
STATE REVOLVING FUND SECTION

PROGRAM OVERVIEW

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WHAT IS THE SRF?



The Clean Water State Revolving Fund (CWSRF) and the Drinking Water State Revolving Fund (DWSRF) are low interest loan programs intended to finance public water and wastewater infrastructure improvements and stormwater/nonpoint source projects in Alabama

STATE REVOLVING FUND PROGRAMS

- **SRF Base Loan Program**
- **Infrastructure Investments Jobs Act (IIJA)**
- **Miscellaneous Programs**

PROGRAM FUNDING DETAILS

Available Funding Sources

- **SRF - low interest loan (principal forgiveness available)**
- **IJJA (49% principal forgiveness)**
- **IJJA Emerging Contaminants-DW & CW (100% principal forgiveness)**
- **IJJA Emerging Contaminants-SUDC (100% principal forgiveness)**
- **IJJA Lead Service Line Replacement (49% principal forgiveness)**

PROGRAM DETAILS – SRF BASE PROGRAM

- **20-Year Fixed Rate Loan**
- **Low Interest Rate**
- **Closing Fee**
- **Principal Forgiveness Eligibility**

DWSRF ELIGIBLE PROJECTS (BASE & IJA)

- Source
- Storage
- Transmission/Distribution Mains
- Consolidation
- Water Security
- Energy Efficiency
- Water Efficiency

CWSRF ELIGIBLE PROJECTS (BASE & IJA)

- Centralized Wastewater Treatment – POTWs
- Collection System Infiltration and Inflow Rehab
- Sewer Rehabilitation
- Energy Conservation and Water Conservation
- Water Reuse
- Decentralized Wastewater Treatment
- Stormwater/Non-Point Source (Green Infrastructure Projects ranked higher)

IIJA EMERGING CONTAMINANTS (EC) ELIGIBLE PROJECTS

Constructing a new treatment facility or upgrading an existing treatment facility

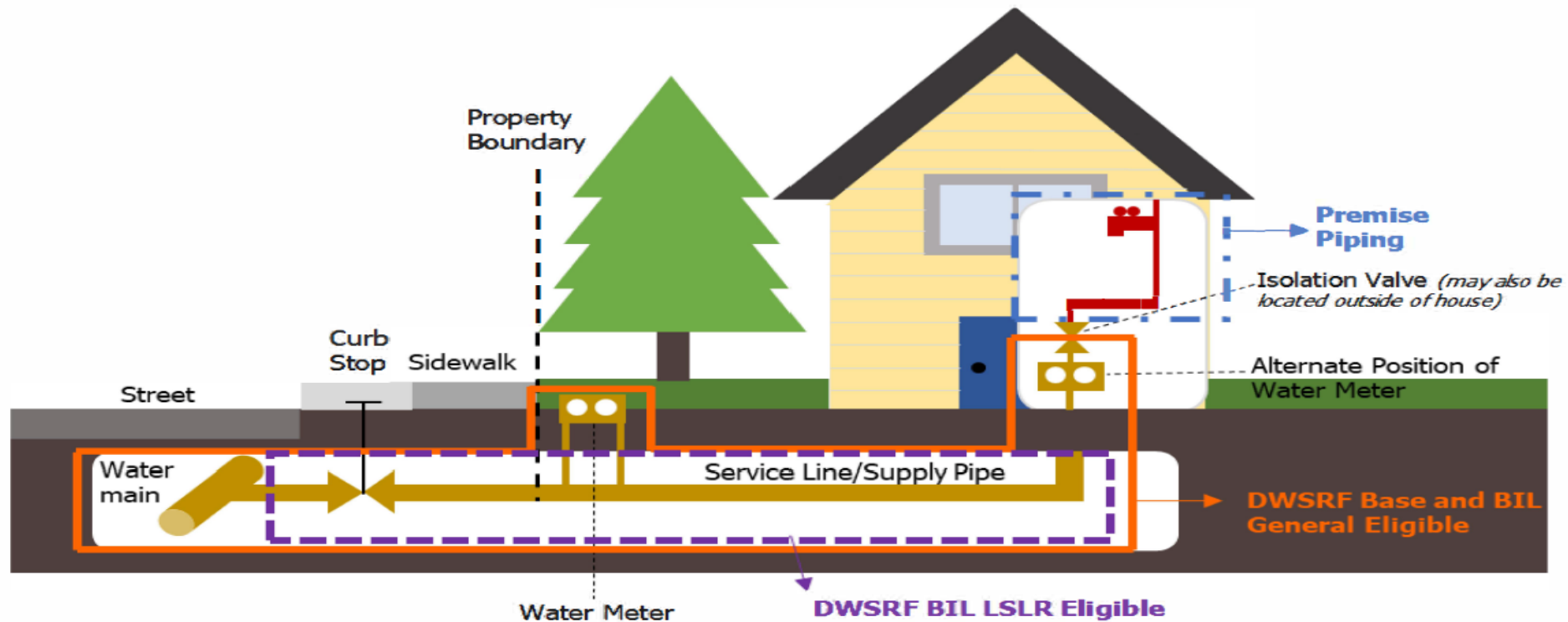
Developing a new source (i.e., replacement well)

