and Final Financial Status Report and Project Closeout

In accordance with 40 C.F.R. §31.40(d), the recipient agrees to inform IFS and EPA PO as soon as problems, delays or adverse conditions become known which will materially impair the ability to meet the above schedule and the outputs/outcomes specified in the work plan. Performance Reports must adequately address progress in achieving agreed-upon project/program outputs and environmental outcomes.

10. The recipient agrees to submit proposed and existing procurement actions, including purchase of project equipment and subcontracts, etc. to IFS and EPA PO, that will use EPA assistance for review as soon as available. All procurement actions must comply with the provisions of 40 CFR Part 31, specifically 40 CFR

31.32 and 31.36.

11. The recipient also agrees to provide forty-five (45%) percent of project costs with Non-federal matching funds.

12. EPA may terminate the assistance agreement for failure of the recipient to make sufficient progress so as to reasonably ensure completion of the project within the project period, including any extensions. EPA will measure sufficient progress by examining the performance required under the work plan in conjunction with the milestone schedule, the time remaining for performance within the project period, and/or the availability of funds necessary to complete the project.



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

OFFICE OF  
WATER

6/17/2008

**MEMORANDUM**

SUBJECT: Award of Special Appropriations Act Project Grants Authorized by the Agency's  
FY 2008 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 Agency's fiscal year (FY) 2008 Appropriations Act.

**BACKGROUND**

The EPA section of P. L. 110-161, the "Consolidated Appropriations Act, 2008," also referred to as the Agency's FY 2008 Appropriations Act, includes \$135,000,000 in the STAG account for 280 water, wastewater and groundwater infrastructure projects. Also included as separate line item in the STAG account was \$20,000,000 for the United States-Mexico Border Program. The Joint Explanatory Statement for Division F of the FY 2008 Appropriations Act - Department Of The Interior, Environment, and Related Agencies Appropriations Act, 2008, specifically identifies two projects to be funded directly from the line item for the United States-Mexico Border Program: "\$5,000,000 is directed to the El Paso and Brownsville projects funded in prior years." The FY 2008 Appropriations Act also contains a rescission of 1.56% from all appropriations accounts.

The specific requirements governing the award of the special projects and programs are contained in the following documents: the FY 2008 Appropriations Act, the Joint Explanatory Statement for Division F of the FY 2008 Appropriations Act - Department Of The Interior, Environment, and Related Agencies Appropriations Act, 2008, the House Report (H. Rept. No.

110-187), and the Senate Report (S. Rept. No. 110-91). 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>1</sup> EPA also issued a formal policy memorandum, SAAP 06-02, on January 20, 2006, that amends the aforementioned memorandum (attachment 8).

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 that accompanied the Agency's FY 2008 Appropriations Act identified 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 280 earmarks listed in the STAG account and the two projects funded from monies appropriated for the United States-Mexico Border Program. Attachment 1 also shows the original amount appropriated for each project, as well as the actual amount available for grant award after the reduction due to the 1.56% percent rescission and three percent set-aside provision.<sup>2</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,

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<sup>1</sup>This document is available on the internet at [www.epa.gov/owm/mab/owm0318.pdf](http://www.epa.gov/owm/mab/owm0318.pdf).

<sup>2</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.

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 2008 Appropriations Act.

## **COST-SHARE REQUIREMENT**

The FY 2008 Appropriations Act contains the following language:

\$135,000,000 shall be for making special project 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 explanatory statement 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

The Senate Report contains language that states that a "hardship waiver" may be granted. Though neither the language from previous years requiring that waivers be based on financial capability issues, nor the language from the Senate Report were included in the Act or the Joint Explanatory Statement, the Agency will continue to implement the waiver provision in the same manner as FY 2006. 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 Conference Report 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 Conference Report 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 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>3</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

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

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.

Exceptions 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>4</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; and
- 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 2008 Appropriations Act does not include such language, the Special Appropriations Act 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.

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<sup>4</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.

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>5</sup> issued August 16, 2001, pertains to the CWSRF program.
- A policy memorandum designated as DWSRF 02-01. The policy memorandum,<sup>6</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 Special Appropriations Act projects awarded on or after April 1, 2000. Additionally, a clarification to the policy memorandum (GPI 00-02(a)) was issued by OGD on May 3, 2000. The two memorandums 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 memorandums state that:

- Recipients may incur pre-award costs [up to] 90 calendar days prior to award 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 grant award, in appropriate circumstances, if the pre-award costs are in

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<sup>5</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>6</sup>This document is available on the internet at [www.epa.gov/owm/mab/owm0325.pdf](http://www.epa.gov/owm/mab/owm0325.pdf).



conformance with the requirements set forth in OMB Circular A-87 and with applicable Agency regulations, policies and guidelines.

The OGD memorandums 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 OMB Circular A-87 and are in conformance with Agency regulations, policies and guidelines. The following two situations 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 2008 projects, this date is October 1, 2007*).
- 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 2008 projects, this date is October 1, 2007*).

Accordingly, effective April 1, 2000, the Regions have the authority to approve pre-award costs for the two situations described above. 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) and the Office of General Counsel. If appropriate, a deviation from 40 CFR 31.23(a) will be processed and issued.

## **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 2008 Appropriations Act, is contained in Attachment 3. Some of the authorities only apply to grants that include construction, e.g., EO 13202. A more detailed description of the Federal laws, Executive Orders, OMB Circulars and their implementing regulations is available through the OGD Grants Intranet website at <http://intranet.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 nonprofit 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>7</sup> in January 1995, concerning the applicability 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 2008 Appropriations Act.

The Davis-Bacon Act does not apply to grants awarded under the authority of the Agency's FY 2008 Appropriations Act because the Appropriations Act does not include language that positively asserts authority. However, if FY 2008 funds are used to supplement funding of a construction contract that includes Clean Water Act Title II requirements (e.g., contracts awarded under the construction grants or coastal cities programs), the entire contract is subject to Davis-Bacon Act requirements, including the portion funded with FY 2008 funds.

## **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 2008 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 regulations that implement NEPA for EPA actions 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. However, the development of information needed to determine compliance with NEPA and other cross-cutting Federal requirements is an allowable cost that can be included in the scope of work of a grant for planning and design.

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 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. However, EPA grant funds cannot be used to prepare a federal document, such as an Environmental Assessment or Environmental Impact Statement.

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<sup>7</sup>This document is available on the internet at [www.epa.gov/owm/mab/owm0326.pdf](http://www.epa.gov/owm/mab/owm0326.pdf).

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 environmental impact statement (EIS) is required, EPA should be a co-lead or cooperating agency so that it can adopt the EIS without recirculating it. If the project requires an environmental assessment (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 of another Federal agency unless EPA's regulations at 40 CFR Part 6 also provide for the categorical exclusion.

## **OPERATING GUIDELINES**

The authority for awarding grants for the SAAPs listed in Attachment 1 is P. L. 110-161, the "Consolidated Appropriations Act, 2008."

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 that the grant involves or relates to 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, 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 nonprofit organizations. However, grants cannot be awarded to a nonprofit 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 nonprofit 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>8</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.

### 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 Agency’s FY 2006 Appropriations Act included the following language pertaining to the identification of the grantee:

“notwithstanding this or any other appropriations Act, heretofore and hereafter, after consultation with the House and Senate Committees on Appropriations and for the purpose of making technical corrections, the Administrator is authorized to award grants under this heading to entities and for purposes other than those listed in the joint explanatory statements of the managers accompanying the Agency’s appropriations [sic] Acts for the construction of drinking water, wastewater and stormwater infrastructure and for water quality protection.”

Therefore, if the grantee is specified, such as a local water quality department, any change to the grantee must be submitted to EPA Headquarters in accordance with SAAP memo 06-01 (attachment 7, issued 10/26/05). Additionally, any change to the named grantee, such as from a county to town, or from one town to another, must also be submitted in accordance with SAAP memo 06-1. The only circumstance in which EPA Headquarters approval is not needed is if the intended grantee is an agency of the specified grantee. For instance, if the grantee is listed as Anytown, USA, but the intended grantee is the Anytown Department of Water Quality, the grant may be made to the intended grantee without EPA Headquarters approval. EPA’s Office of General Counsel has agreed that in circumstances where information is missing, EPA has the discretion to determine the appropriate grantee.

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<sup>8</sup>The Order may be found at: [http://intranet.epa.gov/ogd/policy/order/5700\\_8.pdf](http://intranet.epa.gov/ogd/policy/order/5700_8.pdf). For the public, the order may be found at [www.epa.gov/ogd/grants/award/5700\\_8.pdf](http://www.epa.gov/ogd/grants/award/5700_8.pdf).

This provision does not apply to the United States-Mexico Border Program grants or any other funds in the STAG account.

### Ownership Requirements

With the exception of small, on-site/decentralized wastewater treatment systems, which are discussed later in this section, only wastewater and drinking 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 those rare situations where a grant or subgrant is awarded to a governmental or nonprofit entity that does not have the legal authority to own or operate drinking water, wastewater, or groundwater protection 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; and
- 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 and STAG programs, EPA will accept the following contract lifetimes as meeting the minimum standard<sup>9</sup>:

<u>ITEM</u>	<u>LIFE (years)</u>
• <u>Land</u>	Permanent
• <u>Wastewater/Water Conveyance Structures:</u> collection systems, pipes, interceptors, force mains, tunnels, distribution lines, etc.	40
• <u>Other Structures:</u> plant buildings, concrete tankage, basins,	

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<sup>9</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 special Appropriations Act projects.

lift station and pump station structures, inlet structures, etc.	30
• <u>Wastewater and Drinking Water Process Equipment</u>	15
• <u>Auxiliary Equipment</u>	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, then the minimum number of years will be 40 years.

### 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 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**

### Introduction

EPA Order 5700.7<sup>10</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>11</sup> and funding recommendations; and 3) ensure that progress in achieving 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>12</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

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<sup>10</sup>The Order is available on the EPA intranet at <http://intranet.epa.gov/ogd/policy/order/5700.7.pdf>. The public may obtain a version at [www.epa.gov/ogd/grants/award/5700\\_7.pdf](http://www.epa.gov/ogd/grants/award/5700_7.pdf).

<sup>11</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.

<sup>12</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).



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.).
- 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.
- Population served by new construction.
- Feet of sewer lines replaced.
- Feet of sewer lines extended.
- Feet of water lines replaced.
- Feet of water lines extended.
- Wet weather improvement:
  - Estimated number of combined sewer overflows (CSOs) reduced.

