



Alabama



Fiscal Year 2025 Annual Report

Clean Water State Revolving Fund (CWSRF)
Bipartisan Infrastructure Legislation (BIL)

As of September 30, 2025

PLEASE NOTE that this report does not constitute nor is it suitable for use as an official financial statement. This report is not prepared by an independent auditor or accountant, and is provided for informational purposes only.

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I. Introduction

The State of Alabama herewith submits the fiscal year 2025 annual report covering the period of October 1, 2024, through September 30, 2025, for the following funding programs:

- Clean Water State Revolving Fund (CWSRF)
- Clean Water State Revolving Fund Investment in Infrastructure and Jobs Act (IIJA) Bipartisan Infrastructure Legislation General Supplemental Appropriation (CWSRF-BIL)

Clean Water State Revolving Fund Bipartisan Infrastructure Legislation Emerging Contaminants (CWSRF-BIL-EC)

This report describes how the State of Alabama has met the goals and objectives of the Clean Water State Revolving Fund and Bipartisan Infrastructure Legislation (BIL) Loan programs as identified in the Intended Use Plans (IUP). The Intended Use Plans (IUP) for each program are included in this report by reference and attached in Exhibit 4.

II. Executive Summary

The Alabama CWSRF received funding from the CWSRF capitalization grant and supplemental appropriations from BIL during the period. During fiscal year 2025, Alabama applied for and received the allocations listed in Table 1 below. Alabama was also allocated fiscal year 2024 funding for each of these programs during the reporting period. The Department has applied for fiscal year 2025 funding during this period. The base amount was awarded during the reporting period; however, no awards were made during the reporting period from that award. Therefore, the fiscal year 2025 allocations and IUPs will not be referenced in this annual report and the information on additional appropriations and their usage will be provided in future fiscal year reports.

Table 1: Fiscal Year 2024 Allocations

Fund	Allocation
CWSRF	\$9,129,000
CWSRF-BIL	\$25,429,000
CWSRF-BIL-EC	\$2,378,000

During the reporting period, binding commitments were executed for each program as described in Table 2. Additional details for each of the projects associated with the binding commitments are presented in Exhibit 1.

Table 2: Binding Commitments

Fund	Binding Commitments	Funding Amount
CWSRF	8	\$47,211,291
CWSRF-BIL	8	\$24,780,922
CWSRF-BIL-EC	0	N/A

The total disbursements by program during the reporting period is presented in Table 3 below.

Table 3: Disbursements

Fund	Total Disbursement Amount
DL:EPA	\$49,855,252
CWSRF	\$14,552,321
CWSRF-BIL	\$6,166,733

Fund	Total Disbursement Amount
CWSRF-BIL-EC	N/A

All projects receiving financial assistance from the FY 2025 Alabama CWSRF program meet the definition of eligible projects as defined in Section 603(c) of the Clean Water Act.

III. Goals and Accomplishments

A. Short Term Goals and Accomplishments (Outputs)

In its Intended Use Plan, the State of Alabama described short term goals to be implemented during the fiscal year. The State has made significant progress toward the successful completion of these goals:

1. To provide CWSRF assistance to the extent there are sufficient eligible project applications, not less than 10% of the CWSRF Capitalization Grant for projects to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities. These four categories of projects are the components of the Green Project Reserve. The Department expects to meet each of the Capitalization grant's green infrastructure percentage requirements in future years as projects are closed.

Table 4: Green Infrastructure

Fund	Number of Projects	Total Green Infrastructure Amount
CWSRF	1	\$1,500,000
CWBIL	3	\$1,289,300
CWSRF BIL EC	0	N/A

2. The amount of additional subsidization is determined by the Clean Water Act (CWA), Congressional Appropriation, and the requirements set within the BIL. The Department provides additional subsidization in the form of principal forgiveness. As detailed in the IUP, all additional subsidization is exclusively allocated to disadvantaged communities. The amount of additional subsidization in binding commitments during the period is detailed in Table 5 below. The Department expects to meet the additional subsidization goals detailed in each program's IUP in future fiscal year(s).

Table 5: Additional Subsidization

IUP FY + Fund	Principal Forgiveness Amount	PF Rolling Total	Cap Grant Requirements
CWBIL	\$20,144,258		\$33,632,620
2022	\$9,548,158	\$9,548,158	\$9,751,490
2023	\$7,596,100	\$17,144,258	\$11,420,920
2024	\$3,000,000	\$20,144,258	\$12,460,210
CWBIL EC	N/A		\$33,632,620
2022	N/A	N/A	\$1,045,000
2023	N/A	N/A	\$2,378,000
2024	N/A	N/A	\$2,378,000
CWSRF	\$2,587,600		\$6,091,000 - \$12,182,000
2022	\$2,587,600	\$2,587,600	\$2,587,600 - \$5,175,200
2023	\$0	\$2,587,600	\$1,677,600 - \$3,355,200

IUP FY + Fund	Principal Forgiveness Amount	PF Rolling Total	Cap Grant Requirements
2024	\$0	\$2,587,600	\$1,825,800 - \$3,651,600

*No CWBIL EC monies have been awarded as of the date of this report.

3. To implement the State's CWSRF in compliance with Title VI of the Clean Water Act and to ensure conformance with Federal crosscutting issues as required by the 1987 Clean Water Act amendments.

All Alabama CWSRF projects are required to either be included in the EPA FONSI review process or complete the State Environmental Review Process (SERP) prior to the disbursement of CWSRF funds. All CWSRF funded projects have either successfully completed the required environmental reviews or are currently under review.

4. To ensure compliance with the "first use" requirements which require that CWSRF assistance be available to projects which are members of the National Municipal Policy (NMP) universe; projects which have legally enforceable compliance schedules.

During the fiscal year, the Authority and ADEM continued fulfillment of the "first use" requirements of Title VI of the Clean Water Act. All Alabama projects on the National Municipal Policy List have completed construction of improvements designed to ensure that water quality standards are met.

5. To achieve statewide compliance with Federal and State water quality standards, particularly with the NMP as rapidly as possible.

Projects which are noncompliant with NPDES effluent limits are given funding preference and are encouraged by both the availability of financial assistance and the possibility of administrative orders and sanctions to achieve compliance as rapidly as possible.

6. To protect the public health and the environment and promote the completion of cost-effective wastewater treatment facilities.

The method used in drafting the project priority list and the state review of planning documents submitted with CWSRF loan applications and pre-applications promotes the protection of the public health and the environment with the funding of cost-effective POTWs.

B. Long Term Goals and Accomplishments (Outputs)

In its IUP, the State of Alabama described six (6) long-term goals to be implemented during FY 2024. The State continues to make progress toward the successful completion of these goals:

1. To maintain the SRF program and the fiscal integrity of the fund.

In its administration of the CWSRF program, the State of Alabama has considered the long-term fiscal health of the CWSRF. The CWSRF working group includes, as integral members, persons who have extensive experience in the issuance of tax-free bonds, are knowledgeable of the cash flow requirements of such issues, have technical expertise related to the planning and design reviews required by the State and EPA prior to CWSRF funding and are capable of providing assistance in the disbursements of CWSRF funds to the loan recipients.

The Authority continues to set a loan interest rate at approximately 1-1.5% less than the most advantageous rate commonly available to municipalities: The Department's experience with the program indicates that this is a sufficient incentive to seek CWSRF financing for eligible

treatment and transport works. The interest rate for each of the projects which entered into binding commitments during the period is detailed in Table 6 below.

Table 6: Interest Rates for Binding Commitments

Fund	IUP Fiscal Year	Applicant	Loan Amount	Interest Rate ¹
CWSRF	2023	City of Cullman	\$5,515,000.00	1.99%
CWSRF	2022	City of Alexander City, AL	\$7,405,000.00	2.20%
CWBIL	2022	West Escambia Utilities	\$720,000.00	1.99%
CWSRF	2023	City of Dothan	\$10,015,000.00	1.99%
CWBIL	2023	City of Columbiana	\$2,775,000.00	1.99%
CWBIL	2022	City of Greenville Water Works & Sewer Board	\$1,145,000.00	1.99%
CWBIL	2023	City of Fayette	\$2,050,000.00	2.20%
CWBIL	2023	Dallas County Water Authority	\$4,213,850.00	1.99%
CWSRF	2023	City of Northport	\$2,710,000.00	1.99%
CWSRF	2024	Wetumpka Water Works & Sewer Board	\$4,275,000.00	2.20%
CWBIL	2024	Water & Sewer Commissioners of the City of Mobile	\$10,110,000.00	1.99%
CWSRF	2024	Water & Sewer Commissioners of the City of Mobile	\$15,310,000.00	1.99%
CWSRF	2023	Scottsboro Water, Sewer, and Gas Board	\$1,520,000.00	1.99%
CWBIL	2023	City of Sumiton	\$625,000.00	1.99%
CWSRF	2024	City of Columbiana	\$1,280,000.00	1.99%
CWBIL	2024	City of Columbiana	\$3,340,000.00	1.99%

1) The interest rates include actual interest at 0.10% and the remainder allocated towards ADEM admin fees.

2. To provide a self-perpetuating source of low interest loans for the construction of public wastewater treatment and transport facilities needed to meet water quality standards and provide capacity for future growth.

Alabama's CWSRF is designed to be a perpetual source of low-cost financial assistance for the construction of public wastewater treatment and transport facilities needed to meet water quality standards and provide capacity for future growth. Once ultimate capitalization has been achieved, the program may utilize the direct loan repayments, undedicated interest from the bond debt service reserve funds in addition to construction funds and assets of the Master State Revolving Account as the source funds to support bond issues and/or to fund direct loans. Exhibit 4 details the latest projections of the CWSRF's future cash flows. As of September 30, 2025, the Master State Revolving Fund (MSRF) had a balance of approximately \$677,511,031.16.

3. To assure that all Municipal NMP facilities achieve compliance as soon as possible.

All of Alabama's NMP facilities are either in compliance or are on an enforceable compliance schedule with construction underway.

4. To assure that all municipal facilities achieve compliance with final effluent limits as soon as possible.

No projects with binding commitment dates in FY2025 were related to treatment compliance; however, the preapplication process is designed to elevate projects related to active or imminent compliance and ADEM's SRF engages with compliance officers regularly to ensure projects are selected that result in increased compliance.

5. To assist in the maintenance of water quality standards wherever such standards are adversely affected by municipal wastewater point sources.

All projects including wastewater treatment facilities are intended to achieve and maintain water quality standards in the receiving waters. Improvements in water quality are expected from both upgrades in the treatment level of wastewater treatment facilities and the elimination of sewer bypasses related to inadequate hydraulic capacity in treatment and transport systems.

6. To meet public health and environmental needs of those communities with malfunctioning on-site treatment systems that are either identified as a health hazard by the State Health Department or adversely affect water quality.

Both the method used in drafting the project priority list and the state review of CWSRF loan applications promote protection of the public health and the environment by first providing financial assistance to projects that address the most critical needs.

IV. Details of Accomplishments

A. Fund Financial Status

1. Binding Commitments

Since the inception of the Alabama Clean Water State Revolving Fund in 1989, 324 binding agreements had been executed for a total amount of \$1,753,389,116 at the close of FY 2025. Exhibit 1 details the binding commitment dates and amounts for each loan that closed this fiscal year.

2. Sources of Funds

The sources of funds used to provide loans during FY 2024 were the EPA Capitalization Grant (CWSRF base and BIL), loan repayments and interest earnings.

Exhibit 1 provides a loan summary including the funding source and funding breakdown for loans executed during the year. Table 7 below shows the amount of repayments received during the reporting period and the fees collected. This administrative fee is used first to pay the trustee expenses associated with administering the CWSRF, build state match funds for future capitalization grants, and support water quality-based activities such as NPDES permitting/enforcement and water quality studies. This fee is received by ADEM when semi-annual loan payments become due (February 15 and August 15). All fees collected as a result of open grants are held separately and used only for the administration of the CWSRF.

Table 7: Loan Repayments and Fees

Fund Source	Repayments	Fees Collected
CWSRF	\$40,614,572.58	\$7,617,744.78
CWSRF-BIL	\$676,689.82	\$191,554.65
CWSRF-BIL-EC	N/A	N/A

The Department did not transfer any funds from CWSRF or BIL allocations during the fiscal year.

3. Administrative Costs

The table below details ADEM's CWSRF Administrative costs that were expended during the reporting period. Only CWSRF is shown below since the Department did not take set-asides from the BIL General Supplemental Appropriation as described in the IUPs. Additionally, the Department did not take the allowable 2% set-asides from the CWSRF capitalization grant for decentralized systems (i.e., septic tanks). Septic tanks are regulated by the Alabama Department of Public Health (ADPH) and ADEM's SRF does not feel it would be appropriate to take these funds at time as their usage doesn't align with its directives and mission.

Table 8: Set Aside Expenditures

Set Aside	Fiscal Year	Amount Expended
4%	2025	\$269,569.97
1/5%	2025	\$783,288.99

4. Financial Statements

The most recent audit of Alabama's CWSRF (through FY 2024) revealed no material weaknesses in the program. A copy of this audit was submitted to EPA. EPA will receive a copy of the FY 2025 audit when it is available. A draft copy of the financial statements are available in Exhibit 5.

5. Credit Risk of the SRF

The financial status and credit quality of the loan recipients are reviewed both internally and by the CWSRF Financial Advisor. The credit risk assessment and rating process is crucial in determining the financial capability of the potential borrowers. Assistance is provided only to communities that pass this analysis and, if necessary, agree to additional credit security pledges including the full faith and credit of the community or specific revenue pledges. This is necessary in order to maintain the fiscal integrity of the CWSRF and therefore the authority cannot loan funds to municipalities that do not have the means to repay their loan.

The basic procedures involved in the determination of the credit quality of the loan recipients are:

- reviewing the applicant's existing bond rating
- determination of outstanding debt
- verification of the presence and sufficiency of a
- dedicated source of revenue for repayment of the loan
- demographics of the recipients' service area

B. Provisions of the Operating Agreement and Grant Conditions

The State of Alabama agreed to a number of conditions in the Operating Agreement and Grant Agreement. These conditions have been met and are more fully described below. The following conditions have been met as described in the operating and grant agreements and need no further description:

- Agreement to Accept Payments
- State Laws and Procedures
- State Accounting and Audit Procedures
- Use of the Federal Capitalization Grant funds

- Repayments
- Annual Audit
- Annual Report
- Annual Review

The following conditions have been met and are described more fully in detail below:

1. Provide a State Match

A total of \$1,825,000 in State Match funding is required to meet the 20% state match requirement associated with the FY 2024 CWSRF capitalization grant. The Alabama Legislature did not appropriate funds for CWSRF State Match from the General Fund. The state match requirement will be satisfied by previously issued state revenue bonds. These funds will be expended for eligible project costs submitted by members of the FY 2023 project list.

A total of \$5,085,000 in State Match funding is required to meet the 20% state match requirement associated with the FY2024 BIL Supplemental General Appropriation (CWSRF-BIL). The Alabama Legislature appropriated funds for the CWSRF-BIL state match from the General Fund. These funds will be expended for eligible project costs submitted by members of the FY2024 project list.

2. Binding Commitments Within One Year

The State of Alabama entered into binding commitments to provide assistance from the CWSRF in amounts equal to or greater than 120 percent of each quarterly grant payment.

3. Expeditious and Timely Expenditure

The Alabama CWSRF disbursed a sum of \$70,574,305.72 in payments and direct loans to loan recipients through the end of the fiscal year. CWSRF projects have progressed in an expeditious and timely manner to start construction. The Alabama Department of Environmental Management is also monitoring the projects to ensure timely initiation of operations in accordance with the established schedules. ADEM and the Trustee are disbursing loan funds in a timely manner when presented with valid pay requests.

In order to ensure that the loan repayment stream necessary to meet the financial obligations of the bond issue is met, the Special Conditions Loan Agreement, the legal document which commits CWSRF funds to a particular project, explicitly specifies the date on which loan repayments are to commence, regardless of the status of construction completion. For this reason the State has a vital interest in providing for the timely expenditure of CWSRF funds.

4. First Use of Funds for Enforceable Requirements

The State of Alabama has met the first use requirement by providing funding to all NMP projects which applied for CWSRF assistance. All NMP projects that did not receive SRF assistance were funded by other means (EPA, CDBG, FmHA/RDA, EDA grants or local funds).

5. Minority Business Enterprise (MBE)/Women's Business Enterprise (WBE) Requirements

All CWSRF borrowers are required to comply with the Civil Rights Act of 1964 and 1990, Executive Order 11246 (Equal Employment Opportunity), and Executive Orders 11625 and 12138 (MBE/WBE). Each borrower must implement the six affirmative steps to attain "fair share" goals and ensure that its prime contractors also comply. "Fair share goals" for the state were renegotiated with EPA and new attainable goals went into effect October 1, 2014.

The CWSRF capitalization grant specifies that the State require loan recipients to make a good faith effort to achieve 2.5% MBE and 3.0% WBE participation for construction contracts.

The State of Alabama has submitted Standard Form 5700-20A to EPA Region IV for their review on a quarterly basis to document efforts toward achieving MBE/WBE objectives and will continue to do so.

MBE contracts for CWSRF Projects awarded totaled **\$2,241,626.10 (5.80%)**, while WBE participation totaled **\$1,568,933 (4.06%)**. Total DBE total Participation was **\$3,810,559.10 (9.94%)**. The Department continues to ensure the loan applicants and contractors and suppliers make and document a good faith effort to meet the goals.

6. Other Federal Authorities

The State of Alabama and all recipients of CWSRF funds made directly available by the capitalization grant have complied with applicable federal authorities (federal crosscutters). Recipients of CWSRF assistance agreed to do this in the loan agreement between the recipient and the Authority. Additionally, projects required to complete the State Environmental Review Process (SERP) have done so in a manner consistent with the crosscutting requirements.

7. State Environmental Review Process

The Department conducts environmental reviews on all funded CWSRF projects in accordance with the State Environmental Review Process (SERP). Environmental Assessments (EA) have been prepared and a Finding of No Significant Impact (FNSI) or Categorical Exclusion (CE) is issued for each project.

The Department certifies compliance with all other assurances and requirements as specified in the grant award agreement Terms and Conditions.

V. Program Changes:

A. Comparison with the Intended Use Plan

Projects that were proposed on past IUPs are still expected to close, unless otherwise noted in annual report(s). The Department expects to meet the principal forgiveness, green components, and all grant requirements in future fiscal year(s). Any future changes and final loan amounts will be included in future annual reports.

B. Modification of the Goals and Objectives

The basic goals and objectives of the Alabama CWSRF are not expected to vary from those stated previously. No changes are proposed to the IUPs during the reporting period.

C. Buy America, Build America (BABA)

The Alabama SRF conservatively requires all applicants to follow "equivalency" requirements, including BABA. BABA requirements became effective on October 1, 2022. As stated in the BABA guidance, any project for which planning and design was initiated prior to May 14, 2022, would qualify for an adjustment period waiver. Since all projects funded through the SRF for fiscal year 2022 would have initiated design prior to May 14, 2022; an adjustment period waiver was requested and granted for each of the applicants. The Department maintains a list of all projects that have been granted waivers for BABA.

D. PER Recommendations

1. EPA recommends that ADEM share their draft Operating Agreement, SERP, and SOPs within 90 days of the date of this report.

Following the FY2024 Annual Review, ADEM's SRF underwent and reorganization and change in leadership; however, as of the date of this report, ADEM has provided EPA with a draft SERP for review. The Operating Agreements and SOPs are currently under review and will be provided to EPA for review once complete to assist in their oversight of the program.

2. EPA recommends ADEM concentrate on increasing the number of executed loan agreements to boost the pace of the CWSRF program and reduce uncommitted balances. During FY 2024, the CWSRF experienced a decline in pace, dropping from 91 percent in FY 2022 and FY 2023 to 88 percent in FY 2024, and a notable increase in uncommitted funds, increasing by \$71 million from FY 2023 to FY 2024. To address this issue, ADEM should consider all available funding sources when entering into binding commitments and strategically manage cash inflows and outflows when allocating funds for projects.

The number of binding commitments during FY2025 increased compared to FY2024. As previously indicated in the 2024 Annual Report, ADEM set expectations in fundability letters that borrowers should close and/or decline SRF funding within 3 months allowing ADEM time to reallocate that funding within the 120-day period. This expectation has continued; however, progress on improving the pace of loan closures continues to be hindered by the impacts of ARPA grants both on the workload of the SRF program and a reduced willingness for recipients to take on loans with reduced or no principal forgiveness. ADEM will continue to assess its process for project selection and loan closures to look for opportunities to decrease the number of recipients withdrawing from funding consideration, reduce or remove obstacles to funding that are not required, and improve the speed at which closure can be reached following a fundability decision. Overall, the largest impact was ARPA, which will be completed on December 31, 2026. ADEM's SRF Branch is actively managing 492 CW and DW ARPA projects ensuring all deadlines outlined by the US Treasury Department and the AL State Legislature are met. The SRF Branch is understaffed to address this short "tidal wave" of work. The state has identified 3 times the project needs vs. funds available to support state system needs. The ADEM SRF Branch is committed to funding as many projects as the funds allow and meeting all deadlines set forth by the US EPA. ADEM requests patience and understanding during this unprecedented infrastructure funding and resulting increase in workload.

3. EPA recommends that ADEM intensify efforts to ensure the timely and expeditious expenditure of all available SRF resources, aiming to improve the disbursement ratio and reduce the rate of undisbursed funds to three-year average. At the end of FY 2024, ADEM's DWSRF had an undisbursed funds balance of \$417 million, an increase from \$371 million in FY 2023. This rise in undisbursed funds led to higher cash balances on hand, causing the FY 2024 DWSRF rate of undisbursed funds to three-year average to escalate to 7.4 years, up from 5.4 years in FY 2023. EPA encourages ADEM to target a goal of one to two years. To improve the disbursement ratio, ADEM should focus on executing binding commitments within one year of the award and ensuring that projects are ready to proceed.

ADEM continues to try to maximize the number of projects selected for each year's IUPs and increase the speed from selection to final agreements to ensure timely and expeditious expenditure of funds. Overall, the largest impact to ADEM's ability to improve these metrics was ARPA, which will be completed on December 31, 2026. ADEM's SRF Branch is actively managing 492 CW and DW ARPA projects ensuring all deadlines outlined by the US Treasury Department and the AL State Legislature are met. The SRF Branch is understaffed to address this short "tidal wave" of work. The state has identified 3 times the project needs vs. funds available to support state system needs. The ADEM SRF Branch is committed to funding as many projects as the funds allow and meeting all deadlines set forth by the US EPA. ADEM requests patience and understanding during this unprecedented infrastructure funding and resulting increase in workload.

4. EPA recommends ADEM update their Supplemental General Conditions (SGCs) to ensure that the assistance recipient and their subcontractors are following all the required Civil Rights Laws, including Title VI of Civil Rights Act, Rehabilitation Act, Age Discrimination Act, and Section 13 of the Federal Water Pollution Control Act. In addition, while only required for equivalency projects, include requirements for Section 306 of the Clean Air Act, Section 508 of the Clean Water Act, Uniform Relocation and Real Property Acquisition Policies Act, and the Prohibition on Certain Telecom and Video Surveillance Services in the SGCs. Lastly, ADEM should update the SGCs to reflect that there is no longer special IJA signage required.

As of the date of this report, ADEM SRF has not updated its SGCs to include the EPA recommendations. ADEM's SRF has undergone reorganization and changes in management in addition to the overwhelming increase in workload related to managing 492 ARPA projects as discussed in responses to previous questions. ADEM will assess the recommendations from the FY2024 Annual report and incorporate changes as necessary during FY2026. ADEM requests patience and understanding during this unprecedented infrastructure funding and resulting increase in workload.

5. EPA recommends that when ADEM enters executed assistance agreements into OWSRF, the Department indicate equivalency projects, add estimated project construction start and end dates, enter the bond lawyer fees under upfront fees while the interest rate is split into interest rate and fee rate, and assign additional subsidy to a specific capitalization grant. In addition, EPA will work with ADEM staff on revising past executed agreements on OWSRF to correct missing information.

ADEM is entering data into OWSRF as specified above and will continue to make revisions and improvements to their data entry process as necessary. ADEM is highly interested in any improvements to OWSRF, such as a data migration tool, to avoid errors introduced by manual data entry processes and reduce workload for data entry.

6. EPA recommends that ADEM update its inspection report to include the new signage template, review BABA compliance in addition to Davis Bacon and AIS, and add a corrective action section to document any potential follow up action(s) required by ADEM or the assistance recipient.

As of the date of this report, ADEM SRF has not updated its inspection report to include the EPA recommendations. As mentioned in prior responses, the SRF has undergone

reorganization and changes to leadership, which delayed implementation of certain recommendations. The inspection report will be assessed and updated as necessary in FY2026.

E. Update on Commitment Balances

For FY2022 through FY2024 CWSRF funds, ADEM has been undertaking revisions to those IUPs replacing projects that will not be proceeding with those that have committed to utilize the funds to reduce the amount of uncommitted funds from previous fiscal years. For specific funds, such as IIJA EC, ADEM has identified and received applications for potential projects and is working to push those forward as expeditiously as possible. As discussed previously in this report, the management of ARPA projects has played a major role in reducing the amount of loan closures and the timeliness of commitments. FY26 and the first quarter of FY27 will be an extremely busy year as ADEM ensures all ARPA funds are disbursed on wastewater, stormwater, and drinking water projects. As ARPA deadlines draw near, we expect more resources to become available and to see improvements in all metrics related to fund commitments.