Consolidating with another water system that does not have EC

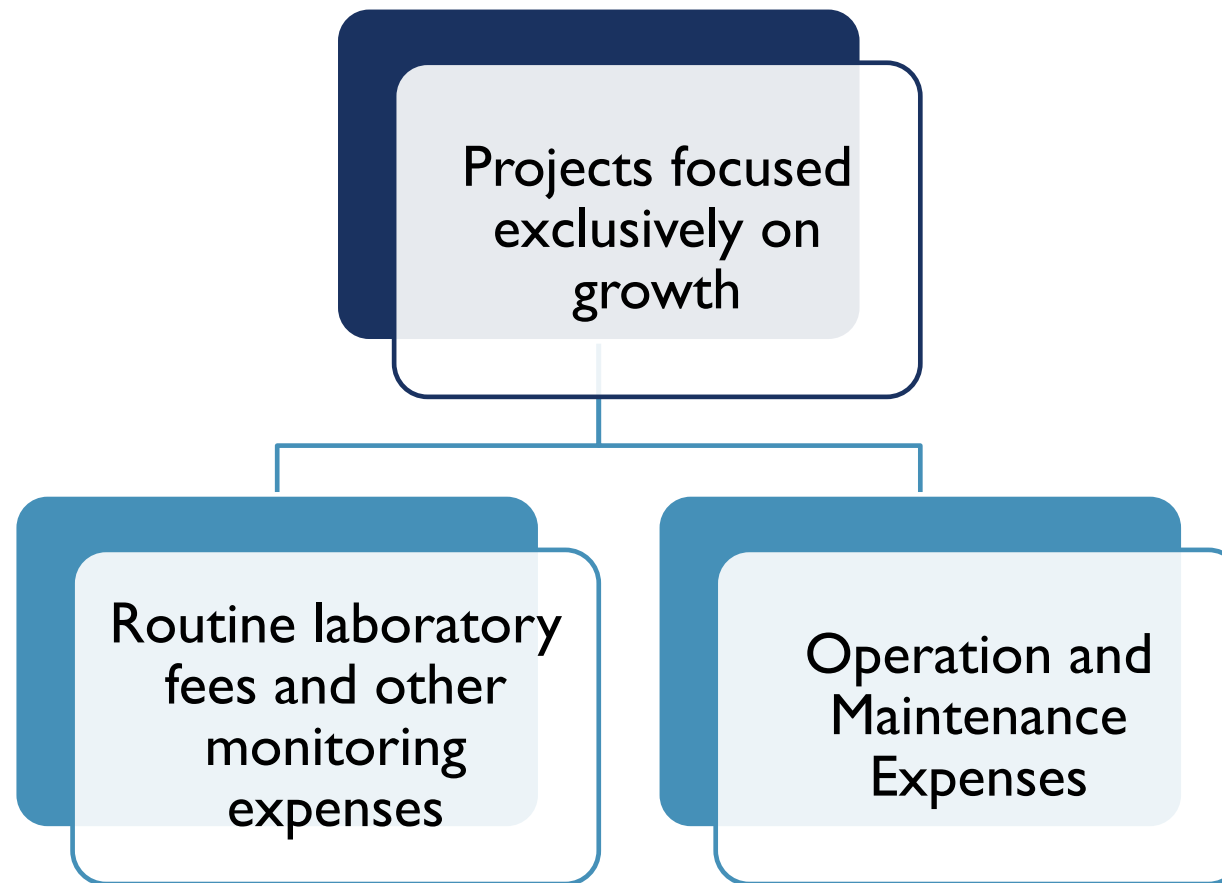
Planning and designing projects.

Pilot testing for treatment alternatives.
) wells or surface water sources.

IIJA LEAD SERVICE LINES (LSL) ELIGIBLE PROJECTS



INELIGIBLE PROJECTS



HOW TO APPLY?

Pre-application

ADEM Form 340 CWVSRF
ADEM Form 370 DVVSRF

Preliminary Engineering (PER)

Most Recent Audits

DETERMINING NEED & RANKING SYSTEM

- **Disadvantaged Metric**
 - Median Household Income
 - Population Growth
 - Unemployment Data
 - Average Annual Water Bill
- **Small Communities**
 - Less than 10,000 population
- **Consult with ADEM compliance sections**
 - Drinking Water
 - Municipal
 - Points claimed

SRF REQUIREMENTS –DISADVANTAGED BUSINESS ENTERPRISE (DBE)

The "Six Good Faith Efforts" approach when soliciting DBEs

- Awareness – Outreach and Recruitment
- Minimum 30-Day Proposal Solicitation
- Consider Contract Division
- Encourage Large Contract DBE Consortium
- Use Resources provided by the ADEM
- Require prime contractors to follow the steps above when soliciting subcontractors

SRF REQUIREMENTS-CONSTRUCTION PHASE

- **Davis-Bacon Wage Rates Required**
 - Must be included in Bid Specifications
- **American Iron and Steel Requirement**
 - Requires construction materials made of primarily Iron and Steel (>50%) and permanently incorporated into the finished project to be manufactured within the United States
- **Build America Buy America Requirements**
 - Requires that all iron and steel, construction materials, and manufactured products used in federally-funded infrastructure projects are produced in the United States.

PROJECT REIMBURSEMENT

- Reimbursement Only
- Must submit invoices of work completed (not estimates)
- Payment requests are processed monthly by SRF staff and fiscal branch

COMMON PROBLEMS

- Failure of the prime contractor to follow the six good faith effort steps
- Failure to not have procurement processes documented and approved by ADEM
- Not including ADEM SGCs in contract documents
- Attempts to use SRF funds for in-kind labor and land costs

COMMON QUESTIONS

- **Can we start the project prior to loan closure?**
 - Applicant may receive short term funding from local banks or use existing cash
 - SRF loan may be used to pay off the bank loan
 - ADEM must be notified if this plan is to be used
- **Can we change the loan amount?**
 - Prior to loan closing – based on availability
 - ADEM may reduce loan amounts based on cost estimates and ineligibility
 - Borrowers are locked in after loan closure
 - Can apply for supplemental funds

QUESTIONS?

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