- Estimated amount (e.g., million gallons per year) of untreated wastewater not discharged as a result of CSO improvements.
  - Number of sanitary sewer overflows reduced.
  - Storm water 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, or will review, the assistance agreement work plan<sup>13</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 6. 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 6 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

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<sup>13</sup>See Footnote 12, *supra*.

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>14</sup> and final<sup>15</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:

*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.*

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<sup>14</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>15</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.

*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 5700.6A2 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>16</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 the Director of the National Policy, Training and Compliance Division.

**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 now available 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.

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<sup>16</sup>See Footnote 12, supra.

## 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 at <http://intranet.epa.gov/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>17</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. From the programmatic standpoint, advanced monitoring (on-site reviews or desk reviews) should ensure satisfaction of five core areas: (1) compliance with all programmatic terms and conditions, (2) correlation of the recipient's work plan/application and actual progress under the award, (3) availability of funds to complete the project, (4) proper management of and accounting for equipment purchased under the award, and (5) compliance with all statutory and regulatory requirements of the program. If during monitoring it is determined that there is reason to believe that the grantee has committed 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.

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<sup>17</sup>The Order is available on the EPA intranet at [http://intranet.epa.gov/OGD/policy/order/5700\\_6A2.pdf](http://intranet.epa.gov/OGD/policy/order/5700_6A2.pdf).

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.
- Compare actual 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 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 contained in Attachment 1;
- 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); and
- 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 January 20, 2006, OGD issued Interim Guidance “Assessing Grants Management Performance under the Performance Appraisal and Recognition Systems (PARS)”. On January 17, 2008 OGD issued another memorandum, “Guidance for Addressing Grants Management and the Management of Interagency Agreements under the Performance Appraisal and Recognition System (PARS)” ([http://intranet.epa.gov/ohr/policy/pars/2008\\_pars.htm](http://intranet.epa.gov/ohr/policy/pars/2008_pars.htm)). OGD issued the guidance for consideration in assessing grants project officer and supervisor/manager compliance with key grants management policies under the 2007 PARS process, developing 2008 PARS performance agreements and conducting 2008 mid-year and end-of-year performance reviews. 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 January 17, 2008 memorandum).

## PROJECT MANAGEMENT RESOURCES

You should invite State agencies 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 deobligations for State administration of special Appropriations Act *wastewater* projects, coastal/need cities projects 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>18</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.

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 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.

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<sup>18</sup>This document is available on the internet at [www.epa.gov/owm/mab/owm0328.pdf](http://www.epa.gov/owm/mab/owm0328.pdf).

## **VOLUNTARY ENVIRONMENTAL INITIATIVES**

### Introduction

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 may 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 eligibility of the activity.

### **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. In order to supplement the Agreement, EPA and the Associations are now developing 1) a basic implementation guide for utilities to follow, 2) a series of suggested utility-specific performance measures linked to the Attributes and Keys to Management Success, and 3) an electronic resource "toolbox" that provide utilities with easy access to various guides and other resources linked to the Attributes. These additional implementation tools will be available in spring, 2008.

A copy of the Agreement signed by EPA and the Associations and the final report from the Utility Steering Committee are available at [www.epa.gov/waterinfrastructure](http://www.epa.gov/waterinfrastructure). EPA recommends that all SAAP applicants read this important report and use it as a tool to guide improvements to their utility.



Below is a summary of some of the areas where action is needed if we are to sustain our water systems for the long term. 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 management system 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.

EPA recognizes that EMSs are a relatively new concept for many water and wastewater utilities, and that developing an EMS is often the greatest challenge facing utilities seeking recognition in Performance Track and similar state programs. Working with utilities that have successfully implemented an EMS, EPA has developed a number of state-of-the-art tools to help wastewater utilities understand the benefits of adopting an EMS. These tools have been compiled in an EMS Toolbox, and are available free of charge at [www.peercenter.net](http://www.peercenter.net). These tools include:

- EMS Handbook for Wastewater Utilities
- EMS Compendium for Wastewater Utility Managers
- Case studies on successful EMS implementation at wastewater and water utilities

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

## Asset Management<sup>19</sup>

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?

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. Here are a few links to help you learn more and get started in 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/smallsys/pdfs/guide\\_smallsystems\\_asset\\_mgmnt.pdf](http://www.epa.gov/safewater/smallsys/pdfs/guide_smallsystems_asset_mgmnt.pdf)

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<sup>19</sup> An issue related to asset management is “Full Cost Pricing”. When measured as a 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. Pricing that recovers the costs of building, operating, and maintaining a system is absolutely essential to achieving sustainability. Drinking water and wastewater utilities must be able to price their services to reflect the full costs of treatment and delivery. While this activity is not eligible for funding under SAAP grants, wastewater and water facilities are encouraged to consider their pricing structure.

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 CheckUp” software which may be useful. [http://sspa.boisestate.edu/efc/Tools\\_Services/RATECheck/ratecheck.htm](http://sspa.boisestate.edu/efc/Tools_Services/RATECheck/ratecheck.htm)

## 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 the practical minimum amount of water. EPA is promoting an ethic of improving 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 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). Please See Attachment 9 for the brochure entitled, “Sustaining Our Nation’s Water Infrastructure.”

## **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 me, or have your staff contact George Ames, Chief, State Revolving Fund Branch, Municipal Support Division, at (202) 564-0661.

## **Attachments**

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

# ATTACHMENT 1

**SPECIAL WATER AND WASTEWATER INFRASTRUCTURE PROJECTS (STAG ACCOUNT)**  
**INCLUDED IN EPA'S FY 2008 APPROPRIATIONS ACT**

Line Item #	State	Earmark Designation	Conference Report Earmark Amount	Final Amount*
Region 1	38 CT	The Town of Enfield for sanitary sewer inflow elimination project	\$300,000	\$286,000
	39 CT	The City of Southington for wellhead cleanup	\$300,000	\$286,000
	40 CT	The City of Stamford for Stormwater and Wastewater Infrastructure	\$500,000	\$477,000
	41 CT	The Town of Colchester for the Flatbrook Road Booster Station	\$500,000	\$477,000
	42 CT	The Town of Prospect for the College Farms Subdivision	\$138,000	\$132,000
	43 CT	The Town of Wolcott for Storm Drainage and Other Infrastructure	\$500,000	\$477,000
	110 MA	The City of Brockton for wastewater system improvements	\$300,000	\$286,000
	111 MA	The City of Marlborough for wastewater treatment plant upgrades	\$300,000	\$286,000
	112 MA	The Cities of Fall River and New Bedford and the Town of Acushnet for Bristol County Sewer Improvements	\$500,000	\$477,000
	113 MA	The City of West Springfield, Pioneer Valley Planning Commission for the Connecticut River Combined Sewer Overflow Clean-up	\$1,400,000	\$1,337,000
	114 MA	The Town of Winthrop for Storm Drain Remediation	\$500,000	\$477,000
	120 ME	The City of Presque Isle for wastewater treatment plant relocation project	\$300,000	\$286,000
	121 ME	The City of Ellsworth for wastewater treatment relocation project	\$300,000	\$286,000
	161 NH	The City of Manchester for stormwater facilities construction project	\$500,000	\$477,000
	162 NH	Goffstown for Danis/Lynchville Water and Sewer Project	\$300,000	\$286,000
	163 NH	Lancaster for drinking water improvements project	\$225,000	\$215,000
	164 NH	The Town of Jaffrey for wastewater and water quality protection project	\$300,000	\$286,000
	165 NH	The City of Greenfield for wastewater treatment project	\$300,000	\$286,000
	228 RI	The City of East Providence for Nutrient Removal	\$700,000	\$669,000
	229 RI	The City of Warwick for water transmission system improvements	\$500,000	\$477,000
	230 RI	The City of Newport for water pollution control management	\$300,000	\$286,000
	258 VT	The Town of Pownal for wastewater upgrades	\$750,000	\$716,000
	259 VT	The Town of Hardwick for water system upgrades	\$500,000	\$477,000
			<b>\$10,213,000</b>	<b>\$9,745,000</b>
Region 2	166 NJ	The Bayonne Municipal Utilities Authority for combined sewer overflow improvements	\$400,000	\$382,000
	167 NJ	Passaic Valley Sewer Commission for Water and Wastewater Infrastructure Improvements	\$500,000	\$477,000
	168 NJ	Pennsauken Township for combined sewer study	\$200,000	\$191,000
	169 NJ	The Kearny Municipal Utilities Authority for wastewater pumping station improvements	\$300,000	\$286,000
	170 NJ	The Borough of Sussex for the Hamburg Avenue Water Line	\$400,000	\$382,000
	185 NY	The Village of Owego for wastewater treatment facility improvements	\$300,000	\$286,000
	186 NY	The Village of Sydney for water system improvements	\$300,000	\$286,000
	187 NY	Monroe County Water Authority for the Southeast Service Area Reliability Improvements	\$500,000	\$477,000
	188 NY	The City of Buffalo, Erie County Water Authority for the Ball Pump Station Emergency Power Generation	\$500,000	\$477,000
	189 NY	The City of Middletown for Water and Wastewater Improvements	\$400,000	\$382,000
	190 NY	The City of New York for the Twin Lakes Restoration Project	\$500,000	\$477,000
	191 NY	The City of Rye for Sewer Pump Station Repairs	\$200,000	\$191,000
	192 NY	The Town of Bethel for Sewer Extension	\$1,000,000	\$956,000
	193 NY	The Town of Geneva, Water District 12 for Water Infrastructure	\$500,000	\$477,000
	194 NY	The Town of Goshen for the Hambletonian Park Water Main Replacement	\$400,000	\$382,000
	195 NY	The Town of Halfmoon for the Halfmoon Water Line	\$500,000	\$477,000
	196 NY	The Town of Marcellus for Drinking Water Infrastructure Improvements	\$500,000	\$477,000
	197 NY	The Village of Briarcliff Manor for Sewer Upgrades	\$300,000	\$286,000

