

Massachusetts State Revolving Fund Program Update

A Presentation to the
American Council of Engineering Companies of
Massachusetts

MA Department of Environmental Protection

Division of Municipal Services

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State Revolving Fund (SRF)

- *Goal of SRF:* Establish and efficiently manage a permanent source of financing for water infrastructure in Massachusetts
- Low interest loans, and added subsidies for qualifying projects, offered for statewide drinking water, wastewater and stormwater infrastructure projects
- Implemented by MassDEP (Division of Municipal Services) in partnership with the Massachusetts Clean Water Trust



Clean Water Projects

Each year Clean Water (CW) SRF offers approximately \$500 million in wastewater infrastructure and renewable energy projects, for example:

- Replacement of aged infrastructure components
- Installation of advanced water treatment technologies
- Installation of energy efficient equipment (carbon footprint reduction)
- Storm water management
- Funds the Community Septic Management Loan Program managed by the local BOH for homeowners to repair/replace failed septic systems through a tax betterment program



Drinking Water Projects

Each year Drinking Water (DW) SRF offers \$150 million in financing for drinking water infrastructure projects, for example:

- Construction/upgrade of municipal water treatment facilities
- Replacement/rehabilitation of water mains and pump stations to improve water supply distribution systems
- Replacement/rehabilitation of water storage tanks to ensure a reliable water supply

Priority projects:

- PFAS treatment
- Lead removal

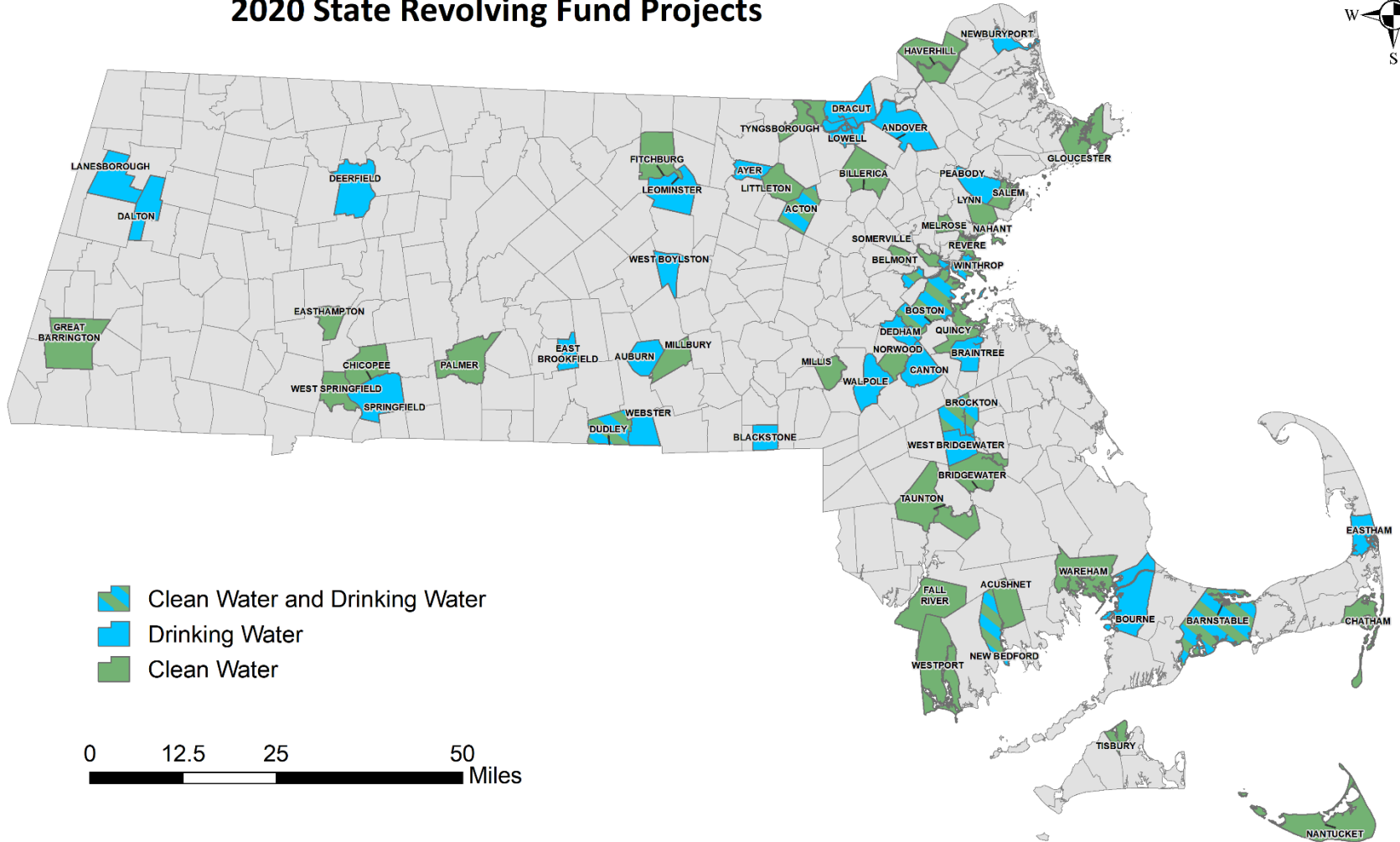


Readiness to Proceed

- SRF relies on strict deadlines dictated by EPA grant agreements. Communities that appear on the published Intended Use Plan (IUP) must meet application deadlines in order to receive financing.
- **Key deadline:** obtain local authorization to borrow by June 30th of the IUP year that accounts for *all* project costs (eligible and ineligible), construction management fees, police details, inflation and 10% construction contingency



2020 State Revolving Fund Projects



DWSRF Enhanced Subsidies

Lead Abatement

- Massachusetts transferred \$30 million from the CWSRF to the DWSRF to provide enhanced subsidies (in addition to the standard SRF subsidies) for lead abatement projects in the 2021, 2022, and possibly the 2023 DWSRF Intended Use Plans.
 - planning and construction for lead removal
 - corrosion control capital improvements
 - full replacements of lead service lines
- Through the incentivized Lead Service Lines (LSLs) replacement program, borrowers are encouraged to replace LSLs in private homeowners' properties (full replacements) at no cost to the borrower or the homeowner <https://www.mass.gov/service-details/incentivized-lead-service-line-replacement-program>
- **PFAS Treatment** Massachusetts is offering 0% interest loans for projects that address PFAs in public water supplies.



CWSRF Enhanced Subsidies

0% Interest Loans for Nutrient Reduction

Projects primarily intended to remediate or prevent nutrient enrichment of a surface water body or a source of water supply, provided:

- Applicant not currently in violation of Enforcement Orders or Administrative Orders due to a violation of a nutrient-related standard.
- Applicant has a MassDEP approved Comprehensive Wastewater Management Plan
- Project deemed consistent with the regional water resources management plan, if one exists
- Applicant has adopted Land Use Controls that limit wastewater volume increases to the amount authorized.



Looking Forward to 2021

- CWSRF will offer approximately \$600 million to finance wastewater, storm water and renewable energy projects
- DWSRF will offer approximately \$195 million to finance drinking water projects
- An additional \$2 million will be offered in grants to communities to develop Asset Management Plans for their water utilities



Show and Tell



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Online resources for SRF:

MassDEP <https://www.mass.gov/state-revolving-fund-srf-loan-program>

Clean Water Trust: <https://www.mass.gov/orgs/the-massachusetts-clean-water-trust>

