



INTENDED USE PLAN CLEAN WATER STATE REVOLVING FUND

STATE FISCAL YEAR (SFY) 2025
FEDERAL FISCAL YEAR (FFY) 2024



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October 8, 2024 updated**

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Introduction

In 1987 Tennessee General Assembly passed the Wastewater Facilities Act and established the Tennessee Clean Water State Revolving Fund (CWSRF). Implemented using Tenn. Comp. R. & Regs. ("Rule") Chapter 0400-46-01 Priority Ranking System and 0400-46-06 State Revolving Fund. The Tennessee Department of Environment and Conservation manages the CWSRF through the Division of Water Resources in the State Revolving Fund (SRF) program. The CWSRF provides low-interest loans to local governments and publicly-owned treatment works for wastewater and stormwater infrastructure improvement projects. Since its creation, the CWSRF loan program has provided hundreds of millions of dollars in assistance to Tennessee communities. The CWSRF loan program provides low-interest loans and technical assistance to cities, counties, utility districts, and wastewater and energy authorities across the State for planning, design, and construction of wastewater infrastructure projects. The CWSRF loan program supports TDEC's mission to protect and promote human health and safety and to protect and improve water quality across the state by helping communities afford safe, sustainable, and resilient water systems. The CWSRF loan program is designed as a federal-state partnership program to assist public water systems (PWS) with an independent source of low-cost financing for a wide range of water quality infrastructure projects. The program was created through the 1987 Amendments to the Clean Water Act (CWA), which authorized the US Environmental Protection Agency (EPA) to establish a CWSRF loan program to further the protection of public health and the water quality objectives of the CWA.

Elements of the Clean Water State Revolving Fund Intended Use Plan:

TDEC SRF long term and short-term goals

The financial status of the Clean Water SRF loan program

Description of the methods and criteria used to distribute funds

Automated Standard Application for Payments (ASAP) Schedule

Priority Ranking List (PRL) for 2024

Description of non-point source (NPS) activities eligible for assistance under Section 319 of the CWA

TDEC's new principal forgiveness methodology

CWSRF Asset Management Plan (AMP) funding

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The EPA awards a Clean Water Capitalization Grant annually to the State. The State obligates its federal funds allocation and 20% state match to provide financing to wastewater treatment systems for planning, planning and design, and construction projects that include (but are not limited to): plant replacement and upgrade; collection system installation, repair, and upgrade; treatment; storage; water reuse; green infrastructure; energy optimization; stormwater management; and resilience. These funds are repaid over time, ensuring the long-term viability of the CWSRF Loan Program.

Section 606(c) of the CWA requires each state to annually prepare an Intended Use Plan (IUP) to outline the use of grant funds awarded to the state and to describe how those uses support the goal of protecting public health and the environment.

Capitalization Grants

Clean Water Base Capitalization Grant

TDEC's [Clean Water IUP](#) is the planning document detailing how the federal fiscal year (FFY) 2024 appropriations for the CWSRF loan program will be used. The State of Tennessee's capitalization grant allotment for the FFY 2024 CWSRF loan program's base dollars is \$11,489,875. The State is required to provide a 20% match of federal funds or \$2,297,975 to receive the full capitalization grant allotment. The EPA Base capitalization grant plus State match will provide an expected \$13,787,850 in funds available for CWSRF projects in SFY 2025.

IJA General Supplemental Capitalization Grant

In addition to the base allotment provided in FFY 2024, Congress passed the Infrastructure Investment and Jobs Act of 2021 (IIJA). The IIJA provides additional funding to strengthen the nation's drinking water, stormwater, and wastewater systems. More than \$50 billion will be invested in American water infrastructure over a five-year period. This funding is structured to finance two distinct clean water areas:

- Provide general supplemental funding
- Address emerging contaminants

The State of Tennessee's Clean Water General Supplemental allotment for FFY 2024 is \$33,036,000. The State is required to provide a 20% match of federal funds, or \$6,607,200, to receive the full general supplemental allotment. The IIJA General Supplemental capitalization grant plus State match will provide an additional \$39,643,200 available for CWSRF in SFY 2025. The funds needed for state match have been approved in the State of Tennessee general budget and will be appropriated when the grant has been received from

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EPA (40 CFR 35.3135 (b)).

This additional funding will provide supplemental support for traditional SRF projects and if Tennessee has enough demand, finance water infrastructure projects that treat and eliminate emerging contaminants of concern. A key priority of IIJA is to ensure disadvantaged communities benefit equitably from this investment in water infrastructure. Through IIJA, Congress mandates that 49% of the general supplemental funding be provided as grants or forgivable loans to communities that meet the State's affordability criteria. Communities not meeting these criteria are still eligible for funding but will be funded according to the State's [Subsidies and Affordability Criteria](#).

Clean Water State Revolving Fund Goals and Objectives

Congress allows state CWSRF loan programs flexibility to design a program tailored to meet the needs of the state, local communities, stormwater utilities, and publicly owned wastewater treatment works. The [CWSRF loan program](#) developed long and short-term goals as a framework for decisions Tennessee makes in the CWSRF loan program.

Long-Term CWSRF Loan Program Goals

1. Protect and enhance the water quality in Tennessee by ensuring the technical integrity and long-term sustainability of funded projects.
 - a. Objective: Ensure adequate and effective project planning, design, and construction management.
 - b. Objective: Maintain a priority ranking system and offer available funds to projects with the highest priority points that are ready to proceed.
2. Maintain the long-term financial integrity of the CWSRF loan program through the judicious use and management of its assets and by realizing an adequate rate of return, preventing fraud, waste, and abuse.
3. Maintain a self-sustaining revolving fund through the CWSRF loan program to provide local governments in Tennessee with low-cost financial assistance for wastewater infrastructure projects.
 - a. Objective: Ensure the use of accounting, audit, and fiscal procedures that conform to generally accepted governmental accounting principles.
 - b. Objective: Ensure the financial stability of loan recipients by reviewing the financial history, loan security, and proposed user rates of loan applicants.
 - c. Objective: Obligate funds in a timely manner and provide technical and

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administrative assistance for efficient project management.

4. Facilitate allocation of program resources to address the most significant public health and water quality compliance problems by actively working with these systems and the TDEC regulatory staff.
5. Promote the development of the technical, managerial, and financial capability of all publicly owned wastewater treatment works and stormwater systems to maintain compliance or meet state and federal compliance requirements.
6. Provide clean water assistance in an orderly and environmentally sound manner.
7. Assure that all new wastewater and stormwater systems funded by the program demonstrate a technical, managerial, and financial capability that meets state and federal regulations.