198 NY	The Village of Lyndonville for the Wastewater Treatment Plant	\$440,000	\$420,000
199 NY	The Village of Mamaroneck for Sewer System Upgrades	\$200,000	\$191,000
		<b>\$8,340,000</b>	<b>\$7,960,000</b>
44 DE	The City of Wilmington for filter membrane plant improvements	\$300,000	\$287,000
45 DE	New Castle County for Old Shellpot Interceptor Improvements	\$300,000	\$287,000
115 MD	The City of Baltimore for sanitary and combined sewer infrastructure improvements	\$700,000	\$669,000
116 MD	The City of Frostburg for combined sewer overflow improvements	\$300,000	\$288,000
117 MD	The Town of Westernport for combined sewer overflow improvements	\$200,000	\$191,000
118 MD	The City of Cumberland for combined sewer overflow improvements	\$200,000	\$191,000
119 MD	The City of College Park for the Paint Branch Watershed Storm Management Plan	\$100,000	\$96,000
211 PA	Monongahela Township, Greene County for Sewer system upgrades	\$300,000	\$287,000
212 PA	Three Rivers Wet Weather Demonstration Program for Continuation of the Wet Weather Demo Program	\$800,000	\$765,000
213 PA	Franklin Township for wastewater upgrade and water quality protection project	\$200,000	\$191,000
214 PA	The Borough of Cochranton for wastewater collection and treatment facilities construction project	\$200,000	\$191,000
215 PA	The Borough of Bridgeport for Combined Sewer Overflow Infrastructure Improvements	\$400,000	\$382,000
216 PA	Somerset County for Waterline Construction Project	\$200,000	\$191,000
217 PA	The Borough of Stoystown, Somerset Township Municipal Authority for Stoystown Water Project	\$675,000	\$645,000
218 PA	The Borough of Bellefonte for waterline replacement project	\$100,000	\$96,000
219 PA	The City of Scranton for wastewater and stormwater infrastructure project	\$100,000	\$96,000
220 PA	New Castle, Lawrence County Planning Office for Water and Wastewater Infrastructure Improvements at Millennium Park	\$500,000	\$478,000
221 PA	The Borough of Slatington for Wastewater Infrastructure Improvements	\$165,000	\$158,000
222 PA	The City of Cressona, Cressona Borough Authority for the Cressona Belt Filter Press	\$80,000	\$77,000
223 PA	The City of Hershey, Derry Township Municipal Authority for Wastewater Treatment Facility	\$83,000	\$80,000
224 PA	The City of Lock Haven, Clinton County Municipal Authority for Sewer Pump Station Construction in Woodward Township	\$500,000	\$477,000
225 PA	The City of Williamsport, Lycoming Department of Planning and Community Development for a Water System for Muncy Industrial Park	\$500,000	\$477,000
226 PA	The Township of Cecil, Cecil Township Municipal Authority for the Miller's Run Sewer System	\$500,000	\$477,000
227 PA	Yardley, Yardley Borough Sewer Authority for Wastewater Infrastructure	\$500,000	\$477,000
253 VA	The Town of Onancock for wastewater treatment plant project	\$300,000	\$287,000
254 VA	The City of Lynchburg for sewer infrastructure improvements	\$300,000	\$287,000
255 VA	Fairfax County, Stormwater Planning Division for Stormwater Management Planning	\$700,000	\$669,000
256 VA	Henry County, Henry County Public Service Authority for Water Infrastructure Improvements	\$500,000	\$477,000
257 VA	The City of Alexandria and Arlington County for Four Mile Run	\$700,000	\$669,000
274 WV	The City of Moorefield for wastewater treatment plant improvements	\$3,000,000	\$2,866,000
275 WV	The Mingo County Redevelopment Authority for water and sewer improvements	\$3,000,000	\$2,866,000
276 WV	The City of Milton for Milton Water System Improvements	\$1,000,000	\$956,000
277 WV	The City of Pennsboro for Wastewater Infrastructure Improvement	\$550,000	\$526,000
278 WV	The City of Weston for the Jackson's Mill Waterline	\$250,000	\$239,000
279 WV	The City of Westover for Sanitary Sewer Service Upgrade	\$825,000	\$788,000
		<b>\$19,028,000</b>	<b>\$18,184,000</b>

5 AL	The Town of Eva for wastewater treatment facility upgrade project	\$300,000	\$286,000
6 AL	The Town of Somerville for wastewater construction project	\$384,000	\$367,000
7 AL	The City of Clanton for the Water Treatment Plant Upgrade Project	\$1,084,000	\$1,035,000
8 AL	Jackson County for wastewater and drinking water infrastructure project	\$132,000	\$126,000
9 AL	The City of Glencoe for Storm Drainage and Sewer Repairs	\$500,000	\$477,000
10 AL	The City of Muscle Shoals for Wastewater Infrastructure	\$500,000	\$477,000
46 FL	The City of Jacksonville for wastewater infrastructure improvement project	\$300,000	\$287,000
47 FL	The Emerald Coast Utility Authority for water system improvements	\$300,000	\$286,000
48 FL	St. Johns River Water Management District for Expansion of the Taylor Creek Reservoir	\$500,000	\$477,000
49 FL	The City of Brooksville, Southwest Florida Water Management District for Peace and Myakka River Watershed Restoration	\$500,000	\$477,000
50 FL	The City of Clearwater for Wastewater and Reclaimed Water Infrastructure	\$500,000	\$477,000
51 FL	The City of Lauderdale-by-the-Sea for North Beach Neighborhood Improvements, Phase II	\$500,000	\$477,000
52 FL	The City of Sarasota, Sarasota County for the Phillippi Creek Septic System Replacement	\$500,000	\$477,000
53 FL	The City of Tallahassee for the Advanced Water Treatment Facility	\$500,000	\$477,000
54 FL	The City of Weston for Bonaventure Storm Water Pumps	\$500,000	\$477,000
55 FL	Town of Callahan for the Wastewater Treatment Plant	\$500,000	\$477,000
56 FL	Town of Jupiter for Water Treatment Plant Enhancement	\$500,000	\$477,000
57 FL	The Town of Pembroke Park for Sanitary Sewage System Rehabilitation	\$450,000	\$430,000
58 GA	The City of Atlanta for wastewater and stormwater rehabilitation project	\$300,000	\$286,000
59 GA	The Metro North Georgia Water Planning District for water and wastewater improvements project	\$300,000	\$286,000
60 GA	The City of Valdosta for the Valdosta Scott Water Tank Construction	\$500,000	\$477,000
61 GA	The City of Vienna for Sewer Treatment Facility	\$500,000	\$477,000
98 KY	The City of Ewing in Fleming County for wastewater construction project	\$300,000	\$286,000
99 KY	The Green River Valley Water District in Hart County for drinking water project	\$1,000,000	\$956,000
100 KY	The Monroe County Water District, Tompkinsville for drinking water and construction project	\$1,350,000	\$1,290,000
101 KY	The City of Harlan, Baxter-Rosspoint Sewer Line Expansion	\$500,000	\$477,000
102 KY	The City of La Grange, Oldham County Sewer District for the Ohio River Wastewater Treatment Plant in Goshen	\$500,000	\$477,000
103 KY	The City of Lexington, Lexington-Fayette Urban County Government for South Elkhorn Pump Station and Force Main Project	\$1,200,000	\$1,146,000
104 KY	The City of Louisville, Louisville and Jefferson County Municipal Sewer District for the Shively Area Pump Stations Eliminations Project	\$500,000	\$477,000
133 MS	The Town of Flora for drinking water and wastewater construction project	\$1,550,000	\$1,481,000
134 MS	The City of Oxford for wastewater construction project	\$342,000	\$327,000
135 MS	West Rankin Utility Authority for wastewater rehabilitation project	\$200,000	\$191,000
136 MS	The City of Ridgeland for wastewater and water quality protection project	\$200,000	\$191,000
137 MS	The Town of Boyle for water and sewer line extension project	\$100,000	\$96,000
138 MS	The City of Brookhaven for water and wastewater improvements project	\$300,000	\$287,000
139 MS	The City of Fulton for wastewater improvements project	\$100,000	\$96,000
140 MS	The City of Independence, Tate County School District for Water System Improvements	\$500,000	\$477,000
144 NC	Lower Cape Fear Water and Sewer Authority, Leland, for Water and Sewer Improvements	\$300,000	\$286,000
145 NC	The Neuse-Regional Water and Sewer Authority, Kinston,NC for water treatment system project	\$300,000	\$286,000



146 NC	The City of Mount Airy, Surry County for Water and Wastewater Infrastructure along the 1-77 and 1-74 Interstates Corridor	\$500,000	\$478,000
147 NC	The City of Durham for Water and Wastewater Improvements	\$500,000	\$478,000
148 NC	The Town of Cary for Planning, Design, and Permitting for the Western Wake Regional Wastewater Management Facilities	\$500,000	\$477,000
149 NC	The Town of Troy, Montgomery County for the Pump Station Improvement Project	\$500,000	\$477,000
150 NC	The Town of Murphy, Cherokee County for the U.S. Highway 7419/129 Sewer Project	\$500,000	\$477,000
231 SC	The City of West Columbia for wastewater line replacement project	\$150,000	\$144,000
232 SC	The City of Charleston for stormwater drainage system project	\$150,000	\$144,000
233 SC	The City of Gaffney for the Water Treatment Plant Upgrade	\$1,000,000	\$956,000
234 SC	The Town of Andrews for Water and Wastewater Improvements	\$500,000	\$477,000
237 TN	Claiborne County, wastewater treatment project, Harrogate TN	\$1,000,000	\$956,000
238 TN	Johnson County for Sutherland Water Line Extension project	\$300,000	\$287,000
239 TN	Morgan County for Gobey Community water system improvement project	\$300,000	\$286,000
240 TN	The Town of Collierville, Public Works Department for Wastewater Infrastructure	\$200,000	\$191,000
		<b>\$25,392,000</b>	<b>\$24,245,000</b>
72 IL	The Village of Chatham for water supply infrastructure improvements	\$300,000	\$286,000
73 IL	The City of Monmouth for wastewater system improvements	\$300,000	\$286,000
74 IL	The Northeastern Illinois Sewer Consortium for wastewater infrastructure improvements	\$350,000	\$335,000
75 IL	The Village of Riverdale for water system improvements	\$300,000	\$286,000
76 IL	The City of Oregon, Public Works Department for Wastewater Treatment Infrastructure	\$500,000	\$477,000
77 IL	The City of Virginia for a Water Treatment Facility	\$500,000	\$477,000
78 IL	The Village of Farina for Water System Improvements	\$250,000	\$239,000
79 IL	The Village of Hazel Crest for Water Improvements	\$143,000	\$137,000
80 IL	The Village of Johnsburg for Wastewater Conveyance and Treatment Works	\$500,000	\$477,000
81 IL	The Village of South Chicago Heights for Wastewater Treatment Facility	\$300,000	\$286,000
82 IL	The Village of Steward for Wastewater Infrastructure	\$300,000	\$286,000
83 IN	The City of Centerville for wastewater treatment plant upgrade project	\$300,000	\$286,000
84 IN	The City of Fort Wayne for the Storm Sewer Separation Project	\$500,000	\$477,000
85 IN	The City of Evansville for the Mt. Auburn Neighborhood Sanitary Sewer System	\$500,000	\$477,000
86 IN	The City of Carmel for Sanitary Sewer Rehabilitation	\$500,000	\$477,000
87 IN	The City of Charlestown for the Water Treatment Facility	\$500,000	\$477,000
88 IN	The City of South Bend for the Sewer Overflow Sensory Control Network	\$500,000	\$477,000
89 IN	The Town of Linden, Department of Water and Sewage for the Sewer Treatment Plant Expansion	\$200,000	\$191,000
90 IN	The Town of Merrillville for Water Infrastructure Improvements	\$500,000	\$477,000
122 MI	The City of Saint Louis for water supply improvements	\$300,000	\$286,000
123 MI	Office of the Genessee County Drain Commissioner for the North-East Relief Sewer	\$500,000	\$477,000
124 MI	The City of Brighton for the Mill Pond Lane Bypass Sanitary Sewer Improvements	\$165,000	\$158,000
125 MI	The City of Detroit, Charter County of Wayne for the Rouge River National Wet Weather Demonstration	\$1,000,000	\$956,000
126 MI	The Township of Waterford, Oakland County Drain Commission for the Evergreen-Farmington Sanitary Sewer Overflow Control Demonstration Project	\$500,000	\$477,000
127 MN	The City of New Auburn for drinking water facility construction project	\$300,000	\$286,000
128 MN	The City of Minneapolis for combined sewer overflow improvements	\$300,000	\$286,000