Exhibit 1: Binding Commitments

SRF Project #	Applicant	City	Project Description	IUP Fiscal Year	Bind Date	Repayment Date	Project Amount	Finance Fee	Capital Interest	Principal Forgiveness Amount	Program	Population	Green Amount	Completion %	Amount Disbursed	Interest Rate
CS010898-02*	City of Greenville Water Works & Sewer Board	Greenville	Greenville WW&S Sewer System Improvements Project	2022	3/1/2025	2/15/2026	\$ 1,122,607.25	\$ 11,000.00	\$ 11,392.75	\$ -	CWBIL		\$ -	100%	\$ 1,122,607.25	1.99%
CS010810-04*	West Escambia Utilities	Atmore	West Escambia Utilities Sanitary Sewer Rehab (Relining of WW Sewer mains)	2022	10/1/2024	8/15/2025	\$ 701,836.00	\$ 11,000.00	\$ 7,164.00	\$ -	CWBIL	0	\$ 700,000.00		\$ 700,000.00	1.99%
CS010329-05	City of Alexander City, AL	Alexander City	Alexander City HWY 63 Multi-Agency WW Solution Project	2022	8/1/2025	8/15/2027	\$ 6,823,396.21	\$ 11,000.00	\$ 284,639.97	\$ -	CWSRF		\$ -	100%	\$ 6,823,396.21	2.20%
CS010923-02	City of Columbiana	Columbiana	Columbiana Wastewater Improvements Project	2023	2/1/2025	2/15/2025	\$ 2,764,000.00	\$ 11,000.00	\$ -	\$ -	CWBIL		\$ -	100%	\$ 2,764,000.00	1.99%
CS010356-05	City of Fayette	Fayette	Fayette (City of) WW Treatment Plant Rehabilitation Project	2023	7/15/2025	2/15/2026	\$ 2,017,201.67	\$ 11,000.00	\$ 21,798.33	\$ -	CWBIL	0	\$ 75,000.00	82%	\$ 1,660,058.22	2.20%
CS010808-03	City of Sumiton	Sumiton	Sumiton (City of) Sewer System Improvements	2023	9/1/2025	2/15/2026	\$ 612,963.54	\$ 11,000.00	\$ 1,036.46	\$ -	CWBIL				\$ 611,225.00	1.99%
CS010889-03*	Dallas County Water Authority	Selma	Dallas County Water and Sewer Authority - Sewer System Improvements	2023	7/1/2025	1/1/1900	\$ 4,213,850.00	\$ -	\$ -	\$ 4,213,850.00	CWBIL	0	\$ 115,000.00	5%	\$ 204,854.17	1.99%
CS010260-16	City of Cullman	Cullman	Cullman Sanitary Sewer Collection System-Wide Improvements & Rehab (Suppl)	2023	7/10/2025	8/15/2025	\$ 5,504,000.00	\$ 11,000.00	\$ -	\$ -	CWSRF	25000		37%	\$ 2,014,296.05	1.99%
CS010292-35	City of Dothan	Dothan	Dothan (City of) - Trunk Line, Collection System, and WWTP Rehabilitation Project	2023	1/15/2025	8/15/2025	\$ 10,004,000.00	\$ 11,000.00	\$ -	\$ -	CWSRF		\$ -		\$ 10,000,000.00	1.99%
CS010621-07B	City of Northport	Northport	Northport (City of) - HWY 82 Pump Station and Force Main Project	2023	7/15/2025	2/15/2026	\$ 2,669,638.66	\$ 11,000.00	\$ 29,361.34	\$ -	CWSRF	30334	\$ -		\$ 2,666,162.00	1.99%
CS010687-04	Scottsboro Water, Sewer, and Gas Board	Scottsboro	Scottsboro WSOB Southside WWTP - Phase I Improvements Project	2023	8/1/2025	2/15/2026	\$ 1,503,958.67	\$ 11,000.00	\$ 5,041.33	\$ -	CWSRF	14526	\$ -	93%	\$ 1,403,958.67	1.99%
CS010923-04	City of Columbiana	Columbiana	Columbiana Wastewater Improvements	2024	8/15/2025	2/15/2027	\$ 3,242,963.46	\$ 11,000.00	\$ 86,036.54	\$ -	CWBIL	4110			\$ 3,239,227.00	1.99%
CS010281-24B*	Water & Sewer Commissioners of the City of Mobile	Mobile	Mobile W&S Commissioner CWSRF Master Plan Phase I (SUPP)	2024	3/1/2025	8/15/2025	\$ 10,104,500.00	\$ 5,500.00	\$ -	\$ -	CWBIL		\$ -		\$ 10,110,000.00	1.99%
CS010923-03	City of Columbiana	Columbiana	Columbiana Wastewater Improvements	2024	9/15/2025	2/15/2027	\$ 1,236,027.91	\$ 11,000.00	\$ 32,872.09	\$ -	CWSRF	4110		41%	\$ 511,307.00	1.99%
CS010281-24*	Water & Sewer Commissioners of the City of Mobile	Mobile	Mobile W&S Commissioner CWSRF Master Plan Phase II (2024-2028) (MAWSS)	2024	3/1/2025	8/15/2025	\$ 15,304,500.00	\$ 5,500.00	\$ -	\$ -	CWSRF	0	\$ 1,500,000.00		\$ 15,300,000.00	1.99%
CS010460-06B	Wetumpka Water Works & Sewer Board	Wetumpka	Wetumpka Water Works & Sewer Board - WWTF Improvements	2024	8/15/2025	2/15/2027	\$ 4,185,770.00	\$ 11,000.00	\$ 98,230.00	\$ -	CWSRF		\$ -	41%	\$ 1,715,545.38	2.20%

*denotes equivalency agreements

Exhibit 2: Federal Cash Draws

Exhibit 2: Federal Cash Draws

Draw Number	Draw Date	Applicant	Project Name	Draw Amount	Program	IUP FY*
575	12/9/2024	Phenix City Department of Public Utilities	Phenix City Wastewater System Improvements	\$1,012,417.65	DL:EPA	2020
575	12/9/2024	City of Prattville	Prattville Thomas Ave and Selma Hwy Storm and Sewer Improvements	\$278,474.35	DL:EPA	2021
575	12/9/2024	City of Alexander City, AL	Alexander City HWY 63 Multi-Agency WW Solution Project	\$6,761,588.00	CWSRF	2022
576	12/9/2024	Town of Hayneville	Hayneville Sewer System Improvements Project	\$17,224.00	CWBIL	2022
576	12/9/2024	Town of Hayneville	Hayneville Sewer System Improvements Project	\$82,461.20	CWBIL	2022
576	12/9/2024	Town of Hayneville	Hayneville Sewer System Improvements Project	\$48,312.00	CWBIL	2022
576	12/9/2024	Town of Hayneville	Hayneville Sewer System Improvements Project	\$319,126.60	CWBIL	2022
576	12/9/2024	Town of Hayneville	Hayneville Sewer System Improvements Project	\$69,681.00	CWBIL	2022
576	12/9/2024	Town of Hayneville	Hayneville Sewer System Improvements Project	\$395,531.30	CWBIL	2022
576	12/9/2024	Town of Hayneville	Hayneville Sewer System Improvements Project	\$613,610.70	CWBIL	2022
576	12/9/2024	Town of Hayneville	Hayneville Sewer System Improvements Project	\$85,176.60	CWBIL	2022
576	12/9/2024	Town of Hayneville	Hayneville Sewer System Improvements Project	\$244,613.50	CWBIL	2022
576	12/9/2024	Town of Hayneville	Hayneville Sewer System Improvements Project	\$493,926.00	CWBIL	2022
576	12/9/2024	Town of Hayneville	Hayneville Sewer System Improvements Project	\$145,234.00	CWBIL	2022
577	12/10/2024	The WW&SB of the City of Selma	Selma, WW&SB of the City of (SUPP) Wastewater System Improvements	\$117,456.23	CWBIL	2022
578	1/23/2025	Town of Hayneville	Hayneville Sewer System Improvements Project	\$454,298.30	CWBIL	2022
578	1/23/2025	Town of Hayneville	Hayneville Sewer System Improvements Project	\$476,601.00	CWBIL	2022
579	7/28/2025	Mobile Board of Water & Sewer Commissioners MAWSS	Mobile CWSRF Master Plan Phase I (2019-2023) Supplemental	\$7,901,208.00	DL:EPA	2021
580	7/28/2025	Town of Hayneville	Hayneville Sewer System Improvements Project	\$349,747.00	CWBIL	2022
580	7/28/2025	Town of Hayneville	Hayneville Sewer System Improvements Project	\$535,536.40	CWBIL	2022
580	7/28/2025	City of Greenville Water Works & Sewer Board	Greenville WW&S Sewer System Improvements Project	\$1,122,607.25	CWBIL	2022
				\$21,524,831.08		

Exhibit 3: Long Term Cash Flow Projection

Exhibit 3- Long Term Cash Flow Projections

CWSRF Perpetuity of the Fund Measure

Contributed Capital

*ARRA

FY	Total Grant	Net Grant (96%)	20% Match	Transfer to DWSRF	Total Contributed Capital
1989	\$10,546,965.00	\$10,125,086.00	\$2,109,393	\$0	\$12,234,479
1990	\$10,909,503.00	\$10,473,123	\$2,181,901	\$0	\$12,655,024
1991	\$22,948,299.00	\$22,030,367	\$4,589,660	\$0	\$26,620,027
1992	\$21,726,342.00	\$20,857,288	\$4,345,268	\$0	\$25,202,556
1993	\$21,492,207.00	\$20,632,519	\$4,298,441	\$0	\$24,930,960
1994	\$13,335,597.00	\$12,802,173	\$2,667,119	\$0	\$15,469,292
1995	\$13,772,781.00	\$13,221,870	\$2,754,556	\$0	\$15,976,426
1996	\$22,560,417.00	\$21,658,000	\$4,512,083	\$0	\$26,170,083
1997	\$7,070,048.00	\$6,787,246	\$1,414,010	(\$4,144,404)	\$4,056,852
1998	\$15,076,774.00	\$14,473,703	\$3,015,355	(\$2,793,648)	\$14,695,410
1999	\$15,149,120.00	\$14,543,155	\$3,029,824	(\$2,928,024)	\$14,644,955
2000	\$15,007,311.00	\$14,407,019	\$3,001,462	(\$3,043,062)	\$14,365,419
2001	\$14,873,958.00	\$14,279,000	\$2,974,792	(\$3,055,635)	\$14,198,157
2002	\$14,907,024.00	\$14,310,743	\$2,981,405	(\$2,657,325)	\$14,634,823
2003	\$14,810,202.00	\$14,217,794	\$2,962,040	(\$2,641,353)	\$14,538,481
2004	\$14,819,112.00	\$14,226,348	\$2,963,822	(\$2,740,023)	\$14,450,147
2005	\$12,049,290.00	\$11,567,318	\$2,409,858	(\$2,969,208)	\$11,007,968
2006	\$9,790,700.00	\$9,399,072	\$1,958,140	\$0	\$11,357,212
2007	\$11,967,813.00	\$11,450,964	\$2,393,563	\$0	\$13,844,527
2008	\$7,585,900.00	\$7,282,464	\$1,517,180	\$0	\$8,799,644
2009	\$7,585,900.00	\$7,282,464	\$1,517,180	\$0	\$8,799,644
*2009	\$43,821,600.00	\$42,068,736	\$0	\$0	\$42,068,736
2010	\$22,783,000.00	\$21,871,680	\$4,556,600	\$0	\$26,428,280
2011	\$16,511,000.00	\$15,850,560	\$3,302,200	\$0	\$19,152,760
2012	\$15,803,000.00	\$15,170,880	\$3,160,600	\$0	\$18,331,480
2013	\$14,929,000.00	\$14,331,840	\$2,985,800	\$0	\$17,317,640
2014	\$15,678,000.00	\$15,050,880	\$3,135,600	\$0	\$18,186,480
2015	\$15,597,000.00	\$14,973,120	\$3,119,400	\$0	\$18,092,520
2016	\$14,940,000.00	\$14,342,400	\$2,988,000	\$0	\$17,330,400
2017	\$14,825,000.00	\$14,232,000	\$2,965,000	\$0	\$17,197,000
2018	\$17,948,000.00	\$17,230,000	\$3,589,600	\$0	\$20,819,600
2019	\$17,767,000.00	\$17,056,320	\$3,553,400	\$0	\$20,609,720
2020	\$17,770,000.00	\$17,059,200	\$3,554,000	\$0	\$20,613,200
2021	\$17,767,000.00	\$17,056,320	\$3,553,400	\$0	\$20,609,720
2022	\$33,884,000.00	\$32,758,427	\$4,577,700	\$0	\$37,336,127
2023	\$34,074,000.00	\$32,806,160	\$4,008,400	\$0	\$36,814,560
2024	\$36,936,000.00	\$35,199,628	\$6,911,600	\$0	\$42,111,228
2025	\$17,740,000.00	\$17,030,400	\$3,548,000	(\$2,007,891)	\$18,570,509

Net Assets of Program (as of 9/30/25)

Direct Loan Principal Outstanding:	521,461,470.50	
IJA Principal Outstanding:	17,360,000.00	
Available Cash and Investments:	221,133,418.33	*
Amount Due to Borrowers:	(136,687,641.93)	
Federal Letter of Credit Outstanding:	29,924,000.00	**
Total Net Assets:	635,831,246.90	

Exhibit 4: Intended Use Plans (IUPs)

State of Alabama

Alabama Department of Environmental Management
Clean Water State Revolving Fund Program



SRF Section
Permits and Services Division
Alabama Department of Environmental Management
Post Office Box 301463
Montgomery, Alabama 36130-1463

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Clean Water State Revolving Fund (CWSRF) Intended Use Plan



Fiscal Year 2025
Final – September 2025

Final Amendment - December 2025

Amendments to the IUP were open for public comment from October 22 – November 24, 2025
No comments were received during this public notice period

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ATTACHMENT 1 – PROJECT PRIORITY LIST

ATTACHMENT 2 – PROJECT DESCRIPTIONS

ATTACHMENT 3 – ALABAMA CWSRF A/E PROCUREMENT REQUIREMENTS

ATTACHMENT 4 – ADDITIONAL SUBSIDIZATION AND AFFORDABILITY CRITERIA

ATTACHMENT 5 – ALABAMA CWSRF PRE-APPLICATION FORM

I. Introduction:

As required by Title VI of the Clean Water Act, each year the Department must prepare an Intended Use Plan (IUP) identifying the projected uses of funds available in its Clean Water State Revolving Fund (CWSRF). This Intended Use Plan (IUP) serves as a basis for the development of the capitalization grant payment schedule. In accordance with the Clean Water Act (CWA) Amendments of 1987, the Department proposes the following plan for the intended use of the CWSRF funds as required by Section 606(c) of the CWA.

The State of Alabama will receive EPA Capitalization Grants in the amount shown in Table 1 below for the CWSRF program. The capitalization grant funds for the CWSRF and the State matching funds will be distributed as outlined by this plan.

Table 1

Program	Capitalization Grant Amount	Matching Funds*	Total**
Clean Water State Revolving Fund (CWSRF)	\$17,740,000	\$3,548,000	\$21,288,000
Totals:	\$17,740,000	\$3,548,000	\$21,288,000

*Note: Matching funds of 20% of the grant are required for the CWSRF program.

**Note: Total of capitalization grant and match. Projected repayments and state funds from previous fiscal years are included in Table 2 in this IUP.

The State match requirements will be fulfilled by an overmatch of State Match Bonds issued in previous years (CWSRF), State Appropriations, and the Fund Fee. See projected sources in Table 2 for more information.

ADEM has set its short- and long-term goals of this IUP to align with EPA's strategic goals and objectives *FY 2022-2026 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 of the specific commitments made by the State are properly correlated to the strategic goals and objectives of the Agency.

Alabama agrees to comply with all Civil Rights Laws, including The Age Discrimination Act of 1975, Section 504 of the Rehabilitation Act of 1973, and Title VI of the Civil Rights Act, which prohibits discrimination in the provision of services or benefits, on the basis of race, color, national origin, sex, handicap or age.

II. Program Goals (Outputs/Outcomes):

1. To protect the public health and the environment and promote the completion of cost-effective wastewater treatment facilities.
1. To maintain the CWSRF program and the fiscal integrity of the fund.
2. To provide a self-perpetuating source of financial assistance for the construction of public wastewater treatment and transport facilities needed to meet water quality standards and provide capacity for future growth.
3. To assure that all Municipal NMP facilities achieve compliance as soon as possible.

4. To assure that all municipal facilities achieve compliance with final effluent limits as soon as possible.
5. To assist in the maintenance of water quality standards wherever such standards are adversely affected by municipal wastewater point sources.
6. To meet public health and environmental needs of those communities with malfunctioning on-site treatment systems that are either identified as a health hazard by the State Health Department or that adversely affect water quality.
7. Reserved
8. To build resiliency and reliability within wastewater systems by ensuring projects are preparing for emergencies, disasters, and climate change.

C. Program Changes

No programmatic changes are proposed for this fiscal year.

III. Sources and Use of the Funds:

The Department is expected to fund FY 2025 projects using a combination of interest earnings on the Fund, repayments from direct loans and the EPA Capitalization Grant. Match for the EPA Grant will be fulfilled by overmatch of State Match Bonds issued in previous years. The estimated sources and uses of funds in the FY2025 CWSRF program are as follows:

A. Projected Sources

Table 2A: CWSRF Capitalization Grant

2025 EPA CWSRF Cap Grant:	\$17,740,000
CWSRF State Match	\$3,548,000
Estimated Loan Repayments and Interest Earnings for 2025 Cap Grant	\$17,471,433 ¹
Loan Repayments and Interest Earnings from Revolving Fund	\$74,251,105 ²
Total:	\$95,539,105²
Overall Total:	\$113,010,538³

Note 1: Estimated future repayments and interest earnings from FY25 loans.

Note 2: Approximate total funds available based on projected fiscal year funding allotments and repayments for FY25. Actual totals are provided in the annual report at the end of each fiscal year.

Note 3: Estimated repayment funds from FY25 Capitalization Grant are not included in project totals. These funds will be included in future fiscal year(s)' IUPs as repayments are received.

B. Projected Uses

Table 3A: CWSRF Capitalization Grant

Project Assistance:	\$80,914,139
Administrative Costs (4% of Cap Grant – \$17,740,000):	\$709,600
Small Systems Technical Assistance (2%):	\$0
Total:	\$81,623,739

The current projected sources of funds exceed the projects listed on Project Priority List included in Attachment 1; however, the surplus funds are from ADEM's loan repayments and interest earnings from revolving funds and can be used for projects in future IUPs.

The amount reserved for administrative costs is equal to 4% percent of the Cap Grant (\$17,740,000). Additional information on Administrative and all set-asides is detailed in the "Set-Aside" section below.

The rate of cash draws from the federal capitalization grant will be based on dollar-for-dollar draws of direct loan projects. Consistent with EPA policy, draws from the federal grant for these direct loan projects are required to be proportional to the disbursement of state match funds to borrowers for eligible project costs. The State intends to manage its disbursements to borrowers to insure that State funds are spent first in order to ensure that the proportionality requirement is met expeditiously. This technique is necessary to ensure that direct loan borrowers funded from federal capitalization grants are able to receive requisitioned funds in a timely manner. It should be noted that overmatch from previous years' programs will be used to match the grant in addition to the appropriation provided by the State Legislature.

C. Leveraging

The Department does not intend to issue CWSRF revenue bonds for new projects during fiscal year 2025.

D. Financial Terms of Loans

The Fund may offer loans for up to 100 percent of allowable project costs for the construction of water treatment and distribution facilities and may offer a range of options regarding the term, interest rate and level of loan funding. Such loans must be made at or below market interest rates as determined by the Department. Loan interest rates will usually be set approximately 1% - 1.5% less than the AAA rated tax exempt municipal bonds. For fiscal year 2025 the Department will maintain an interest rate of 0.1% for all loans. A fee ranging from 1.89% - 2.65% is assessed for all loans except for 100% principal forgiveness loans. See the Program Income section below for additional information.

The total term financing shall not exceed 20 years or, under special circumstances, 30 years may be considered. Repayments shall commence after completion of construction or within 3 years for which such financial assistance was made. Financial assistance repayments shall be made in accordance with the repayment schedule indicated in the recipient's financial agreement. Principal and accrued interest with respect to a particular financial agreement may be prepaid in accordance with the provisions of the financial agreement. Interest shall accrue from the estimated date of the execution of the DWSRF financial agreement.

Project fund disbursements to recipients at intervals as work progresses and expenses are incurred and approved.

The specific terms and conditions of the funds shall be incorporated in the financial agreement to be executed by the recipient and the Department.

E. Extended Term Financing

Section 603(d)(1)(A) authorizes CWSRF loans to be made for a term not exceeding the lesser of 30 years or the useful life of the project. The total term financing shall not exceed 20 years or, under special circumstances, 30 years may be considered.

F. Transfer of Funds

In accordance with 40 CFR 35.3530, the Department reserves the right to transfer funds from the Clean Water State Revolving Fund (CWSRF) to the DWSRF. Funds transferred from the CWSRF to the DWSRF are to be used to fulfill the DWSRF infrastructure financing demand as needed.

IV. Water Resources Reform and Development Act

The Water Resources Reform and Development Act (WRRDA) was enacted on June 10, 2014 and brought several changes to the CWSRF program.

A. Fiscal Sustainability Plans

The Federal Water Pollution Control Act (FWPCA) Section 603(d)(1)(E) requires a recipient of a loan for a project that involves the repair, replacement, or expansion of a publicly owned treatment works to develop and implement a Fiscal Sustainability Plan (FSP) or certify that it has developed and implemented an FSP. This provision applies to all loans for which the loan recipient submitted an application on or after October 1, 2014.

The Alabama CWSRF program provides all assistance by purchasing outstanding debt obligations (bonds) from the borrower, thus this requirement does not apply. The Alabama CWSRF program commonly refers to these bond purchase agreements as “loans”, though they are not loans as defined by EPA.

B. Architectural and Engineering (A/E) Services Procurement

For any capitalization grant awarded after October 1, 2014, the State must ensure that all A/E contracts for projects identified as using funds directly from each year’s 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. If a project is utilizing federal funds (“equivalency”) then the Alabama CWSRF requires its recipients to comply with the *September 30, 2014 Alabama CWSRF A/E Procurement Requirements* (See Attachment 3). For projects which are not considered equivalency, procurement of A/E services would follow the requirements of State Bid Law. Since 2024, the SRF has placed all A/E services in “non-equivalency” funding when practicable.

C. Cost and Effectiveness Certification

Section 602(b)(13) requires that CWSRF recipients certify that the recipient has studied the cost and effectiveness of the project and selected the project that maximizes the potential for efficient water use, reuse, recapture and conservation, and energy conservation. The Alabama CWSRF program is requiring each recipient of CWSRF funding to provide a certification in compliance with 602(b)(13). This certification can be found on page 14 of the CWSRF Loan Application (Form 339 M-2).

D. Additional Subsidy and Affordability

Additional subsidy in the form of principal forgiveness shall be made available in total of the required amount for the States 2024 Capitalization Grant Appropriation or the cap set at 603(i)(3) of the Federal Water Pollution Control Act, whichever is less. Additional subsidy will be provided in rank order to projects as determined by the Affordability Measure for Alabama. In addition, additional subsidy may be

provided to an eligible project that meets Section 603(i)(1)(B) Clean Water Act requirements at a greater than 50% project cost ratio. Each project may receive principal forgiveness until the maximum amount has been allocated. The Affordability Measure Guidelines for Alabama can be found on Attachment 4.

E. Extended Term Financing

Section 603(d)(1)(A) authorizes CWSRF loans to be made for a term not exceeding the lesser of 30 years or the useful life of the project. The total term financing shall not exceed 20 years or, under special circumstances, 30 years may be considered.

V. Project Selection and Methods of Distribution of Funds

A. Priority List

In order to be considered for CWSRF assistance, projects must be on or added to the Priority List and have a proposed project schedule that coincides with the availability of CWSRF funds. The CWSRF project list was developed by identifying the priority point rating for each proposed project. (See Attachment 5). The funding of such projects is also subject to the availability of funds. The Mobile Area Waterworks & Sewer System (MAWSS) (\$23,500,000) (\$) will be used as the equivalency project for the fiscal year 2025 capitalization grant.

Projects on the CWSRF Project List are ranked by their respective priority point rating and may be funded according to availability of funds. Projects that are not funded from the Project List may be funded in subsequent years.

The State reserves the right to fund projects not on the priority list, on an emergency basis, if funds are available. Emergency projects would include those where some type of failure was unanticipated and requires immediate attention to protect public health. Additionally, supplemental loans may be issued to previous recipients as needed to complete segmented projects or to cover cost overruns. See Attachment 1.

B. Additional Subsidization

Additional subsidy in the form of principal forgiveness shall be made available in total of the required amount of the 2025 Capitalization Grant Appropriation or the cap set at 603(i)(3) of the Federal Water Pollution Control Act, whichever is less. The attached project list attachment includes projects that may receive principal forgiveness based the subsidy criteria. The Department has authority to provide additional subsidization by the Code of Alabama Section 22-34-3(a). *For the FY25 CWSRF Base Capitalization Grant, a congressional mandatory 10% (\$1,774,000) must be provided as subsidization to eligible recipients. Also, an additional subsidization between 10-30% (\$1,774,000 - \$5,322,000) must be provided to disadvantaged communities. Therefore, a minimum of \$3,548,000 to a maximum of \$7,096,000 must be given out as subsidization from the CWSRF Base Capitalization Grant.*

Table 4: Additional Subsidization Requirements

Program	Minimum	Maximum
CWSRF	\$3,548,000 (20%) ¹	\$7,096,000 (40%) ²
Total	\$14,286,010	\$16,111,810

Note 1: Minimum of 10% Congressional mandate and 10% to disadvantaged communities (20% total).

Note 2: Maximum of 30% Congressional mandate and 10% to disadvantaged communities (40% total).

Note 3: BIL requires 49% total.

C. Green Project Reserve

The EPA capitalization grant requires that, to the extent there are sufficient eligible project applications, not less than 10% of funds provided by the 2025 Capitalization Grant for projects must be used for projects that address green infrastructure, water or energy efficiency, or other environmentally innovative activities. These four categories of projects are the components of the Green Project Reserve (GPR). The Department actively solicited for green infrastructure projects. This solicitation included a notice posted on the ADEM website as well as a notice sent to approximately 1,000 addresses on the Department's contact list including all incorporated towns and all county governments. The project fundable list identifies projects totaling the amount in Table 5 below.

Table 5: Green Project Reserve

Program	Green Project Reserve Amount
CWSRF	\$3,902,800 (22%)
Total	\$3,902,800

D. Prevailing Wages

Davis-Bacon wage requirements apply for fiscal year 2025 and each fiscal year thereafter and the requirements of section 513 of the Federal Water Pollution Control Act (33 U.S.C. 1372) shall apply to the construction of treatment works carried out in whole or in part with assistance made available by the CWSRF as authorized by title VI of that Act (33 U.S.C. 1381 et seq.). The Department will include in all loan agreements and procurement contracts terms and conditions requiring compliance with this requirement.

E. Build America, Buy America (BABA)

Build America, Buy America (BABA) apply for this fiscal year 2024 and each fiscal year thereafter. BABA will be required for eligible projects funded through the Clean Water State Revolving Fund (CWSRF) unless a waiver is granted.

BABA is considered a federal cross-cutting requirement that applies to SRF assistance equivalent to the federal capitalization grant (i.e., "equivalency" projects). EPA's SRF regulations at 40 CFR 35.3145 and 35.3575 require states and recipients of SRF funds equivalent to the amount of the federal capitalization grant to comply with federal cross-cutting requirements. Section 70914 of the IIJA, which states when a Buy America preference applies, explains that "none of the funds made available for a Federal financial assistance program for infrastructure...may be obligated for a project unless all of the iron, steel, manufactured products, and construction materials used in the project are produced in the United States." Therefore, BABA only applies to projects funded in an amount equivalent to the federal capitalization grant.

F. Distribution of Funds to Set-Aside Accounts

EPA provisions allow funds to be set aside from the State Revolving Fund Capitalization Grant for activities such as administration of the SRF Program, operator training and technical assistance, and special projects focused on CWSRF eligible activities. These activities are discussed in "Set-Aside Activities" below.

G. Selection of Systems to Receive Assistance

To the maximum extent possible, the CWSRF gives priority for the use of the funds to projects that are the most serious risk to human health and are necessary to ensure compliance with the Clean Water Act and Amendments.

The criteria for ranking projects gives priority to projects that:

1. promote compliance with the Clean Water Act;
2. improve water quality;
3. increase energy and water efficiency;
4. promote sustainability;
5. and the applicant is financially capable of receiving a loan.

These considerations are addressed by the Priority Ranking Criteria found in ADEM Administrative Code R. 335-11-1-.04 and in the CWSRF pre-application provided in Attachment 6.

Projects on the priority list shall be ranked in descending order of the point rating assigned to each project. In the event two or more projects are assigned an identical point rating, such projects shall be ranked in accordance with the following criteria: The project that serves a community with the lowest median household income shall be ranked first. In the event the projects have identical median household incomes, the project with the lowest total cost will be ranked first.

A project on the fundable portion of the list may be bypassed and the next eligible project funded if it is determined that the project will not be ready to proceed during the funding year. Projects that have been bypassed may be funded at a later date when the project is ready to proceed. Should a system on the funded list decline the loan, the next ranked project shall be offered access to all or a portion of these funds.

Any changes to the IUP, including the addition of projects not listed on the IUP at the time of solicitation for public comment, will require an additional public comment period of 30 days. The Department will resolicit this IUP for notice if changes are made in future fiscal year(s).

F. Inadequate Allocations

If the actual federal CWSRF allocations are less than anticipated by the Department in the development of the CWSRF priority list, the Department may find it necessary to reduce their commitments to projects on the priority list. The Department may take formal action to reduce the number of commitments in accordance with subparagraph 3) of this paragraph.