Short-Term CWSRF Loan Program Goals

1. Manage an effective and efficient CWSRF loan program
 - a. Objective: Update administrative policies and guidance, including standard operating procedures for the CWSRF loan program.
 - b. Objective: Coordinate and work with the Comptroller of the Treasury to ensure the best financing alternative(s) for local governments.
 - c. Ensure internal coordination with the Department of Water Resources for state and federal regulatory compliance.
2. Provide funding assistance for developing and implementing local water quality protection initiatives.
3. Update the SRF website with new Asset Management Plan (AMP) guidance. The new AMP guidance meets the Fiscal Sustainability Plan (FSP) requirements mandated by the EPA and includes FSP elements.
4. Provide education and outreach to small and disadvantaged utilities and all SRF customers on the new AMP guidance document through our technical assistance providers.
5. Evaluate and assess expanding the loan process to include non-traditional eligible entities.
6. Partner with the Tennessee Department of Agriculture, Non-Point Source 319 program to promote water quality protection using 319 funds, CWSRF funds, and project leveraging.

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7. Provide support and assistance to ensure compliance with state and federal water quality standards by all public, private, or nonprofit wastewater treatment works.
8. Expand the use of [Green Project Reserve \(GPR\)](#) funding to include more projects and encourage innovative use of SRF funds following EPA's guidance. The CWSRF loan program has elected to strive for a goal of up to 18% of grant funds to be used for innovative, green, or resilient projects.
9. Provide direct technical assistance to public, private, or nonprofit wastewater treatment works.
10. Expand and broaden our community outreach activities to ensure that publicly owned stormwater systems and wastewater treatment works are aware of and understand CWSRF assistance options and the loan application process by facilitating an annual statewide workshop to publicize the CWSRF loan program in coordination with Tennessee Department of Economic & Community Development and USDA-Rural Development.
11. Streamline the CWSRF business process to improve program efficiency, reduce loan processing time, and eliminate unnecessary, outdated requirements. This will be accomplished in 2024 by using the online Grants Management System (GMS) to accept questionnaires, applications, payments, track progress and conduct close out procedures.
12. Ensure that all funds in the SRF and grant award are appropriately expended expeditiously and timely.
13. Update the CWSRF Priority Ranking system:
 - a. Host a listening session with SRF staff for recommended CWSRF priority ranking system updates.
 - b. Prioritize and develop recommendations for CWSRF priority ranking system updates. These updates may include but are not limited to, improved accounting for green infrastructure and stormwater management.
 - c. Beta-test recommendations using a subset of the most recent CWSRF Solicitation submissions and re-prioritize the list of updates.
 - d. Red-line CWSRF loan program Priority Ranking System rules based on the prioritized list and submit to the program manager for potential rule updates.
14. Research other states CWSRF loan programs and conduct a cost-benefit analysis to recommend an alternate state match to support a sustainable funding source and

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reduce the CWSRF loan program's reliance on state appropriations for match funding.

15. Develop an approach to identify and assess emerging contaminants, including community outreach and education.

The CWSRF program strives to be a good partner with the EPA. Aligning the program goals is one part of the good partnership agreement both agencies maintain. Below is a table demonstrating the connection between the states program goals above and the goals outlined within the [EPA's strategic plan for FY 2022 -2026](#).

Tennessee has set its short- and long-term goals of this IUP to align with EPA's strategic goals and objectives FY2022-2026 EPA Strategic Plan, specifically Goal #5, to Ensure Clean and Safe Water for all communities and Objective 5.2 to Protect and Restore Waterbodies and Watersheds. The Office of Water has identified specific measures that address the strategic goals and objectives outlined by EPA in its strategic plan. A basis for each goal in this program IUP has been identified. These references ensure that all the specific commitments made by the State are properly correlated to the strategic goals and objectives of the Agency.

Tennessee SRF Outputs and Outcomes:

1. Outputs: Funding projects that focus on wastewater treatment upgrades, stormwater management, and watershed protection initiatives.

Outcomes: Improves surface water quality conditions throughout various environments that support public, wildlife and botanical life.

2. Outputs: Prioritize infrastructure investments for projects focused on repairing aging sewer systems, constructing new treatment plants, and implementing green infrastructure practices to manage stormwater runoff.

Outcomes: Reduced impacts to water resources from overflows, stormwater runoff, improved protections of waterbodies and watersheds.

3. Outputs: Encourage that funded projects provide public education campaigns, community involvement in water quality monitoring efforts, and initiatives aimed at increasing public awareness about the importance of clean water.

Outcomes: Increased community engagement and education across TN in promoting water conservation and pollution prevention practices.

4. Outputs: Recommend to project stakeholders that proposed projects should

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incorporate innovative water treatment technologies, such as advanced filtration systems, nutrient removal technologies, and decentralized wastewater treatment solutions.

Outcomes: Increased usage of innovative technologies will improve water quality and operational efficiency.

5. Outputs: Prioritize funding for projects that benefit underserved and disadvantaged communities, addressing environmental health disparities, and ensuring equitable access to clean water and sanitation services for all residents of Tennessee.

Outcomes: Improved public health and safety in vulnerable communities.

By aligning the goals of the CWSRF program with those of the EPA, the state can leverage federal resources, expertise, and guidance to advance its priorities related to clean water infrastructure, water quality, and sustainability, ultimately benefiting the health and well-being of its residents. Additionally, collaboration between the state and federal agencies can facilitate the exchange of best practices, data, and innovative solutions to address common challenges and achieve shared objectives more effectively.

Clean Water Priority Ranking System

TDEC's CWSRF loan program uses a priority ranking system to develop the [Priority Ranking List](#) (PRL). The State's CWSRF Priority Ranking System rules, Tenn. Comp. R. & Regs. ("Rule") Chapter 0400-46-01, provides a clear, objective order of ranking wastewater infrastructure projects. The PRL focuses on projects aiming to achieve optimum water quality management consistent with the goals and requirements of the CWA and the Tennessee Water Quality Control Act. The rationale for funding projects in an order other than that shown on the PRL shall be in accordance with the rules for the Priority Ranking System, Chapter 0400-46-01-.03. Exceptions to the order of funding may be allowed under special circumstances. Such projects would include those where unexpected failures requiring immediate attention to protect public health occur.

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Applicants seeking funding must login to the TDEC [Grants Management System \(GMS\)](#) and create an account. Once the online GMS account is created the applicant can complete and submit a DWR Clean Water SRF Questionnaire detailing a project description, explanation of project need, project location, cost estimate, and project start and completion dates to the CWSRF loan program. Projects eligible for CWSRF funding are described in the [EPA Eligibility Handbook](#). Projects are prioritized by those that address reducing risks to human health or those working to maintain or improve water quality. All proposed projects for planning, planning and design or are ready to proceed with construction will be assigned Project Criteria Points based on the project criteria established in Rule 0400-46-01-.02(2). Project Criteria Points will be assigned to individual wastewater facilities projects based on the following:

