



**WATER RESOURCES REFORM AND DEVELOPMENT ACT  
(WRRDA)**

On June 10, 2014, the Water Resources Reform and Development Act of 2014 (WRRDA) was signed into law. Among its provisions are amendments to Titles I, II, V, and VI of the Federal Water Pollution Control Act (FWPCA), also known as the Clean Water Act (CWA). WRRDA only impacts the clean water SRF and not the drinking water SRF. The more significant amendments/changes to the CWA that may impact SRF borrowers are outlined below. In addition, interpretive guidance on WRRDA developed by the Environmental Protection Agency (EPA) can be found on the SRF website. The EPA guidance document will provide more detail about the changes that impact the clean water SRF programs. The amendments were effective on October 1, 2014.

**New Eligibilities**

The list of eligible projects for assistance from CWSRF programs has been expanded through the implementation of WRRDA. A full list can be found in FWPCA Section 603(c) and in the EPA guidance document located at [www.srf.in.gov](http://www.srf.in.gov). The CWSRF Loan Program may consider funding the new eligibilities that meet program requirements and the objectives of the program. Questions regarding eligibility should be directed to Shelley Love, the SRF Program Administrator, at [slove@ifa.in.gov](mailto:slove@ifa.in.gov), (317) 232-4396.

**Fiscal Sustainability Planning (FSP)**

For applications submitted to the CWSRF Loan Program on or after October 1, 2014, loan recipients shall certify to the CWSRF Loan Program that they have developed and implemented or will develop and implement a fiscal sustainability plan (FSP) that includes the following minimum requirements:

- An inventory of critical assets that are part of the treatment works.
- An evaluation of the condition and performance of those assets.
- A certification that the loan recipient has evaluated and will be implementing water and energy conservation efforts as part of the plan.
- A plan for maintaining, repairing, and replacing the assets and a plan for funding such activities.

For more details on FSPs refer to the FSP fact sheet located at [www.srf.in.gov](http://www.srf.in.gov). If you have any questions contact Camille Meiners, the SRF Section Chief, at [cmeiners@ifa.in.gov](mailto:cmeiners@ifa.in.gov), (317) 234-3661.

**Additional Subsidization**

Additional subsidization will still be permitted in the CWSRF Loan Program. The objective of providing additional subsidization will be to assist those applicants who are having difficulty financing a project without the additional subsidization. Additional subsidization may be provided to eligible recipients who meet the state's affordability criteria (see below), who do not meet the affordability criteria but seek the additional subsidization to benefit individual ratepayers in the residential user rate class, or whose project addresses water or energy efficiency goals, mitigates stormwater runoff, or encourages sustainable project planning, design and construction.

Affordability Criteria: The CWSRF Loan Program will consider median household income, user rates, unemployment data, population trend and other factors when evaluating projects requesting additional subsidization.

### **American Iron & Steel (AIS)**

WRRDA includes provisions codifying a prior requirement for CWSRF loan recipients, absent an exclusion or waiver, to use iron and steel products that are produced in the United States for treatment works projects. If you have any questions on AIS, please contact Amy Henninger, Compliance Officer, at 317-232-6566 or at [ahenning@ifa.in.gov](mailto:ahenning@ifa.in.gov).

### **Davis Bacon Act**

The FWPCA permanently applies the prevailing wage (Davis-Bacon) provision to any projects for treatment works that are funded by a CWSRF. The CWSRF Loan Program, therefore, will continue to require loan recipients to comply with Davis-Bacon rules and provide information necessary to show compliance with Davis-Bacon requirements. If you have any questions on Davis-Bacon, please contact Amy Henninger, Compliance Officer, at 317-232-6566 or at [ahenning@ifa.in.gov](mailto:ahenning@ifa.in.gov).

### **Cost & Effectiveness (C & E) Analysis**

For applications submitted to the CWSRF Loan Program on or after October 1, 2015, loan recipients will have to certify that they have conducted a cost and effectiveness analysis on the proposed project. This analysis includes an evaluation of the costs and effectiveness of the proposed project, and selection of a project that, to the maximum extent practicable, maximizes the potential for energy conservation, and efficient water use, reuse, recapture, and conservation, taking into account construction, operation and maintenance, and replacement costs. The C & E certification must be provided to the CWSRF Loan Program prior to closing a loan.

### **Architectural & Engineering (A/E) Services**

The FWPCA now requires architectural and engineering services for projects that are identified as equivalency projects to 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. Equivalency projects will be required to certify that A/E contracts were procured in accordance with federal guidelines. The requirements of 40 U.S.C. 1101 et seq. are:

- Public announcement of the solicitation (e.g. a Request for Qualifications);
- Evaluation and ranking of the submitted qualifications statements based on established, publicly available criteria (e.g., identified in the solicitation);
  - Evaluation criteria should be based on demonstrated competence and qualification for the type of professional services required (e.g., past performance, specialization, experience, and technical competence in the type of work required);
- Discussion with at least three firms to consider anticipated concepts and compare alternative methods for furnishing services;
- Selection of at least three firms considered to be the most highly qualified to provide the services required; and
- Contract negotiation with the most highly qualified firm to determine compensation that is fair and reasonable based on clear understanding of the project scope, complexity, professional nature, and the estimated value of the services to rendered;
  - In the event that a contract cannot be negotiated with the most highly qualified firm, negotiation continues in order of qualification.