- 1). The Department may redistribute the CWSRF funds allocated to each project.
- 2). The Department may redistribute funds from lower priority projects to higher priority projects.
- 3). The Department may bypass projects on the priority list in accordance with Section H, below.

G. Unanticipated and Uncommitted Funds

If unanticipated or uncommitted funds become available, the Department may take action to distribute them in accordance with subparagraphs 1-2 of this paragraph:

- 1). The Department may use the unanticipated or uncommitted funds to fund the highest priority project(s) from the priority list.

2). The Department may use the unanticipated or uncommitted funds to increase the amount of funds allocated to CWSRF fundable projects or to provide increased assistance to projects which have already received CWSRF assistance.

Additionally, supplemental loans may be made to previous recipients as needed to complete segmented projects or to cover unanticipated cost overruns.

H. Project Bypass/Reallotment

The Department may bypass any project on the CWSRF priority list that is not, in the Department's opinion, making satisfactory progress in satisfying requirements for CWSRF assistance. Bypassed projects will be removed from the priority list. In determining whether or not a project is making satisfactory progress in satisfying the requirements for CWSRF assistance, the Department shall use the criteria contained in subparagraphs 1-6 of this paragraph. Funds released through project bypass will be considered as uncommitted and available for redistribution in accordance with this section.

1). Any project on the CWSRF Priority List may be bypassed if the applicant fails to submit a complete CWSRF application.

2). The Department may use individual project schedules developed by the Department to determine whether or not the project is making satisfactory progress during the fiscal year.

3). In order to comply with EPA certification restrictions related to equivalency requirements, it may be necessary to bypass projects which have not complied with Title II requirements and other federal authorities.

4). Any project on the CWSRF Priority List may be bypassed if the applicant fails to demonstrate the ability to repay the loan.

5). To maintain the fiscal integrity of a leveraged loan program or provide funds for new construction, the Department may choose to bypass projects which involve refinancing of existing debt.

6): Projects may be removed from the priority list at the request of the applicant or if the Department finds that the project is ineligible for CWSRF assistance.

VI. Set-Aside Activities

A. Administrative Set-Aside (4% or 1/5% of position)

SRF Guidelines allow states to set aside 4% of the Capitalization grant or 1/5% of the position of the fund for SRF administrative costs. Administrative funds of \$709,600 (4% of Cap Grant – \$17,740,000) will be used to pay costs for personnel, travel and training, equipment, supplies, audit fees, and indirect costs associated with implementing the SRF program.

B. Small Systems Technical Assistance (2%)

SRF Guidelines allow states to set aside 2% of the Capitalization grant for Small Systems Technical Assistance. The Department will not reserve any funds for this from the 2025 Capitalization Grant. The Department will use past year's funds remaining to provide small systems technical assistance. Small systems technical assistance funding will be used to develop a program to identify needs, develop projects, apply for funding, design and implement projects, and create training specifically for malfunctioning on-site treatment systems.

VI. Certifications

1. The Department certifies that this IUP will be subject to public review and comment with a public notice period of 30 days.
2. The Department certifies that all wastewater facility projects in this IUP are on the CWSRF Priority List.
3. The Department certifies that it will enter into binding commitments for 120% of each payment under the CWSRF capitalization grant within one (1) year after receipt of each payment.
4. The Department certifies that it will expend all funds in the CWSRF in an expeditious and timely manner.
5. The Department certifies that all wastewater facilities in the state are in compliance with enforceable requirements or are making progress toward meeting those requirements except as specifically noted in the IUP.
6. The Department certifies that all facilities funded by the CWSRF shall complete a NEPA-like environmental review process.
7. The Department certifies that it will comply with all requirements of the 1997 Operating Agreement with EPA.
8. The Department certifies that it will complete a Benefits Assessment worksheet for each loan agreement executed in order to comply with EPA environmental results reporting requirements.
9. The Department certifies that it will provide CWSRF assistance to the extent there are sufficient eligible project applications, not less than 10% of the CWSRF Capitalization Grant for projects to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities. These four categories of projects are the components of the Green Project Reserve. (Deliverable)
10. The Department certifies that it will provide CWSRF loans with additional subsidization in the form of principal forgiveness for not less than 20% (\$3,548,000) and not more than 40% (\$7,096,000) of the CWSRF Capitalization Grant as required by the Clean Water Act and Congressional appropriation. (Deliverable)
11. The Department certifies that it will implement the State's CWSRF in compliance with Title VI of the Clean Water Act and to ensure conformance with Federal crosscutting issues as required by the 1987 Clean Water Act amendments.
12. The Department certifies that it will ensure compliance with the "first use" requirements which require that CWSRF assistance be available to projects which are members of the National Municipal Policy (NMP) universe; projects which have legally enforceable compliance schedules. (Deliverable)
13. The Department certifies that it will achieve statewide compliance with Federal and State water quality standards, particularly with the NMP as rapidly as possible. (Deliverable)

VII. Program Income:

The Alabama Water Pollution Control Authority, with ADEM as its agent, assesses an annual fee based on outstanding loan principal. These fees vary based on the fiscal year to which the loan agreement was secured and are collected twice a year when the recipient initiates repayment of the loan. In accordance with *Guidance on Fees Charged by States to Recipients of Clean Water State Revolving Fund Program Assistance*, published October 20, 2005, fees collected from loans sourced from outstanding grants will be used for administration of the SRF fund only. All other fees will be used to provide fee income for the Department's CWSRF Direct Loan Fund and assist in the implementation of the Department's Water and Field Operations Divisions. The expected interest rate for projects funded in fiscal year 2025 is a range of 1.99% - 2.75% total. This includes 0.1% in interest and the remaining percentage in fees collected by the Department.

The Department expects to receive fees during FY 2025 as follows:

CWSRF Capitalization Grant

Total Program Income	Program Income Collected During Grant Period	Program Income Collected After Grant Period
\$2,799,270.09	\$0.00	\$2,799,270.09

VIII. Estimated CWSRF Capitalization Grant Payment Schedules:

A. Estimated Grant Draw Schedule

Table 6A: CWSRF Capitalization Grant

Fiscal Year	Month	Draw
2025	Oct	\$1,480,000
2025	Nov	\$1,480,000
2025	Dec	\$1,480,000
2025	Jan	\$1,480,000
2025	Feb	\$1,480,000
2025	Mar	\$1,480,000
2025	Apr	\$1,480,000
2025	May	\$1,480,000
2025	Jun	\$1,480,000
2025	Jul	\$1,480,000
2025	Aug	\$1,480,000
2025	Sep	\$1,480,000
Total		\$17,740,000

B. Estimated Grant Disbursal Schedule

CWSRF Capitalization Grant

Payment Quarter	Payment Date	Payment Amount
FY2026/Quarter 1	October 1, 2025	\$8,870,000
FY2026/Quarter 2	January 1, 2026	\$8,870,000

Payments are defined as increases to the amount of funds available from the federal SRF capitalization grant. This draft payment schedule is based on the State's projection of binding commitments and disbursements from the SRF to the members of the SRF project list. The disbursement schedule will essentially coincide with the grant payment schedule as ACH draw requests will be processed only upon submittal of payment requests from loan recipients for actual costs incurred. Funds from the ACH will be disbursed to the recipient immediately. The disbursement of funds will be in proportion to the amount of state and federal funds provided by the grant and state match. This will be ensured by disbursing all state match funds prior to drawing capitalization grant funds for project disbursements.

C. Capitalization Grant Budget Periods

2025 EPA CWSRF Capitalization Grant

October 1, 2025 through September 30, 2031

IX. Public Participation

The IUP was provided for public comment on October 22, 2025 for a period of 30 days. No comments were received. Any changes to the IUP, including the addition of projects not listed on the IUP at the time of solicitation for public comment, will require an additional public comment period of 30 days. The Department will re-solicit this IUP for notice if changes are made in future fiscal year(s).

X. Reporting

1. Annual reports are required for the CWSRF and BIL General Supplemental Capitalization Grant. Each annual report is due on December 30 following each fiscal year. The annual report for the 2025 CWSRF funding will include the results from the period of October 1, 2025 through September 30, 2026 and will be submitted on or before December 30, 2026. The annual report shall provide an update on the deliverables and milestones accomplished by the Department in the fiscal year.
2. The Department will submit information on projects into the CWSRF Nation Information Management System (NIMS) as binding commitments are entered into with the borrowers as proposed in this IUP. The projects will be updated in NIMS at a maximum of one quarter after the binding commitment close date.

ATTACHMENT 1: PROJECT PRIORITY LIST

Project #	Applicant Name	Project Description	City/Town	County	Population	Disadvantaged Rank	Priority Ranking Points	CW SRF PF%	Applied for Project Amount	Interest Rate
CS010305-08	Eutaw, City of	Sewer System and WWTP Rehab	Eutaw	Greene	3,000	3	SUPP	100%	\$1,502,162	NA
CS011044-01	Gadsden Water Works & Sewer Board	Sanitary Sewer System Improvements	Gadsden	Etowah	37,014	2	SUPP		\$1,893,750	2.20%
CS010281-25	Mobile, AL (MAWSS), Board of Water and Sewer Commissioners of the City of**	Master Plan SRF Wastewater Projects Phase II - Years 2024 - 2027	Mobile	Mobile	195,457	3	SUPP		\$23,500,000	1.99%
CS010468-08	Albertville, The Municipal Utilities Board of	Eastside WWTP Imp.	Albertville	Marshall	20,804	1	135		\$750,000	1.99%
CS010993-01	Sumter County Sewer Authority, Inc.	SCSA Sewer Improvements - Supp to ARPA	Emelle	Sumter	431	4	120	85%	\$520,000	1.99%
CS010911-01	Brent, City of	Lagoon Improvements at the Brent-Centreville Wastewater Treatment Facility	Brent	Bibb	4,822	4	110	10%	\$3,039,541	1.99%
CS010900-01	East Alabama Water, Sewer & Fire Protection District	Sanitary Sewer System Improvements	Valley	Chambers	9,512	2	105		\$2,691,000	1.99%
CS010895-01	West Blocton, Town of	Sewer System Improvements	West Blocton	Bibb	1,605	4	90		\$1,972,397	1.99%
CS010602-05	Chickasaw, City of	Chickasaw Sanitary Sewer Rehabilitation	Mobile	Mobile	6,283	3	90	25%	\$2,000,000	1.99%
CS010912-01	Bridgeport, Utilities Board of the City of	Bridgeport WWTP Improvements	Bridgeport	Jackson	2,095	3	80		\$7,000,000	1.99%
CS010254-19	Prattville, City of	Fay Branch Sewer Creek Crossing Improvements	Prattville	Autauga	32,783	0	75		\$5,359,800	1.99%
CS010396-08	Fort Payne, City of	Upgrades of Collection System - Phase II	Fort Payne	DeKalb	13,997	2	30		\$5,000,000	1.99%
CS010929-02	East Brewton	Sanitary Sewer Extensions (Lift Stations and Lagoon)	East Brewton	Escambia	2605	5	SUPP		\$600,000	1.99%
CS010038-05	Demopolis	Sanitary Sewer Downtown Collection System Improvements	Demopolis	Marengo	7,520	3	SUPP		\$3,896,841	1.99%
CS010038-06	Demopolis	WWTP Upgrade (Needed for Union Town Waste Load)	Demopolis	Marengo	7,520	3	SUPP	100%	\$2,416,358	NA
CS010863-02	Tuscumbia Utilities	WWTP Upgrade	Tuscumbia	Colbert	8,359	3	175		\$10,153,628	1.99%
CS010998-01	Thorsby, Alabama, Town of	Sewer Pump Station Rehab - Supp	Thorsby	Chilton	2,202	2	SUPP		\$246,400	1.99%
CS010835-04	Troy, City of	Troy - Walnut Creek WWTP Rehabilitation	Troy	Pike	19,500	2	SUPP		\$2,208,647	2.75%
CS010337-05	Town of Flomaton	WWTP & Lift Station Upgrades	Flomaton	Escambia	1440	4	SUPP		\$350,000	2.75%
CS011107-02	Uniontown, City of	Uniontown Sewer Improvements	Uniontown	Perry	1,875	4	35		\$59,350	NA
CS010403-05	LaFayette, City of	Wastewater Improvements	LaFayette	Chambers	4,600	3	65		\$300,000	1.99%
CS010266-06	New Brockton, Water Works and Sewer Board of the Town of	Chlorination and De-Chlorination Equipment	New Brockton	Coffee	1,636	3	SUPP	100%	\$190,000	NA
CS010994-02	Town of Pine Hill	CW Supplemental	Pine Hill	Wilcox	901	4	SUPP		\$513,470	1.99%
CS010981-02	Samson, City of	WW Collection Rehabilitation	Samson	Geneva	2,217	5	SUPP	100%	\$1,250,795	NA
CS010621-08	Northport, City of	Twomile Creek Trunk Sewer Improvements Project	Northport	Tuscaloosa	22,920	0	120		\$3,500,000	2.20%
25 Total Projects										
								\$7,061,200	\$80,914,139	

** MAWSS is the "Equivalency" Project & the "Green Project Reserve" Project

ATTACHMENT 2 – CW PROJECT PRIORITY DESCRIPTIONS

Albertville, The Municipal Utilities Board of – Eastside WWTP Improvements (SUPP)

The Municipal Utilities Board of Albertville proposes to improve the Eastside Wastewater Treatment Plant (WWTP), including improvements to the Anoxic Zone, Secondary Clarification, Digestion, and Solids Handling. The proposed project would result in increased reliability and allow Albertville to maintain permit requirements for existing customers.

Brent, City of – Lagoon Improvements at the Brent-Centreville Wastewater Treatment Project

The City of Brent proposes a project to make improvements to the lagoon at the Brent-Centreville Wastewater Treatment Plant. Proposed improvements consist of removing the sludge from the first lagoon, addition of a bar screen, installation of force mains, replacement of the existing U.V. System, replacement of lagoon pumps, installation of an automatic valve, addition of baffles, addition of fine bubble tubing, addition of two air compressors and replacement of the stand-by generator. Completion of this project will improve the overall operation and efficiency of the lagoon.

Bridgeport (The Utilities Board of the City of) – WWTP Improvements

The Utilities Board of the City of Bridgeport proposes to upgrade the Wastewater Treatment Plant (WWTP) and the sanitary sewer collection. The project includes upgrading the raw sewage pumping station, influent screen, and influent flow meter, adding directional aerators to lagoons, upgrade piping in valves, constructing a new chemical feed building and chlorine contact chamber, replacing existing outfall line and manholes, dredging lagoons, and adding SCADA. It also includes installing new pumps at the existing Widow's Creek Industrial Park, replacing existing pump station number three, installing new sanitary sewer gravity mains from the downtown area, and addressing I&I problems. The project will ensure that continued compliance is met within the NPDES permit, improving effectiveness and reliability of the system.

Chickasaw, City of - Sanitary Sewer Collection System Rehabilitation: The City of Chickasaw proposes the wastewater collection system improvements, which will help to reduce inflow and infiltration (I/I), sanitary sewer overflows (SSOs) and base infiltration (BI) in wet and dry weather conditions, including improving discharge water quality by rehabilitating the existing Vitrified Clay Pipe (VCP) gravity sewer system. This improvement will enhance system reliability and extend the infrastructure's useful life by 50 years that serving approximately 2,300 customers.

Demopolis, City of – Downtown Sanitary Sewer Collection System Rehabilitation

The City of Demopolis proposes a project to rehabilitate the sanitary sewer collection system within the downtown area. Rehabilitation of these ageing sewers will reduce Inflow & Infiltration which will reduce the hydraulic loading at the Waste Water Treatment Plant resulting in longer retention times and treatment efficiencies for waste water treatment. Correcting Infiltration will protect groundwaters. This loan is to complete an ongoing project. These improvements will benefit all citizens of Demopolis.

Demopolis, City of – Waste Water Treatment Plant Improvements

The City of Demopolis proposes a project to make improvements to the Wastewater Treatment Plant to accommodate the waste water flows which will be received from the Uniontown waste water collection system . Headworks upgrades seek to expand the flow handling capability of the structure while providing a higher level of screening performance. New mechanical screens with compactors will be installed in modified, elevated concrete channels. The hydraulic bottleneck of the facility has been the 24” line from the headworks to the aeration basin. A second, parallel 30” line is proposed to increase flow and to add a safeguard against the failure of either primary conveyance pipe. Treatment capacity is limited by the existing secondary clarifiers. At times of high flow, the blankets within the clarifiers can grow and result in excessive solids loss. The addition of a third clarifier is proposed as part of the project to increase capacity and redundancy. Disinfection processes for the effluent will also be improved along with solids handling and telemetry improvements.

East Alabama WS&FP District – Sanitary Sewer System Improvements

East Alabama WS&FP District proposes to relocate the Langdale Lift Station to an area that is outside of the 100-year flood plain. The project includes the installation of new modern pumps and controls. The proposed improvements will lower system operations and maintenance costs and eliminate regulatory compliance and environmental issues related to overflows.

East Brewton – Town of – Lift Station Rehabilitation (SUPPL)

The Town of East Brewton proposes to rehabilitate sanitary sewer lift stations within the collection system. This loan is a supplement to complete the work that was begun with an ARPA Grant. Rehabilitation of these sewage lift stations will prevent sanitary sewer overflows and thereby protect the receiving stream and health of the community.

Eutaw, City of – Sewer System and WWTP Rehab (SUPP)

The City of Eutaw proposed Lagoon improvement, six pump stations rehabilitation, and Boligee manhole rehabilitation, including gravity collection systems improvements to maintain permit compliance. The proposed project helps reduce inflow and infiltration (I/I), prevent blockage, and prevent sanitary sewer overflows (SSO). This is a Supplemental request for funding to continue the project toward completion.

Town of Flomaton – WWTP & Lift Station Upgrades

The Town of Flomaton proposes to continue improvements as indicated in the 2023 IUP which included installation of submerged aerators, onshore blowers, lab equipment improvements, and major lift station rehabilitation. The proposed project would allow Flomaton to remain in compliance with permit requirements and improve reliability of the system for existing customers.

Fort Payne, City of – Upgrade of Collection System – Phase II

The City of Fort Payne is to replace the Airport Road Pump Station and force main with a gravity sewer line. In addition, three additional sewer pump stations will be eliminated in favor of gravity sewer lines. The proposed project will reduce I&I and improve reliability and sustainability.

Gadsden (WW&SB of the City of) – Wastewater Collection System Upgrades (SUPP)

The Water Works and Sewer Board of the City of Gadsden proposes to continue an ARPA funded project to upgrade the wastewater collection system. The project includes rehabilitation of existing mains and sewer laterals using CIPP, completion of point repairs on all mains and laterals in which it is determined that a liner system cannot be installed, and rehabilitation or replacement of all deficient manholes. The project will reduce infiltration and inflow (I&I), reduce the frequency and severity of Sanitary Sewer Overflows (SSOs), and improve the ability of the WWTPs to meet percent removal requirements.

LaFayette - Wastewater Improvement Service

The City of LaFayette proposes to rehabilitate the raw sewage influent pump, to replace the grit removal system, upgrade the sewer and grease removal system and the existing control system. A new bar screen is also proposed. Completion of this project would result in continued compliance.

Mobile, AL (MAWSS), Board of Water and Sewer Commissioners of the City of - Master Plan SRF Wastewater Projects Phase II – Years 2024 –2027 (SUPP)

This is a Supplemental request for continued funding for Phase II Master Plan CWSRF. The Mobile Board of Water and Sewer Commissioners (MAWSS) proposed implementation of Mobile's CWSRF Master Plan Phase II to replace the Perch Creek lift station, including the force main, the Faye Lane lift station, and the Halls Mill 36-inch Prestressed Concrete Cylinder Pipe (PCCP) parallel line. The proposed project also upgrades and replaces Wright Smith Jr. Wastewater treatment plant (WWTP) electrical, including SCADA, and rehabilitation of sanitary sewer lateral and large diameter sewer Cured-In-Place pipe(CIPP). The proposed project included installing the new force main parallel to the existing 48-inch Eslava Creek force main. The project will ensure reliable, continuous operation, including but not limited to extending the overall service life of the infrastructure, increasing capacity, increasing performance, and resilience during wet weather events to mitigate sanitary sewer overflows(SSO).

New Brockton, Town of – Disinfection of Effluent Improvements Project

The Town of New Brockton proposes a project to make improvements to the waste water treatment system. Proposed improvements consist of replacing disinfection equipment and facilities for the treated effluent that have exceeded their useful life which allow the Town of New Brockton to remain in compliance. This is a supplemental loan to complete an existing ARPA funded project.

Northport, City of – Twomile Creek Trunk Sewer Improvements Project

The City of Northport proposes a project to make improvements to the sanitary sewer system. Proposed improvements consist of replacing sanitary sewer mains and manholes within the Twomile Creek sewer drainage basin area. Completion of this project will reduce I/I (Inflow/Infiltration), prevent future SSOs (Sanitary Sewer Overflows) and allow the City of Northport to remain in compliance.

Pine Hill, Town of – Sanitary Sewer Improvements

The Town of Pine Hill proposes a project to continue an existing wastewater treatment plant upgrade project. Proposed improvements consist of sludge removal at the lagoon, the replacement of an aeration system components, effluent structure screen cleaning, and miscellaneous SCADA and pipe modifications at the wastewater treatment facility along with pump and wet well replacement at a sewage lift station with a portable generator. Completion of this project will provide for more efficient and reliable wastewater treatment that would allow the Town of Pine Hill to remain in compliance.

Prattville, City of - Fay Branch Sewer Creek Crossing Improvements: The City of Prattville proposes a project that will replace aging gravity sanitary sewer main crossings over Fay Branch to ensure continued reliable service to its sanitary sewer system. The project consists of replacing multiple sewer crossings that have reached the end of their useful life. These gravity mains are critical components of a system that includes more than 30 miles of gravity sewers, force mains, and 8 sewer lift stations. Overall, the project will improve the integrity and functionality of the City's sewer infrastructure, helping prevent potential system failures and ensuring safe and efficient wastewater conveyance for the community.

Samson, City of – Sanitary Sewer Improvements

This funding is a continuation of an ARPA Grant project. The scope of the proposed work is to return the City back into compliance with their NPDES permit. The work will include the removal and replacing the vitrified clay and concrete pipe. Many of these lines are under Alabama Highway 87 and Highway 52. In 1984, sewer outfall lines were installed laterally along the side of creek banks. With the City's lack of equipment to maintain the easement, the sewer outfall lines have been inaccessible for years. Roots, fallen trees, flooding, etc. could have damaged the outfall sewer lines and/or manholes. Clearing of the easement, inspection, and repair of any damage lines and/or manhole will be included in the project scope,. he City's pumping stations have been repaired and patched over the years. These pumping stations will be upgraded and each provided with generators and automatic switchover controls. Improvements to the treatment plant will include a chlorination, de-

chlorination and a chlorinate contact facility will be provided for the plant's effluent. Completion of this project will provide for more efficient and reliable wastewater treatment that would allow the Samson to turn to compliance

Sumter County Sewer Authority, Inc. - SCSA Sewer Improvements(Phase II)

The Sumter County Sewer Authority, Inc. proposes improvements to the sewer system. Phase II, which will cover additional bid overrun and odor control relating to the ARPA Grant awarded in 2022 and the 2022 consent order that includes, but is not limited to, lagoon access, vegetation control, and effluent flow measurement. The proposed project also covers the cost to address the issue of the wastewater treatment facility (WWTF) influent pump station, gravity sewers, the existing Septic Tank Effluent Pump, and force main blockage from Geiger.

Thorsby, City of- Sewer Pump Station Rehabilitation

The City of Thorsby proposes to rehabilitate six pump stations. The project includes replacement of pumps, guide rails, electrical services and controls on six pump stations: Transfer Station, Peterson Avenue, Lagoon, Franklin Street, Garrison, and Boise. The project will allow Thorsby to maintain compliance with the current NPDES permit, prevent Sanitary Sewer Overflows (SSOs), and increase system efficiency.

Troy, City of

The City of Troy proposes to make improvements and upgrades to the existing Walnut Creek Wastewater Treatment Plant. It is proposed that a side stream treatment structure be constructed in which a portion of the flow will be diverted for targeted treatment with these flows being blended with other effluent prior to discharge. The side stream treatment process will consist of pumping systems, filtration, and a treatment unit located downstream of the clarifiers. Other improvements to Walnut Creek WWTP include repairs at the headworks bypass and oxidation ditch splitter box, installation of a backup generator, installation of a sludge transfer system and screw press for biosolids dewatering, and replacement of the existing UV disinfection equipment.

Tuscumbia Utilities – WWTP Upgrade

Proposes to refurbish the wastewater treatment plant. The project consists of abandoning and demolishing of the existing primary clarifier, recirculation pump station, and trickling filter; replacement of the existing secondary clarifier; construction of a three sequencing batch reactor (SBR); installation of a fixed-grid, fine-bubble diffused aeration system within each SBR basin along with the necessary floating mixer and decanting system; construction of a post-equalization basin; construction of a blower facility; and the addition of SCADA. Completion of these improvements will allow Tuscumbia Utilities to enhance its current treatment abilities and provide reliable and efficient treatment of the wastewater to maintain a clean, treated effluent discharge to preserve and protect public health.

Uniontown, City of – Sewer Improvements

The City of Uniontown proposes a project to replace portable bypass pumps with permanent pumps at lift stations within the sewer system. Completion of this project will provide Uniontown with a more economical option to maintain Sanitary System Overflows (SSOs) within the sewer system.

West Blocton, Town of – Sanitary Sewer Improvements

The Town of West Blocton proposes a project to upgrade the existing wastewater treatment plant. Proposed improvements consist of replacing existing treatment and monitoring equipment, upgrading phosphorus filter unit, repairing grit chamber, SCADA, building upgrades, electrical upgrades and improving access road to control building. Completion of this project will provide for a more efficient and reliable wastewater treatment that would allow the Town of West Blocton to remain in compliance.

Attachment 3: A/E Procurement Requirements

Alabama CWSRF A/E Procurement Requirements

Effective September 30, 2014 for all assistance agreements directly made available from the FY 15 (and later) capitalization grant.

It is the intent of the Alabama Clean Water SRF program that all assistance recipients select architectural & engineering services based on qualifications of the selected firm, not price. This reinforces Canon IV of the Board of Engineers and Land Surveyors' Code of Ethics, contained in the Board's regulations at 330-X-14-.05 (f):

The engineer or land surveyor shall not participate in or implement procurement practices (bid submittals) which do not first determine the qualifications of the engineer or land surveyor prior to entering into fee negotiations for services being sought. An engineer or land surveyor having submitted a statement of qualification and performance data, and having first been judged as the qualified individual or firm to provide the services required for the proposed project, may proceed to negotiate a contract with a client and establish compensation or fees for the required services.

Should the engineer or land surveyor be unable to negotiate a satisfactory contract with the client for any reason, the engineer or land surveyor shall withdraw from further consideration for the engineering or land surveying services. Another engineer or land surveyor may then be selected for negotiations of a contract for the services on the stated project.

Examples include but are not limited to, simultaneous negotiations or solicitation of fee proposals by the client from two or more engineers or land surveyors constitutes "bidding" and participation by a licensee is prohibited.

Use of a qualifications-based selection is also required by the Alabama Board for Registration of Architects, at 100-X-5-.10:

Architects are encouraged to seek professional employment on the basis of qualifications and competence for proper accomplishment of the work. This procedure restricts the architect from submitting a price for services until the prospective client has selected, on the basis of qualifications and competence, one architect or firm for negotiations.

CWSRF assistance applicants are required to certify the following:

1. That the applicant sought the most-qualified firm for professional services, by issuing a Request for Proposals (RFP) or a Request for Qualifications (RFQ).
2. That the applicant made a good faith effort to seek proposals or qualifications from at least 3 firms, as evidenced by a public notice, advertisement, or other appropriate means.
3. That the applicant evaluated the proposals or qualifications and selected a firm based on professional competency, past performance, specialized experience, and other factors deemed critical for success of the project.