- Wastewater treatment plant (WWTP) discharges to a water-quality impaired stream segment will receive 100 Project Criteria Points in addition to any other applicable Project Criteria Points. WWTP projects with a compliance schedule in the NPDES permit requiring construction will receive 50 Project Criteria Points in addition to any other applicable Project Criteria Points;
- Wastewater collection system projects with a compliance schedule in the NPDES permit requiring construction will receive 50 Project Criteria Points in addition to any other applicable Project Criteria Points;
- Nonpoint Source (NPS) pollution projects affecting a water-quality impaired stream segment will receive 100 Project Criteria Points. Other NPS pollution projects will receive 25 Project Criteria Points. NPS pollution projects may be directed toward protecting or improving the quality of groundwater, surface water, or wetlands. NPS pollution projects must be consistent with Tennessee's approved Nonpoint Source Management Program requirements and be included in the State's current EPA-approved Nonpoint Source Management Plan;
- Effluent-trading projects will receive 50 Project Criteria Points in addition to any other

Eligible Project Categories

- Construction of municipal wastewater facilities
- Control non-point source pollution
- Decentralized wastewater treatment systems
- Green infrastructure projects
- Water quality projects
- Stormwater management
- Water conservation, efficiency, and reuse
- Brownfields
- Consolidation
- Recycled water
- Asset management
- Capacity management

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applicable Project Criteria Points;

- Combined Sewer Overflow (CSO) projects will receive 25 Project Criteria Points;
- Infiltration/Inflow (I/I) correction and major sewer rehabilitation projects will receive 25 Project Criteria Points. Construction of projects that will transport and treat I/I at the WWTP will receive 10 Project Criteria Points;
- Stormwater management projects affecting a water-quality impaired stream segment will receive 100 Project Criteria Points. Stormwater management projects with a compliance schedule in the NPDES permit requiring construction will receive 50 Project Criteria Points. All other stormwater management projects will receive 25 Project Criteria Points;
- Collection lines to be constructed to address an existing public health problem caused by failed septic systems will receive a minimum of 40 Project Criteria Points up to a maximum of 100 Project Criteria Points;
- Any wastewater project proposed for development or growth potential, i.e., projects not planned to address a water quality problem or a public health problem, will receive 5 Project Criteria Points. WWTPs that are required to serve new collectors as part of the approved facilities plan will receive the same Project Criteria Points as the collectors;
- Interceptors and pump stations will receive varying Project Criteria Points. Interceptors or pump stations that eliminate a WWTP discharge point included in an approved facilities plan will receive the same Project Criteria Points as the WWTP. Interceptors or pump stations proposed as part of an I/I elimination project will receive the same Project Criteria Points as the I/I elimination project. Interceptors or pump stations submitted as part of a collection system project will receive the same Project Criteria Points as the collection system project;
- Planning/Design projects will receive Project Criteria Points based on the proposed project type;
- CWA Section 212 projects that are also associated with the construction of nonpoint source projects shall have an additional 20 Project Criteria Points;
- CWA Section 212 projects with zoning that demonstrates preservation of greenspace shall have an additional 15 Project Criteria Points;
- CWA Section 212 projects with zoning that demonstrates riparian buffer zones of at least 150 feet shall have an additional 10 Project Criteria Points;

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- CWA Section 212 projects demonstrating an enforced buffer zone ordinance shall have an additional 5 Project Criteria Points;
- Refinancing projects will receive 1 Project Criteria Point; and
- In accordance with Tenn. Code Ann. § 6-58-109(b), all SRF projects within counties with an approved growth plan will receive 5 Project Criteria Points in addition to any other applicable Project Criteria Points.

The assigned Project Criteria Points are evaluated to determine the Priority Point Value for relevant projects. The cumulative Project Criteria Points establish the Priority Rank for a proposed project. Projects will be placed on the PRL in descending order by total priority points. Projects with the same priority points will be ranked in ascending order based on the community's Ability to Pay Index (ATPI) and population to assist smaller and less affluent communities. Projects not ready to proceed with construction will not be assigned priority points but will be included on the bottom half of the PRL. Projects requesting funds for ineligible activities will not be assigned priority points or included on the PRL.

List of Projects

In accordance with section 606(c)(1) of the CWA, 40 CFR § 35.3150, the CWSRF loan program has developed a list of projects to receive funding in the first year after the grant award and a comprehensive priority list of eligible projects for funding in future years (CWSRF will maintain past PRLs). The PRL includes community information, project description, total priority points, the ATPI, total project cost, funding source, associated wastewater facility information, potential FFY 2024 principal forgiveness, amount of GPR, anticipated construction start and end dates, and the EPA Needs Survey Category. The CWSRF PRL (Appendix) will denote CWSRF projects for which the total amount of assistance requested is at least equal to the amount of the FFY 2024 Base and General Supplemental allotments. In addition to the projects listed, the CWSRF loan program may consider additional loans for existing projects, projects carried forward from 2021 through 2023 PRLs, and other CWSRF-eligible projects. All projects awarded will follow the Intended Use Plan and policies in effect when establishing loan terms and conditions. The CWSRF project list may include NPS projects since the State's NPS Assessment and Management Program has been approved. Regardless of the year a project was listed on a PRL, CWSRF will use the most current policies outlined in the Intended Use Plan when applying principal forgiveness and other subsidies.

The PRL contains a list of all eligible projects that entities provided during the solicitation

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period. For projects to receive project priority points, it must meet the ranking criteria. The ranking criteria is defined as:

1. The community must have submitted the last 3 fiscal years of audited financial statements to the comptroller's office; and
2. A completed facilities plan has been developed for this project.

All eligible projects that meet the ranking criteria were scored, ranked, and listed above the ranking line on the PRL. Those projects that did not meeting the ranking criteria are listed below the ranking line.

SRF will provide an additional opportunity for those projects listed below the ranking line to demonstrate that their project has met the criteria to be ranked. Once a project meets the ranking criteria, SRF may rank the project and move it above the ranking line. Any project moved above the ranking line will be ranked after projects previously listed above the ranking line. Ranked projects will be prioritized for loan assistance agreements based on an entities readiness to proceed.

Readiness to Proceed

Applicants can demonstrate readiness to proceed online through the [Grants Management System](#) (GMS). Once an applicant has received a funding letter indicating their position on the priority ranking list the following can be completed by logging onto GMS:

Readiness to proceed will be established once the applicant has provided:

- Attestation that 3 years audited financials have been submitted to Comptroller's office
- Uploaded current water/sewer user rate ordinance
- Projects that include construction will also upload
 - a completed Facilities Plan or Preliminary Engineering Report
 - Inter-disciplinary Environmental Review (IER) information
 - a. a clear, concise project description in a (.doc) format
 - b. an 8½" x 11" USGS 7.5-Minute topographic quadrangle color map and an aerial Google map in a (.jpg or .pdf) format showing the location of the proposed project
 - Submit the Engineering Agreement(s)
 - Plans and Specifications, and

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- Documentation of acquired easements or email/letter certifying ownership of land

Sources and Uses of Funds

The State of Tennessee's allotment of FFY 2024 CWSRF Base capitalization grant dollars is expected to be \$11,489,875. The State is required to provide a 20% match of federal funds or \$2,297,975. The Base capitalization grant plus State match will provide an expected \$13,787,850 in funds available for the CWSRF loan program in SFY 2025. The State of Tennessee's IIJA General Supplemental allotment for FFY 2024 is expected to be \$33,036,000. The State must provide a 20% match of federal funds, or \$6,607,200, to receive the full General Supplemental allotment. The IIJA General Supplemental plus State match will provide an additional \$39,643,200 in funds available to the CWSRF loan program in SFY 2025.