129 MN	The City of Grand Rapids, Grand Rapids Public Utilities Commission for Wastewater Treatment Facility	\$1,000,000	\$956,000
200 OH	The Ohio River Valley Water Sanitation Commission for organic detection system improvements	\$300,000	\$286,000
201 OH	Burr Oak for drinking water plant construction project	\$300,000	\$286,000
202 OH	The City of Columbus, Columbus Downtown Development Corporation for the Scioto Mile River Level Park Project	\$500,000	\$477,000
203 OH	The City of Elyria for the Water Treatment Intake Plant	\$380,000	\$363,000
204 OH	The City of Port Clinton, Ottawa County for the Watermain Corrosion and Sanitary Sewer Program	\$500,000	\$477,000
205 OH	The City of Zanesville, Muskingum County Commission for the West Pike Sanitary Sewer	\$500,000	\$477,000
206 OH	The Office of the Trumbull County Commissioners for the Scott Street Sanitary- Sewer in Newton Falls	\$500,000	\$477,000
207 OH	The Village of Rushville for Sewage Infrastructure Improvements	\$402,000	\$384,000
270 WI	The City of Waukesha for drinking water improvements	\$600,000	\$573,000
271 WI	The City of Green Bay for Storm water facilities improvements	\$400,000	\$382,000
272 WI	Holcombe, the Lake Holcombe Sanitary District for Wastewater Treatment and Sewer System Upgrades	\$1,000,000	\$956,000
273 WI	The City of Peshtigo for Water System Improvements	\$500,000	\$477,000
		<b>\$17,190,000</b>	<b>\$16,408,000</b>
11 AR	The Ozark Mountain Regional Public Water Authority for water system improvement project	\$300,000	\$286,000
12 AR	The City of Fayetteville for Wastewater Improvements	\$300,000	\$286,000
13 AR	The City of Pine Bluff for Sewer Improvements	\$500,000	\$477,000
14 AR	The City of Rogers, Northwest Arkansas Conservation Authority for Water and Wastewater Infrastructure and Watershed Management	\$500,000	\$477,000
105 LA	The City of Hammond for water system upgrades	\$400,000	\$382,000
106 LA	The City of St. Gabriel for wastewater treatment expansion	\$300,000	\$286,000
107 LA	The City of Bastrop for wastewater treatment facility improvements	\$200,000	\$191,000
108 LA	Ascension Parish for wastewater treatment facility construction project	\$300,000	\$286,000
109 LA	The City of Grambling for the East Martin Luther King / Tarbutton Road Sewer Extension	\$500,000	\$477,000
171 NM	The City of Rio Rancho for water system upgrades	\$300,000	\$286,000
172 NM	Albuquerque / Bernalillo County for Valley Utilities Project	\$400,000	\$382,000
173 NM	The City of Belen for wastewater facility improvement project	\$400,000	\$382,000
174 NM	The City of Aztec for Municipal Wastewater Treatment	\$500,000	\$477,000
175 NM	West Mesa and the City of Las Cruces for water and wastewater system improvements project	\$400,000	\$382,000
176 NM	The Town of Bernalillo for Arsenic and Water System Improvements	\$500,000	\$477,000
177 NM	The Pueblo of San Felipe for Water and Wastewater Infrastructure Improvements	\$400,000	\$382,000
178 NM	The City of Santa Fe for Water Distribution Infrastructure	\$500,000	\$477,000
208 OK	The City of Ardmore for wastewater and water quality protection project	\$300,000	\$286,000
241 TX	The City of Austin Water Utility for wastewater treatment upgrade project	\$300,000	\$286,000
242 TX	Lanana Creek for the stormwater project	\$800,000	\$765,000
243 TX	The City of San Antonio, San Antonio Water System for the Central Watershed Sewer Relief Line C-02	\$800,000	\$765,000
244 TX	Richmond, Fort Bend County for a Water and Wastewater Project	\$500,000	\$478,000
245 TX	The City of Grandview for an Elevated Water Storage Tank	\$500,000	\$477,000
246 TX	The City of Hillsboro for Water and Wastewater System Improvement	\$500,000	\$478,000
247 TX	The City of Killeen for Water and Sewer Infrastructure	\$500,000	\$478,000
248 TX	The City of Sabinal for Wastewater Treatment Facility Project	\$200,000	\$191,000
TX	El Paso Set-Aside from US-Mexico Border Program	\$4,063,389	\$4,000,000
TX	Brownsville Set-Aside from US-Mexico Border Program	\$936,611	\$922,000
		<b>\$16,100,000</b>	<b>\$15,519,000</b>
62 IA	The City of Clinton for wastewater treatment plant construction project	\$300,000	\$286,000

## Region 7

63 IA	The City of Davenport for water system improvements	\$500,000	\$477,000
64 IA	The City of Ottumwa for combined sewer overflow improvements	\$400,000	\$382,000
65 IA	The City of Mason City for the Wastewater Treatment Facility Expansion	\$500,000	\$477,000
91 KS	Great Bend for 10th Street sewer line repairs	\$500,000	\$477,000
92 KS	The City of Ellsworth for wastewater treatment project	\$300,000	\$286,000
93 KS	The City of Larned for the Waste Water Treatment Plant	\$500,000	\$477,000
94 KS	The City of Iola for Water and Wastewater Infrastructure	\$500,000	\$477,000
95 KS	The City of Lenexa for stormwater improvement project	\$300,000	\$286,000
96 KS	The City of Prescott for wastewater treatment plant construction project	\$300,000	\$286,000
97 KS	The City of Sedan, Rural Water District Number 4 Chautauqua County for Water and Wastewater Infrastructure	\$1,200,000	\$1,146,000
130 MO	The City of Linn for wastewater treatment plant expansion project and line extension	\$2,350,000	\$2,245,000
131 MO	The City of Hayti, Pemiscot Consolidated Public Water Supply District 1 for a Water Storage Tank	\$150,000	\$144,000
132 MO	The City of Joplin for the Wildwood Ranch Sewer	\$500,000	\$477,000
158 NE	The City of Lincoln for wastewater treatment facilities upgrade project	\$600,000	\$573,000
159 NE	The City of South Sioux City for wastewater system improvements	\$500,000	\$477,000
160 NE	The City of Omaha for combined sewer separation project.	\$400,000	\$382,000
		<b>\$9,800,000</b>	<b>\$9,355,000</b>

## Region 8

32 CO	Arkansas Valley Conduit for drinking water project	\$600,000	\$573,000
33 CO	Idaho Springs for wastewater and drinking water project	\$1,000,000	\$956,000
34 CO	The Town of Bayfield for wastewater facility upgrade project	\$400,000	\$382,000
35 CO	The City of Manitou Springs for drinking water system improvement project	\$350,000	\$335,000
36 CO	The South Platte River Basin, Central Colorado Water Conservancy District for water system improvements	\$300,000	\$286,000
37 CO	The Town of Eckley for Water Treatment Improvements	\$150,000	\$144,000
141 MT	The Crow Tribe for wastewater lagoon replacement	\$600,000	\$573,000
142 MT	The City of Helena for Missouri River wastewater treatment plant improvements	\$300,000	\$286,000
143 MT	The City of Conrad for Conrad Wastewater Treatment Facility Improvements	\$500,000	\$477,000
151 ND	The City of Washburn for water treatment plant improvements	\$200,000	\$191,000
152 ND	The City of Riverdale for water treatment plant upgrades	\$300,000	\$286,000
153 ND	Southeast Water Users District for upgrades for the rural water system	\$300,000	\$286,000
154 ND	The Cities of Fortuna, Noonan and Columbus for the BDW Water Systems Association water system improvements and expansion	\$200,000	\$191,000
155 ND	The City of Lakota for water treatment plant upgrades	\$200,000	\$191,000
156 ND	The North Central Rural Water Consortium for rural water system expansion	\$100,000	\$96,000
157 ND	Walsh Rural Water District for water system improvements	\$100,000	\$96,000
235 SD	The City of Box Elder for water infrastructure improvements	\$500,000	\$478,000
236 SD	The City of Rapid City for Source Water Protection Improvements	\$600,000	\$573,000
249 UT	Syracuse City for drinking water improvement project	\$500,000	\$477,000
250 UT	Centerfield for drinking water improvement project	\$1,100,000	\$1,051,000
251 UT	Salt Lake City for water quality protection project	\$300,000	\$286,000
252 UT	The City of Riverton for the Water Pump Station	\$500,000	\$477,000
280 WY	The City of Cheyenne for Wastewater treatment plant upgrade project	\$300,000	\$286,000
		<b>\$9,400,000</b>	<b>\$8,977,000</b>

15 AZ	Bullhead City for wastewater treatment plant expansion project	\$300,000	\$286,000
16 CA	Ventura County Public Works Agency for sewer system upgrades in El Rio Forebay	\$1,000,000	\$956,000
17 CA	The City of Eureka for the Martin Slough Interceptor Project	\$1,000,000	\$956,000
18 CA	The City of Pasadena for perchlorate remediation and drinking water system improvements	\$1,175,000	\$1,123,000