4. That only upon making a selection based on qualifications did the applicant negotiate a contract and determine compensation. (If the applicant was unable to negotiate a contract with the most qualified firm, the applicant may then negotiate with the next-most-qualified firm)

ATTACHMENT 4

Alabama Clean Water State Revolving Fund Additional Subsidization and Affordability Criteria Effective September 30, 2015

Purpose:

This document establishes the additional subsidization and affordability criteria for the Alabama Clean Water State Revolving Fund. The criteria are effective September 30, 2015, and may be modified from time-to-time upon notice.

Background:

Section 603(i) of the Federal Water Pollution Control Act states the following:

Additional Subsidization-

(1) IN GENERAL - In any case in which a State provides assistance to a municipality or intermunicipal, interstate, or State agency under subsection (d), the State may provide additional subsidization, including forgiveness of principal and negative interest loans--

(A) to benefit a municipality that--

(i) meets the affordability criteria of the State established under paragraph (2);
or

(ii) does not meet the affordability criteria of the State if the recipient--

(I) seeks additional subsidization to benefit individual ratepayers in the residential user rate class;

(II) demonstrates to the State that such ratepayers will experience a significant hardship from the increase in rates necessary to finance the project or activity for which assistance is sought; and

(III) ensures, as part of an assistance agreement between the State and the recipient, that the additional subsidization provided under this paragraph is directed through a user charge rate system (or other appropriate method) to such ratepayers; or

(B) to implement a process, material, technique, or technology--

(i) to address water-efficiency goals;

(ii) to address energy-efficiency goals;

(iii) to mitigate stormwater runoff; or

(iv) to encourage sustainable project planning, design, and construction.

(2) AFFORDABILITY CRITERIA-

(A) ESTABLISHMENT-

(i) IN GENERAL - Not later than September 30, 2015, and after providing notice and an opportunity for public comment, a State shall establish affordability criteria to assist in identifying municipalities that would experience a significant hardship raising the revenue necessary to finance a project or activity eligible for assistance under subsection (c)(1) if additional subsidization is not provided.

(ii) CONTENTS- The criteria under clause (i) shall be based on income and unemployment data, population trends, and other data determined relevant by the State, including whether the project or activity is to be carried out in an economically distressed area, as described in section 301 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3161).

(B) EXISTING CRITERIA- If a State has previously established, after providing notice and an opportunity for public comment, affordability criteria that meet the requirements of subparagraph (A)--

(i) the State may use the criteria for the purposes of this subsection; and

(ii) those criteria shall be treated as affordability criteria established under this paragraph.

(C) INFORMATION TO ASSIST STATES- The Administrator may publish information to assist States in establishing affordability criteria under subparagraph (A).

(3) LIMITATIONS-

(A) IN GENERAL- A State may provide additional subsidization in a fiscal year under this subsection only if the total amount appropriated for making capitalization grants to all States under this title for the fiscal year exceeds \$1,000,000,000.

(B) ADDITIONAL LIMITATION-

(i) GENERAL RULE- Subject to clause (ii), a State may use not more than 30 percent of the total amount received by the State in capitalization grants under this title for a fiscal year for providing additional subsidization under this subsection.

(ii) EXCEPTION- If, in a fiscal year, the amount appropriated for making capitalization grants to all States under this title exceeds \$1,000,000,000 by a percentage that is less than 30 percent, clause (i) shall be applied by substituting that percentage for 30 percent.

(C) APPLICABILITY- The authority of a State to provide additional subsidization under this subsection shall apply to amounts received by the State in capitalization grants under this title for fiscal years beginning after September 30, 2014.

(D) CONSIDERATION- If the State provides additional subsidization to a municipality or intermunicipal, interstate, or State agency under this subsection that meets the criteria under paragraph (1)(A), the State shall take the criteria set forth in section 602(b)(5) into consideration.

Discussion:

On June 10, 2014, the Water Resources Reform and Development Act of 2014 was signed into law. Among the provisions of the Act is the new Section 603(i), which details how a state Clean Water State Revolving Fund (CWSRF) program may provide additional subsidization. It also requires that each program establish an affordability requirement that can be a consideration in granting additional subsidization.

The American Recovery and Reinvestment Act of 2009 was the first time that Congress applied the principle of principal forgiveness to the CWSRF. In response, the Alabama CWSRF program utilized additional subsidization in the form of principal forgiveness to construct green infrastructure. In Alabama, green infrastructure (stormwater) projects are constructed very infrequently, even though stormwater runoff is a major source of pollutants. Many local communities lack a dedicated revenue stream to pay for stormwater projects; thus, the CWSRF program has applied principal forgiveness to these projects in order for them to be economically viable. It is hoped that in time, the success of these projects will encourage the construction of more improvements without the need for additional subsidy. The Alabama CWSRF intends to continue this practice to ensure nonpoint source projects are constructed along with the traditional point source projects.

In previous years, the amount of additional subsidization was set by Congress through the annual appropriations process. The amount available varied from year to year and may have been subject to a minimum or maximum. Under the new 603(i)(3), a state may provide up to a maximum of 30% of its capitalization grant if the total appropriations equal or exceed \$1.3 billion. The project priority list will be used to determine which projects are provided principal forgiveness. The highest ranking green infrastructure project will receive principal forgiveness in order to continue to incentivize green projects. Additionally, principal forgiveness will be allocated based on the projects which have the highest priority rankings until all additional subsidization has been allocated.

The amount of principal forgiveness allocated to each project will be determined by a number of factors. These include affordability, need (priority ranking), and type of project (resolving compliance, etc.). 603(i)(2) also requires state CWSRF programs to establish affordability criteria. The criteria *“shall be based on income and unemployment data, population trends, and other data determined relevant by the State”*. Traditionally, affordability has been determined by the CWSRF through a comparison of median household income and annual sewer use charges. The new requirements take a broader approach, focusing more on income and employment of the affected population. In response, the Alabama CWSRF program will utilize the county poverty rate (a measure that compares household income to the number of persons in the household), county unemployment rate, and statewide population trend to determine if a project is affordable. In addition to these measures, the Department also performs a financial analysis to determine a community’s coverage ratio (the ratio of revenue to debt), and a financial sustainability to determine how much of a typical SRF loan a community can afford

Final Criteria for Additional Subsidy and Affordability:

Additional subsidy in the form of principal forgiveness shall be made available in a total amount per year not to exceed the cap set at 603(i)(3). Funding will be provided in rank order on the project priority list, until the maximum amount has been allocated.

The Affordability Measure for Alabama will be calculated as the sum of the following:

1. The poverty rate of the county served by the project minus the statewide poverty rate;
2. Unemployment Rate Value: The unemployment rate of the county minus the statewide unemployment rate;
3. If the statewide population trend has increased over the two most recent 10-year census estimates, the population trend value shall be 1; if it has decreased the population value shall be 2.



Form 340: Clean Water State Revolving Fund Preapplication

Project Name	
Assistance Amount Requested	\$
Date Submitted	



Submit Complete Preapplication to:	
Preferred method By email:	srf@adem.alabama.gov
By overnight mail:	1400 Coliseum Boulevard Montgomery, Alabama 36110-2400 (334) 271-7714
By mail:	SRF Section Alabama Department of Environmental Management Post Office Box 301463 Montgomery, Alabama 36130-1463

Section 1: Contact Information

Loan Applicant

Applicant Name			
Authorized Representative (Signatory of Loan Agreement)		Title of Authorized Representative	
Email Address		Telephone Number	
Contact Person (Daily SRF Communications)		Title of Contact Person	
Email Address		Telephone Number	
Mailing Address		City, Zip Code	
County		UEI Number	
Fax Number		PWSID Number	
AL House District(s)		AL Senate District(s)	
NPDES Permit Number of Facility (if applicable)		Population of System	
Names and 12-digit HUC Codes of Watersheds Impacted			

Project Engineer:

Firm Name	
Address	
City, State, Zip code	
Engineer Name	
Telephone Number	
Email Address	
Fax Number	

Section 2: Project Information

For the following questions, please attach additional pages if adequate space is not provided on this form:

1. List all other funding sources to be utilized to complete this project.

Other Funding Source(s)	Amount(s)	Commitment Date

2. Provide demographic information about the affected community

Community is defined as the township or county that best represents the system. Please identify what community is being used.

Median Household Income		Source/Date:	
Unemployment Rate		Source/Date:	
Population Trend Over 10 Years (+%)		Source/Date:	
Community			

Priority Ranking System

The following factors are used to rank the proposed project, and will ultimately determine if it falls in the fundable portion of the priority list. The applicant must provide documentation where required in order to receive credit.

*Any ranking criteria that cannot be verified through supporting documentation by the Department will be awarded zero points.

A. Enforcement and Compliance Rating Criteria (Maximum: 50 points) *

Ranking Criteria		Point Value
1	Facility is under formal enforcement action by ADEM and is currently in significant non-compliance. The project will bring the facility into compliance. (A copy of the enforcement order must be attached)	50
2	Project is a voluntary effort to resolve violations and will mitigate the issuance of a formal enforcement action.	40
3	The facility is currently in compliance with permit limits, but will fall out of compliance without the proposed project.	25

B. Water Quality Improvement Criteria (Maximum: 135 points) *

Ranking Criteria		Point Value
1	Project will significantly address water quality standards in a water body that:	
	a) Has an approved TMDL	25
	b) Is subject to a draft TMDL, dated 0-2 years from present	15
	c) Is subject to a draft TMDL, dated 3-5 years from present	10
	d) Is subject to a draft TMDL, dated 6-10 years from present	5
2	Project will implement TMDL(s) for:	5
	a) Pathogens (i.e., fecal coliform/E. coli)	15
	b) Mercury	10
	c) Nutrients (i.e., phosphorous, nitrogen)	5
	d) Organic Enrichment/Dissolved Oxygen	5
	e) Ammonia (toxicity)	15
	f) Siltation (sediment)	
3	a) Project will benefit a Category 5 or Category 4 listed water body.	5
	a) Project takes place in an EPA-identified priority watershed and reduces/eliminates one or more sources of impairments (point and nonpoint source).	5
	b) Project will improve water quality in an Outstanding Alabama Water (OAW).	5
	c) Project will improve water quality in an Outstanding National Resource Water (ONRW).	5
4	Project will upgrade or replace existing failing or inadequate decentralized wastewater treatment systems, or construct septage treatment facilities that are crucial to the proper operation of decentralized wastewater treatment systems.	10
5	Project will protect a public drinking water source from contamination that will negatively impact public health.	15
6	Project will implement a National Estuary Program Comprehensive Conservation Management Plan	10

C. Water/Energy Efficiency Rating (Maximum: 65 points) *

Ranking Criteria		Point Value
1	Project incorporates energy efficient design considerations with established objectives and targets for energy reduction opportunities, performed energy audits or developed energy conservation plans.	5
2	Project uses renewable energy to provide power to a POTW.	10
3	Project implements upgrades to pumps and treatment processes which result in:	
	a) 20 percent or greater reduction in energy consumption at a POTW.	10
	b) Less than a 20 percent reduction in energy consumption at a POTW.	5
4	Infiltration/Inflow correction projects that save energy from pumping and result in reduced treatment costs, and I/I projects in cases where excessive groundwater infiltration is contaminating the influent.	10
5	Projects that incorporate recycling and/or reuse of gray water or wastewater.	20
6	Production of treated effluent for groundwater recharge, industrial operations, or agricultural purposes.	5

D. Stormwater Management Criteria (Maximum: 50 points)

Ranking Criteria		Point Value
1	Project will implement stormwater harvesting and reuse.	10
2	Project incorporates wet weather management systems including: permeable pavement, bioretention, tree plantings, green roofs, rain gardens and other practices that can be designed to mimic natural hydrology and reduce effective imperviousness.	10
3	Project will create riparian buffers, floodplains, vegetated buffers and additional streambank restoration methods.	10
4	Project supports wetland protection or restoration, including constructed wetlands.	10
5	Downspout disconnection to remove stormwater from sanitary sewers and manage runoff onsite.	5
6	Project incorporates green streets for new development, redevelopment or retrofits.	5

E. Agricultural and Nonpoint Source Pollution Criteria (Maximum: 35 points)

Ranking Criteria		Point Value
1	Project addresses water quality impacts associated with farming operations by: a) Implementing water-saving irrigation systems in farms currently using inefficient watering systems. b) Implementing methods to reduce soil and stream bank erosion. c) Utilizing BMPs including no-till farming practices, rotational grazing, cropland conversion and winter cover crops. d) Utilizing alternative watering sources including effluent or grey water reuse.	5 10 10 10
2	Project addresses water quality impacts associated with animal feeding operations by: a) Developing a Nutrient Management Plan. b) Establishing heavy –use protection areas. c) Implementing onsite waste management systems for manure and poultry litter; including recycling, spreading, and storage systems, and digester gas technologies. d) Utilizing dead bird composters and/or incinerators. e) Implementing BMPs (including exclusion fencing and stream crossings).	10 5 10 5 5

F. Sustainability Criteria (90 possible bonus points) *

Ranking Criteria		Point Value
1	Project incorporates one or more of the following planning methodologies: a) Comprehensive Land Use Plan (must designate areas where public infrastructure will and will not be supported) b) Asset Management Plan c) Watershed Management Plan d) Nutrient Management Plan e) Nutrient Trading f) Open Space Preservation g) Integrated Water Resource Plan that stresses water efficiency, reuse and conservation	5 10 5 5 5 5 5
2	Project includes one or several of the following design considerations: a) Site fingerprinting for minimized landscape disturbance and sustainable landscape design. b) LEED certified or other ADEM-approved green building techniques for POTWs. c) Minimizes the environmental and water quality impact of construction through the use of clean fuel construction vehicles, construction waste reduction and other innovative methodologies. d) Project envelope is located in a previously developed area. e) Use of environmentally friendly post-consumer recycled or reclaimed materials.	5 5 5 5 5
3	Project implements at least one of the following construction methods: • Innovative erosion control practices; • Protection of onsite trees, vegetation, native habitats and urban forests; or • Replanting of disturbed areas with native plant species.	5
4	Project will utilize one or more of the following water conservation strategies: a) Development of a water conservation program. b) Incorporates sustainable water pricing practices and rate structures. c) Completion of EPA's Water Quality Scorecard (see http://www.epa.gov/smartgrowth/water_scorecard.htm).	5 10 5

G. Growth Criteria (50 possible bonus points)

Ranking Criteria		Point Value
1	Project includes a significant growth component. (See PER instructions)	0
2	Project does not include a significant growth component. (See PER instructions)	50

Sum the points from each category below.

Part A: Enforcement and Compliance (50 points maximum)	
Part B: Water Quality (135 points maximum)	
Part C: Water/Energy Efficiency (65 points maximum)	
Part D: Stormwater Management (50 points maximum)	
Part E: Agricultural/Non-Point Source (35 points maximum)	
Part F: Sustainability (90 bonus points maximum)	
Part G: Growth (50 bonus points maximum)	
TOTAL POINTS CLAIMED:	

This form should be signed by the official who is authorized to execute contracts on behalf of the applicant jurisdiction.

ONE SIGNED COPY (including attachments) should be emailed to the address shown on Page 1 of this form.

Attachments to be included with this form:

- 1. Preliminary Engineering Report (PER Outline PER Format Below (Preferred))**
- 2. Copies of last three (3) years of audited financial statements (if available)**

Preliminary Engineering Report Outline:

- 1. Description of Project**
 - a. Brief description and background of project
 - b. Purpose of project
 - c. Location of project
 - d. Project Scope
 - e. Average annual household water bill
 - f. Population and median household income
- 2. Proposed Improvements**
 - a. System connections and connections that benefit from construction
 - b. System plan for water conservation
 - c. Proposed operation and management
 - d. Improvements to system
- 3. Project Maps**
 - a. Include all affected water bodies
- 4. Projected Outlay Schedule**
- 5. Cost Breakdown**
 - a. Estimated cost outline for entire project
- 6. Supporting Documentation*** for priority points claimed, as required above. Any points claimed that cannot be readily substantiated from the information submitted will not be counted. The Department reserves the right to make the final determination of all points awarded.
- 7. Growth Criteria:** If the project includes any of the following components, enter a point value of 0:
 - a. New (not a replacement) wastewater treatment plant (excluding decentralized systems).
 - b. Upgraded/expanded/replacement wastewater treatment plant where the purpose of the project is to increase the design flow or projects where the design flow of the facility incidentally increases by more than 20%.
 - c. Collection system improvements that increase design flow (excluding rehabilitation projects where the original design flow is restored).
 - d. New or expanded collection systems.
 - e. Any POTW project that serves future growth.

If none of the criteria above apply, the project will be awarded points as shown.

The undersigned representative of the applicant certifies that the information in the application and in the attached statements and exhibits is true, correct and complete to the best of the applicant's knowledge, information and belief.

Signature of Authorized Representative	Print or Type Name
Title	Date

State of Alabama

Alabama Department of Environmental Management
Clean Water State Revolving Fund Program



SRF Section
Permits and Services Division
Alabama Department of Environmental Management
Post Office Box 301463
Montgomery, Alabama 36130-1463

(334) 271-7714
srf@adem.alabama.gov

CWSRF Intended Use Plan



Fiscal Year 2024

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ATTACHMENT 2 – ALABAMA CWSRF A/E PROCUREMENT REQUIREMENTS

ATTACHMENT 3 – ADDITIONAL SUBSIDIZATION AND AFFORDABILITY CRITERIA

ATTACHMENT 4 – ALABAMA CWSRF PRE-APPLICATION FORM

I. Introduction:

As required by Title VI of the Clean Water Act, each year the Department must prepare an Intended Use Plan (IUP) identifying the projected uses of funds available in its Clean Water State Revolving Fund (CWSRF). This Intended Use Plan (IUP) serves as a basis for the development of the capitalization grant payment schedule.

The State of Alabama will receive an EPA Capitalization Grant of \$9,129,000 from EPA that will be used to provide low interest financial assistance for the CWSRF program. The 20% State matching fund requirement for the capitalization grant is \$1,825,800 and will be fulfilled by an overmatch of State Match Bonds issued in previous years and a contribution from ADEM State Enforcement Action (see Projected Sources). The capitalization grant funds for the CWSRF and the 20% State matching funds will be distributed as outlined by this plan.

In accordance with the Clean Water Act (CWA) Amendments of 1987, the Department proposes the following plan for the intended use of the CWSRF funds for FY 2022 as required by Section 606(c) of the CWA.

ADEM has set its short- and long-term goals of this IUP to align with EPA's strategic goals and objectives [FY 2022-2026 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 of the specific commitments made by the State are properly correlated to the strategic goals and objectives of the Agency.

Alabama agrees to comply with all Title VI requirements of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, and the Equal Employment Opportunity requirements (Executive Order 11246 as amended) which prohibit activities that are intentionally discriminatory and/or have a discriminatory effect based on race, color, national origin (including limited English proficiency), age, disability, or sex.

II. Program Goals:

A. Short Term Goals (Outputs)

1. To provide CWSRF assistance to the extent there are sufficient eligible project applications, not less than 10% of the CWSRF Capitalization Grant for projects to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities. These four categories of projects are the components of the Green Project Reserve. (Deliverable)
2. To provide CWSRF loans with additional subsidization in the form of principal forgiveness for not less than 20% (\$1,825,800) and not more than 40% (\$3,651,600) of the CWSRF Capitalization Grant as required by the Clean Water Act and Congressional appropriation. (Deliverable)
3. To implement the State's CWSRF in compliance with Title VI of the Clean Water Act and to ensure conformance with Federal crosscutting issues as required by the 1987 Clean Water Act amendments.
4. To ensure compliance with the "first use" requirements which require that CWSRF assistance be available to projects which are members of the National Municipal Policy (NMP) universe; projects which have legally enforceable compliance schedules. (Deliverable)

5. To achieve statewide compliance with Federal and State water quality standards, particularly with the NMP as rapidly as possible. (Deliverable)
6. To protect the public health and the environment and promote the completion of cost-effective wastewater treatment facilities.

B. Long Term Goals (Outcomes)

1. To maintain the CWSRF program and the fiscal integrity of the fund.
2. To provide a self-perpetuating source of financial assistance for the construction of public wastewater treatment and transport facilities needed to meet water quality standards and provide capacity for future growth.
3. To assure that all Municipal NMP facilities achieve compliance as soon as possible.
4. To assure that all municipal facilities achieve compliance with final effluent limits as soon as possible.
5. To assist in the maintenance of water quality standards wherever such standards are adversely affected by municipal wastewater point sources.
6. To meet public health and environmental needs of those communities with malfunctioning on-site treatment systems that are either identified as a health hazard by the State Health Department or that adversely affect water quality.
7. To use the 2% technical set-aside to build a program that will proactively identify, reach out to, and provide assistance to rural, small, and disadvantaged communities to identify needs, develop projects, apply for funding, design and implement projects, and create training specifically for malfunctioning on-site treatment systems.

C. Program Changes

No programmatic changes are proposed for this fiscal year.

III. Sources and Use of the Funds:

The Department is expected to fund FY 2024 projects using a combination of interest earnings on the Fund, repayments from direct loans and the EPA Capitalization Grant. Match for the EPA Grant will be fulfilled by overmatch of State Match Bonds issued in previous years. The estimated sources and uses of funds in the FY 2024 CWSRF program are as follows:

A. Projected Sources

2024 EPA CWSRF Cap Grant:	\$9,129,000
CWSRF State Match	\$1,825,800
Estimated Loan Repayments and Interest Earnings for 2024 Cap Grant	\$9,455,119 ¹
Loan Repayments and Interest Earnings from Revolving Fund	\$109,045,200 ²
Total:	\$120,000,000²
Overall Total:	\$129,455,119³

- Note 1: Estimated future repayments and interest earnings from FY24 loans.
- Note 2: Approximate total funds available based on projected fiscal year funding allotments and repayments for FY24. Actual totals are provided in the annual report at the end of each fiscal year.
- Note 3: Estimated repayment funds from FY24 Capitalization Grant are not included in project totals.

These funds will be included in future fiscal year(s)' IUPs as repayments are received.

B. Projected Uses

Project Assistance:	\$83,505,629
Administrative Costs (1/5% of current position):	\$1,227,792
<u>Small Systems Technical Assistance (2%):</u>	<u>\$182,580</u>
Total:	\$ 84,916,001

The amount reserved for administrative costs is equal to 1/5 percent per year or the Total New Position (\$613,895,974) as of the most recent audited financial statements. Additional information on Administrative and all set-asides is detailed in the “Set-Aside” section below.

The rate of cash draws from the federal capitalization grant will be based on dollar-for-dollar draws of direct loan projects. Consistent with EPA policy, draws from the federal grant for these direct loan projects are required to be proportional to the disbursement of state match funds to borrowers for eligible project costs. The State intends to manage its disbursements to borrowers to insure that State funds are spent first in order to ensure that the proportionality requirement is met expeditiously. This technique is necessary to ensure that direct loan borrowers funded from federal capitalization grants are able to receive requisitioned funds in a timely manner. It should be noted that overmatch from previous years' programs will be used to match the grant in addition to the appropriation provided by the State Legislature.

C. Leveraging

The Department does not intend to issue CWSRF revenue bonds for new projects during fiscal year 2024.

D. Financial Terms of Loans

The Fund may offer loans for up to 100 percent of allowable project costs for the construction of water treatment and distribution facilities and may offer a range of options regarding the term, interest rate and level of loan funding. Such loans must be made at or below market interest rates as determined by the Department. Loan interest rates will usually be set approximately 1% - 1.5% less than the AAA rated tax exempt municipal bonds. For fiscal year 2024 the Department will maintain an interest rate of 0.1% for all loans. A fee of 2.3% is assessed for all loans except for 100% principal forgiveness loans. See the Program Income section below for additional information.

The total term financing shall not exceed 20 years or, under special circumstances, 30 years may be considered. Repayments shall commence after completion of construction or within 3 years for which such financial assistance was made. Financial assistance repayments shall be made in accordance with the repayment schedule indicated in the recipient's financial agreement. Principal and accrued interest with respect to a particular financial agreement may be prepaid in accordance with the provisions of the financial agreement. Interest shall accrue from the estimated date of the execution of the DWSRF financial agreement.

Project fund disbursements to recipients at intervals as work progresses and expenses are incurred and approved.

The specific terms and conditions of the funds shall be incorporated in the financial agreement to be executed by the recipient and the Department.

E. Extended Term Financing

Section 603(d)(1)(A) authorizes CWSRF loans to be made for a term not exceeding the lesser of 30 years or the useful life of the project. The total term financing shall not exceed 20 years or, under special circumstances, 30 years may be considered.

IV. Water Resources Reform and Development Act

The Water Resources Reform and Development Act (WRRDA) was enacted on June 10, 2014 and brought several changes to the CWSRF program.

A. Fiscal Sustainability Plans

The Federal Water Pollution Control Act (FWPCA) Section 603(d)(1)(E) requires a recipient of a loan for a project that involves the repair, replacement, or expansion of a publicly owned treatment works to develop and implement a Fiscal Sustainability Plan (FSP) or certify that it has developed and implemented an FSP. This provision applies to all loans for which the loan recipient submitted an application on or after October 1, 2014.

The Alabama CWSRF program provides all assistance by purchasing outstanding debt obligations (bonds) from the borrower, thus this requirement does not apply. The Alabama CWSRF program commonly refers to these bond purchase agreements as “loans”, though they are not loans as defined by EPA.

B. Architectural and Engineering (A/E) Services Procurement

For any capitalization grant awarded after October 1, 2014, the State must ensure that all A/E contracts for projects identified as using funds directly from each year’s 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. If a project is utilizing federal funds (“equivalency”) then the Alabama CWSRF requires its recipients to comply with the *September 30, 2014 Alabama CWSRF A/E Procurement Requirements* (See Attachment 3). For projects which are not considered equivalency, procurement of A/E services would follow the requirements of State Bid Law. Beginning in 2024, the SRF will place all A/E services in “non-equivalency” funding when practicable.

C. Cost and Effectiveness Certification

Section 602(b)(13) requires that CWSRF recipients certify that the recipient has studied the cost and effectiveness of the project and selected the project that maximizes the potential for efficient water use, reuse, recapture and conservation, and energy conservation. The Alabama CWSRF program is requiring each recipient of CWSRF funding to provide a certification in compliance with 602(b)(13). This certification can be found on page 14 of the CWSRF Loan Application (Form 339 M-2).

D. Additional Subsidy and Affordability

Additional subsidy in the form of principal forgiveness shall be made available in total of the required amount for the States 2024 Capitalization Grant Appropriation (\$1,825,800 - \$3,651,600) or the cap set at 603(i)(3) of the Federal Water Pollution Control Act, whichever is less. Additional subsidy will be provided in rank order to projects as determined by the Affordability Measure for Alabama. In addition, additional subsidy may be provided to an eligible project that meets Section 603(i)(1)(B) Clean Water Act requirements at a greater than 50% project cost ratio. Each project may receive principal forgiveness until the maximum amount has been allocated. The Affordability Measure Guidelines for Alabama can be found on Attachment 4.

V. Project Selection and Methods of Distribution of Funds

A. Priority List

In order to be considered for CWSRF assistance, projects must be on or added to the Priority List and have a proposed project schedule that coincides with the availability of CWSRF funds. The CWSRF project list was developed by identifying the priority point rating for each proposed project. (See Attachment 5). The funding of such projects is also subject to the availability of funds.

Projects on the CWSRF Project List are ranked by their respective priority point rating and may be funded according to availability of funds. Projects that are not funded from the Project List may be funded in subsequent years.