Other sources of program funds include loan repayments of principal and interest, interest on SRF fund cash balances, and unobligated fund balances carried forward from SFY 2024. (Table 1)

Non-program funds include fees to non-disadvantaged borrowers. These funds are used for administrative services during the repayment period of the loan term. Based on established amortization SRF estimates fees collected for SFY 2025 will be \$678,668.

SRF is currently using cash flow modeling. This forecasting tool incorporates all inflows and outflows of the funds to estimate a state's capacity to make loans, ensuring the fullest possible utilization of all available SRF infrastructure financing resources.

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Financial Status of Funds for the CWSRF Loan Program	
Prior-Year (FFY 2023) Carry-forward Funds*	\$501,583,973
Less Unliquidated Obligations	(\$172,249,003)
Principal repayments **	\$43,566,143
Loan Interest Income **	\$10,504,885
Treasury Interest Income **	\$13,216,740
FFY 2024 Base Capitalization Grant	\$11,489,875
20% of FFY 2024 Base Capitalization Grant matched by State	\$2,297,975
FFY 2024 IJJA General Supplemental Capitalization Grant	\$33,036,000
20% of FFY 2024 IJJA General Supplemental Capitalization Grant matched by the State	\$6,607,200
2% Small Systems Technical Assistance	(\$660,720)
CWSRF Loan Program Project Funds***	\$449,393,068
* Estimated balance at June 30, 2024, pre-year-end adjustments	
** Principal, loan interest, and treasury interest for FFY 2023	

Table 1: Financial Status of Funds for the CWSRF Loan Program

Criteria and Methods for Distributing Funds

The primary use of the capitalization grant funding is for assistance to stormwater and wastewater utilities for capital improvements (infrastructure projects). This loan assistance can be any combination of planning, design, and/or construction. Throughout CWSRF history, the program has provided \$2,515,644,656 in loans and \$80,980,706 in principal forgiveness.

TDEC has estimated that based on the projected total award dollars and the previous year's carry-forward balance, the CWSRF loan program can provide up to \$203,985,413 in project loans. The CWSRF loan program will provide funding letters to all communities with projects above the ranking line on the 2024 PRL after the EPA provides CWSRF with a notice regarding the FFY 2024 capitalization grant award. For the FFY 2024 capitalization grant, funding priority will be directed to ranked disadvantaged communities, small communities, and entities with green and resilient infrastructure projects. Communities with projects on the CWSRF PRL may be bypassed based on failure to respond within 90 days of receiving the funding notification letter or those that are not ready to proceed. Project loans may be

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awarded each month depending upon a community's readiness to proceed and the scheduling of the Tennessee Local Development Authority board meeting.

Project By-Passing Procedures

Regardless of their rank on the 2024 PRL, projects may face the possibility of being bypassed if the communities are not prepared to proceed or fail to respond to the funding notification letter. However, the CWSRF loan program is committed to working closely with these bypassed entities to ensure that their projects remain eligible for funding in the subsequent fiscal year to the greatest extent possible. The program recognizes that unforeseen circumstances can arise, and exceptions to the funding order may be allowed under emergency circumstances. Emergency projects typically involve unanticipated failures that require immediate attention to safeguard public health and safety, as well as improve water quality. More information on CWSRF response to infrastructure emergencies can be found in the Additional Use of Funds section of this document. By offering flexibility and assistance, the CWSRF loan program strives to address the needs of communities and ensure that critical water infrastructure projects receive the necessary support, even in challenging situations.

Subsidies and Affordability Criteria

The CWSRF loan program continues to respond to requests from Governor Lee regarding rural community assistance by prioritizing the subsidy allocation for stormwater and wastewater infrastructure (in the form of principal forgiveness and lower interest rates) to communities identified as small or economically disadvantaged.

The CWSRF loan program has developed multiple ways for communities and utility systems to benefit from SRF subsidies. Reduced interest rates (discussed in the [ATPI Reduced Interest Rates](#) section), principal forgiveness, and green project reserve subsidy are all financing options an applicant can explore in an attempt to reduce their overall financial burden for wastewater and stormwater infrastructure improvements. Communities and utility systems seeking infrastructure financing from SRF may meet the eligibility requirements in order to take advantage of the program's multiple subsidy strategies.

The FFY 2024 CWSRF Capitalization Grant requires states to use a minimum of 20% the capitalization grant amount to provide additional subsidy. The FFY 2024 IJA General Supplemental Capitalization Grant requires states to use 49% of the grant amount to provide additional subsidy. The state of Tennessee intends to meet this obligation by providing

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principal forgiveness subsidy to:

1. Disadvantaged communities for planning, design, and/or construction projects,
2. Small communities with planning and design projects, or
3. Utilities proposing projects that meet CWSRF green project reserve criteria on the SFY 2025 PRL.

Base Capitalization Grant		
Capitalization Grant	Disadvantaged Communities (10%)	Small Systems or Green Projects (10%)
\$11,489,875	\$1,148,988	\$1,148,988
IIJA General Supplemental		
Capitalization Grant	Disadvantaged Communities (49%)	Small Systems or Green Projects (0%)
\$33,036,000	\$16,187,640	-
TOTAL AVAILABLE CWSRF SUBSIDY	\$17,336,628	\$1,148,988
Eligible Categories	CWSRF Subsidy (%)	Dollar Amount
Principal Forgiveness for Disadvantaged Communities	30 - 50%	Up to \$5,000,000
Principal Forgiveness for Small Systems	50%	Up to \$250,000
Green Project Reserve (GPR) Principal Forgiveness	20%	Up to \$2,500,000

Table 2: SFY 2025 Capitalization Grants and Principal Forgiveness

All principal forgiveness options are awarded on a "first-come-first-serve" basis for eligible entities ready to proceed until funds are no longer available. CWSRF will work to maximize an entity's principal forgiveness where possible.

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Principal Forgiveness for Disadvantaged Communities

Eligibility of CWSRF principal forgiveness for disadvantaged communities will be determined based on the most current ATPI. To be considered disadvantaged, the community must score 50 or less on the ATPI. The affordability score in the ATPI will also be used to prioritize projects that have the same number of points from the PRL. Communities with a lower affordability score and smaller populations will be given a higher ranking.

The CWSRF loan program designed a tiered subsidy award methodology for disadvantaged communities corresponding their ATPI with a maximum award of up to \$3-\$5 million determined each year based on the qualifying projects received:

- Low-range (0-10) will be awarded 50% in principal forgiveness
- Mid-range (20-30) will be awarded 40% principal forgiveness
- High-range (40-50) will be awarded 30% principal forgiveness

Principal Forgiveness Eligibility Requirements:

1. Communities must have an ATPI of 50 or less
2. Projects must be on the current PRL
3. Projects shall be ready to proceed (based on the type of loan)
4. Entity must pass a financial sufficiency review by CWSRF
5. Projects must include construction (planning, design, and construction projects or construction solely).
6. Cannot be combined with other forms of principal forgiveness

Principal Forgiveness for Small Communities

Small communities can receive 50% loan forgiveness specifically for planning and design purposes. The total principal forgiveness per project should not exceed \$250,000.