## Region 9

20 CA	The City of Big Bear Lake, Department of Water and Power to Upgrade the Pipeline Infrastructure	\$1,000,000	\$956,000
21 CA	The City of Arcadia for the Arcadia/Sierra Madre Joint Water Infrastructure	\$500,000	\$477,000
22 CA	The City of Barstow, County of San Bernardino for the Sewer Master Plan Implementation, Phase II	\$500,000	\$477,000
23 CA	The City of Huntington Park for the Slauson Avenue Water Line and Yard Rehabilitation	\$400,000	\$382,000
24 CA	The City of Manteca for Water Treatment Infrastructure Upgrades	\$500,000	\$477,000
25 CA	The City of Sacramento, Sacramento Department of Utilities for Downtown Sacramento Combined Sewer Improvement	\$500,000	\$477,000
26 CA	The City of San Clemente for Expansion of Water Reclamation Facility	\$500,000	\$477,000
27 CA	The City of San Francisco, Public Utilities Commission for the Lower Mission District	\$700,000	\$669,000
28 CA	The City of Seaside for Monterey Bay Outfall Dry Weather Diversion	\$500,000	\$477,000
29 CA	The City of Temple City for the Sanitation Sewer Rehabilitation Project	\$150,000	\$144,000
30 CA	The City of Vallejo for Mare Island Sanitary Sewer and Storm Drain	\$650,000	\$621,000
31 CA	The Town of Yucca Valley, Hi-Desert Water Agency for a Wastewater Treatment System	\$375,000	\$358,000
179 NV	The City of Fallon for Wastewater System Improvement	\$500,000	\$477,000
180 NV	The City of Reno for sewer extension project	\$400,000	\$382,000
181 NV	The City of Carson City for water system improvements	\$300,000	\$286,000
182 NV	The Moapa Valley Water District for arsenic treatments	\$300,000	\$286,000
183 NV	Esmeralda County for water system improvements	\$100,000	\$96,000
184 NV	The Town of Overton for the Collection System Infiltration Study	\$212,000	\$203,000
		<b>\$12,387,000</b>	<b>\$11,831,000</b>

## Region 10

1 AK	The City of Kenai for water treatment project	\$300,000	\$288,000
2 AK	The City of Kodiak for water and sewer improvements project	\$500,000	\$478,000
3 AK	The City of Wrangell for water and sewer upgrade project	\$550,000	\$526,000
4 AK	The City of Ketchikan for water and sewer upgrade project	\$550,000	\$526,000
66 ID	The City of Marsing for drinking water system reconstruction project	\$432,000	\$412,000
67 ID	The City of Hazelton for wastewater system improvements project	\$469,000	\$448,000
68 ID	The City of St. Anthony for wastewater system improvements project	\$562,000	\$537,000
69 ID	The City of Rexburg for wastewater and stormwater facilities project	\$137,000	\$131,000
70 ID	The City of Buhl for drinking water project	\$300,000	\$286,000
71 ID	The City of Twin Falls for the Auger Falls Wastewater Treatment Project	\$500,000	\$477,000
209 OR	The City of Coburg for a Wastewater System Project	\$500,000	\$477,000
210 OR	The City of Portland for decentralized stormwater management system improvements	\$550,000	\$526,000
260 WA	The City of Monitor, Chelan County Public Utilities District, for drinking water upgrades	\$600,000	\$573,000
261 WA	The City of Winlock for wastewater treatment plant upgrades	\$400,000	\$382,000
262 WA	The City of West Richland for water treatment system upgrades	\$300,000	\$286,000
263 WA	Mason County for Wastewater Infrastructure Improvements for the Community of Belfair	\$2,000,000	\$1,911,000
264 WA	Seattle, Seattle Public Utilities for South Park Drainage Project	\$500,000	\$477,000
265 WA	Skokomish, Skokomish Indian Tribal Nation for Wastewater Treatment	\$1,000,000	\$956,000
266 WA	The City of Longview for a water treatment facility	\$500,000	\$478,000
267 WA	The City of Mercer Island for the Mercer Island Sewer Lake Line Replacement	\$500,000	\$477,000
268 WA	The City of Mountlake Terrace for Water Main System Replacement	\$500,000	\$477,000
269 WA	The City of Puyallup for Water and Wastewater Infrastructure	\$500,000	\$478,000
		<b>\$12,150,000</b>	<b>\$11,607,000</b>

**\$140,000,000      \$133,831,000**

\*Final Amount calculated as: Conference Report Earmark Amount less 1.56% rescission 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, Tittles 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



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

JAN 20 1995

OFFICE OF  
ENFORCEMENT AND  
COMPLIANCE ASSURANCE

MEMORANDUM

SUBJECT: NEPA Guidance for Special Wastewater Treatment Projects  
in the FY95 Appropriation Bill

FROM: Richard E. Sanderson *Rich Sanderson*  
Director  
Office of Federal Activities (2252)

TO: NEPA Coordinators

The purpose of this memorandum is to provide guidance on the requirements for compliance with the National Environmental Policy Act (NEPA) for special projects authorized for EPA grant funding by the FY95 Appropriations Act (Act). The Act appropriated "no-year" money to fund special wastewater treatment projects identified by Congress. Each region has projects on this list. The list is included in the attached copy of the guidance memorandum prepared by the Office of Water Management (OWM).

The OWM memorandum indicates that NEPA applies to all of these projects except the three to be funded as Clean Water Act (CWA) section 104(b)(3) demonstration projects. These three are exempted from NEPA under the CWA section 511(c). The Office of General Counsel (OGC) has prepared an "Analysis of NEPA applicability to special grants authorized by FY 1995 Appropriations Act." This analysis is also attached.

OFA Guidance to Regional NEPA Coordinators

An independent EPA NEPA analysis for the non-demonstration projects is required. In addition, other cross-cutting federal statutes, such as the Endangered Species Act and the National Historic Preservation Act, also apply to these projects. The Council on Environmental Quality's (CEQ) NEPA regulations do not allow EPA to adopt a state analysis. However, the NEPA regulations do require agencies to "cooperate with State and local agencies to the fullest extent possible to reduce



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duplication between NEPA and State and local requirements ..." (40 CFR 1506.2). There are several ways the regions can use the existing information and assessments for these projects as summarized below and as discussed in greater detail in the attached OGC analysis. In all cases, EPA must independently evaluate the state documentation and review process and is responsible for the accuracy of the NEPA documentation and the adequacy of the process (40 CFR 1506.5).

- Where states have performed environmental reviews under NEPA-like statutes or pursuant to State Revolving Fund regulations, EPA can incorporate, but not simply adopt, the state analysis into the Agency's NEPA analysis.
- Where state reviews have found no significant impacts and EPA approves of that finding and the state process, EPA may issue an environmental assessment (EA) summarizing and referencing the state analysis and an accompanying Finding of No Significant Impact (FONSI).
- Where state reviews have found significant impacts or EPA independently determines that there are significant impacts, EPA must issue a notice of intent and proceed with an environmental impact statement (EIS) and record of decision (ROD) in accordance with the Agency's regulations at 40 CFR Part 6.
- Where construction of projects is complete or nearly completed, a NEPA analysis will not have to be done.
- Where construction has started and the project is not nearly completed, a NEPA analysis is required and a notification of intent to pursue an independent analysis must be sent to the grantee.
- Where projects to be funded have been ongoing for several years, additional assessment may not be required if prior federal NEPA documentation has addressed the portions of the project to be funded by the FY95 grant. The region will need to assure that since the previous assessment: 1) there are no substantial changes in the proposed action relevant to environmental concerns, or 2) there are no significant new circumstances or information relevant to environmental concerns and bearing on the proposed action or its impacts.

If the NEPA analysis was carried out under an earlier construction grant action and is no longer adequate or the project has not previously been assessed by EPA, it will be necessary to issue either an EA/FONSI or an EIS/ROD. The regulations applicable to these special project grants are the CEQ regulations (40 CFR Parts 1500-1508) and EPA's NEPA regulations (40 CFR Part 6, Subparts A-D). EPA's regulations at 40 CFR Part 6, Subpart E, while they do not apply to these special project grants, may provide additional guidance.

We anticipate that additional issues or sub-issues may arise which are not fully treated in this general guidance memorandum. These should be brought to our attention as soon as possible. In addition, we have scheduled a teleconference on Tuesday, January 24, 1995 from 11:00 a.m. to 12:00 noon eastern standard time to discuss this guidance and additional issues or concerns with the process. The call in number is (202) 260-4257. We look forward to your participation. Please inform John Gerba (202/260-5910) if you or your staff will not be on the call.

**Attachments**

cc: Jim Havard, OGC  
Ed Gross, OWM

# ATTACHMENT 6



**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

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

---

<sup>∞</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>¶</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 7



**UNITED STATES ENVIRONMENTAL PROTECTION  
AGENCY**

WASHINGTON, D.C. 20460



October 26, 2005

SAAP-06-01

**MEMORANDUM**

**SUBJECT:** Process for Implementing Authority for Changes to Special Appropriations Act Projects (SAAP) in the State and Tribal Assistance Grants (STAG) Appropriations Account

**FROM:** Sheila E. Frace, Director /s/  
Municipal Support Division

**TO:** Special Appropriations Act Projects Coordinators  
Regional Grants Counsels  
Regional Congressional Liaisons

The Agency's FY 2006 Appropriations Act included a permanent and retroactive provision that allows the Agency to make technical changes to the name of the grantee and the purpose of the grant. The new authority applies to earmarks in the State and Tribal Assistance Grants (STAG) Appropriations Account, also known as Special Appropriations Act Projects (SAAP) grants. Since each of you may at some time be the point of initial contact for requests for technical corrections, I wanted to make sure you were aware of the process by which the Agency will be implementing this provision.

**Background:**

Public Law 109-54, Department of the Interior, Environment, and Related Agencies Appropriations Act, 2006, contains the following language:

“notwithstanding this or any other appropriations Act, heretofore and hereafter, after consultation with the House and Senate Committees on Appropriations and for the purpose of making technical corrections, the Administrator is authorized to award grants under this heading to entities and for purposes other than those listed in the joint explanatory statements of the managers accompanying the Agency’s appropriations Acts for the construction of drinking water, wastewater and stormwater infrastructure and for water quality protection.”



This authority will expedite technical corrections that have historically taken up to a year to make. In order to ensure expeditious review of requests for technical corrections, the Office of Wastewater Management (OWM) has worked with the Office of the Chief Financial Officer (OCFO) to develop a standard process that will facilitate consultation with the Appropriations Committees. OCFO has worked with the staff on the House and Senate Appropriations Committees to develop a format for a list of corrections with which we will initiate consultation [See Attachment A]. The Agency will consult the Committees before OWM approves requests for technical corrections. Thereafter, the Regional Coordinators will be notified of the corrections that may be implemented and the Region may award the grants consistent with OWM's determination.