The State reserves the right to fund projects not on the priority list, on an emergency basis, if funds are available. Emergency projects would include those where some type of failure was unanticipated and requires immediate attention to protect public health. Additionally, supplemental loans may be issued to previous recipients as needed to complete segmented projects or to cover cost overruns. See Attachment 1.

B. Additional Subsidization

Additional subsidy in the form of principal forgiveness shall be made available in total of the required amount of the 2024 Capitalization Grant Appropriation or the cap set at 603(i)(3) of the Federal Water Pollution Control Act, whichever is less. The attached project list attachment includes projects that may receive principal forgiveness based the subsidy criteria. The Department has authority to provide additional subsidization by the Code of Alabama Section 22-34-3(a).

C. Green Project Reserve

The EPA capitalization grant requires that, to the extent there are sufficient eligible project applications, not less than 10% of funds provided by the 2024 Capitalization Grant for projects must be used for projects that address green infrastructure, water or energy efficiency, or other environmentally innovative activities. These four categories of projects are the components of the Green Project Reserve (GPR). The Department actively solicited for green infrastructure projects. This solicitation included a notice posted on the ADEM website as well as a notice sent to approximately 1,000 addresses on the Department's contact list including all incorporated towns and all county governments. The project fundable list identifies one project that has a component for GPR totaling \$3,302,200 (36%).

D. Prevailing Wages

Davis-Bacon wage requirements apply for fiscal year 2024 and each fiscal year thereafter and the requirements of section 513 of the Federal Water Pollution Control Act (33 U.S.C. 1372) shall apply to the construction of treatment works carried out in whole or in part with assistance made available by the CWSRF as authorized by title VI of that Act (33 U.S.C. 1381 et seq.). The Department will include in all loan agreements and procurement contracts terms and conditions requiring compliance with this requirement.

E. Build America, Buy America (BABA)

Build America, Buy America (BABA) will be implemented for this fiscal year and all future fiscal years. BABA will be required for eligible projects funded through the Clean Water State Revolving Fund (CWSRF) unless a waiver is granted.

BABA is considered a federal cross-cutting requirement that applies to SRF assistance equivalent to the federal capitalization grant (i.e., “equivalency” projects). EPA’s SRF regulations at 40 CFR 35.3145 and 35.3575 require states and recipients of SRF funds equivalent to the amount of the federal capitalization grant to comply with federal cross-cutting requirements. Section 70914 of the IIJA, which states when a Buy America preference applies, explains that “none of the funds made available for a Federal financial assistance program for infrastructure...may be obligated for a project unless all of the iron, steel, manufactured products, and construction materials used in the project are produced in the United States.” Therefore, BABA only applies to projects funded in an amount equivalent to the federal capitalization grant.

F. Distribution of Funds to Set-Aside Accounts

EPA provisions allow funds to be set aside from the State Revolving Fund Capitalization Grant for activities such as administration of the SRF Program, operator training and technical assistance, and special projects focused on CWSRF eligible activities. These activities are discussed in “Set-Aside Activities” below.

G. Selection of Systems to Receive Assistance

To the maximum extent possible, the CWSRF gives priority for the use of the funds to projects that are the most serious risk to human health and are necessary to ensure compliance with the Clean Water Act and Amendments.

The criteria for ranking projects gives priority to projects that:

1. promote compliance with the Clean Water Act;
2. improve water quality;
3. increase energy and water efficiency;
4. promote sustainability;
5. and the applicant is financially capable of receiving a loan.

These considerations are addressed by the Priority Ranking Criteria found in ADEM Administrative Code R. 335-11-1-.04 and in the CWSRF pre-application provided in Attachment 6.

Projects on the priority list shall be ranked in descending order of the point rating assigned to each project. In the event two or more projects are assigned an identical point rating, such projects shall be ranked in accordance with the following criteria: The project that serves a community with the lowest median household income shall be ranked first. In the event the projects have identical median household incomes, the project with the lowest total cost will be ranked first.

A project on the fundable portion of the list may be bypassed and the next eligible project funded if it is determined that the project will not be ready to proceed during the funding year. Projects that have been bypassed may be funded at a later date when the project is ready to proceed. Should a system on the funded list decline the loan, the next ranked project shall be offered access to all or a portion of these funds.

Any changes to the IUP, including the addition of projects not listed on the IUP at the time of solicitation for public comment, will require an additional public comment period of 30 days. The Department will resolicit this IUP for notice if changes are made in future fiscal year(s).

F. Inadequate Allocations

If the actual federal CWSRF allocations are less than anticipated by the Department in the development of the CWSRF priority list, the Department may find it necessary to reduce their commitments to projects on the priority list. The Department may take formal action to reduce the number of commitments in accordance with subparagraph 3) of this paragraph.

- 1). The Department may redistribute the CWSRF funds allocated to each project.
- 2). The Department may redistribute funds from lower priority projects to higher priority projects.
- 3). The Department may bypass projects on the priority list in accordance with Section H, below.

G. Unanticipated and Uncommitted Funds

If unanticipated or uncommitted funds become available, the Department may take action to distribute them in accordance with subparagraphs 1-2 of this paragraph:

- 1). The Department may use the unanticipated or uncommitted funds to fund the highest priority project(s) from the priority list.
- 2). The Department may use the unanticipated or uncommitted funds to increase the amount of funds allocated to CWSRF fundable projects or to provide increased assistance to projects which have already received CWSRF assistance.

Additionally, supplemental loans may be made to previous recipients as needed to complete segmented projects or to cover unanticipated cost overruns.

H. Project Bypass/Reallotment

The Department may bypass any project on the CWSRF priority list that is not, in the Department's opinion, making satisfactory progress in satisfying requirements for CWSRF assistance. Bypassed projects will be removed from the priority list. In determining whether or not a project is making satisfactory progress in satisfying the requirements for CWSRF assistance, the Department shall use the criteria contained in subparagraphs 1-6 of this paragraph. Funds released through project bypass will be considered as uncommitted and available for redistribution in accordance with this section.

- 1). Any project on the CWSRF Priority List may be bypassed if the applicant fails to submit a complete CWSRF application.
- 2). The Department may use individual project schedules developed by the Department to determine whether or not the project is making satisfactory progress during the fiscal year.
- 3). In order to comply with EPA certification restrictions related to equivalency requirements, it may be necessary to bypass projects which have not complied with Title II requirements and other federal authorities.
- 4). Any project on the CWSRF Priority List may be bypassed if the applicant fails to demonstrate the ability to repay the loan.

5). To maintain the fiscal integrity of a leveraged loan program or provide funds for new construction, the Department may choose to bypass projects which involve refinancing of existing debt.

6): Projects may be removed from the priority list at the request of the applicant or if the Department finds that the project is ineligible for CWSRF assistance.

VI. Set-Aside Activities

A. Administrative Set-Aside (4%)

SRF Guidelines allow states to set aside 4% of the Capitalization grant or 1/5% of the position of the fund for SRF administrative costs. Administrative funds of \$1,227,792 (1/5% of the new position) will be used to pay costs for personnel, travel and training, equipment, supplies, audit fees, and indirect costs associated with implementing the SRF program.

B. Small Systems Technical Assistance (2%)

SRF Guidelines allow states to set aside 2% of the Capitalization grant for Small Systems Technical Assistance. The Department will reserve \$182,580 (2%) to provide small systems technical assistance. Small systems technical assistance funding will be used to develop a program to identify needs, develop projects, apply for funding, design and implement projects, and create training specifically for malfunctioning on-site treatment systems.

VI. Certifications

1. The Department certifies that this IUP will be subject to public review and comment with a public notice period of 30 days.
2. The Department certifies that all wastewater facility projects in this IUP are on the CWSRF Priority List.
3. The Department certifies that it will enter into binding commitments for 120% of each payment under the CWSRF capitalization grant within one (1) year after receipt of each payment.
4. The Department certifies that it will expend all funds in the CWSRF in an expeditious and timely manner.
5. The Department certifies that all wastewater facilities in the state are in compliance with enforceable requirements or are making progress toward meeting those requirements except as specifically noted in the IUP.
6. The Department certifies that all facilities funded by the CWSRF shall complete a NEPA-like environmental review process.
7. The Department certifies that it will comply with all requirements of the 1997 Operating Agreement with EPA.
8. The Department certifies that it will complete a Benefits Assessment worksheet for each loan agreement executed in order to comply with EPA environmental results reporting requirements.

VII. Program Income:

The Alabama Water Pollution Control Authority, with ADEM as its agent, assesses an annual fee based on outstanding loan principal. These fees vary based on the fiscal year to which the loan agreement was secured and are collected twice a year when the recipient initiates repayment of the loan. In accordance with *Guidance on Fees Charged by States to Recipients of Clean Water State Revolving Fund Program Assistance*, published October 20, 2005, fees collected from loans sourced from outstanding grants will be used for administration of the SRF fund only. All other fees will be used to provide fee income for the Department's CWSRF Direct Loan Fund and assist in the implementation of the Department's Water and Field Operations Divisions. The expected interest rate for fiscal year 2024 is 2.2% total. This includes 0.1% in interest and 2.1% in fees collected by the Department.

The Department expects to receive fees during FY 2024 as follows:

Total Program Income	Program Income Collected During Grant Period	Program Income Collected After Grant Period
\$2,417,747	\$0.00	\$2,417,747

VIII. Estimated CWSRF Capitalization Grant Payment Schedules:

A. Estimated Grant Draw Schedule

Fiscal Year	Month	Draw
2024	Apr	\$ 760,750
2024	May	\$ 760,750
2024	Jun	\$ 760,750
2024	Jul	\$ 760,750
2024	Aug	\$ 760,750
2024	Sep	\$ 760,750
2024	Oct	\$ 760,750
2024	Nov	\$ 760,750
2024	Dec	\$ 760,750
2024	Jan	\$ 760,750
2024	Feb	\$ 760,750
2024	Mar	\$ 760,750
Total		\$9,129,000

B. Estimated Grant Disbursal Schedule

Payment Quarter	Payment Date	Payment Amount
FY2025/Quarter 1	October 1, 2024	\$9,129,000

Payments are defined as increases to the amount of funds available from the federal SRF capitalization grant. This draft payment schedule is based on the State's projection of binding commitments and disbursements from the SRF to the members of the SRF project list. The disbursement schedule will essentially coincide with the grant payment schedule as ACH draw requests will be processed only upon submittal of payment requests from loan recipients for actual costs incurred. Funds from the ACH will be disbursed to the recipient immediately. The disbursement of funds will be in proportion to the amount of state and federal funds provided by the grant and state match. This will be ensured by disbursing all state match funds prior to drawing capitalization grant funds for project disbursements.

C. Capitalization Grant Budget Periods

2024 EPA CWSRF Capitalization Grant

October 1, 2024 through September 30, 2030

IX. Public Participation

The IUP was provided for public comment on December 5, 2024 for a period of 30 days. Comments were received and all comments have been addressed. The comments are attached to the final IUP. Minor changes were made as a result of the comments; however, no changes were made that would require an additional public notice period.

X. Reporting

1. Annual reports are required for the CWSRF Capitalization Grant. Each annual report is due on December 30 following each fiscal year. The annual report for the 2024 CWSRF funding will include the results from the period of October 1, 2024 through September 30, 2025 and will be submitted on or before December 30, 2025.
2. The Department will submit information on projects into the CWSRF Nation Information Management System (NIMS) as binding commitments are entered into with the borrowers as proposed in this IUP. The projects will be updated in NIMS at a maximum of one quarter after the binding commitment close date.

Attachment 1: Project Priority List

Project #	Applicant Name	Project Description	City/Town	County	Justice 40 Map Coverage	Population	Disadvantaged Rank	Priority Ranking Points	CW SRF Amount Granted	CW SRF PF	CW SRF PF%	GPR Amount	GPR Category	GPR Description	Applied for Project Amount	Fund
CS010468-08	Albertville, The Municipal Utilities Board of	Eastside WWTP Imp.	Albertville	Marshall	Yes	20,804	2.00	SUPP	\$3,090,000						\$6,900,000	CWSRF
CS010906-01	Ashland, The Waterworks and Sewer Board of the Town of	Provide Sanitary Sewers to Southern part of Ashland and Expand/Upgrade WWTP	Ashland	Clay	Yes	1,935	4.00	SUPP	\$1,692,680			\$100,000	Environmentally Innovative	Septic Tank Replacement	\$11,500,000	CWSRF
CS010923-03	Columbiana, City of	2024 Supplemental	Columbiana	Shelby	N/A	4,110	1.00	SUPP	\$1,235,773						\$4,475,000	CWSRF/CWBIL
CS011044-01	Gadsden Water Works & Sewer Board	Sanitary Sewer System Improvements	Gadsden	Etowah	Yes	37,014	3.00	SUPP	\$1,893,750						\$1,893,750	CWSRF
CS010312-09	Hartselle, City of	2024 Supplemental	Hartselle	Morgan	N/A	14,042	1.00	SUPP	\$1,853,000						\$3,706,000	CWSRF
CS010281-23	Mobile, AL (MAWSS), Board of Water and Sewer Commissioners of the City of**	Master Plan SRF Wastewater Projects Phase II - Years 2024 - 2028	Mobile	Mobile	Yes	195,457	3.00	SUPP	\$15,300,000			\$1,500,000	Climate Resiliency, Energy Efficiency, Water Efficiency		\$15,300,000	CWSRF
CS010621-07	Northport, City of	Highway 82 Pump Station and Force Main	Northport	Tuscaloosa	N/A	22,920	0.00	SUPP	\$2,666,112			\$35,000	Energy Efficiency	Replacement of Lift Station	\$2,666,112	CWSRF
CS010847-03	Odenville, Utilities Board of the Town	WWTP Improvements	Odenville	St. Clair	N/A	3,848	1.00	SUPP	\$2,434,406						\$4,868,813	CWSRF
CS010847-04	Odenville, Utilities Board of the Town	Shanghai Road Force Main	Odenville	St. Clair	N/A	3,848	1.00	SUPP	\$1,052,340			\$105,200	Energy Efficiency	replacement/upgrade of existing force main to reduce energy consumption of pump by 50%	\$2,804,679	CWSRF
CS010239-06	Pell City, City of	Eden Lift Station and Force Main	Pell City	St. Clair	N/A	12,493	1.00	SUPP	\$2,200,492			\$220,000	Energy Efficiency	Upgrade of lift station and force main to reduce energy consumption	\$5,867,978	CWSRF
CS010995-01	Talladega, Alabama, City of	Wastewater Treatment and Plant Upgrades	Talladega	Talladega	Yes	15,854	4.00	SUPP	\$3,500,000						\$8,500,000	CWSRF
CS010835-04	Troy, City of	New WWTP	Troy	Pike	N/A	17,562	1.00	SUPP	\$6,198,107						\$18,594,320	CWSRF
CS010292-33	Dothan, Alabama, City of**	Trunk Line and Sewer Basin Rehab	Dothan	Houston	N/A	64,904	1.00	SUPP	\$15,500,000						\$15,000,000	CWSRF
CS010887-03	Scottsboro Water, Sewer, and Gas Board	Sewer Main Replacements	Scottsboro	Jackson	Yes	14,806	2.00	SUPP	\$1,500,000						\$3,000,690	CWSRF
CS011011-01	Opelika, City of	Opelika Westside WWTF Storage Lagoon Solids Removal	Opelika	Lee	Yes	26,253	2.00	SUPP	\$2,503,224						\$7,509,671	CWSRF
CS011065-02	North Baldwin Utilities	Harry Still Sr. WWTP	Bay Minette	Baldwin	N/A	8,087	3.00	195	\$2,204,619						\$2,691,500	CWSRF/ARPA
CS011065-01	North Baldwin Utilities	Westside WWTP	Bay Minette	Baldwin	N/A	8,087	3.00	195	\$3,422,250						\$3,802,500	CWSRF/ARPA
CS010816-08	Athens, City of	Strain Road Sewer Connection	Athens	Morgan	Yes	98	3.00	140	\$500,000	\$500,000	100%	\$500,000	Environmentally Innovative	Replacement of septic tanks	\$4,393,773	CWSRF/CWBIL
CS010460-06	Wetumpka Water Works and Sewer Board	Sanitary Sewer System Improvements	Wetumpka	Elmore	N/A	6,508	2.00	90	\$4,163,906						\$5,551,875	CWSRF
CS010994-01	Pine Hill, Town of	Sewer Improvements Project	Pine Hill	Wilcox	Yes	901	4.00	75	\$513,470	\$513,470	100%				\$1,049,270	CWSRF/ARPA
CS010904-02	Ardmore, Water Works and Sewer Board of the Town of	Sewer System Improvements	Ardmore	Limestone	N/A	1,300	3.00	70	\$4,339,500	\$1,844,287	42%				\$18,679,000	CWSRF/ARPA
CS010929-01	East Brewton Water Works and Sewer Board	Sanitary Sewer Extensions	East Brewton	Escambia	Yes	2,605	4.00	65	\$742,000			\$742,000	Environmentally Innovative	Replacement of septic tanks	\$1,484,000	CWSRF/ARPA
CS010396-08	Fort Payne, City of	Upgrades of Collection System - Phase II	Fort Payne	DeKalb	Yes	13,997	3.00	30	\$5,000,000			\$100,000	Energy Efficiency	Force main to gravity main sewer. Elimination of four pump stations	\$10,000,000	CWSRF
Total	23								\$83,505,629	\$2,857,757	*31%	\$3,302,200			\$160,238,931	

*Note: Principal Forgiveness percentage is calculated based off of total Capitalization Grant amount.

**Note (and bold): Equivalency Projects

Attachment 2: Project Descriptions

CWSRF Base Project Descriptions

Albertville, The Municipal Utilities Board of – Eastside WWTP Improvements (SUPP)

The Municipal Utilities Board of Albertville proposes to improve the Eastside Wastewater Treatment Plant (WWTP) including improvements to the Anoxic Zone, Secondary Clarification, Digestion, and Solids Handling. The proposed project would result in increased reliability and allow Albertville to maintain permit requirements for existing customers.

Ashland, The Waterworks and Sewer Board of the Town of – Provide Sanitary Sewer to Southern Part of Ashland and Expand/Upgrade WWTP (SUPP)

The Waterworks and Sewer Board of the Town of Ashland proposes to construct a new raw sewage pump station, add an additional influent screen, SBR tanks, dewatering building, and surge tank, and rehabilitate the chlorine contact clarifier within the Ashland WWTP. The project would also add sewer service to the southwestern part of the City of Ashland and a new pumping station. The proposed project would increase reliability and allow sewer service to new and existing customers.

Columbiana, City of – 2024 Supplemental (SUPP)

The City of Columbiana proposes to install new headworks including bar screen, grit removal, and plant lift station, new aeration and clarifiers, and UV system for disinfection at the wastewater treatment plant. The proposed project would increase treatment efficiency and provide additional reliability for all customers.

Dothan, City of – Trunk Line and Sewer Basin Rehab (SUPP)

The City of Dothan proposes the comprehensive rehabilitation of four sub-basins of the City's collection system to reduce inflow and infiltration (I&I) and therefore sanitary sewer overflows (SSOs). These basins are B0-42, B3-50, B3-65, and B3-74.

Gadsden Water Works and Sewer Board – Sanitary Sewer Improvements (SUPP)

The City of Gadsden Wastewater and Sewer Board proposes to reduce the amount of I/I in the system, which impacts the frequency and severity of SSOs, as well as the ability of the WWTPs to meet present removal requirements. Several areas in the system have already been identified to be rehabilitated by pipebursting, CIPP and manhole lining. These areas have been determined as areas of substantial I/I but found void of significant offsets, bellies, or collapsed sections, making them prime candidates for rehabilitation.

Hartselle, City of – 2024 Supplemental (SUPP)

The City of Hartselle proposes to replace the existing sewer collection system in the Basin C, E, N, K, and M areas. The proposed project would mitigate SSO's and allow Hartselle to return to compliance.

Mobile, AL (MAWSS), Board of Water and Sewer Commissioners of the City of – Master Plan SRF Wastewater Projects Phase II – Years 2024 -2028 (SUPP)

The Mobile Board of Water and Sewer Commissioners (MAWSS) proposes implementation of Mobile's CWSRF Master Plan Phase II to include: replacement of dewatering system and construction of new chlorine building at Williams WWTP; addition to Eslava Creek Severe Weather Attenuation Tank (SWAT) storage and conveyance; installation of Williams WWTP to Eslava Creek parallel sewer main; slip-lining of Pre-stressed Concrete Cylinder Pipe (PCCP) Halls Mill Connection to South Broad Street and from South Broad Street to Williams WWTP; refurbishment of existing Three-Mile Creek SWAT Tank; replacement of Headworks, renovations to Maintenance Building, replacement of Digester Dome, and additional access driveway at Smith WWTP; and Li² Station SCADA Programming. Proposed improvements will ensure continued compliance with existing regulations and demands and provide increased efficiency and dependability to the Board's overall wastewater collection and treatment system.

Northport, City of – Highway 82 Pump Station and Force Main (SUPP)

The City of Northport proposes the replacement of the existing gravity sewer main along Highway 82, construction of a new pump station, and replacement of the force main at Pump Station No. 2. The proposed project will increase reliability for existing customers.

Odenville, Utilities Board of the Town of – WWTP Improvements (SUPP)

The Utilities Board of the Town of Odenville proposes to upgrade the wastewater treatment plant for increased redundancy. The project would replace the clarifier and aerator.

Odenville, Utilities Board of the Town of – Shanghai Road Force Main (SUPP)

The Utilities Board of the Town of Odenville proposes to replace and upgrade the Shanghai Road Force Main. The lift stations within the system would have increased service life and reliability as a result of the proposed project.

Opelika, City of – Westside WWTF Storage Lagoon Solids Removal (SUPP)

The City of Opelika proposes improvements to the Westside WWTF Storage Lagoon Solids Removal, Wyndham Residential Lift Station, Feildstone Force Main, and Sanitary Sewer along I-85. The proposed project will reduce infiltration and inflow, provide service to new customers on decentralized systems, and improve reliability for existing customers.

Pell City, City of – Eden Lift Station and Force Main (SUPP)

The City of Pell City proposes to replace and upgrade the Eden Li² Station and Force Main. The proposed project would replace two existing lift stations which have outlasted the useful life of the equipment. The proposed project will increase reliability for existing customers.

Scottsboro Water, Sewer, and Gas Board – Sewer Main Replacements (SUPP)

The Scottsboro Water, Sewer, and Gas Board is proposing a project for their system. The proposed project is for the construction of new water pumps and the improvements to the wastewater treatment plant. The completion of this project will not only help the citizens inside the system but ensure them satisfactory services in their clean water system.

Talladega, City of – WWTP Upgrades (SUPP)

The Talladega Water and Sewer Department is taking the necessary steps to address and improve the current infrastructure deficiencies within its collection system to provide the highest quality of service to its customers. The necessary improvements include addressing the Infiltration and Inflow problems that have accumulated over time and the expansion of the Talladega Brecon Wastewater Treatment Plant by adding a new oxidation ditch, aeration basin, a new clarifier, a new chlorine contact chamber and screens.

Troy, City of – New WWTP (SUPP)

The City of Troy proposes to construct a new Wastewater Treatment Plant (WWTP). The proposed project will increase reliability and capacity for existing customers while maintaining compliance with existing permit requirements.

North Baldwin Utilities – Harry Still Sr. WWTP

The North Baldwin Utilities proposes to replace the headworks, rehabilitate the drying beds, lagoons, and the plant outfall at the Harry Still Sr. WWTP. The proposed project would increase reliability and sustainability throughout the system and increase stream protection from the outfall and reduce energy usage.

North Baldwin Utilities – Westside WWTP

North Baldwin Utilities proposes to increase capacity including the lift stations, headworks, and basins. The proposed project would decrease sanitary sewer overflows and provide additional redundancy and sustainability.

Athens, City of – Strain Road Sewer Connection

The City of Athens proposes to replace the failing septic tanks within the Strain Road community with city sewer through a force main connection and new lift station. The proposed project would correct water quality issues and provide sanitary sewer to approximately 98 customers.

Wetumpka Water Works and Sewer Board – Sanitary Sewer System Improvements

The Wetumpka Water Works and Sewer Board proposes a project that includes various improvements to its sewer system. These improvements involve upgrades to the wastewater treatment plant, the replacement of a failing gravity main with a force main, and the construction of a lift station. Additionally, miscellaneous repairs and force main cleaning are proposed. With the construction of these improvements, the project will address various I/I issues and upgrade deteriorating infrastructure.

Pine Hill, Town of – Water System Improvements

The Town of Pine Hill would perform projects including sludge removal at the lagoon, the replacement of an aeration system components, effluent structure screen cleaning, and miscellaneous SCADA and pipe modifications at the wastewater treatment facility along with pump and wet well replacement at a sewage lift station with a portable generator.

Ardmore, Water Works and Sewer Board of the Town of – Sewer System Improvements

The Waterworks and Sewer Board of the Town of Ardmore proposes to construct a new package plant to replace the existing water treatment plant which is beyond its useful life. The proposed project will increase capacity, reduce I&I, and improve sustainability and reliability throughout the system.

East Brewton Water Works and Sewer Board – Sanitary Sewer Extensions

East Brewton Water Works and Sewer Board proposed to provide sanitary sewer service to the residents of East Brewton located in the northeast section of the city. The topography of the area will allow gravity sewer to be installed, and the wastewater from the new lines will flow into an existing sewage pumping station.

Fort Payne, City of – Upgrade of Collection System – Phase II

The City of Fort Payne is to replace the Airport Road Pump Station and force main with a gravity sewer line. In addition, three additional sewer pump stations will be eliminated in favor of gravity sewer lines. The proposed project will reduce I&I and improve reliability and sustainability.

Attachment 3: A/E Procurement Requirements

Alabama CWSRF A/E Procurement Requirements

Effective September 30, 2014 for all assistance agreements directly made available from the FY 15 (and later) capitalization grant.

It is the intent of the Alabama Clean Water SRF program that all assistance recipients select architectural & engineering services based on qualifications of the selected firm, not price. This reinforces Canon IV of the Board of Engineers and Land Surveyors' Code of Ethics, contained in the Board's regulations at 330-X-14-.05 (f):

The engineer or land surveyor shall not participate in or implement procurement practices (bid submittals) which do not first determine the qualifications of the engineer or land surveyor prior to entering into fee negotiations for services being sought. An engineer or land surveyor having submitted a statement of qualification and performance data, and having first been judged as the qualified individual or firm to provide the services required for the proposed project, may proceed to negotiate a contract with a client and establish compensation or fees for the required services.

Should the engineer or land surveyor be unable to negotiate a satisfactory contract with the client for any reason, the engineer or land surveyor shall withdraw from further consideration for the engineering or land surveying services. Another engineer or land surveyor may then be selected for negotiations of a contract for the services on the stated project.

Examples include but are not limited to, simultaneous negotiations or solicitation of fee proposals by the client from two or more engineers or land surveyors constitutes "bidding" and participation by a licensee is prohibited.

Use of a qualifications-based selection is also required by the Alabama Board for Registration of Architects, at 100-X-5-.10:

Architects are encouraged to seek professional employment on the basis of qualifications and competence for proper accomplishment of the work. This procedure restricts the architect from submitting a price for services until the prospective client has selected, on the basis of qualifications and competence, one architect or firm for negotiations.

CWSRF assistance applicants are required to certify the following:

1. That the applicant sought the most-qualified firm for professional services, by issuing a Request for Proposals (RFP) or a Request for Qualifications (RFQ).
2. That the applicant made a good faith effort to seek proposals or qualifications from at least 3 firms, as evidenced by a public notice, advertisement, or other appropriate means.
3. That the applicant evaluated the proposals or qualifications and selected a firm based on professional competency, past performance, specialized experience, and other factors deemed critical for success of the project.