Eligibility Requirements:

1. Communities must have a population served of 10,000 or fewer
2. Projects must be on the current PRL
3. Projects shall be ready to proceed (based on the type of loan)
4. Entity must pass a financial sufficiency review by CWSRF

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Principal Forgiveness for Green Projects

The FFY 2024 CWSRF capitalization grant requires that a portion of the funds be allocated to GPR projects which address green infrastructure, stormwater, resilience, water or energy efficiency improvements, or other environmentally innovative activities. The State will allocate a minimum of 10% of the FFY 2024 project funds to fund eligible green projects. The State has elected to strive for a goal of 18% allocation for green projects.

The State will have met the GPR requirement when the minimum percentage of the capitalization grant for FFY 2024 is in executed assistance agreements for qualifying green projects. If a green project is underbid and the State has not met the required percentage for GPR, the difference between the amount in the executed assistance agreement and the winning bid must be used by the state for another green project(s).

All communities, regardless of size and ATPI, are eligible for principal forgiveness if the projects proposed meet specific eligibility requirements. All eligible green projects must appear on the current PRL, be above the ranking line, meet the Green Project Reserve project definition, and include construction. The amount of principal forgiveness is set to 20% of the loan, not to exceed \$2,500,000 in principal forgiveness per project. To be considered for FFY 2024 CWSRF GPR funding, not less than 20% of the total project cost must be used toward the green component. Projects should fall within at least one of the following categories: Water and Energy Efficiency, Green Infrastructure, and Stormwater BMPs, or Resilient, Sustainable, and Environmentally Innovative. Examples of projects that qualify for green project subsidy could include one of the following criteria:

Eligibility Requirements for Principal Forgiveness for Green Projects

1. Increase water efficiency
2. Increase energy efficiency
3. Reduce stormwater runoff
4. Recycle/reuse water
5. Production/use of clean energy
6. Establish or restore wetlands
7. Reduce, prevent, or remove non-point source pollution
8. Build system resiliency from an identified hazard while addressing one or more criteria above

These projects must meet EPA criteria and eligibility requirements for [GPR projects](#). Additionally, green projects will be drawn separately from FFY 2024 project funds until the 10% allocation has been met. The SRF Base Capitalization Grant or the IJJA General

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Supplemental Grant will be used to provide GPR principal forgiveness as funds are available. A detailed list of Green Project Reserve project eligibilities and examples of common practices can be found in the [EPA guidance](#) document.

Entity Eligibility Requirements:

1. Projects must be on the current PRL
2. Projects shall be ready to proceed (based on the type of loan)
3. Entity must pass a financial sufficiency review by CWSRF
4. Projects must include construction (planning, design, and construction projects or construction solely).
5. Cannot be combined with other forms of Principal Forgiveness

Please note that the specific eligibility criteria and subsidy amounts for CWSRF eligible projects can vary depending on the type of project, the program within the SRF, and other factors. Additionally, the dollar amounts can vary depending on the project's scope and an entity's financial need.

ATPI Reduced Interest Rates

The State will use the ATPI to allocate CWSRF subsidies and interest rates. The development and use of the index are required for the administration of SRF loans by the Water Resources Reform and Development Act (WRRDA) of 2014, 33 U.S.C.A. §§ 2201 to 2355. The index is derived from a database of socioeconomic and financial data. It is used to assist in decision-making regarding interest rates, allocation of subsidies, and identification of options intended to benefit communities most in need. The index is determined based on a normal distribution of affordability scores for cities and counties. The affordability score is a simple average of nine (9) factors unique to each community. These factors: median household income, unemployment, food stamp dependence, families in poverty, community assets, revenues, debt, expenditures, and change in population determine a community's Ability To Pay Index value (ATPI). Tennessee intends to update the ATPI annually to capture the most current fiscal capacity, changes, and economic trends of communities across the state.

Starting July 1, 2024, interest rates will be set by the SRF program on a quarterly basis based on 100 percent of the interest rate reported on the 20-year, 25-year, and 30-year Bond Buyer Index and the Municipal Market Data General Obligation Yields published on the first Monday of the first month of the quarter. Interest rate quarterly updates will be published to the SRF website.

A community's interest rate will be based partly on its ATPI. Interest rates can vary from 40

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percent of the quarterly interest rate reported for communities with a low affordability score and low ATPI to 100 percent of the quarterly interest rate. The interest rates for utility districts and water authorities that have service areas in more than one county will be evaluated and ranked by utilizing the lowest ATPI for the county or city that directly benefits from the project(s) associated with the loan.

The State has developed a tiered interest rate reduction methodology corresponding to a community's ATPI. Low-range ATPIs (0-20) will be awarded a 0.40 multiplier. ATPI scores ranging from 30-40 will be awarded a 0.60 multiplier, 50-60 will be awarded a 0.80 multiplier, and ATPIs of 70 or greater will receive the standard reported interest rates. SRF interest rates are further stratified by the term of the loan. Once loan terms are established, the appropriate base interest rate is selected. The community ATPI is verified, then the multiplier corresponding to the ATPI is multiplied by the base interest rate to establish the SRF awarded interest rate. (Figure 1)