Process:

1. The Regional SAAP Coordinator will collect all requests for technical corrections identified by the Region and then provide the information to the Office of Wastewater Management (OWM).
2. The SAAP Coordinator must email the information (using the format in the attachment) to Jordan Dorfman. This should be done at any time the Region becomes aware of a needed change.
3. OWM will compile the list of needed corrections at the end of each quarter. To ensure that corrections are included in any quarter's consultation, SAAP coordinators should provide the information on the needed changes to Jordan at least 2 weeks before the end of the quarter.
4. Upon completion, OWM will submit the list to Delia Scott, Agency Liaison to the Appropriations Committees in OCFO, and to the Office of General Counsel (OGC).
5. OWM, OCFO, and OGC will evaluate the list to ensure that the requests fall within the bounds of the new authority.
6. OCFO will initiate consultation with the Appropriations Committees by transmitting the final list to the Committees' staff.
7. OWM will notify the respective Regions through their SAAP coordinators of the requests that OWM is approving. The Regions may then award the grants to the new recipient or for the new purpose as approved.

For this first quarter only, to address an outstanding need for technical corrections from prior year appropriations, OWM will evaluate requests for corrections based upon two submissions: the first by late October, and a second at the end of the quarter. All outstanding requests from prior years must be resubmitted in accordance with this memorandum to be considered. Please send your list to Jordan by Monday, November 7th for inclusion in the first round of consultation.

Thank you for your patience. If you have any questions, please call Jordan Dorfman at (202) 564-0614.

Attachment

Cc: Delia Scott  
Paul Versace  
James Blizzard  
Jason Donaldson  
Tim Fontaine  
Richard Kuhlman

## ATTACHMENT 8



**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

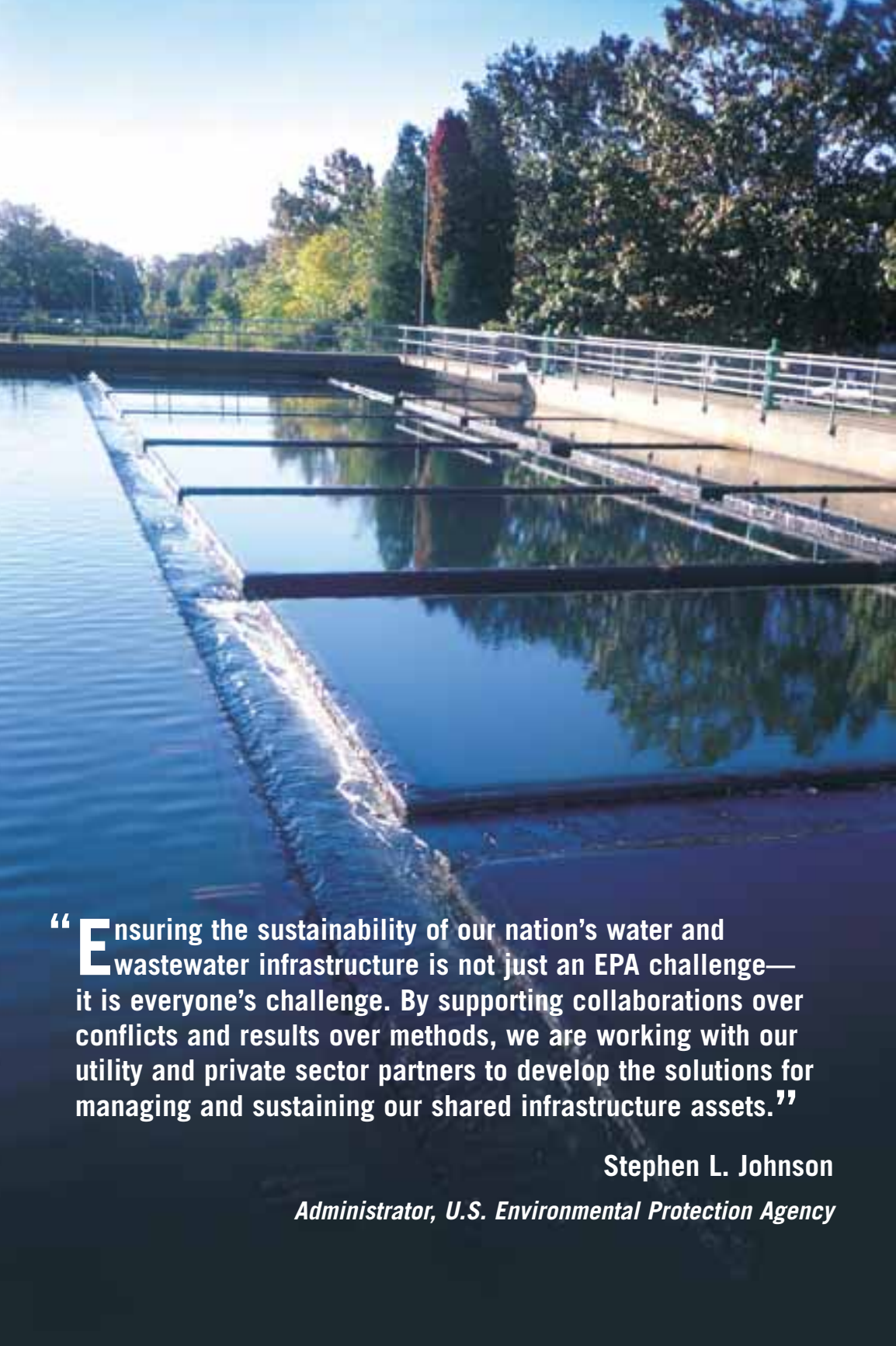
## ATTACHMENT 9



# Sustaining Our Nation's Water Infrastructure







**“Ensuring the sustainability of our nation’s water and wastewater infrastructure is not just an EPA challenge—it is everyone’s challenge. By supporting collaborations over conflicts and results over methods, we are working with our utility and private sector partners to develop the solutions for managing and sustaining our shared infrastructure assets.”**

**Stephen L. Johnson**

*Administrator, U.S. Environmental Protection Agency*



# Never Take It For Granted



**E**very day we benefit from the environmental, public health, social, and economic benefits that clean and safe water provide. One of the most critical challenges facing the nation is how to sustain our water and wastewater infrastructure to ensure that the public can continue to enjoy these benefits in the future.

Our wastewater and drinking water systems are aging, with some system components older than 100 years. Our growing and shifting population requires investment for new infrastructure and maintenance of existing infrastructure. Current treatment strategies, technologies, and management approaches may not be adequate to address emerging issues; investment in research and development has declined; and the prospects for continued large federal investment are limited.

In the last 20 years, communities across the country spent approximately \$1 trillion on drinking water treatment and supply and wastewater treatment and disposal. While this spending is significant, it may not be sufficient to ensure the delivery of sustainable drinking water and wastewater services in the decades ahead.



EPA's *Clean Water and Drinking Water Infrastructure Gap Analysis* (2002) estimated that if capital investment and operations and maintenance remained at current levels, the potential funding shortfall for drinking water and wastewater infrastructure could exceed \$500 billion by 2020. This report also pointed out that drinking water and wastewater systems will need to use a combination of increased investment and innovative management practices and technologies to close this gap. Finally, the study noted that the funding gap would shrink dramatically if investment by utilities were to increase at a real growth rate of three percent per year.



# Facing the Challenge



**T**he U.S. Environmental Protection Agency (EPA), led by the Office of Water, has launched the *Sustainable Water Infrastructure* (SI) initiative. EPA is collaborating with drinking water and wastewater utility managers, trade associations, local watershed protection organizations, and state and local officials to help ensure that our nation's precious water infrastructure is sustainable in the future. Working as an advocate and sharing information on best practices, tools, innovative technologies, and research and development break-throughs, EPA is working with many partners to fundamentally change the way the nation views and manages its water infrastructure. To learn about the most recent developments, visit [www.epa.gov/water/infrastructure](http://www.epa.gov/water/infrastructure).

In addition to supporting adoption of state-of-the-art management approaches by utilities, including management of decentralized facilities, we are promoting research and development for promising new technologies and techniques to increase effectiveness and reduce drinking water distribution and wastewater conveyance system costs. We also will explore new design concepts for future systems.

EPA is only one partner in this effort. Throughout this initiative, we will continue to focus heavily on providing information and



tools to our state partners, third party assistance providers, and associations who serve as the primary deliverers of assistance to local utility managers.

Our SI activities are organized around the following four priority areas, or pillars.



**1. Better Management**—to shift the utility management model beyond compliance to sustainability and improved performance by focusing on utility management systems, such as environmental management systems (EMS) and asset management, capacity development for smaller utilities, and selection of innovative, cost-effective technologies.

**2. Full Cost Pricing**—to help utilities recognize their full costs for providing service over the long-term and to implement pricing structures that effectively recover costs and promote environmentally sound decisions by customers.

**3. Water Efficiency**—to promote water efficiency in the residential and commercial sector through WaterSense<sup>SM</sup>, a new market enhancement program for water efficient products and services. Under this pillar, EPA also is facilitating the establishment of an independent, national collaborative organization committed to improving water efficiency, promoting improved building and landscaping practices, and recognizing leadership in water efficiency.

**4. The Watershed Approach**—to encourage the adoption of watershed management principles and tools into utility planning and management practices, so that key decision makers consider watershed-based, cost effective alternatives along with traditional treatment technology investment choices. Watershed management approaches include, but are not limited to, source water protection, water quality trading, centralized management of decentralized systems, and smart growth approaches to stormwater and wastewater management.

# Overview of the Four Pillars



## Better Management


**E**ffective utility management is key to achieving sustainable water infrastructure. Effective management can help utilities enhance the stewardship of their infrastructure, improve performance in many critical areas, better control costs, and respond to other challenges. EPA's goal is that, by 2020, utilities will have adopted, or be in the process of adopting, sustainable management systems and practices and cost-effective technologies. EPA is focusing on the following areas:

**Utility Management Systems**—We have signed a major agreement with six national water and wastewater associations to promote more effective utility management practices through the use of environmental management systems and other innovative approaches like asset management. In addition, we will continue to directly support training and information sharing on proven management tools like EMS, asset management, and others.

**Capacity Development and Assistance for Small Systems**—Working closely with states and other technical assistance providers, we are supporting small and disadvantaged communities with technical, managerial, and financial assistance to help improve their capacity to meet regulatory requirements, enhance performance, and promote long-term sustainability.


**Cost-Effective Technology Selection**—We are sharing technical information to help utilities evaluate, select, and operate technologies for optimal performance and minimal life-cycle costs.