4. That only upon making a selection based on qualifications did the applicant negotiate a contract and determine compensation. (If the applicant was unable to negotiate a contract with the most qualified firm, the applicant may then negotiate with the next-most-qualified firm)

Attachment 4: Additional Subsidization and Affordability Criteria

Alabama Clean Water State Revolving Fund Additional Subsidization and Affordability Criteria Effective September 30, 2015

Purpose:

This document establishes the additional subsidization and affordability criteria for the Alabama Clean Water State Revolving Fund. The criteria are effective September 30, 2015, and may be modified from time-to-time upon notice.

Background:

Section 603(i) of the Federal Water Pollution Control Act states the following:

Additional Subsidization-

(1) IN GENERAL- In any case in which a State provides assistance to a municipality or intermunicipal, interstate, or State agency under subsection (d), the State may provide additional subsidization, including forgiveness of principal and negative interest loans--

(A) to benefit a municipality that--

(i) meets the affordability criteria of the State established under paragraph (2);
or

(ii) does not meet the affordability criteria of the State if the recipient--

(I) seeks additional subsidization to benefit individual ratepayers in the residential user rate class;

(II) demonstrates to the State that such ratepayers will experience a significant hardship from the increase in rates necessary to finance the project or activity for which assistance is sought; and

(III) ensures, as part of an assistance agreement between the State and the recipient, that the additional subsidization provided under this paragraph is directed through a user charge rate system (or other appropriate method) to such ratepayers; or

(B) to implement a process, material, technique, or technology--

(i) to address water-efficiency goals;

(ii) to address energy-efficiency goals;

(iii) to mitigate stormwater runoff; or

(iv) to encourage sustainable project planning, design, and construction.

(2) AFFORDABILITY CRITERIA-

(A) ESTABLISHMENT-

(i) IN GENERAL- Not later than September 30, 2015, and after providing notice and an opportunity for public comment, a State shall establish affordability criteria to assist in identifying municipalities that would experience a significant hardship raising the revenue necessary to finance a project or activity eligible for assistance under subsection (c)(1) if additional subsidization is not provided.

(ii) CONTENTS- The criteria under clause (i) shall be based on income and unemployment data, population trends, and other data determined relevant by the State, including whether the project or activity is to be carried out in an economically distressed area, as described in section 301 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3161).

(B) EXISTING CRITERIA- If a State has previously established, after providing notice and an opportunity for public comment, affordability criteria that meet the requirements of subparagraph (A)--

(i) the State may use the criteria for the purposes of this subsection; and

(ii) those criteria shall be treated as affordability criteria established under this paragraph.

(C) INFORMATION TO ASSIST STATES- The Administrator may publish information to assist States in establishing affordability criteria under subparagraph (A).

(3) LIMITATIONS-

(A) IN GENERAL- A State may provide additional subsidization in a fiscal year under this subsection only if the total amount appropriated for making capitalization grants to all States under this title for the fiscal year exceeds \$1,000,000,000.

(B) ADDITIONAL LIMITATION-

(i) GENERAL RULE- Subject to clause (ii), a State may use not more than 30 percent of the total amount received by the State in capitalization grants under this title for a fiscal year for providing additional subsidization under this subsection.

(ii) EXCEPTION- If, in a fiscal year, the amount appropriated for making capitalization grants to all States under this title exceeds \$1,000,000,000 by a percentage that is less than 30 percent, clause (i) shall be applied by substituting that percentage for 30 percent.

(C) APPLICABILITY- The authority of a State to provide additional subsidization under this subsection shall apply to amounts received by the State in capitalization grants under this title for fiscal years beginning after September 30, 2014.

(D) CONSIDERATION- If the State provides additional subsidization to a municipality or intermunicipal, interstate, or State agency under this subsection that meets the criteria under paragraph (1)(A), the State shall take the criteria set forth in section 602(b)(5) into consideration.

Discussion:

On June 10, 2014, the Water Resources Reform and Development Act of 2014 was signed into law. Among the provisions of the Act is the new Section 603(i), which details how a state Clean Water State Revolving Fund (CWSRF) program may provide additional subsidization. It also requires that each program establish an affordability requirement that can be a consideration in granting additional subsidization.

The American Recovery and Reinvestment Act of 2009 was the first time that Congress applied the principle of principal forgiveness to the CWSRF. In response, the Alabama CWSRF program utilized additional subsidization in the form of principal forgiveness to construct green infrastructure. In Alabama, green infrastructure (stormwater) projects are constructed very infrequently, even though stormwater runoff is a major source of pollutants. Many local communities lack a dedicated revenue stream to pay for stormwater projects; thus, the CWSRF program has applied principal forgiveness to these projects in order for them to be economically viable. It is hoped that in time, the success of these projects will encourage the construction of more improvements without the need for additional subsidy. The Alabama CWSRF intends to continue this practice to ensure nonpoint source projects are constructed along with the traditional point source projects.

In previous years, the amount of additional subsidization was set by Congress through the annual appropriations process. The amount available varied from year to year and may have been subject to a minimum or maximum. Under the new 603(i)(3), a state may provide up to a maximum of 30% of its capitalization grant if the total appropriations equal or exceed \$1.3 billion. The project priority list will be used to determine which projects are provided principal forgiveness. The highest ranking green infrastructure project will receive principal forgiveness in order to continue to incentivize green projects. Additionally, principal forgiveness will be allocated based on the projects which have the highest priority rankings until all additional subsidization has been allocated.

The amount of principal forgiveness allocated to each project will be determined by a number of factors. These include affordability, need (priority ranking), and type of project (resolving compliance, etc.). 603(i)(2) also requires state CWSRF programs to establish affordability criteria. The criteria *“shall be based on income and unemployment data, population trends, and other data determined relevant by the State”*. Traditionally, affordability has been determined by the CWSRF through a comparison of median household income and annual sewer use charges. The new requirements take a broader approach, focusing more on income and employment of the affected population. In response, the Alabama CWSRF program will utilize the county poverty rate (a measure that compares household income to the number of persons in the household), county unemployment rate, and statewide population trend to determine if a project is affordable. In addition to these measures, the Department also performs a financial analysis to determine a community’s coverage ratio (the ratio of revenue to debt), a financial sustainability to determine how much of a typical SRF loan a community can afford and utilization of the Justice40 Mapping Tool to verify disadvantaged communities within large service areas.

Final Criteria for Additional Subsidy and Affordability:

Additional subsidy in the form of principal forgiveness shall be made available in a total amount per year not to exceed the cap set at 603(i)(3). Funding will be provided in rank order on the project priority list, until the maximum amount has been allocated.

The Affordability Measure for Alabama will be calculated as the sum of the following:

1. The poverty rate of the county served by the project minus the statewide poverty rate;
2. Unemployment Rate Value: The unemployment rate of the county minus the statewide unemployment rate;
3. If the statewide population trend has increased over the two most recent 10-year census estimates, the population trend value shall be 1; if it has decreased the population value shall be 2.
4. Utilization of the Justice40 Mapping Tool – if the Justice40 Mapping Tool indicates that the project area or immediate surrounding area is disadvantaged based on the criteria set within the mapping tool the value shall be 1.



Form 340: Clean Water State Revolving Fund Preapplication

Project Name	
Assistance Amount Requested	\$
Date Submitted	



Submit Complete Preapplication to:	
Preferred method By email:	srf@adem.alabama.gov
By overnight mail:	1400 Coliseum Boulevard Montgomery, Alabama 36110-2400 (334) 271-7714
By mail:	SRF Section Alabama Department of Environmental Management Post Office Box 301463 Montgomery, Alabama 36130-1463

Section 1: Contact Information

Loan Applicant

Applicant Name			
Authorized Representative (Signatory of Loan Agreement)		Title of Authorized Representative	
Email Address		Telephone Number	
Contact Person (Daily SRF Communications)		Title of Contact Person	
Email Address		Telephone Number	
Mailing Address		City, Zip Code	
County		UEI Number	
Fax Number		PWSID Number	
AL House District(s)		AL Senate District(s)	
NPDES Permit Number of Facility (if applicable)		Population of System	
Names and 12-digit HUC Codes of Watersheds Impacted			

Project Engineer:

Firm Name	
Address	
City, State, Zip code	
Engineer Name	
Telephone Number	
Email Address	
Fax Number	

Section 2: Project Information

For the following questions, please attach additional pages if adequate space is not provided on this form:

1. List all other funding sources to be utilized to complete this project.

Other Funding Source(s)	Amount(s)	Commitment Date

2. Provide demographic information about the affected community

Community is defined as the township or county that best represents the system. Please identify what community is being used.

Median Household Income		Source/Date:	
Unemployment Rate		Source/Date:	
Population Trend Over 10 Years (+%)		Source/Date:	
Community			

Priority Ranking System

The following factors are used to rank the proposed project, and will ultimately determine if it falls in the fundable portion of the priority list. The applicant must provide documentation where required in order to receive credit.

*Any ranking criteria that cannot be verified through supporting documentation by the Department will be awarded zero points.

A. Enforcement and Compliance Rating Criteria (Maximum: 50 points) *

Ranking Criteria		Point Value
1	Facility is under formal enforcement action by ADEM and is currently in significant non-compliance. The project will bring the facility into compliance. (A copy of the enforcement order must be attached)	50
2	Project is a voluntary effort to resolve violations and will mitigate the issuance of a formal enforcement action.	40
3	The facility is currently in compliance with permit limits, but will fall out of compliance without the proposed project.	25

B. Water Quality Improvement Criteria (Maximum: 135 points) *

Ranking Criteria		Point Value
1	Project will significantly address water quality standards in a water body that:	
	a) Has an approved TMDL	25
	b) Is subject to a draft TMDL, dated 0-2 years from present	15
	c) Is subject to a draft TMDL, dated 3-5 years from present	10
	d) Is subject to a draft TMDL, dated 6-10 years from present	5
2	Project will implement TMDL(s) for:	5
	a) Pathogens (i.e., fecal coliform/E. coli)	15
	b) Mercury	10
	c) Nutrients (i.e., phosphorous, nitrogen)	5
	d) Organic Enrichment/Dissolved Oxygen	5
	e) Ammonia (toxicity)	15
	f) Siltation (sediment)	
3	a) Project will benefit a Category 5 or Category 4 listed water body.	5
	a) Project takes place in an EPA-identified priority watershed and reduces/eliminates one or more sources of impairments (point and nonpoint source).	5
	b) Project will improve water quality in an Outstanding Alabama Water (OAW).	5
	c) Project will improve water quality in an Outstanding National Resource Water (ONRW).	5
4	Project will upgrade or replace existing failing or inadequate decentralized wastewater treatment systems, or construct septage treatment facilities that are crucial to the proper operation of decentralized wastewater treatment systems.	10
5	Project will protect a public drinking water source from contamination that will negatively impact public health.	15
6	Project will implement a National Estuary Program Comprehensive Conservation Management Plan	10

C. Water/Energy Efficiency Rating (Maximum: 65 points) *

Ranking Criteria		Point Value
1	Project incorporates energy efficient design considerations with established objectives and targets for energy reduction opportunities, performed energy audits or developed energy conservation plans.	5
2	Project uses renewable energy to provide power to a POTW.	10
3	Project implements upgrades to pumps and treatment processes which result in:	
	a) 20 percent or greater reduction in energy consumption at a POTW.	10
	b) Less than a 20 percent reduction in energy consumption at a POTW.	5
4	Infiltration/Inflow correction projects that save energy from pumping and result in reduced treatment costs, and I/I projects in cases where excessive groundwater infiltration is contaminating the influent.	10
5	Projects that incorporate recycling and/or reuse of gray water or wastewater.	20
6	Production of treated effluent for groundwater recharge, industrial operations, or agricultural purposes.	5

D. Stormwater Management Criteria (Maximum: 50 points)

Ranking Criteria		Point Value
1	Project will implement stormwater harvesting and reuse.	10
2	Project incorporates wet weather management systems including: permeable pavement, bioretention, tree plantings, green roofs, rain gardens and other practices that can be designed to mimic natural hydrology and reduce effective imperviousness.	10
3	Project will create riparian buffers, floodplains, vegetated buffers and additional streambank restoration methods.	10
4	Project supports wetland protection or restoration, including constructed wetlands.	10
5	Downspout disconnection to remove stormwater from sanitary sewers and manage runoff onsite.	5
6	Project incorporates green streets for new development, redevelopment or retrofits.	5

E. Agricultural and Nonpoint Source Pollution Criteria (Maximum: 35 points)

Ranking Criteria		Point Value
1	Project addresses water quality impacts associated with farming operations by: a) Implementing water-saving irrigation systems in farms currently using inefficient watering systems. b) Implementing methods to reduce soil and stream bank erosion. c) Utilizing BMPs including no-till farming practices, rotational grazing, cropland conversion and winter cover crops. d) Utilizing alternative watering sources including effluent or grey water reuse.	5 10 10 10
2	Project addresses water quality impacts associated with animal feeding operations by: a) Developing a Nutrient Management Plan. b) Establishing heavy –use protection areas. c) Implementing onsite waste management systems for manure and poultry litter; including recycling, spreading, and storage systems, and digester gas technologies. d) Utilizing dead bird composters and/or incinerators. e) Implementing BMPs (including exclusion fencing and stream crossings).	10 5 10 5 5

F. Sustainability Criteria (90 possible bonus points) *

Ranking Criteria		Point Value
1	Project incorporates one or more of the following planning methodologies: a) Comprehensive Land Use Plan (must designate areas where public infrastructure will and will not be supported) b) Asset Management Plan c) Watershed Management Plan d) Nutrient Management Plan e) Nutrient Trading f) Open Space Preservation g) Integrated Water Resource Plan that stresses water efficiency, reuse and conservation	5 10 5 5 5 5 5
2	Project includes one or several of the following design considerations: a) Site fingerprinting for minimized landscape disturbance and sustainable landscape design. b) LEED certified or other ADEM-approved green building techniques for POTWs. c) Minimizes the environmental and water quality impact of construction through the use of clean fuel construction vehicles, construction waste reduction and other innovative methodologies. d) Project envelope is located in a previously developed area. e) Use of environmentally friendly post-consumer recycled or reclaimed materials.	5 5 5 5 5
3	Project implements at least one of the following construction methods: • Innovative erosion control practices; • Protection of onsite trees, vegetation, native habitats and urban forests; or • Replanting of disturbed areas with native plant species.	5
4	Project will utilize one or more of the following water conservation strategies: a) Development of a water conservation program. b) Incorporates sustainable water pricing practices and rate structures. c) Completion of EPA's Water Quality Scorecard (see http://www.epa.gov/smartgrowth/water_scorecard.htm).	5 10 5

G. Growth Criteria (50 possible bonus points)

Ranking Criteria		Point Value
1	Project includes a significant growth component. (See PER instructions)	0
2	Project does not include a significant growth component. (See PER instructions)	50

Sum the points from each category below.

Part A: Enforcement and Compliance (50 points maximum)	
Part B: Water Quality (135 points maximum)	
Part C: Water/Energy Efficiency (65 points maximum)	
Part D: Stormwater Management (50 points maximum)	
Part E: Agricultural/Non-Point Source (35 points maximum)	
Part F: Sustainability (90 bonus points maximum)	
Part G: Growth (50 bonus points maximum)	
TOTAL POINTS CLAIMED:	

This form should be signed by the official who is authorized to execute contracts on behalf of the applicant jurisdiction.

ONE SIGNED COPY (including attachments) should be emailed to the address shown on Page 1 of this form.

Attachments to be included with this form:

- 1. Preliminary Engineering Report (PER Outline PER Format Below (Preferred))**
- 2. Copies of last three (3) years of audited financial statements (if available)**

Preliminary Engineering Report Outline:

- 1. Description of Project**
 - a. Brief description and background of project
 - b. Purpose of project
 - c. Location of project
 - d. Project Scope
 - e. Average annual household water bill
 - f. Population and median household income
- 2. Proposed Improvements**
 - a. System connections and connections that benefit from construction
 - b. System plan for water conservation
 - c. Proposed operation and management
 - d. Improvements to system
- 3. Project Maps**
 - a. Include all affected water bodies
- 4. Projected Outlay Schedule**
- 5. Cost Breakdown**
 - a. Estimated cost outline for entire project
- 6. Supporting Documentation*** for priority points claimed, as required above. Any points claimed that cannot be readily substantiated from the information submitted will not be counted. The Department reserves the right to make the final determination of all points awarded.
- 7. Growth Criteria:** If the project includes any of the following components, enter a point value of 0:
 - a. New (not a replacement) wastewater treatment plant (excluding decentralized systems).
 - b. Upgraded/expanded/replacement wastewater treatment plant where the purpose of the project is to increase the design flow or projects where the design flow of the facility incidentally increases by more than 20%.
 - c. Collection system improvements that increase design flow (excluding rehabilitation projects where the original design flow is restored).
 - d. New or expanded collection systems.
 - e. Any POTW project that serves future growth.

If none of the criteria above apply, the project will be awarded points as shown.

The undersigned representative of the applicant certifies that the information in the application and in the attached statements and exhibits is true, correct and complete to the best of the applicant's knowledge, information and belief.

Signature of Authorized Representative	Print or Type Name
Title	Date

State of Alabama

Alabama Department of Environmental Management
Clean Water State Revolving Fund Program



SRF Section

Permits and Services Division

Alabama Department of Environmental Management

Post Office Box 301463

Montgomery, Alabama 36130-1463

(334) 271-7714

srf@adem.alabama.gov

**CWSRF Bipartisan Infrastructure Legislation (BIL)
Intended Use Plan**



Fiscal Year 2024

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I. Introduction

As required by Title VI of the Clean Water Act, each year the Department must prepare an Intended Use Plan (IUP) identifying the projected uses of funds available in its Clean Water State Revolving Fund (CWSRF). This Intended Use Plan (IUP) serves as a basis for the development of the capitalization grant payment schedule.

The State of Alabama will receive an EPA Capitalization Grant of \$25,429,000 from EPA that will be used to provide low interest financial assistance for the CWSRF program. For the first two years of BIL (FY2022 and FY2023), Alabama was required to match 10% of the Capitalization Grant funds. For all future years, including 2024, the matching requirement is 20%. The 20% State matching fund requirement for the capitalization grant is \$5,085,800 and will be fulfilled by utilizing state funds appropriated by the State Legislature. The capitalization grant funds for the Clean Water State Revolving Fund Bipartisan Infrastructure Law (CWSRF BIL) and the 20% State matching funds will be distributed as outlined by this plan.

In accordance with the Clean Water Act (CWA) Amendments of 1987, the Department proposes the following plan for the intended use of the CWSRF BIL funds for FY 2024 as required by Section 606(c) of the CWA.

ADEM has set its short- and long-term goals of this IUP to align with EPA's strategic goals and objectives [FY 2022-2026 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 of the specific commitments made by the State are properly correlated to the strategic goals and objectives of the Agency.

Alabama agrees to comply with all Title VI requirements of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, and the Equal Employment Opportunity requirements (Executive Order 11246 as amended) which prohibit activities that are intentionally discriminatory and/or have a discriminatory effect based on race, color, national origin (including limited English proficiency), age, disability, or sex.

II. Program Goals

A. Short Term Goals (Outputs)

1. To provide CWSRF assistance to the extent there are sufficient eligible project applications, not less than 10% of the CWSRF BIL Capitalization Grant for projects to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities. These four categories of projects are the components of the Green Project Reserve. (Deliverable)
2. To provide CWSRF loans with additional subsidization in the form of principal forgiveness for 49% (\$12,460,210) of the CWSRF BIL Capitalization Grant. (Deliverable)
3. To implement the State's CWSRF in compliance with Title VI of the Clean Water Act and to ensure conformance with Federal crosscutting issues as required by the 1987 Clean Water Act amendments.
4. To ensure compliance with the "first use" requirements which require that CWSRF assistance be available to projects which are members of the National Municipal Policy (NMP) universe; projects which have legally enforceable compliance schedules. (Deliverable)
5. To achieve statewide compliance with Federal and State water quality standards, particularly with the NMP as rapidly as possible. (Deliverable)

6. To protect the public health and the environment and promote the completion of cost effective wastewater treatment facilities.

B. Long Term Goals (Outcomes)

1. To maintain the CWSRF program and the fiscal integrity of the fund.
2. To provide a self-perpetuating source of financial assistance for the construction of public wastewater treatment and transport facilities needed to meet water quality standards and provide capacity for future growth.
3. To assure that all Municipal NMP facilities achieve compliance as soon as possible.
4. To assure that all municipal facilities achieve compliance with final effluent limits as soon as possible.
5. To assist in the maintenance of water quality standards wherever such standards are adversely affected by municipal wastewater point sources.
6. To meet public health and environmental needs of those communities with malfunctioning on-site treatment systems that are either identified as a health hazard by the State Health Department or that adversely affect water quality.
7. To use the 2% technical set-aside to build a program that will proactively identify, reach out to, and provide assistance to small and disadvantaged communities to identify needs, develop projects, apply for funding, design and implement projects, and create training specifically for malfunctioning on-site systems.

C. Program Changes

No programmatic changes are proposed for this fiscal year.

III. Sources and Use of the Funds:

The Department is expected to fund FY 2024 projects using a combination of the 2024 EPA CWSRF BIL Cap Grant and state match. Match for the EPA Grant will be fulfilled by utilizing state funds appropriated by the State Legislature. The estimated sources and uses of funds in the FY 2024 CWSRF BIL program are as follows:

Projected Sources:

2024 EPA CWSRF BIL Cap Grant:	\$25,429,000
CWSRF State Match	\$5,085,800
Interest and Repayments	\$16,872,558 ¹
Total:	\$30,514,800
Overall Total:	\$47,387,358 ²

Note 1: Estimated future repayments and interest earnings from loans.

Note 2: Estimated repayment funds are not included in project totals. These funds will be included in future fiscal year(s) IUPs as repayments are received.

Projected Uses:

Project Assistance:	\$28,778,428
Administrative Costs (4%):	\$1,227,792
<u>Small Systems Technical Assistance (2%):</u>	<u>\$508,580</u>
Total:	\$30,514,800

Projects on the CWSRF BIL Project List are ranked by their respective priority point rating and may be funded according to availability of funds. Projects that are not funded from the Project List may be funded in subsequent years.

The rate of cash draws from the federal capitalization grant will be based on dollar-for-dollar draws of direct loan projects. Consistent with EPA policy, draws from the federal grant for these direct loan projects are required to be proportional to the disbursement of state match funds to borrowers for eligible project costs. The State intends to manage its disbursements to borrowers to insure that State funds are spent first in order to ensure that the proportionality requirement is met expeditiously. This technique is necessary to ensure that direct loan borrowers funded from federal capitalization grants are able to receive requisitioned funds in a timely manner. It should be noted that overmatch from previous years' programs will be used to match the grant in addition to the appropriation provided by the State Legislature.

IV. Water Resources Reform and Development Act

The Water Resources Reform and Development Act (WRRDA) was enacted on June 10, 2014 and brought several changes to the CWSRF program.

A. Fiscal Sustainability Plans

The Federal Water Pollution Control Act (FWPCA) Section 603(d)(1)(E) requires a recipient of a loan for a project that involves the repair, replacement, or expansion of a publicly owned treatment works to develop and implement a Fiscal Sustainability Plan (FSP) or certify that it has developed and implemented an FSP. This provision applies to all loans for which the loan recipient submitted an application on or after October 1, 2014.

The Alabama CWSRF program provides all assistance by purchasing outstanding debt obligations (bonds) from the borrower, thus this requirement does not apply. The Alabama CWSRF program commonly refers to these bond purchase agreements as "loans", though they are not loans as defined by EPA.

B. Architectural and Engineering (A/E) Services Procurement

For any capitalization grant awarded after October 1, 2014, the State must ensure that all A/E contracts for projects identified as using funds directly from each year's 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. If a project is utilizing federal funds ("equivalency") then the Alabama CWSRF requires its recipients to comply with the *September 30, 2014, Alabama CWSRF A/E Procurement Requirements* (See Attachment 3). For projects which are not considered equivalency, procurement of A/E services would follow the requirements of State Bid Law. Beginning in 2024, the SRF will place all A/E services in "non-equivalency" funding when practicable.

C. Cost and Effectiveness Certification

Section 602(b)(13) requires that CWSRF recipients certify that the recipient has studied the cost and effectiveness of the project and selected the project that maximizes the potential for efficient water use, reuse, recapture and conservation, and energy conservation. The Alabama CWSRF program is

requiring each recipient of CWSRF funding to provide a certification in compliance with 602(b)(13). This certification can be found on page 14 of the CWSRF Loan Application (Form 339 M-2).

D. Additional Subsidy and Affordability

Additional subsidy in the form of principal forgiveness shall be made available in total of the required amount for the States 2024 Capitalization Grant Appropriation or the cap set at 603(i)(3) of the Federal Water Pollution Control Act, whichever is less. Additional subsidy will be provided in rank order to projects as determined by the Affordability Measure for Alabama. In addition, additional subsidy would be provided to an eligible project that meets Section 603(i)(1)(B) Clean Water Act requirements at a greater than 50% project cost ratio. Each project may receive principal forgiveness until the amount has been allocated. The Affordability Measure Guidelines for Alabama can be found on Attachment 4.

E. Extended Term Financing

Section 603(d)(1)(A) authorizes CWSRF loans to be made for a term not exceeding the lesser of 30 years or the useful life of the project. The total term financing shall not exceed 20 years or, under special circumstances, 30 years may be considered.

V. Project Selection and Methods of Distribution of Funds

A. Priority List

In order to be considered for CWSRF BIL assistance, projects must be on or added to the Priority List and have a proposed project schedule that coincides with the availability of CWSRF BIL funds. The CWSRF BIL project list was developed by identifying the priority point rating for each proposed project. (See Attachment 5) The funding of such projects is also subject to the availability of funds.

B. Additional Subsidization:

Additional subsidy in the form of principal forgiveness shall be made available in total of the required amount of the 2024 Capitalization Grant Appropriation or the cap set at 603(i)(3) of the Federal Water Pollution Control Act, whichever is less. The attached project list attachment includes projects that may receive principal forgiveness based on the subsidy criteria. The Department has authority to provide additional subsidization by the Code of Alabama Section 22-34-3(a).

C. Green Project Reserve:

The EPA capitalization grant requires that, to the extent there are sufficient eligible project applications, not less than 10% of funds provided by the 2024 Capitalization Grant for projects must be used for projects that address green infrastructure, water or energy efficiency, or other environmentally innovative activities. These four categories of projects are the components of the Green Project Reserve (GPR). The Department actively solicited for green infrastructure projects. This solicitation included a notice posted on the ADEM website as well as a notice sent to approximately 1,000 addresses on the Department's contact list including all incorporated towns and all county governments. The project fundable list identifies five projects that have a component for GPR totaling \$2,790,000 (11%).

D. Prevailing Wages

Davis-Bacon wage requirements apply for this fiscal year and each fiscal year thereafter and the requirements of section 513 of the Federal Water Pollution Control Act (33 U.S.C. 1372) shall apply to the construction of treatment works carried out in whole or in part with assistance made available by the CWSRF as authorized by title VI of that Act (33 U.S.C. 1381 et seq.). The Department will include in all loan agreements and procurement contracts terms and conditions requiring compliance with this requirement.

E. Build America, Buy America (BABA)

Build America, Buy America (BABA) will be implemented for this fiscal year and each fiscal year thereafter. BABA will be required for eligible projects funded through the Clean Water State Revolving Fund (CWSRF) unless a waiver is granted.

BABA is considered a federal cross-cutting requirement that applies to SRF assistance equivalent to the federal capitalization grant (i.e., “equivalency” projects). EPA’s SRF regulations at 40 CFR 35.3145 and 35.3575 require states and recipients of SRF funds equivalent to the amount of the federal capitalization grant to comply with federal cross-cutting requirements. Section 70914 of the IIJA, which states when a Buy America preference applies, explains that “none of the funds made available for a Federal financial assistance program for infrastructure...may be obligated for a project unless all of the iron, steel, manufactured products, and construction materials used in the project are produced in the United States.” Therefore, BABA only applies to projects funded in an amount equivalent to the federal capitalization grant.

