The State Revolving Fund Loan Program in Massachusetts

Presentation to the Massachusetts Municipal Association
Steve McCurdy, Director, MassDEP Municipal Services
January 2017
**State Revolving Fund Loan Program**

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

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

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

**Eligible Borrowers:** cities, towns, public water suppliers, and wastewater districts.
The Clean Water Trust is a Massachusetts legislative creation tasked to administer the Clean Water and Drinking Water State Revolving Fund Loan Programs.

Trustees:

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

- Public Health
  - Exposures
  - Frequencies
  - Seriousness

- Environmental Impacts
  - Resource affected
  - Frequency
  - Seriousness
SRF Criteria (cont.)

- Project Effectiveness
  - Reduction in violations
  - Restoration of designated use
  - Protects resources/prevents problems
SRF Criteria (cont.)

- Planning for Project
  - Needs analyzed
  - Options reviewed
  - Recommended option selected

- Programmatic concerns
  - Compliance and Enforcement issues
  - Regional solutions
  - Energy efficiency/renewables
  - Innovative approaches
Competing for SRF Loans

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

- **DWSRF**
  - $100M-$125M annually
  - Avg. 67 applications/yr.
  - Avg. 54 selected for IUP
  - Attrition rate 33%
  - Bypass projects (moved up to funded list) 5/yr
  - *Odds of winding up on a list* 88%
  - Range of loans $250,000 to $21M
Clean Water Projects
- Planning
  - Wastewater
  - Storm water
  - Integrated
- Septic system replacement
- Stormwater management
- WWTP upgrades
- Combined Sewer Overflow mitigation
- Infiltration and Inflow reduction
- Green Infrastructure
- Decentralized wastewater systems
- Sewer rehabilitation and/or expansion
- Landfill capping
- Brownfields – water quality

Drinking Water Projects
- Planning
- Water Treatment Plant rehabilitation and/or upgrades
- Finished water storage
- Distribution system repairs and improvements
- System Security measures
2014 State Water Infrastructure Bill Ch 259 of the Acts of 2014

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

- ** Appropriated**
  - Tech Assistance and Planning Grants
    - $400K/ year since 2015
    - $40K maximum grant
    - 35 grants issued
    - Used for
      - Asset management planning
      - CWMP
      - Green Infrastructure opportunities
Promulgating amendments to CWSRF regulations at 310 CMR 44, DWSRF regulations at 310 CMR 45
- Publishing to Central Register in January 2017
- Insure consistency with Federal WRRDA
- Detail specifics of what projects qualify for enhanced subsidy and how.
- Additional subsidy is subject to legislative appropriation.
Massachusetts SRF Websites

- MassDEP
  - Steve McCurdy, Director 617-292-5779

- Clean Water Trust