# Water Authority

1234 Wet Street, Suite 2000  
Anywhere, U.S.A. 22003



## TOTAL WATER CHARGES

**\$22.95**

Water Questions? Call Department of Customer Service at 222-333-4444

Water Trouble? Call 222-333-4444 (24 hours)

Office Hours: Monday thru Friday 8:00 am to 4:30 pm

## TOTAL SEWER CHARGES

**\$92.90**

Sewer Questions? Call Department of Environmental Services at 222-333-4444

Sewer Trouble? Call 222-333-4444 (24 hours)

Office Hours: Monday thru Friday 8:00 am to 4:00 pm

### ACCOUNT INFORMATION

Account Number      **12568049-1263902**

Name                      John Doe

Address                  1234 S. Bennington St.

Billing Date              03/26/06

Sewer Code              1-10-08001-A

### WATER AND SEWER BILLING SUMMARY

Service Period	<b>02/26/2006 - 03/26/2006</b>
Previous Balance	\$115.85
Payments	- \$115.85
Adjustments	0.00
Current Charge	\$115.85

**TOTAL AMOUNT DUE**

**\$115.85**

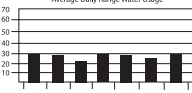
Minimum Amount Due

\$115.85


Due Date

04/05/06

#### Average Daily Range Water Usage



#### Note Address Changes Below. Please contact water company with changes and your full payment



8550428 827928 253012 2837

Name:

Address:

City, State, Zipcode:

**Account Number**

12568049-1263902

**Due Date**

04/05/06

**TOTAL AMOUNT DUE**

\$115.85

**TOTAL ENCLOSURE**

☐ Thank You!

848-333-4444

310-333-4444

310-333-4444

## Water Efficiency

Improved water efficiency can reduce the strain on aging water and wastewater utilities and can sometimes delay or even eliminate the need for costly new construction to expand system capacity. We are working to foster a national ethic of water efficiency, so that water is valued as a limited resource that should be used wisely. To accomplish this, we are focusing on the following areas:

### WaterSense<sup>SM</sup> Market Enhancement Program—

We have launched WaterSense<sup>SM</sup>, an innovative partnership program to promote water-efficient products and services. The *WaterSense* label will identify products that have undergone third-party testing to ensure both their performance and water efficiency. The program also includes a public outreach campaign.



**National Organization to Foster Water Efficiency—**We are supporting the formation of the **Alliance for Water Efficiency (AWE)**. This new national organization will promote product improvements and support research into new technologies for saving water.

**Water Efficiency Leaders—**The **Water Efficiency Leaders** program recognizes organizations and individuals who are providing leadership and innovation in the efficient use of water. Intended to inspire and motivate others, this awards program will enable EPA to document best practices, share information, and create a network of water efficiency leaders.

**Water Efficiency in Buildings and Landscapes—**We are working with stakeholders in the home building industry to establish guidelines for the construction of water-efficient new homes. We are also working to incorporate water-efficiency elements into building rating systems, such as the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) Green Building Rating System®.





## Watershed Approach

**U**tilities and other decision makers need to evaluate a broad array of traditional and other watershed-based tools as they make key water infrastructure decisions. EPA is striving for a more integrated approach to watershed planning that helps reduce future infrastructure costs or, in certain cases, provides alternatives to traditional infrastructure approaches. Examples of our current focus areas include:

**Source Water Protection**—Watershed approaches can reduce pollutant loadings and contamination of drinking water sources, thereby reducing the need for expensive treatment systems. Watershed approaches can also be used to ensure adequate water supplies.

**Water Quality Trading**—We are working closely with states and offering guidance on how to promote innovative trading approaches to maximize the benefits of actions within a watershed where they realize the highest gains.

**Decentralized Onsite Infrastructure Management**—Decentralized onsite approaches can be used to cost-effectively manage wastewater and stormwater systems. Many communities are successfully using management strategies in combination with conventional infrastructure solutions.

**Watershed Approaches to NPDES Permitting**—EPA is providing guidance on how utilities can incorporate a watershed approach to NPDES permits to maximize the benefits of a coordinated basin-wide approach.

**Sustainable Watershed Financing**—The Office of Water is working closely with EPA's Environmental Finance Advisory Board and Environmental Finance Centers to develop tools, case studies, and demonstration projects to implement innovative watershed-based financing strategies.

**Watershed Approaches to Restoring Impaired Waters**—We are developing case studies, models and other tools to help states and local governments restore impaired waters using the watershed approach. We have published the Draft Handbook for *Developing Watershed Plans to Restore and Protect Our Waters* and will provide training and workshops on watershed planning techniques and approaches.





RURAL WATER  
RRWA 6

# Sustainable Water Infrastructure

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United States Environmental Protection Agency

Office of Water (4204M)

August 2006

[www.epa.gov/water/infrastructure](http://www.epa.gov/water/infrastructure)



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# Sustainable Water Infrastructure Tools & Resources







**T**here are a many tools and other resources to help educate utilities, states, and the public on various aspects of sustainable infrastructure. The list below identifies some of the most important. To learn more about this important topic we encourage you to obtain copies of these tools and to consult EPA's sustainable infrastructure Web site at <[www.epa.gov/water/infrastructure](http://www.epa.gov/water/infrastructure)>.

## Contents

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United States Environmental Protection Agency  
Office of Water (4204M)  
EPA-832-F-06-026  
August 2006  
[www.epa.gov/water/infrastructure](http://www.epa.gov/water/infrastructure)

## Better Management

### **“Attributes of Sustainably Managed Utilities” List and Utility Profiles**

In July 2005, EPA hosted a meeting with a number of leading utilities to discuss ways to encourage other utilities to adopt sustainable management approaches. A major output of that meeting was a list of “Attributes of Sustainably Managed Utilities” and a series of profiles of several leading utilities. A summary of this meeting along with the Attributes and Utility Profiles is available at [www.epa.gov/water/infrastructure](http://www.epa.gov/water/infrastructure).

### **An Environmental Management Systems Handbook for Wastewater Utilities**

The EMS Wastewater Handbook provides a step-by-step guide for wastewater utilities to use when developing an environmental management system (EMS) for their operations. The handbook provides case examples, data, sample documentation and other tips from several wastewater utilities that have successfully implemented EMSs. Access the handbook at [www.epa.gov/ow/ems/](http://www.epa.gov/ow/ems/), the Office of Water Resource Center at [www.epa.gov/OGWDW/resource/](http://www.epa.gov/OGWDW/resource/), or the Public Entity Environmental Management System Resource (PEER) Center at [www.peercenter.net](http://www.peercenter.net).

### **PEER EMS Local Resource Centers**

Eleven PEER EMS Local Resource Centers are operating around the country that can help water and wastewater utilities, as well as other local government operations implement environmental management systems for their facilities. These centers offer a range of training and other forms of technical assistance. A full description of the PEER Resource Centers can be found at [www.peercenter.net/whocanhelp/lrc.cfm](http://www.peercenter.net/whocanhelp/lrc.cfm).

### **Asset Management: A Handbook for Small Water Systems (EPA 816-R-03-016, September 2003)**

EPA has developed a “Simple Tools for Effective Performance” (STEP) Guide that emphasizes how effective asset management is a key element of small system sustainability. Various sample worksheets are provided to help small systems organize data and determine the best approach to maintenance and replacement of major physical assets. An electronic copy of the document can be found by at [www.epa.gov/safewater/smallsys/pdfs/guide\\_smallsystems\\_asset\\_mgmnt.pdf](http://www.epa.gov/safewater/smallsys/pdfs/guide_smallsystems_asset_mgmnt.pdf).

### **Taking Stock of Your Water System: A Simple Asset Inventory Guide for Very Small Drinking Water Systems (EPA 816-K-03-002, October 2004)**

EPA has developed a STEP Guide to assist very small systems in conducting a simple inventory of infrastructure for capital planning purposes. This STEP



Guide can help these types of water systems run properly and ensure that the drinking water they produce is reliable, safe and affordable. An electronic copy of the document can be found at <[www.epa.gov/safewater/smallsys/pdfs/final\\_asset\\_inventory\\_for\\_small\\_systems.pdf](http://www.epa.gov/safewater/smallsys/pdfs/final_asset_inventory_for_small_systems.pdf)>.

### **Strategic Planning: A Handbook for Small Water Systems (EPA 816-R-03-015, September 2003)**

EPA has developed a STEP Guide to assist small systems in strategic planning. The guide provides worksheets and related tools to help systems organize data and systematically assess their strengths, weaknesses, challenges, and opportunities. This guide is based on the strategic planning workshops held around the country in 2000. An electronic copy of the document can be found at <[www.epa.gov/safewater/smallsys/pdfs/guide\\_smallsystems\\_stratplan.pdf](http://www.epa.gov/safewater/smallsys/pdfs/guide_smallsystems_stratplan.pdf)>.

### **Sources of Technical and Financial Assistance for Small Drinking Water Systems (EPA 816-K-02-005, July 2002)**

EPA has developed a guide that identifies major sources of technical and financial assistance specifically targeted at small drinking water systems. Each listing describes the source's mission and types of assistance that can be provided, and lists contact information. An electronic version of the document can be found at <[www.epa.gov/safewater/smallsys/pdfs/tfa\\_sdws.pdf](http://www.epa.gov/safewater/smallsys/pdfs/tfa_sdws.pdf)>.

### **TEAMS (Total Electronic Asset Management System) Asset Management Software for Small Utilities**

Developed by the Maryland Center for Environmental Training (MCET), this software is targeted for small wastewater utilities and is accompanied by a training tool kit which includes training modules on a range of asset management topics. The software can be obtained by visiting the MCET Web site and submitting an e-mail request at <[www.mcet.org/Technical/environment/teamsAM.html](http://www.mcet.org/Technical/environment/teamsAM.html)>.

### **U.S. EPA Advanced Asset Management Training Workshops**

The Office of Water is collaborating with partner organizations, hosts, and co-sponsors to provide training on best practice in Advanced Asset Management. The workshops are primarily designed to meet the Advanced Asset Management training needs of water and wastewater utility CEOs, and senior level personnel. For more information and a list of upcoming sessions, go to <[www.epa.gov/owm/assetmanage/index.htm](http://www.epa.gov/owm/assetmanage/index.htm)> and click on "Training Workshops."

### **WERF's Sustainable Infrastructure Management Program Learning Environment (SIMPLE)**

EPA has collaborated on the development of an intuitive and interactive Web-based asset management strategy tool, SIMPLE, which has been developed

under the aegis of a Water Environment Research Foundation (WERF) research project (03-CTS-14). SIMPLE contains a set of user-friendly online processes and practice guidelines, templates, and decision support tools that utilities and wastewater industry professionals can apply to asset management. For more information, visit <[www.werf.us/](http://www.werf.us/)> and click on “interactive tools.”