F. Distribution of Funds to Set-Aside Accounts

EPA provisions all funds to be set aside from the CWSRF-BIL Capitalization Grant for activities such as administration of the SRF Program, operator training and technical assistance, and special projects focused on CWSRF eligible activities. These activities are discussed in “Set-Aside Activities” below.

G. Selection of Systems to Receive Assistance

To the maximum extent possible, the CWSRF gives priority for the use of the funds to projects that address the most serious risk to human health and are necessary to ensure compliance with the Clean Water Act, WRRDA, BIL, and Amendments.

The criteria for ranking projects gives priority to projects that:

1. promote compliance with the Clean Water Act;
2. improve water quality;
3. increase energy and water efficiency;
4. promote sustainability;
5. and the applicant is financially capable of receiving a loan.

These considerations are addressed by the Priority Ranking Criteria found in ADEM Administrative Code R. 335-11-1-.04 and in the CWSRF pre-application provided in Attachment 6.

Projects on the priority list shall be ranked in descending order of the point rating assigned to each project. In the event two or more projects are assigned an identical point rating, such projects shall be ranked in accordance with the following criteria: The project that serves a community with the lowest median household income shall be ranked first. In the event the projects have identical median household incomes, the project with the lowest total cost will be ranked first.

A project on the fundable portion of the list may be bypassed and the next eligible project funded if it is determined that the project will not be ready to proceed during the funding year. Projects that have been bypassed may be funded at a later date when the project is ready to proceed. Should a system on the funded list decline the loan, the next ranked project shall be offered access to all or a portion of these funds.

Any changes to the IUP, including the addition of projects not listed on the IUP at the time of solicitation for public comment, will require an additional public comment period of 30 days. The Department will resolicit this IUP for notice if changes are made in future fiscal year(s).

F. Inadequate Allocations:

If the actual federal CWSRF allocations are less than anticipated by the Department in the development of the CWSRF priority list, the Department may find it necessary to reduce their commitments to projects on the priority list. The Department may take formal action to reduce the number of commitments in accordance with subparagraph 3) of this paragraph.

- 1). The Department may redistribute the CWSRF funds allocated to each project.
- 2). The Department may redistribute funds from lower priority projects to higher priority projects.
- 3). The Department may bypass projects on the priority list in accordance with Section H, below.

G. Unanticipated and Uncommitted Funds:

If unanticipated or uncommitted funds become available, the Department may take action to distribute them in accordance with subparagraphs 1-2 of this paragraph:

- 1). The Department may use the unanticipated or uncommitted funds to fund the highest priority project(s) from the priority list.
- 2). The Department may use the unanticipated or uncommitted funds to increase the amount of funds allocated to CWSRF fundable projects or to provide increased assistance to projects which have already received CWSRF assistance.

Additionally, supplemental loans may be made to previous recipients as needed to complete segmented projects or to cover unanticipated cost overruns.

H. Project Bypass/Reallotment:

The Department may bypass any project on the CWSRF BIL priority list that is not, in the Department's opinion, making satisfactory progress in satisfying requirements for CWSRF assistance. Bypassed projects will be removed from the priority list. In determining whether or not a project is making satisfactory progress in satisfying the requirements for CWSRF BIL assistance, the Department shall use the criteria contained in subparagraphs 1-6 of this paragraph. Funds released through project bypass will be considered as uncommitted and available for redistribution in accordance with this section.

- 1). Any project on the CWSRF BIL Priority List may be bypassed if the applicant fails to submit a complete CWSRF application.
- 2). The Department may use individual project schedules developed by the Department to determine whether or not the project is making satisfactory progress during the fiscal year.
- 3). In order to comply with EPA certification restrictions related to equivalency requirements, it may be necessary to bypass projects which have not complied with Title II requirements and other federal authorities.
- 4). Any project on the CWSRF BIL Priority List may be bypassed if the applicant fails to demonstrate the ability to repay the loan.
- 5). To maintain the fiscal integrity of a leveraged loan program or provide funds for new construction, the Department may choose to bypass projects which involve refinancing of existing debt.
- 6). Projects may be removed from the priority list at the request of the applicant or if the Department finds that the project is ineligible for CWSRF BIL assistance.

VI. Set-Aside Activities

A. Administrative Set-Aside (4%)

SRF Guidelines allow states to set aside 4% of the Capitalization grant or 1/5% of the position of the fund for SRF administrative costs. Administrative funds of \$1,227,792 (1/5% of \$613,895,974) will be used to pay costs for personnel, travel, equipment, supplies, audit fees, and indirect costs associated with implementing the SRF program.

B. Small Systems Technical Assistance Set-Aside (2%)

SRF Guidelines allow states to set aside 2% of the Capitalization grant to provide small systems technical assistance. The SRF will utilize \$508,580 (2%) in small systems technical assistance to build a program that will proactively identify, reach out to, and provide assistance to small and disadvantaged communities to identify needs, develop projects, apply for funding, design and implement projects, and create training specifically for malfunctioning on-site systems.

VII. Certifications:

1. The Department certifies that this IUP will be subject to public review and comment with a public notice period of 30 days.
2. The Department certifies that all wastewater facility projects in this IUP are on the CWSRF Priority List.
3. The Department certifies that it will enter into binding commitments for 120% of each payment under the CWSRF capitalization grant within one (1) year after receipt of each payment.
4. The Department certifies that it will expend all funds in the CWSRF in an expeditious and timely manner.
5. The Department certifies that all wastewater facilities in the state are in compliance with enforceable requirements or are making progress toward meeting those requirements except as specifically noted in the IUP.
6. The Department certifies that all facilities funded by the CWSRF shall complete a NEPA-like environmental review process.
7. The Department certifies that it will comply with all requirements of the 1997 Operating Agreement with EPA.
8. The Department certifies that it will complete a Benefits Assessment worksheet for each loan agreement executed in order to comply with EPA environmental results reporting requirements.

VII. Program Income:

The Alabama Water Pollution Control Authority, with ADEM as its agent, assesses an annual fee based on outstanding loan principal. These fees vary based on the fiscal year to which the loan agreement was secured and are collected twice a year when the recipient initiates repayment of the loan. In accordance with *Guidance on Fees Charged by States to Recipients of Clean Water State Revolving Fund Program Assistance*, published October 20, 2005, fees collected from loans sourced from outstanding grants will be used for administration of the SRF fund only. All other fees will be used to provide fee income for the Department's CWSRF Direct Loan Fund and assist in the implementation of the Department's Water and Field Operations Divisions. The expected interest rate for fiscal year 2024 is 2.4% total. This includes 0.1% in interest and 2.3% in fees collected by the Department.

The Department expects to receive fees during FY 2024 as follows:

Total Program Income	Program Income Collected During Grant Period	Program Income Collected After Grant Period
\$4,313,844	\$0.00	\$4,313,844

VIII. Estimated CWSRF Capitalization Grant Payment Schedules:

A. Estimated Grant Draw Schedule

Fiscal Year	Month	Draw
2024	Apr	\$2,119,087
2024	May	\$2,119,083
2024	Jun	\$2,119,083
2024	Jul	\$2,119,083
2024	Aug	\$2,119,083
2024	Sep	\$2,119,083
2024	Oct	\$2,119,083
2024	Nov	\$2,119,083
2024	Dec	\$2,119,083
2024	Jan	\$2,119,083
2024	Feb	\$2,119,083
2024	Mar	\$2,119,083
Total		\$25,429,000

B. Estimated Grant Disbursal Schedule

Payment Quarter	Payment Date	Payment Amount
FY2025/Quarter 1	10/01/24	\$12,714,500
FY2025/Quarter 2	01/01/25	\$12,714,500

Payments are defined as increases to the amount of funds available from the federal SRF capitalization grant. This draft payment schedule is based on the State's projection of binding commitments and disbursements from the SRF to the members of the SRF project list. The disbursement schedule will essentially coincide with the grant payment schedule as ACH draw requests will be processed only upon submittal of payment requests from loan recipients for actual costs incurred. Funds from the ACH will be disbursed to the recipient immediately. The disbursement of funds will be in proportion to the amount of state and federal funds provided by the grant and state match. This will be ensured by disbursing all state match funds prior to drawing capitalization grant funds for project disbursements.

C. Capitalization Grant Budget Periods

2024 EPA CWSRF Capitalization Grant

October 1, 2024 through September 30, 2030

IX. Public Participation

The IUP was provided for public comment on December 5, 2024 for a period of 30 days. Comments were received and all comments have been addressed. The comments are attached to the final IUP. Minor changes were made as a result of the comments; however, no changes were made that would require an additional public notice period.

X. Reporting

1. Annual reports are required for the BIL CWSRF Capitalization Grant. Each annual report is due on December 30 following each fiscal year period. The annual report for the 2024 CWSRF BIL funding will include the results from the period of October 1, 2024 through September 30, 2025 and will be submitted on or before December 30, 2025.
2. The Department will submit information on projects into the CWSRF Nation Information Management System (NIMS) as binding commitments are entered into with the borrowers as proposed in this IUP. The projects will be updated in NIMS at a maximum of one quarter after the binding commitment close date.

Attachment 1: Project Priority List

Project #	Applicant Name	Project Description	City/Town	County	Justice 40 Map Coverage	Population	Disadvantaged Rank	Priority Ranking Points	CW BIL Amount Granted	CW BIL Amount of PF	CW BIL PF%	GPR Amount	GPR Category	GPR Description	Applied for Project Amount	Fund
CS010281-24	Mobile, AL (MAWSS), Board of Water and Sewer Commissioners of the City of**	Phase I Supplemental - 2024	Mobile	Mobile	N/A	195,457	2.00	SUPP	\$10,100,000	\$0	0%				\$10,100,000	CWBIL
CS010835-05	Tuscaloosa, City of	2024 Supplemental	Tuscaloosa	Tuscaloosa	N/A	89,035	2.00	SUPP	\$2,978,991	\$0	0%				\$11,500,000	CWBIL
CS010923-03	Columbiana, City of	2024 Supplemental	Columbiana	Shelby	N/A	4,110	1.00	SUPP	\$3,239,227	\$0	0%				\$4,475,000	CWSRF/CWBIL
CS010956-02	Littleville, Town of	Sewer System Improvements	Littleville	Colbert	Yes	1,002	4.00	150	\$3,699,437	\$3,699,437	100%	\$290,000	Energy Efficiency/Environmentally Innovative	Lift Station Replacement/Septic Tank Replacement	\$7,398,875	CWBIL
CS010816-08	Athens, City of	Strain Road Sewer Connection	Athens	Morgan	Yes	98	3.00	140	\$3,893,773	\$3,893,773	100%	\$4,393,773	Environmentally Innovative	Replacement of septic tanks	\$4,393,773	CWSRF/CWBIL
CS010452-05	Heflin Water Works and Sewer Board	Wastewater Improvements	Heflin	Cleburne	Yes	3,468	4.00	125	\$367,000	\$367,000	100%				\$2,845,000	CWSRF/CWBIL/ARPA
CS010873-02	Arab, Sewer Board of the City of	Wastewater System Improvements	Arab	Marshall	Yes	8,023	3.00	120	\$1,500,000	\$1,500,000	100%				\$39,620,000	CWBIL
CS010972-02	Owens Cross Roads, Town of	OCR Sewer Plant Build	Owens Cross Roads	Madison	Yes	1,708	3.00	90	\$3,000,000	\$3,000,000	100%				\$10,323,347	CWBIL/ARPA
Total	8								\$28,778,428	\$12,460,210	*49%	\$4,683,773			\$90,655,995	

*Note: Principal Forgiveness percentage is calculated based off of total Capitalization Grant amount.

**Note (and bold): Equivalency projects.

Attachment 2: Project Descriptions

CWSRF BIL General Supplemental Project Descriptions

Heflin Water Works and Sewer Board – Wastewater Improvements (SUPP)

The Heflin Water Works and Sewer Board proposes to rehabilitate the wastewater treatment plant components and pipe burst existing sewer lines to prevent infiltration and inflow. All work will be completed on the existing wastewater treatment plant site inside the fence boundary. The units being replaced or rehabilitated are the bar screen, grit system, aeration basin, final clarifiers and UV system.

Mobile, AL (MAWSS), Board of Water and Sewer Commissioners of the City of - Phase I (SUPP)**

The Mobile Board of Water and Sewer Commissioners (MAWSS) (CS010281-19) proposes implementation of Mobile's CWSRF Master Plan Phase I (Years 2019-2023) to include: replacement of dewatering system and construction of new chlorine building at Williams WWTP; addition to Eslava Creek Severe Weather Attenuation Tank (SWAT) storage and conveyance; installation of Williams WWTP to Eslava Creek parallel sewer main; slip-lining of Pre-stressed Concrete Cylinder Pipe (PCCP) Halls Mill Connection to South Broad Street and from South Broad Street to Williams WWTP; refurbishment of existing Three-Mile Creek SWAT Tank; replacement of Headworks, renovations to Maintenance Building, replacement of Digester Dome, and additional access driveway at Smith WWTP; and Lift Station SCADA Programming. Proposed improvements will insure continued compliance with existing regulations and demands and provide increased efficiency and dependability to the Board's overall wastewater collection and treatment system.

Tuscaloosa, City of – 2024 Supplemental (SUPP)

The City of Tuscaloosa proposes to upgrade the Mercedes Sewer Force Main and #114 Lift Station as part of the 2018 CWSRF Miscellaneous Improvements Project of 2018. The proposed project would maintain and improve City's existing collection system infrastructure.

Columbiana, City of – 2024 Supplemental (SUPP)

The City of Columbiana proposes to install new headworks including bar screen, grit removal, and plant lift station, new aeration and clarifiers, and UV system for disinfection at the wastewater treatment plant. The proposed project would increase treatment efficiency and provide additional reliability for all customers.

Littleville, Town of – Sewer System Improvements

The Town of Littleville proposes to replace sewer main and service lines to correct infiltration and inflow (I&I). The proposed project would reduce water loss, improve water quality, and increase reliability and sustainability for the existing customers.

Athens, City of – Strain Road Sewer Connection

The City of Athens proposes to replace the failing septic tanks within the Strain Road community with city sewer through a force main connection and new lift station. The proposed project would correct water quality issues and provide sanitary sewer to approximately 98 customers.

Arab, Sewer Board of the City of – Wastewater System Improvements

The Sewer Board of the City of Arab proposes improvements to the Wastewater treatment facility and collection system. The proposed project would result in mitigation of SSO's and maintain compliance with other permit requirements.

Owens Cross Roads, Town of – OCR Sewer Plant Build

The Town of Owens Cross Road proposes to replace the existing wastewater treatment facility. The current WWTF has reached the end of its useful life and wastewater is having to be sent to interconnected communities to ensure that water quality standards are met. The proposed project would improve water quality and increase reliability and sustainability for the existing customers.

Attachment 2: A/E Procurement Requirements

Alabama CWSRF A/E Procurement Requirements

Effective September 30, 2014 for all assistance agreements directly made available from the FY 15 (and later) capitalization grant.

It is the intent of the Alabama Clean Water SRF program that all assistance recipients select architectural & engineering services based on qualifications of the selected firm, not price. This reinforces Canon IV of the Board of Engineers and Land Surveyors' Code of Ethics, contained in the Board's regulations at 330-X-14-.05 (f):

The engineer or land surveyor shall not participate in or implement procurement practices (bid submittals) which do not first determine the qualifications of the engineer or land surveyor prior to entering into fee negotiations for services being sought. An engineer or land surveyor having submitted a statement of qualification and performance data, and having first been judged as the qualified individual or firm to provide the services required for the proposed project, may proceed to negotiate a contract with a client and establish compensation or fees for the required services.

Should the engineer or land surveyor be unable to negotiate a satisfactory contract with the client for any reason, the engineer or land surveyor shall withdraw from further consideration for the engineering or land surveying services. Another engineer or land surveyor may then be selected for negotiations of a contract for the services on the stated project.

Examples include but are not limited to, simultaneous negotiations or solicitation of fee proposals by the client from two or more engineers or land surveyors constitutes "bidding" and participation by a licensee is prohibited.

Use of a qualifications-based selection is also required by the Alabama Board for Registration of Architects, at 100-X-5-.10:

Architects are encouraged to seek professional employment on the basis of qualifications and competence for proper accomplishment of the work. This procedure restricts the architect from submitting a price for services until the prospective client has selected, on the basis of qualifications and competence, one architect or firm for negotiations.

CWSRF assistance applicants are required to certify the following:

1. That the applicant sought the most-qualified firm for professional services, by issuing a Request for Proposals (RFP) or a Request for Qualifications (RFQ).
2. That the applicant made a good faith effort to seek proposals or qualifications from at least 3 firms, as evidenced by a public notice, advertisement, or other appropriate means.
3. That the applicant evaluated the proposals or qualifications and selected a firm based on professional competency, past performance, specialized experience, and other factors deemed critical for success of the project.

4. That only upon making a selection based on qualifications did the applicant negotiate a contract and determine compensation. (If the applicant was unable to negotiate a contract with the most qualified firm, the applicant may then negotiate with the next-most-qualified firm)

Attachment 3 – Additional Subsidization and Affordability Criteria

Alabama Clean Water State Revolving Fund Additional Subsidization and Affordability Criteria

Effective September 30, 2015

Purpose:

This document establishes the additional subsidization and affordability criteria for the Alabama Clean Water State Revolving Fund. The criteria are effective September 30, 2015, and may be modified from time-to-time upon notice.

Background:

Section 603(i) of the Federal Water Pollution Control Act states the following:

Additional Subsidization-

(1) IN GENERAL- In any case in which a State provides assistance to a municipality or intermunicipal, interstate, or State agency under subsection (d), the State may provide additional subsidization, including forgiveness of principal and negative interest loans--

(A) to benefit a municipality that--

(i) meets the affordability criteria of the State established under paragraph (2);

or

(ii) does not meet the affordability criteria of the State if the recipient--

(I) seeks additional subsidization to benefit individual ratepayers in the residential user rate class;

(II) demonstrates to the State that such ratepayers will experience a significant hardship from the increase in rates necessary to finance the project or activity for which assistance is sought; and

(III) ensures, as part of an assistance agreement between the State and the recipient, that the additional subsidization provided under this paragraph is directed through a user charge rate system (or other appropriate method) to such ratepayers; or

(B) to implement a process, material, technique, or technology--

(i) to address water-efficiency goals;

(ii) to address energy-efficiency goals;

(iii) to mitigate stormwater runoff; or

(iv) to encourage sustainable project planning, design, and construction.

(2) AFFORDABILITY CRITERIA-

(A) ESTABLISHMENT-

(i) IN GENERAL- Not later than September 30, 2015, and after providing notice and an opportunity for public comment, a State shall establish affordability criteria to assist in identifying municipalities that would experience a significant hardship raising the revenue necessary to finance a project or activity eligible for assistance under subsection (c)(1) if additional subsidization is not provided.

(ii) CONTENTS- The criteria under clause (i) shall be based on income and unemployment data, population trends, and other data determined relevant by the State, including whether the project or activity is to be carried out in an economically distressed area, as described in section 301 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3161).

(B) EXISTING CRITERIA- If a State has previously established, after providing notice and an opportunity for public comment, affordability criteria that meet the requirements of subparagraph (A)--

*(i) the State may use the criteria for the purposes of this subsection; and
(ii) those criteria shall be treated as affordability criteria established under this paragraph.*

(C) INFORMATION TO ASSIST STATES- The Administrator may publish information to assist States in establishing affordability criteria under subparagraph (A).

(3) LIMITATIONS-

(A) IN GENERAL- A State may provide additional subsidization in a fiscal year under this subsection only if the total amount appropriated for making capitalization grants to all States under this title for the fiscal year exceeds \$1,000,000,000.

(B) ADDITIONAL LIMITATION-

(i) GENERAL RULE- Subject to clause (ii), a State may use not more than 30 percent of the total amount received by the State in capitalization grants under this title for a fiscal year for providing additional subsidization under this subsection.

(ii) EXCEPTION- If, in a fiscal year, the amount appropriated for making capitalization grants to all States under this title exceeds \$1,000,000,000 by a percentage that is less than 30 percent, clause (i) shall be applied by substituting that percentage for 30 percent.

(C) APPLICABILITY- The authority of a State to provide additional subsidization under this subsection shall apply to amounts received by the State in capitalization grants under this title for fiscal years beginning after September 30, 2014.

(D) CONSIDERATION- If the State provides additional subsidization to a municipality or intermunicipal, interstate, or State agency under this subsection that meets the criteria under paragraph (1)(A), the State shall take the criteria set forth in section 602(b)(5) into consideration.

Discussion:

On June 10, 2014, the Water Resources Reform and Development Act of 2014 was signed into law. Among the provisions of the Act is the new Section 603(i), which details how a state Clean Water State Revolving Fund (CWSRF) program may provide additional subsidization. It also requires that each program establish an affordability requirement that can be a consideration in granting additional subsidization.

The American Recovery and Reinvestment Act of 2009 was the first time that Congress applied the principle of principal forgiveness to the CWSRF. In response, the Alabama CWSRF program utilized additional subsidization in the form of principal forgiveness to construct green infrastructure. In Alabama, green infrastructure (stormwater) projects are constructed very infrequently, even though stormwater runoff is a major source of pollutants. Many local communities lack a dedicated revenue stream to pay for stormwater projects; thus, the CWSRF program has applied principal forgiveness to these projects in order for them to be economically viable. It is hoped that in time, the success of these projects will encourage the construction of more improvements without the need for additional subsidy. The Alabama CWSRF intends to continue this practice to ensure nonpoint source projects are constructed along with the traditional point source projects.

In previous years, the amount of additional subsidization was set by Congress through the annual appropriations process. The amount available varied from year to year and may have been subject to a minimum or maximum. Under the new 603(i)(3), a state may provide up to a maximum of 30% of its capitalization grant if the total appropriations equal or exceed \$1.3 billion. The project priority list will be used to determine which projects are provided principal forgiveness. The highest ranking green infrastructure project will receive principal forgiveness in order to continue to incentivize green projects. Additionally, principal forgiveness will be allocated based on the projects which have the highest priority rankings until all additional subsidization has been allocated.

The amount of principal forgiveness allocated to each project will be determined by a number of factors. These include affordability, need (priority ranking), and type of project (resolving compliance, etc.). 603(i)(2) also requires state CWSRF programs to establish affordability criteria. The criteria *“shall be based on income and unemployment data, population trends, and other data determined relevant by the State”*. Traditionally, affordability has been determined by the CWSRF through a comparison of median household income and annual sewer use charges. The new requirements take a broader approach, focusing more on income and employment of the affected population. In response, the Alabama CWSRF program will utilize the county poverty rate (a measure that compares household income to the number of persons in the household), county unemployment rate, and statewide population trend to determine if a project is affordable. In addition to these measures, the Department also performs a financial analysis to determine a community’s coverage ratio (the ratio of revenue to debt), a financial sustainability to determine how much of a typical SRF loan a community can afford and utilization of the Justice40 Mapping Tool to verify disadvantaged communities within large service areas.

Final Criteria for Additional Subsidy and Affordability:

Additional subsidy in the form of principal forgiveness shall be made available in a total amount per year not to exceed the cap set at 603(i)(3). Funding will be provided in rank order on the project priority list, until the maximum amount has been allocated.

The Affordability Measure for Alabama will be calculated as the sum of the following:

1. The poverty rate of the county served by the project minus the statewide poverty rate;
2. Unemployment Rate Value: The unemployment rate of the county minus the statewide unemployment rate;
3. If the statewide population trend has increased over the two most recent 10-year census estimates, the population trend value shall be 1; if it has decreased the population value shall be 2.
4. Utilization of the Justice40 Mapping Tool – if the Justice40 Mapping Tool indicates that the project area or immediate surrounding area is disadvantaged based on the criteria set within the mapping tool the value shall be 1.

Attachment 4: Pre-application Form**Form 340: Clean Water State Revolving Fund Preapplication**

Project Name	
Assistance Amount Requested	\$
Date Submitted	



Submit Complete Preapplication to:	
Preferred method By email:	srf@adem.alabama.gov
By overnight mail:	1400 Coliseum Boulevard Montgomery, Alabama 36110-2400 (334) 271-7714
By mail:	SRF Section Alabama Department of Environmental Management Post Office Box 301463 Montgomery, Alabama 36130-1463

Section 1: Contact Information**Loan Applicant**

Applicant Name			
Authorized Representative (Signatory of Loan Agreement)		Title of Authorized Representative	
Email Address		Telephone Number	
Contact Person (Daily SRF Communications)		Title of Contact Person	
Email Address		Telephone Number	
Mailing Address		City, Zip Code	
County		UEI Number	
Fax Number		PWSID Number	
AL House District(s)		AL Senate District(s)	
NPDES Permit Number of Facility (if applicable)		Population of System	
Names and 12-digit HUC Codes of Watersheds Impacted			

Project Engineer:

Firm Name	
Address	
City, State, Zip code	
Engineer Name	
Telephone Number	
Email Address	
Fax Number	

Section 2: Project Information

For the following questions, please attach additional pages if adequate space is not provided on this form:

1. List all other funding sources to be utilized to complete this project.

Other Funding Source(s)	Amount(s)	Commitment Date

2. Provide demographic information about the affected community

Community is defined as the township or county that best represents the system. Please identify what community is being used.

Median Household Income		Source/Date:	
Unemployment Rate		Source/Date:	
Population Trend Over 10 Years (+%)		Source/Date:	
Community			

Priority Ranking System

The following factors are used to rank the proposed project, and will ultimately determine if it falls in the fundable portion of the priority list. The applicant must provide documentation where required in order to receive credit.

*Any ranking criteria that cannot be verified through supporting documentation by the Department will be awarded zero points.