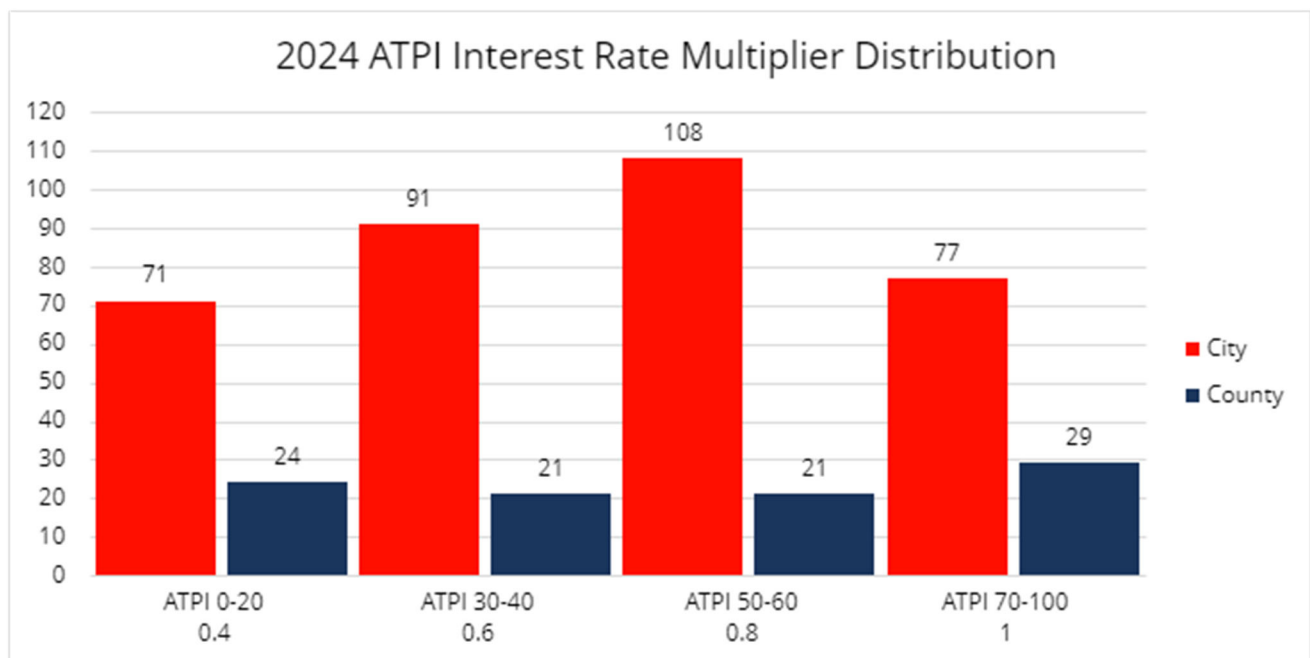


Figure 1: ATPI Interest Rate Multiplier Distribution

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Loan Terms and Fees

The term for a CWSRF loan from base funding or general supplemental funding will be a maximum of 30 years or the useful life of the project, whichever is shorter. The Office of State Government Finance charges a loan fee of 8 basis points (0.08%) for all CWSRF loans awarded on or after October 1, 2009. Fees collected fund State Government Finance personnel and operational costs associated with administering loans, payment disbursement requests, repayments, and fund management.

Recipient Project Requirements

All CWSRF projects must comply with all current CWSRF rules, regulations, policies, and procedures provided in this section.

Davis-Bacon

The Davis-Bacon Act, 46 Stat. 1494 (Pub. Law 71-800), and Related acts apply to contractors and subcontractors performing on federally funded or assisted contracts over \$2,000 for the construction, alteration, or repair (including painting and decorating) of public buildings or public works. The Davis-Bacon Act (DBA) and Related Acts require contractors and subcontractors to pay their laborers and mechanics employed under the contract no less than the locally prevailing wages and fringe benefits for corresponding work on similar projects in the area. The Davis-Bacon Act directs the Department of Labor to determine locally prevailing wage rates. The Davis-Bacon Act applies to contractors and subcontractors performing work on federal or District of Columbia contracts. The prevailing Davis-Bacon Act wage provisions apply to the "Related Acts," under which federal agencies assist construction projects through grants, loans, loan guarantees, and insurance.

For prime contracts in excess of \$100,000, contractors and subcontractors must also, under the provisions of the Contract Work Hours and Safety Standards Act, as amended, pay laborers and mechanics, including guards and watchmen, at least one and one-half times their regular rate of pay for all hours worked over 40 in a workweek. The overtime provisions of the Fair Labor Standards Act may also apply to DBA-covered contracts.

Disadvantaged Business Enterprise (DBE) Goals

DBE reporting is required in annual reports. Reporting is required for assistance agreements where there are funds budgeted for procuring construction, equipment, services, and supplies, including funds budgeted for direct procurement by the recipient or procurement under sub-awards or loans in the "Other" category that exceed the threshold amount of \$150,000, including amendments or modifications.

The State of Tennessee has negotiated the following applicable Minority Business

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Enterprises (MBE)/ Women's Business Enterprise (WBE) fair share objectives/goals with EPA as follows:

MBE: CONSTRUCTION 2.6%; SUPPLIES 5.2%; SERVICES 5.2%; EQUIPMENT 5.2%

WBE: CONSTRUCTION 2.6%; SUPPLIES 5.2%; SERVICES 5.2%; EQUIPMENT 5.2%

In accordance with 40 CFR, Part 33, Subpart D, established goals/objectives remain in effect for three fiscal years unless there are significant changes to the data supporting the fair share objectives. The loan recipient is required to follow the requirements outlined in 40 CFR Part 33, Subpart D when renegotiating the fair share objectives/goals.

Pursuant to 40 CFR § 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:

1. Ensure DBEs are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. For Indian Tribal-State and Local Government recipients, this will include placing DBEs on solicitation lists and soliciting them whenever they are potential sources.
2. 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.
3. Consider whether firms competing for large contracts could subcontract with DBEs in the contracting process. For Indian Tribal, State, and local Government recipients, this includes dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by DBEs in the competitive process.
4. Encourage contracting with a consortium of DBEs when a contract is too large for one of these firms to handle individually.
5. Use the services and assistance of the Small Business Administration (SBA) and the Minority Business Development Agency of the Department of Commerce.
6. If the prime contractor awards subcontracts, the prime contractor must take the steps in paragraphs (1) through (5).

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American Iron and Steel

The American Iron and Steel (AIS) provision requires CW SRF assistance recipients to use iron and steel products produced in the United States. This requirement applies to projects for the construction, alteration, maintenance, or repair of a public water system or treatment works and if the project is funded through an assistance agreement executed beginning January 17, 2014, and is a permanent requirement for all CW SRF and DW SRF projects.

Build America, Buy America (BABA) Act

The Infrastructure Investment and Jobs Act Title IX, Subtitle A, Part 1 requires all federal equivalency projects funded after May 14, 2022, to meet BABA requirements. BABA requires all the iron, steel, manufactured products, and construction materials used in the project to be produced in the United States. Iron and Steel products will still have to comply with AIS guidelines. For manufactured projects to meet BABA requirements, the cost of components that are mined, produced, or manufactured in the United States must be 55% or more of the total cost of all components, and does not include labor costs. Common construction materials include non-ferrous metals, plastic, and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables, glass (including optic glass), lumber, and drywall.

Cost and Effectiveness Analysis

Under the CWA section 602(b)(13), the statute requires all assistance recipients meeting the definition of municipality or inter-municipal, interstate, or state agency to certify that they have conducted the studies and evaluations referred to as a cost and effectiveness analysis. The statute requires that a cost and effectiveness analysis involve, at a minimum: the study and evaluation of the cost and effectiveness of the processes, materials, techniques, and technologies for carrying out the proposed project or activity for which assistance is sought under this title; and the selection, to the maximum extent practicable, of a project or activity that maximizes the potential for efficient water use, reuse, recapture, and conservation and energy conservation, taking into account –

- The cost to construct the project or activity
- The cost of to operate and maintain the project or activity over the life of the project or activity; and
- The cost to replace the project or activity

A cost and effectiveness analysis is an eligible cost. CWSRFs can provide assistance for planning or engineering activities that involve this analysis; however, the certification must be provided before loan approval. This provision applies to all types of assistance provided to the public entities described above for which the recipient applies on or after October 1,

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2015.