## **NACWA's Managing Public Infrastructure Assets to Minimize Cost and Maximize Performance**

This handbook, funded by EPA, establishes an understanding of asset management principles and program benefits and assists public water and wastewater utilities with the development of asset management programs. To obtain a copy, visit <[www.amsa-cleanwater.org/pubs/index.cfm](http://www.amsa-cleanwater.org/pubs/index.cfm)>.

## **IPWEA's International Infrastructure Management Manual (2006 Edition)**

Published by the Institute of Public Works Engineering Australia, the 2006 edition of the *International Infrastructure Management Manual* is the premier handbook on asset management practices and provides a detailed road map for preparing an asset management plan. The manual contains extensive information on benchmarking, condition grading, valuations, asset hierarchy structures, and information systems. It presents simple economic evaluation tools and other techniques for project decision-making and prioritization. To obtain a copy of the manual, visit <[www.ipwea.org.au/news/169.html](http://www.ipwea.org.au/news/169.html)>.

## **Full Cost Pricing**

### **Setting Small Drinking Water System Rates for A Sustainable Future (EPA 816-R-05-006, January 2006)**

This document helps water utilities consider whether their rate structures sufficiently address the costs of ensuring safe and clean water. Written for owners and operators of small community drinking water systems serving 3,300 or fewer persons, this guide explains the full costs of providing a safe and adequate supply of drinking water to customers, and how to set water rates that will support these costs. Systems that will find this guide useful are small publicly or privately owned entities whose primary business is providing drinking water, as well as homeowner associations and manufactured housing communities. An electronic version of the document can be found at <[www.epa.gov/water/infrastructure/pdf/final\\_ratesetting\\_guide.pdf](http://www.epa.gov/water/infrastructure/pdf/final_ratesetting_guide.pdf)> and <[www.epa.gov/safewater/smallsys/pdfs/guide\\_smallsystems\\_final\\_ratesetting\\_guide.pdf](http://www.epa.gov/safewater/smallsys/pdfs/guide_smallsystems_final_ratesetting_guide.pdf)>.

## **Consolidated Water Rates: Issues and Practices in Single-Tariff Pricing (EPA 1999)**

This report addresses the full cost pricing pillar by providing an overview and a discussion of the complex trade-offs involved in implementing consolidated ratemaking. Jointly published by EPA and the National Association of Regulatory Utility Commissioners (NARUC), this report can be accessed at <[www.epa.gov/safewater/utilities/stptitle.pdf](http://www.epa.gov/safewater/utilities/stptitle.pdf)>.

## **Case Studies of Sustainable Water and Wastewater Pricing (EPA 816-R-05-007, December 2005)**

Communities all across the country, both rural and urban, are making efforts towards sustainable pricing for drinking water and wastewater systems. This document provides real-world examples of how eight drinking water systems made decisions on determining and establishing appropriate rates that will help them to better recover the costs of running their systems. Access these studies at <[www.epa.gov/water/infrastructure/pdf/FullCost\\_Pricing\\_casestudies\\_finalversion.pdf](http://www.epa.gov/water/infrastructure/pdf/FullCost_Pricing_casestudies_finalversion.pdf)>.

## **Water Efficiency**

### **American Water Works Association's (AWWA) WaterWiser interactive Web site**

<[www.waterwiser.org](http://www.waterwiser.org)>

This water efficiency clearinghouse was developed and launched under a cooperative agreement with EPA and provides information about water conservation, efficiency, and demand management to utilities, water managers, and the public.

### **California Urban Water Conservation Council's (CUWCC) H2OUSE Water Saver Home Web Site**

<[www.h2ouse.org/](http://www.h2ouse.org/)>

This Web site was developed under an EPA cooperative agreement for homeowners and other consumers to learn about water saving opportunities.

### **Guidelines for Water Reuse (EPA 625/R-04/108, September 2004)**

These guidelines present and summarize water reuse for utilities and regulatory agencies. The guidelines cover water reclamation for non-potable urban, industrial, and agricultural reuse, as well as augmentation of potable water supplies through indirect reuse. Technical, regulatory, legal, funding, and public involvement issues related to water reuse are discussed. These guidelines are available at <[www.epa.gov/ORD/NRMRL/pubs/625r04108/625r04108.htm](http://www.epa.gov/ORD/NRMRL/pubs/625r04108/625r04108.htm)>.

## **Water Conservation Plan Guidelines (EPA-832-D-98-001, August 1998)**

These guidelines provide information to water systems planners to help them develop local and statewide water conservation plans. These voluntary guidelines provide information on water conservation planning, criteria, guidelines and measures, as well as how to incorporate water conservation into infrastructure planning. These guidelines are available at <[www.epa.gov/OW-OWM.html/water-efficiency/wecongid.htm](http://www.epa.gov/OW-OWM.html/water-efficiency/wecongid.htm)>.

## **Watershed Approach**

### **Watershed-based NPDES Permitting Implementation and Technical Guidance (EPA 833-B-03-004, December 2003)**

This implementation guidance describes the concept of and the process for watershed-based permitting under the National Pollutant Discharge Elimination System (NPDES) permit program. This document can be found at <[www.epa.gov/npdes/pubs/watershedpermitting\\_finalguidance.pdf](http://www.epa.gov/npdes/pubs/watershedpermitting_finalguidance.pdf)>.

### **Implementing Water Quality Trading through NPDES Permitting**

This document is currently in draft form and has not yet been published. It will describe the concept of water quality trading and illustrate several options for incorporating trading into NPDES permits. The guidance will show a step-by-step process starting with the decision by stakeholders that a trade is feasible and a trading framework is in place, to the final permit. It will also include an appendix of 16 actual trades that illustrate the options.

## **Additional Web Resources**

### **Sustainable Water Infrastructure for the 21st Century**

<[www.epa.gov/water/infrastructure/](http://www.epa.gov/water/infrastructure/)>

This site explains EPA's "Four Pillars of Sustainable Infrastructure" encompassing initiatives to promote sustainable water infrastructure. It also posts relevant laws and regulations, funding and grant announcements, new initiatives, research and development activities, success stories, new tools and resources, and upcoming meetings and conferences.

### **Clean Water and Drinking Water Infrastructure Gap Analysis**

<[www.epa.gov/OW-OWM.html/gapreport.pdf](http://www.epa.gov/OW-OWM.html/gapreport.pdf)>

The *Clean Water and Drinking Water Infrastructure Gap Analysis* estimates the funding gap from 2000 to 2019 for drinking water and wastewater systems. The report considers both capital investment and maintenance and explains how the projections are calculated. Approximately 54,000 community water systems and 21,410 noncommunity water systems are covered, as well as 16,000 publicly owned water treatment works.

## **New Development: Smart Growth**

**<[www.epa.gov/smartgrowth](http://www.epa.gov/smartgrowth)>**

The Smart Growth initiative addresses how and where new development should be accommodated based on the economy, the environment, and the community. Healthy communities, economic development, and jobs, strong neighborhoods, and good transportation choices are priorities.

## **Drinking Water Capacity Development Web Site**

**<[www.epa.gov/safewater/smallsys/capdev.htm](http://www.epa.gov/safewater/smallsys/capdev.htm)>**

States and water systems work together through capacity development to ensure that safe drinking water can be provided consistently, reliably, and cost-effectively. The collaboration also works to achieve the health objectives of the 1996 Safe Drinking Water Act. Using capacity development, states can target the technical, financial and managerial needs of the many small systems that account for the majority of public water systems.

## **EPA's Water Efficiency Web Site**

**<[www.epa.gov/owm/water-efficiency/index.htm](http://www.epa.gov/owm/water-efficiency/index.htm)>**

This site provides information on the benefits of water efficiency and strategies for the long-term conservation of water resources through the employment of water saving technologies.

## **Effective Water Sector Utility Management Statement**

**<[www.epa.gov/owm/assetmanage/pdfs/utility\\_management.pdf](http://www.epa.gov/owm/assetmanage/pdfs/utility_management.pdf)>**

EPA and several partners issued a statement to explain the efforts they will make to promote effective utility management in order to sustain the Nation's water and wastewater infrastructure. The partners include both government and industry representatives.

## **Dawn of the Replacement Era: Reinvesting in Drinking Water Infrastructure**

**<[www.win-water.org/win\\_reports/infrastructure.pdf](http://www.win-water.org/win_reports/infrastructure.pdf)>**

This report discusses the findings of a study conducted by the American Waterworks Association on best practices for replacing and maintaining the infrastructure.





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Environmental Protection Agency  
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[www.epa.gov/water/infrastructure](http://www.epa.gov/water/infrastructure)



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## **CROSS-CUTTING FEDERAL AUTHORITIES**

### **Environmental Authorities**

- " Archeological and Historic Preservation Act of 1974, Pub. L 86-523, as amended
- " Clean Air Act, Pub. L 84-159, 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
- " Executive Order 11593, Protection and Enhancement of the Cultural Environment
- " Floodplain Management, Executive Order 11988, as amended by Executive Order 12148
- " Protection of Wetlands, Executive Order 11990
- " Farmland Protection Policy Act, Pub. L. 97-98
- " Fish and Wildlife Coordination Act, Pub. L. 85-624, as amended
- " National Historic Preservation Act, PL 89-665, as amended
- " Safe Drinking Water Act, Pub. L. 93-523, as amended
- " Wild and Scenic Rivers Act, Pub. L. 90-542, as amended
- " Wilderness Act, Pub. L. 88-577, as amended

### **Economic and Miscellaneous Authorities**

- " Demonstration Cities and Metropolitan Development Act of 1966, Pub. L. 89-754, as amended, Executive Order 12372
- " Procurement Prohibitions under Section 306 of the Clean Air Act and Section 508 of the Clean Water Act, including Executive Order 11738, Administration of the Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants, or Loans
- " Uniform Relocation and Real Property Acquisition Policies Act of 1970, Pub. L. 91-646 as amended
- " Debarment and Suspension, Executive Order 12549
- " New Restriction on Lobbying, Section 319 of Pub. L. 101-121

## **Social Policy Authorities**

- " Age Discrimination Act of 1975, Pub. L. 94-135
- " Title VI of the Civil Rights Act of 1964, Pub. L. 88-352
- " Section 504 of the Rehabilitation Act of 1973, Pub. L. 93-112 (including Executive orders 11914 and 11250)
- " The Drug-Free Workplace Act of 1988, Pub. L. 100-690
- " Equal Employment Opportunity, Executive Order 11246
- " Women=s and Minority Business Enterprise, Executive Orders 11625, 12138 and 12432
- " Section 129 of the Small Business Administration Reauthorization and Amendment Act of 1988, Pub. L. 100-590