Generally Accepted Accounting Principles (GAAP)

The State requires assistance recipients to follow CWA section 602(b)(9) and maintain project accounts according to Generally Accepted Accounting Principles (GAAP) as issued by the [Government Accounting Standards Board \(GASB\)](#). This provision requires assistance recipients to use standards relating to the reporting of infrastructure assets. The most recent applicable standard is GASB Statement No. 34 (GASB 34), issued in June 1999, which details governmental reporting requirements, including standards for reporting infrastructure assets. Further details on the requirements and the full text of GASB 34 can be obtained through the GASB.

Fiscal Sustainability Planning – Tennessee’s Asset Management Plan Architectural and Engineering Procurement

According to the Amendments to the Water Resources Reform and Development Act, for any capitalization grant awarded after October 1, 2014, the State must ensure that all architectural and engineering (A/E) contracts for projects identified as using funds “directly made available by” a capitalization grant (i.e., equivalency projects) comply with the elements of the procurement processes for A/E services as identified in 40 U.S.C. 1101 et seq., or an equivalent state requirement.

To the extent possible, the State should identify all equivalency projects in its IUP. The State should also identify all equivalency projects in its Annual Report and specify whether those projects include any A/E services. Only the SRF-funded contracts for A/E services associated with equivalency projects must comply with this requirement.

The State intends to use one or a combination of the projects identified on the Clean Water Priority Ranking List (Attachment A) for the Cities of Springfield, Tullahoma Utilities Authority, Hamilton County WWTa, Jackson Energy Authority, or Lakeland to satisfy its CWSRF equivalency project requirements.

Additional Use of Funds

The State intends to utilize up to 1/5 percent of the current valuation of the CW SRF Revolving Fund for administration and technical assistance, pursuant to section 603(d)(7) of the CWA. The valuation calculation shall be based upon “Total Net Position” of the Fund as determined by the Comptroller of the Treasury state fiscal year end (June 30) and reported in the Annual Audit. The net position of the CW SRF fund balance for the SFY 2024 is yet to be available and therefore, Tennessee SRF estimates up to \$2,480,000 may be allocated for the administration, management, and operation of the CW SRF Loan Program.

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The administrative support includes salaries and benefits of employees; travel of staff relating to project management, conferences, seminars, and workshops; technical assistance contracts, training for state employees; general office supplies; laptop computers; equipment purchases (as needed), communication; printing; and office rental space.

Section 603(k) of the Clean Water Act allow states to set aside a portion of the IIJA general supplemental capitalization grant for small systems technical assistance. The CWSRF will utilize 2% of IIJA for small systems assistance. TDEC SRF intends to use the 2% technical assistance set aside (\$660,720) allowable under the law to fund the AMP Grant program. The State of Tennessee reserves the right to use the additional set aside funds at a later date.

Emergency Relief Funding

Emergency projects may be submitted at any time during the program year and included on the PRL based upon the applicant's successful demonstration of an emergency situation. Emergency projects may be added to the PRL at any time and, if all applicable requirements have been met, may be funded at any time.

The SRF program will allocate emergency relief funding to eligible entities in accordance with both federal and state requirements. This funding is intended to assist wastewater systems that have encountered emergency situations that threaten public health, safety, and environmental integrity.

Emergency relief funding from the SRF will be provided for projects that respond to unexpected, critical needs such as natural disasters, system failures, or significant contamination events. All funding allocations and use of funds must comply with the Clean Water Act (CWA) and Tennessee Department of Environment and Conservation (TDEC) regulations.

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Categories for Emergency Relief Funding

1. Natural Disasters
 - a. Includes earthquakes, floods, tornadoes, and other acts of nature that cause immediate system damage or failure.
 - b. Relief efforts aimed at restoring services to pre-disaster conditions or mitigating further risks.
2. Infrastructure Failures
 - a. Sudden failures in critical water and wastewater system infrastructure, including pipe bursts, pump failures, or treatment plant malfunctions.
 - b. Funding can be used for repairs or emergency replacements to restore system operations.
3. Contamination Events
 - a. Incidents involving hazardous material spills, contamination of drinking water sources, or wastewater leaks that pose public health threats.
 - b. Funding will cover cleanup, system rehabilitation, and immediate response efforts.
4. Cybersecurity Breaches
 - a. Attacks that compromise water system operations, disrupt services, or pose risks to water quality.
 - b. Relief includes restoring system operations, securing digital infrastructure, and protecting sensitive data.

Eligibility Criteria for Emergency Relief Funding

1. Immediate Threat to Public Health or the Environment
 - a. The emergency situation must present an imminent risk that could lead to a significant adverse impact on human health or the environment.
2. Eligible Entities
 - a. Only publicly-owned water or wastewater systems, municipal entities, and certain nonprofit organizations are eligible for funding.
3. Proof of Financial Need
 - a. Entities must demonstrate that their own reserves or local funding options are insufficient to address the emergency needs in a timely manner.
4. Compliance with Federal and State Regulations
 - a. Entities must ensure that proposed projects meet all applicable environmental, engineering, and regulatory standards, including those set forth by the EPA and TDEC Division of Water Resources.

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5. Ability to Complete Project on an Emergency Timeline
 - a. Entities must demonstrate the ability to execute the project on an expedited schedule to resolve the emergency as quickly as possible.
6. No Duplication of Federal Funding
 - a. The project must not be funded by other federal emergency response programs to avoid duplication of funding.
7. Commitment to Long-Term System Resiliency
 - a. Entities seeking emergency relief must demonstrate a plan for future system improvements that enhance resiliency and reduce future risks.

Small Systems Technical Assistance

CWSRF loan recipients are required to supply asset management plans (fiscal sustainability plans) as a requirement of their loan. CWSRF will provide assistance for systems to develop a comprehensive asset management plan that meets State standards. TDEC SRF has information and resources available on our [website for AMP](#).

Program Assistance Contracts

Ability To Pay Index (ATPI)

The EPA requires the SRF loan program to use an appropriate ATPI to administer SRF clean water and drinking water loans. In addition, the WRRDA requires that state SRF loan programs use relevant data associated with population trends, income, unemployment, and “other” metrics in the determination of priority ranking and project scoring, tiered interest rates, distribution of additional subsidy, and eligibility for planning and design loans or other benefits for disadvantaged communities. TDEC has contracted with the University of Tennessee Institute of Agriculture (UTIA) to update the ATPI annually for all TN counties, cities, and municipalities. The ATPI is a socioeconomic and financial data database that serves as the foundation for an affordability index used to help make decisions regarding determining interest rates, allocation of subsidy, and identification of options intended to benefit communities that need it the most. Through this contract, a consistent, transparent, and annually updated index is provided to improve decision-making in loan and grant administration by TDEC and the Tennessee Department of Economic & Community Development (ECD). The ATPI will also enhance coordination between TDEC, ECD, and Tennessee USDA-Rural Development regarding the potential use of resources to better serve disadvantaged communities.

Additionally, UTIA will develop recommendations to capture the actual cost of providing drinking water and wastewater services to communities and improve the efficiency of these

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systems. This information will be used to survey and gather information from public drinking water and wastewater systems. The data will be utilized to assist programs responsible for providing affordable funding for water infrastructure projects to improve services and the application process timeline for communities and utilities. The CWSRF will use allowable administrative funding for this purpose.

Targeted Technical Assistance and Training for Small and Disadvantaged Communities

The SRF Loan Program will continue to contract with the Tennessee Association of Utility Districts (TAUD) to provide targeted technical assistance to distressed or disadvantaged communities and will focus on technical, managerial, and financial capacity needs of wastewater systems; assist in reducing the occurrence of significant wastewater violations; optimize resources and support to small and disadvantaged communities and systems across the state. A new and emerging concern for systems in Tennessee is vulnerabilities to threats from natural disasters, bioterrorism and cyber-attacks. TAUD will make this emerging issue a key component of their technical assistance for TN systems under the SRF contract. Technical assistance will be provided at no cost to eligible communities.

Annual Report Requirements

Section 606(d) of the CWA requires that the State shall provide an Annual Report to EPA beginning the first fiscal year after receiving payments under the CWSRF. The Annual Report shall be submitted to EPA within 90 days after the end of the fiscal year covered by the IUP. The Annual Report shall provide an update on the deliverables and milestones accomplished by the program in the fiscal year. This report shall identify loan recipients (name and identification number), loan amounts and terms, Green Projects, projects receiving subsidization (principal forgiveness), amount of subsidy, similar details on other forms of financial assistance provided by CWSRF, the population of the loan recipient, and additional such information as EPA may require.

Environmental Benefits

To conform to EPA's Policy for Environmental Results under EPA Assistance Agreements, EPA Order 5700.7, and the Consolidated Appropriations Act of 2017, P.L. 115-31, The SRF loan program agrees to comply with all requests for data by EPA related to the use of the funds under Subchapter VI of the CWA, and to report all uses of the funds within the CWSRF Benefits Reporting database no less than quarterly. This reporting will include but not be limited to data for compliance with the Green Project Reserve.

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Assurances and Specific Proposals

The State shall provide the necessary assurances and certifications described in the operating agreement submitted as part of the capitalization grant application. This operating agreement is the official agreement between the State and EPA and is incorporated herein by reference. Pursuant to sections 606(c)(4) (5) of the CWA, the State certifies that:

- The State will enter into binding commitments equal to at least 120% of each quarterly grant payment within one year after receipt of the payment
- The State will expend all funds in the CWSRF in an expeditious and timely manner
- Funds will first be used to ensure maintenance of progress toward compliance with enforceable deadlines, goals, and requirements of the CWA
- The State agrees to commit or expend each quarterly capitalization grant payment in accordance with the state's own laws and procedures

In addition, the State certifies that it will conduct environmental reviews on wastewater facility projects in satisfying the National Environmental Policy Act (NEPA)-like requirements. The State's NEPA-like procedures are contained in the approved Operating Agreement.

Amending the Intended Use Plan

The SRF Loan Program reserves the ability to amend the IUP as needed for an efficient and effective program. Changes to the IUP that impact the administration of the program will be made public on the SRF website and through appropriate communication channels.

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Appendix A

Sources and Uses Table

Sources and Uses Summary				
Clean Water State Revolving Fund (CWSRF) Sources and Uses				
Administered by Tennessee Department of Environment and Conservation - State Revolving Fund Loan Program				
State Fiscal Year July 1, 2024 - June 30, 2025				
Sources and Uses	Federal Contribution	State Contribution	CW SRF Fund	Total
<i>Funding Sources</i>				
Prior Year Project Carry Forward Funds	\$ 93,422,514	\$ 13,071,103	\$ 222,841,353	\$ 329,334,970
Loan Repayments (P&I)	\$ -	\$ -	\$ 54,071,028	\$ 54,071,028
Investment Income	\$ -	\$ -	\$ 13,216,740	\$ 13,216,740
Banked Set Asides	\$ -	\$ -	\$ -	\$ -
FFY 2024 Base Capitalization Grant	\$ 11,489,875	\$ 2,297,975	\$ -	\$ 13,787,850
FFY 2024 IJA Capitalization Grant	\$ 33,036,000	\$ 6,607,200	\$ -	\$ 39,643,200
Totals for Funding Sources	\$137,948,389	\$21,976,278	\$ 290,129,121.20	\$450,053,788
<i>Funding Uses</i>				
Project Disbursements	\$ 137,287,669	\$ 21,976,278	\$ 290,129,121	\$ 449,393,068
Set Asides Spending	\$ 660,720	\$ -	\$ -	\$ 660,720
	\$ -	\$ -	\$ -	\$ -
Total for Funding Uses	\$ 137,948,389	\$ 21,976,278	\$ 290,129,121	\$ 450,053,788

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Sources and Uses Detail		
Sources	%	Amount
Projects		
FFY 2024 Base Capitalization Grant		\$11,489,875
20% State Match		\$2,297,975
Total Project Fund		\$13,787,850
FFY 2024 IJJA Capitalization Grant		\$33,036,000
20% State Match		\$6,607,200
Set-Aside	2.0%	-\$660,720
Total Project Fund		\$38,982,480
FFY 2019 Base Capitalization Grant - project fund		\$1,628,386
FFY 2019 Capitalization Grant 20% State Match		\$325,677
FFY 2020 Base Capitalization Grant - project fund		\$4,400,221
FFY 2020 Capitalization Grant 20% State Match		\$880,044
FFY 2021 Base Capitalization Grant - project fund		\$3,554,907
FFY 2021 Capitalization Grant 20% State Match		\$710,981
FFY 2022 Base Capitalization Grant - project fund		\$16,808,000
FFY 2022 Capitalization Grant 20% State Match		\$3,361,600
FFY 2022 IJJA Capitalization Grant - project fund		\$25,855,000
FFY 2022 IJJA Capitalization Grant 10% State Match		\$2,585,500
FFY 2023 Base Capitalization Grant - project fund		\$10,897,000
FFY 2023 Capitalization Grant 20% State Match		\$2,179,400
FFY 2023 IJJA Capitalization Grant - project fund		\$30,279,000
FFY 2023 IJJA Capitalization Grant 10% State Match		\$3,027,900
Total Available Cap Grant Funds		\$106,493,617
Revolving Fund		\$290,129,121
Set Asides		
Small System Technical Assistance		\$660,720
Total Available Set Aside Funds		\$660,720
Total Sources of Funds		\$450,053,788
Uses		
Projects		
Executed Loans		\$172,249,003
Anticipated Loan Commitments SFY24		\$85,350,843
Anticipated Loan Commitments SFY25		\$95,327,432
Total Anticipated Loan Commitments*		\$352,927,278
Set Asides		
Set Asides		\$660,720
		\$660,720
Total Uses of Funds		\$353,587,998

* from PRL - maximum available for funding or all available projects (whichever is less)



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Appendix B

[CW Priority Ranking List](#)