A. Enforcement and Compliance Rating Criteria (Maximum: 50 points) *

Ranking Criteria		Point Value
1	Facility is under formal enforcement action by ADEM and is currently in significant non-compliance. The project will bring the facility into compliance. (A copy of the enforcement order must be attached)	50
2	Project is a voluntary effort to resolve violations and will mitigate the issuance of a formal enforcement action.	40
3	The facility is currently in compliance with permit limits, but will fall out of compliance without the proposed project.	25

B. Water Quality Improvement Criteria (Maximum: 135 points) *

Ranking Criteria		Point Value
1	Project will significantly address water quality standards in a water body that:	
	a) Has an approved TMDL	25
	b) Is subject to a draft TMDL, dated 0-2 years from present	15
	c) Is subject to a draft TMDL, dated 3-5 years from present	10
	d) Is subject to a draft TMDL, dated 6-10 years from present	5
2	Project will implement TMDL(s) for:	5
	a) Pathogens (i.e., fecal coliform/E. coli)	15
	b) Mercury	10
	c) Nutrients (i.e., phosphorous, nitrogen)	5
	d) Organic Enrichment/Dissolved Oxygen	5
	e) Ammonia (toxicity)	15
	f) Siltation (sediment)	
3	a) Project will benefit a Category 5 or Category 4 listed water body.	5
	a) Project takes place in an EPA-identified priority watershed and reduces/eliminates one or more sources of impairments (point and nonpoint source).	5
	b) Project will improve water quality in an Outstanding Alabama Water (OAW).	5
	c) Project will improve water quality in an Outstanding National Resource Water (ONRW).	5
4	Project will upgrade or replace existing failing or inadequate decentralized wastewater treatment systems, or construct septage treatment facilities that are crucial to the proper operation of decentralized wastewater treatment systems.	10
5	Project will protect a public drinking water source from contamination that will negatively impact public health.	15
6	Project will implement a National Estuary Program Comprehensive Conservation Management Plan	10

C. Water/Energy Efficiency Rating (Maximum: 65 points) *

Ranking Criteria		Point Value
1	Project incorporates energy efficient design considerations with established objectives and targets for energy reduction opportunities, performed energy audits or developed energy conservation plans.	5
2	Project uses renewable energy to provide power to a POTW.	10
3	Project implements upgrades to pumps and treatment processes which result in:	
	a) 20 percent or greater reduction in energy consumption at a POTW.	10
	b) Less than a 20 percent reduction in energy consumption at a POTW.	5
4	Infiltration/Inflow correction projects that save energy from pumping and result in reduced treatment costs, and I/I projects in cases where excessive groundwater infiltration is contaminating the influent.	10
5	Projects that incorporate recycling and/or reuse of gray water or wastewater.	20
6	Production of treated effluent for groundwater recharge, industrial operations, or agricultural purposes.	5

D. Stormwater Management Criteria (Maximum: 50 points)

Ranking Criteria		Point Value
1	Project will implement stormwater harvesting and reuse.	10
2	Project incorporates wet weather management systems including: permeable pavement, bioretention, tree plantings, green roofs, rain gardens and other practices that can be designed to mimic natural hydrology and reduce effective imperviousness.	10
3	Project will create riparian buffers, floodplains, vegetated buffers and additional streambank restoration methods.	10
4	Project supports wetland protection or restoration, including constructed wetlands.	10
5	Downspout disconnection to remove stormwater from sanitary sewers and manage runoff onsite.	5
6	Project incorporates green streets for new development, redevelopment or retrofits.	5

E. Agricultural and Nonpoint Source Pollution Criteria (Maximum: 35 points)

Ranking Criteria		Point Value
1	Project addresses water quality impacts associated with farming operations by: a) Implementing water-saving irrigation systems in farms currently using inefficient watering systems. b) Implementing methods to reduce soil and stream bank erosion. c) Utilizing BMPs including no-till farming practices, rotational grazing, cropland conversion and winter cover crops. d) Utilizing alternative watering sources including effluent or grey water reuse.	5 10 10 10
2	Project addresses water quality impacts associated with animal feeding operations by: a) Developing a Nutrient Management Plan. b) Establishing heavy –use protection areas. c) Implementing onsite waste management systems for manure and poultry litter; including recycling, spreading, and storage systems, and digester gas technologies. d) Utilizing dead bird composters and/or incinerators. e) Implementing BMPs (including exclusion fencing and stream crossings).	10 5 10 5 5

F. Sustainability Criteria (90 possible bonus points) *

Ranking Criteria		Point Value
1	Project incorporates one or more of the following planning methodologies: a) Comprehensive Land Use Plan (must designate areas where public infrastructure will and will not be supported) b) Asset Management Plan c) Watershed Management Plan d) Nutrient Management Plan e) Nutrient Trading f) Open Space Preservation g) Integrated Water Resource Plan that stresses water efficiency, reuse and conservation	5 10 5 5 5 5 5
2	Project includes one or several of the following design considerations: a) Site fingerprinting for minimized landscape disturbance and sustainable landscape design. b) LEED certified or other ADEM-approved green building techniques for POTWs. c) Minimizes the environmental and water quality impact of construction through the use of clean fuel construction vehicles, construction waste reduction and other innovative methodologies. d) Project envelope is located in a previously developed area. e) Use of environmentally friendly post-consumer recycled or reclaimed materials.	5 5 5 5 5
3	Project implements at least one of the following construction methods: • Innovative erosion control practices; • Protection of onsite trees, vegetation, native habitats and urban forests; or • Replanting of disturbed areas with native plant species.	5
4	Project will utilize one or more of the following water conservation strategies: a) Development of a water conservation program. b) Incorporates sustainable water pricing practices and rate structures. c) Completion of EPA's Water Quality Scorecard (see http://www.epa.gov/smartgrowth/water_scorecard.htm).	5 10 5

G. Growth Criteria (50 possible bonus points)

Ranking Criteria		Point Value
1	Project includes a significant growth component. (See PER instructions)	0
2	Project does not include a significant growth component. (See PER instructions)	50

Sum the points from each category below.

Part A: Enforcement and Compliance (50 points maximum)	
Part B: Water Quality (135 points maximum)	
Part C: Water/Energy Efficiency (65 points maximum)	
Part D: Stormwater Management (50 points maximum)	
Part E: Agricultural/Non-Point Source (35 points maximum)	
Part F: Sustainability (90 bonus points maximum)	
Part G: Growth (50 bonus points maximum)	
TOTAL POINTS CLAIMED:	

This form should be signed by the official who is authorized to execute contracts on behalf of the applicant jurisdiction.

ONE SIGNED COPY (including attachments) should be emailed to the address shown on Page 1 of this form.

Attachments to be included with this form:

- 1. Preliminary Engineering Report (PER Outline PER Format Below (Preferred))**
- 2. Copies of last three (3) years of audited financial statements (if available)**

Preliminary Engineering Report Outline:

- 1. Description of Project**
 - a. Brief description and background of project
 - b. Purpose of project
 - c. Location of project
 - d. Project Scope
 - e. Average annual household water bill
 - f. Population and median household income
- 2. Proposed Improvements**
 - a. System connections and connections that benefit from construction
 - b. System plan for water conservation
 - c. Proposed operation and management
 - d. Improvements to system
- 3. Project Maps**
 - a. Include all affected water bodies
- 4. Projected Outlay Schedule**
- 5. Cost Breakdown**
 - a. Estimated cost outline for entire project
- 6. Supporting Documentation*** for priority points claimed, as required above. Any points claimed that cannot be readily substantiated from the information submitted will not be counted. The Department reserves the right to make the final determination of all points awarded.
- 7. Growth Criteria:** If the project includes any of the following components, enter a point value of 0:
 - a. New (not a replacement) wastewater treatment plant (excluding decentralized systems).
 - b. Upgraded/expanded/replacement wastewater treatment plant where the purpose of the project is to increase the design flow or projects where the design flow of the facility incidentally increases by more than 20%.
 - c. Collection system improvements that increase design flow (excluding rehabilitation projects where the original design flow is restored).
 - d. New or expanded collection systems.
 - e. Any POTW project that serves future growth.

If none of the criteria above apply, the project will be awarded points as shown.

The undersigned representative of the applicant certifies that the information in the application and in the attached statements and exhibits is true, correct and complete to the best of the applicant's knowledge, information and belief.

Signature of Authorized Representative	Print or Type Name
Title	Date

State of Alabama

Alabama Department of Environmental Management
Clean Water State Revolving Fund Program



SRF Section

Permits and Services Division

Alabama Department of Environmental Management

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**CWSRF Bipartisan Infrastructure Legislation (BIL) Emerging
Contaminants (EC)
Intended Use Plan**



Fiscal Year 2024

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ATTACHMENT 1 – PROJECT PRIORITY LIST

ATTACHMENT 2 – PROJECT DESCRIPTIONS

ATTACHMENT 3 – ALABAMA CWSRF A/E PROCUREMENT REQUIREMENTS

ATTACHMENT 4 – ADDITIONAL SUBSIDIZATION AND AFFORDABILITY CRITERIA

ATTACHMENT 5 – ALABAMA CWSRF PRE-APPLICATION FORM

I. Introduction:

As required by Title VI of the Clean Water Act (CWA), each year the Department must prepare an Intended Use Plan (IUP) identifying the projected uses of funds available in its Clean Water State Revolving Fund (CWSRF) Bipartisan Infrastructure Legislation (BIL) Emerging Contaminants (EC). The U.S. Environmental Protection Agency (EPA) is authorized to award capitalization grants to the States, which in turn administer the CWSRF program. The Bipartisan Infrastructure Law (BIL) was implemented on November 15, 2021. The BIL provides an additional supplemental appropriation to address exposure to perfluoroalkyl and polyfluoroalkyl substances (PFAS) and other emerging contaminants through their wastewater. Given the clear Congressional intent that these funds focus on projects addressing perfluoroalkyl and polyfluoroalkyl substances (hereinafter PFAS), EPA expects states to actively solicit and prioritize PFAS focused projects. States, however, have the flexibility to fund projects for any contaminant in any of EPA Contaminant Candidate Lists.

This Intended Use Plan (IUP) describes how the State intends to use available CWSRF-BIL-EC funds for the year to meet the objectives of the CWA and BIL and further the goal of protecting public health.

The State of Alabama will receive an EPA Capitalization Grant of \$2,378,000 from EPA for fiscal year 2024 that will be used to provide financial assistance for the CWSRF program. These funds will be used exclusively for assistance to communities for projects addressing emerging contaminants. No state match is required for the projected grant. The capitalization grant funds for the CWSRF-BIL-EC funds will be distributed as outlined by this plan. At least 25% (\$594,500) of the CWSRF-BIL-EC Capitalization Grant will be subsidization to the state-defined disadvantaged communities OR communities serving a population of 25,000 or less. Alabama intends to allocate all funding from this Capitalization grant exclusively to disadvantaged communities.

In accordance with the Clean Water Act (CWA) Amendments of 1987, the Department proposes the following plan for the intended use of the CWSRF funds for FY 2024 as required by Section 606(c) of the CWA.

ADEM has set its short and long term goals of this IUP to align with EPA's strategic goals and objectives [FY 2022-2026 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 of the specific commitments made by the State are properly correlated to the strategic goals and objectives of the Agency.

Alabama agrees to comply with all Title VI requirements of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, and the Equal Employment Opportunity requirements (Executive Order 11246 as amended) which prohibit activities that are intentionally discriminatory and/or have a discriminatory effect based on race, color, national origin (including limited English proficiency), age, disability, or sex.

II. Program Goals:

A. Short Term Goals (Outputs)

1. To support American workers, renew the water workforce, and cultivate domestic manufacturing by ensuring compliance with the Davis-Bacon Act and American Iron and Steel (AIS) and Build America Buy America (BABA) requirements. (Deliverable)
2. To address Polyfluoroalkyl Substances (PFAS) and other emerging contaminants in wastewater through the CWSRF-BIL-EC funding.

3. To achieve statewide compliance with Federal and State water quality standards, particularly with the NMP as rapidly as possible.
4. To protect the public health and the environment and promote the completion of cost-effective wastewater treatment facilities.

B. Long Term Goals (Outcomes)

1. To maintain the CWSRF program and the fiscal integrity of the fund.
2. To provide a self-perpetuating source of financial assistance for the construction of public wastewater treatment and transport facilities needed to meet water quality standards and provide capacity for future growth.
3. To assure that all Municipal NMP facilities achieve compliance as soon as possible.
4. To assure that all municipal facilities achieve compliance with final effluent limits as soon as possible.
5. To assist in the maintenance of water quality standards wherever such standards are adversely affected by municipal wastewater point sources.
6. To meet public health and environmental needs of those communities with malfunctioning on-site treatment systems that are either identified as a health hazard by the State Health Department or that adversely affect water quality.

C. Program Changes

No major changes to the program are proposed for this fiscal year.

III. Sources and Use of the Funds:

The estimated sources and uses of funds in the FY 2024 CWSRF-BIL-EC program are as follows:

Projected Sources:

2024 EPA CWSRF BIL Emerging Contaminants Cap Grant:	\$2,378,000
State Match	\$0
Total:	\$2,378,000

Projected Uses:

Project Assistance:	\$2,378,000
Administrative Costs:	\$0
Total:	\$2,378,000

A. Leveraging

The Department does not intend to issue CWSRF revenue bonds for new projects during FY2024.

B. Transfer of Funds

In accordance with 40 CFR 35.3530, the Alabama Department of Environmental Management (ADEM) reserves the right to transfer funds from the CWSRF-BIL-EC to the DWSRF-BIL-EC. Funds transferred

from the CWSRF-BIL-EC to the DWSRF-BIL-EC are to be used to fulfill DWSRF EC infrastructure financing demand as needed. Any proposed future transfers will be included on future IUP(s).

Projects on the CWSRF Project List are ranked by their respective priority point rating and may be funded according to availability of funds. Projects that are not funded from the Project List may be funded in subsequent years.

C. Eligible Projects to be Funded

For a project or activity to be eligible for funding under this appropriation, it must otherwise be CWSRF eligible and the primary purpose must be to address emerging contaminants found on the EPA Contaminant Candidate Lists (CCL) to meet the congressional intention of the BIL EC Capitalization Grant, in wastewater. These projects include, but are not limited to, the planning, design, and construction of improvements to eliminate emerging contaminants such as:

- Installation of technology to treat for PFAS and other emerging contaminants at POTWs;
- Potable and non-potable water reuse/reclamation projects that may be applying advanced treatment (e.g., reverse osmosis, granulated activated carbon, or ion exchange) to remove PFAS or other emerging contaminants;
- Projects that can trap and/or treat the contaminants in runoff prior to reaching waterbodies or instream treatment or removal may be eligible;
- Other non-source projects that support the implementation of a current EPA approved state nonpoint source management program plan or nine-element watershed-based plan established under Section 319 of the Clean Water Act and may be publicly or privately owned.
- Other projects meeting the priority objectives of the program.

D. Financial terms of loans

The Fund will offer loans for up to 100 percent of allowable project costs for projects addressing emerging contaminants in wastewater. Such loans must be made such that the total amount of funding is provided with 100 percent principal forgiveness.

Project fund disbursements to recipients at intervals as work progresses and expenses are incurred and approved.

The specific terms and conditions of the funds shall be incorporated in the financial agreement to be executed by the recipient and the Department.

IV. Water Resources Reform and Development Act

The Water Resources Reform and Development Act (WRRDA) was enacted on June 10, 2014 and brought several changes to the CWSRF program.

A. Fiscal Sustainability Plans

The Federal Water Pollution Control Act (FWPCA) Section 603(d)(1)(E) requires a recipient of a loan for a project that involves the repair, replacement, or expansion of a publicly owned treatment works to develop and implement a Fiscal Sustainability Plan (FSP) or certify that it has developed and implemented an FSP. This provision applies to all loans for which the loan recipient submitted an application on or after October 1, 2014.

The Alabama CWSRF program provides all assistance by purchasing outstanding debt obligations (bonds) from the borrower, thus this requirement does not apply. The Alabama CWSRF program

commonly refers to these bond purchase agreements as “loans”, though they are not loans as defined by EPA.

B. Architectural and Engineering (A/E) Services Procurement

For any capitalization grant awarded after October 1, 2014, the State must ensure that all A/E contracts for projects identified as using funds directly from each year’s 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. The Alabama CWSRF requires its recipients to comply with the *September 30, 2014 Alabama CWSRF A/E Procurement Requirements* (See Attachment 3).

C. Cost and Effectiveness Certification

Section 602(b)(13) requires that CWSRF recipients certify that the recipient has studied the cost and effectiveness of the project and selected the project that maximizes the potential for efficient water use, reuse, recapture and conservation, and energy conservation. The Alabama CWSRF program is requiring each recipient of CWSRF funding to provide a certification in compliance with 602(b)(13). This certification can be found on page 14 of the CWSRF Loan Application (Form 339 M-2).

D. Additional Subsidy and Affordability

Additional subsidy in the form of principal forgiveness shall be made available in total of the required amount for the States 2024 Capitalization Grant Appropriation (\$2,738,000) or the cap set at 603(i)(3) of the Federal Water Pollution Control Act, whichever is less. Additional subsidy will be provided in rank order to projects as determined by the Affordability Measure for Alabama. Each project may receive principal forgiveness until the maximum amount has been allocated. The Affordability Measure Guidelines for Alabama can be found on Attachment 4.

E. Extended Term Financing

Section 603(d)(1)(A) authorizes CWSRF loans to be made for a term not exceeding the lesser of 30 years or the useful life of the project. The total term financing shall not exceed 20 years, or under special circumstances, 30 years may be considered.

V. Project Selection and Methods of Distribution of Funds

A. Priority List

In order to be considered for CWSRF-BIL-EC assistance, the project must be addressing emerging contaminants found on EPA’s Contaminant Candidate List (CCL) in wastewater, must be on or added to the Priority List, and have a proposed project schedule that coincides with the availability of CWSRF-BIL-EC funds. The CWSRF-BIL-EC priority list was developed by identifying the priority point rating for each proposed project. By prioritizing ECs on the EPA CCL to meet the congressional intention of the BIL EC Capitalization Grant, any regulated contaminant will be ineligible for this funding. Additionally, ranking of potential projects was based on the detected concentration of an EC listed on EPA CCL. The funding of such projects is also subject to availability of funds.

The State reserves the right to fund projects not on the priority list, on an emergency basis, if funds are available. Emergency projects would include those where some type of failure was unanticipated and requires immediate attention to protect public health. Additionally, supplemental loans may be issued to previous recipients as needed to complete segmented projects or to cover cost overruns. See Attachment 1.

All projects funded from the CWSRF BIL EC allocation are considered equivalency projects and will meet all applicable requirements for equivalency.

B. Additional Subsidization:

The 2024 BIL-CWSRF-EC Capitalization Grant includes a requirement for a minimum of \$2,378,000 be provided as assistance with additional subsidy. The Department will meet these requirements by offering selected borrowers additional subsidization in the form of principal forgiveness. The Department expects to allocate principal forgiveness to projects in communities determined to be disadvantaged and/or for those communities implementing projects that have the largest reduction in emerging contaminants. Communities are assessed as disadvantaged based on the Affordability Measure Guidelines for Alabama (see Attachment 4).

C. Prevailing Wages

Davis-Bacon wage requirements apply for fiscal year 2024 and each fiscal year thereafter and the requirements of section 513 of the Federal Water Pollution Control Act (33 U.S.C. 1372) shall apply to the construction of treatment works carried out in whole or in part with assistance made available by the CWSRF as authorized by title VI of that Act (33 U.S.C. 1381 et seq.). The Department will include in all loan agreements and procurement contracts terms and conditions requiring compliance with this requirement.

D. Build America, Buy America (BABA)

The Department will implement the Build America Buy America Act (BABA) as stated in 41 USC 8301 for projects funded through CWSRF BIL Emerging Contaminants.

BABA will be implemented for this fiscal year and be required for certain projects funded through the Clean Water State Revolving Fund (CWSRF). BABA is considered a federal cross-cutting requirement that applies to SRF assistance equivalent to the federal capitalization grant (i.e., “equivalency” projects). EPA’s SRF regulations at 40 CFR 35.3145 and 35.3575 require states and recipients of SRF funds equivalent to the amount of the federal capitalization grant to comply with federal cross-cutting requirements. Section 70914 of the IIJA, which states when a Buy America preference applies, explains that “none of the funds made available for a Federal financial assistance program for infrastructure...may be obligated for a project unless all of the iron, steel, manufactured products, and construction materials used in the project are produced in the United States.” Therefore, BABA only applies to projects funded in an amount equivalent to the federal capitalization grant.

E. Inadequate Allocations:

If the actual federal CWSRF allocations are less than anticipated by the Department in the development of the CWSRF priority list, the Department may find it necessary to reduce their commitments to projects on the priority list. The Department may take formal action to reduce the number of commitments in accordance with subparagraph 3) of this paragraph.

- 1). The Department may redistribute the CWSRF funds allocated to each project.
- 2). The Department may redistribute funds from lower priority projects to higher priority projects.
- 3). The Department may bypass projects on the priority list in accordance with Section H, below.

F. Unanticipated and Uncommitted Funds:

If unanticipated or uncommitted funds become available, the Department may take action to distribute them in accordance with subparagraphs 1-2 of this paragraph:

- 1). The Department may use the unanticipated or uncommitted funds to fund the highest priority project(s) from the priority list.

2). The Department may use the unanticipated or uncommitted funds to increase the amount of funds allocated to CWSRF fundable projects or to provide increased assistance to projects which have already received CWSRF assistance.

Additionally, supplemental loans may be made to previous recipients as needed to complete segmented projects or to cover unanticipated cost overruns.

G. Distribution of Funds to Set-Aside Accounts

EPA provisions allow funds to be set aside from the State Revolving Fund Capitalization Grant for activities such as administration of the SRF program, operator training, technical assistance, special drinking water projects, and source water assessment. These activities are discussed in “Set-Aside Activities” below.

H. Selection of Systems to Receive Assistance

Both federal and state law require that a project priority ranking system be developed to determine the priority order of projects to be funded through the CWSRF program. To the maximum extent possible, the CWSRF gives priority for the use of funds to projects that address the most serious risk to human health and are necessary to ensure compliance with the Clean Water Act. The priority ranking system is designed so that the greatest priority is given to projects that:

1. Address the detection of an EC listed on EPA CCLs.
2. Address the most serious risks to human health and provide the highest nature of benefit
3. Benefit the most people per dollar expended
4. Assist systems most in need on a per household affordability basis
5. Use consolidation with other systems to correct existing deficiencies and improve management

These considerations are addressed by the Priority Ranking Criteria found in ADEM Administrative Code R. 335-11-2-.04 and in the CWSRF Pre-Application provided in Attachment 3.

When two or more projects score equally under the Project Priority System a tie breaking procedure will be utilized. The project with the smallest number of existing customers served will receive the higher ranking.

A project on the fundable portion of the list may be bypassed and the next eligible project funded if it is determined that the project will not be ready to proceed during the funding year. The Department will give the applicant whose project is to be bypassed written notice. Projects that have been bypassed may be funded at a later date when the project is ready to proceed. Should a system on the funded list decline the loan, the next ranked project shall be offered access to all or a portion of these funds.

I. Project Bypass/Reallotment:

The Department may bypass any project on the CWSRF priority list that is not, in the Department's opinion, making satisfactory progress in satisfying requirements for CWSRF assistance. Bypassed projects will be removed from the priority list. In determining whether or not a project is making satisfactory progress in satisfying the requirements for CWSRF assistance, the Department shall use the criteria contained in subparagraphs 1-6 of this paragraph. Funds released through project bypass will be considered as uncommitted and available for redistribution in accordance with this section.

1. Any project on the CWSRF Priority List may be bypassed if the applicant fails to submit a complete CWSRF application.
2. The Department may use individual project schedules developed by the Department to determine whether or not the project is making satisfactory progress during the fiscal year.

3. In order to comply with EPA certification restrictions related to equivalency requirements, it may be necessary to bypass projects which have not complied with Title II requirements and other federal authorities.
4. Any project on the CWSRF Priority List may be bypassed if the applicant fails to demonstrate the ability to repay the loan.
5. To maintain the fiscal integrity of a leveraged loan program or provide funds for new construction, the Department may choose to bypass projects which involve refinancing of existing debt.
6. Projects may be removed from the priority list at the request of the applicant or if the Department finds that the project is ineligible for CWSRF assistance.
7. Any changes to projects or allocations within the IUP will be provided for public comment and review at that time. No major changes in projects, scope, or allocations will be made without first soliciting the IUP for public comment for a period of at least 30 days.

VI. Set-Aside Activities

A. Administrative Set-Aside

BIL and SRF guidelines allow states to set aside up to a maximum of 4% of the grant for the SRF administrative costs. The Department is reserving the authority to take the 4% administrative set-aside for future capitalization grants.

VI. Certifications:

1. The Department certifies that this IUP will be subject to public review and comment with a public notice period of 30 days.
2. The Department certifies that all wastewater facility projects in this IUP are on the CWSRF Priority List.
3. The Department certifies that it will enter into binding commitments for 100% of each payment under the CWSRF capitalization grant within one (1) year after receipt of each payment.
4. The Department certifies that it will expend all funds in the CWSRF in an expeditious and timely manner.
5. The Department certifies that it will provide CWSRF assistance to the extent there are sufficient eligible project applications of the CWSRF Capitalization Grant for projects to address emerging contaminants. Projects which are eligible for traditional CWSRF funding and are addressing emerging contaminants will be eligible for the BIL emerging contaminant funding.
6. The Department certifies that it will provide CWSRF loans with additional subsidization in the form of principal forgiveness for 100% (\$2,378,000) of the CWSRF Capitalization Grant. At least 25% of the CWSRF BIL EC Capitalization Grant will be subsidization to the state-defined disadvantaged communities OR communities serving a population of 25,000 or less. (Deliverable)
7. The Department certifies that it will implement the State's CWSRF in compliance with Title VI of the Clean Water Act and to ensure conformance with Federal crosscutting issues as required by the 1987 Clean Water Act amendments. (Deliverable)
8. The Department certifies compliance with the "first use" requirements which require that CWSRF assistance be available to projects which are members of the National Municipal Policy (NMP) universe; projects which have legally enforceable compliance schedules. (Deliverable)

9. The Department certifies that all wastewater facilities in the state are in compliance with enforceable requirements or are making progress toward meeting those requirements except as specifically noted in the IUP.
10. The Department certifies that all facilities funded by the CWSRF shall complete a NEPA-like environmental review process.
11. The Department certifies that it will comply with all requirements of the 1997 Operating Agreement with EPA.
12. The Department certifies that it will complete a Benefits Assessment worksheet for each loan agreement executed in order to comply with EPA environmental results reporting requirements.
13. The Department certifies that the inspection team will perform timely onsite inspections and monitoring to assure compliance with BIL, BABA, Davis-Bacon wage rates, and American Iron and Steel requirements, and provide deliverables such as notes, checklists, and photos, outlining items in the inspection, staff in attendance, and any deviations from the requirements that require addressing.

VII. Program Income:

The Alabama Water Pollution Control Authority, with ADEM as its agent, assesses an annual fee based on outstanding loan principal. These fees vary based on the fiscal year to which the loan agreement was secured and are collected twice a year when the recipient initiates repayment of the loan. In accordance with *Guidance on Fees Charged by States to Recipients of Clean Water State Revolving Fund Program Assistance*, published October 20, 2005, fees collected from loans sourced from outstanding grants will be used for administration of the SRF fund only. All other fees will be used to provide fee income for the Department's CWSRF Direct Loan Fund and assist in the implementation of the Department's Water and Field Operations Divisions.

Since the CWSRF-BIL-EC funds are required to be distributed with 100% additional subsidization, no fees are expected to be collected from these funds.

VIII. Estimated CWSRF Capitalization Grant Payment Schedule

A. Estimated Grant Draw Schedule

Fiscal Year	Month	Draw
2024	Apr	\$198,167
2024	May	\$198,167
2024	Jun	\$198,167
2024	Jul	\$198,167
2024	Aug	\$198,167
2024	Sep	\$198,167
2024	Oct	\$198,167
2024	Nov	\$198,167
2024	Dec	\$198,167
2024	Jan	\$198,167
2024	Feb	\$198,167
2024	Mar	\$198,163
Total		\$2,378,000

B. Estimated Grant Disbursal Schedule

Payment Quarter	Payment Date	Payment Amount
FY2025/Quarter 1	10/01/24	\$2,378,000

Payments are defined as increases to the amount of funds available from the federal SRF capitalization grant. This draft payment schedule is based on the State's projection of binding commitments and disbursements from the SRF to the members of the SRF project list. The disbursement schedule will essentially coincide with the grant payment schedule as ACH draw requests will be processed only upon submittal of payment requests from loan recipients for actual costs incurred. Funds from the ACH will be disbursed to the recipient immediately. The disbursement of funds will be in proportion to the amount of state and federal funds provided by the grant and state match. This will be ensured by disbursing all state match funds prior to drawing capitalization grant funds for project disbursements.

C. Capitalization Grant Budget Periods:

2024 EPA CWSRF BIL Emerging Contaminants Capitalization Grant

October 1, 2024 through September 30, 2029

IX. Public Participation

The IUP was provided for public comment on December 5, 2024 for a period of 30 days. Comments were received and all comments have been addressed. The comments are attached to the final IUP. Minor changes were made as a result of the comments; however, no changes were made that would require an additional public notice period.

X. Reporting

1. Annual reports are required for the BIL CWSRF EC Capitalization Grant. Each annual report is due on December 30th following each fiscal year period. The annual report for the 2024 BIL CWSRF EC funding will include the results from the period of October 1, 2024 through September 30, 2025 and will be submitted on or before December 30, 2025.
2. The Department will submit information on projects into the CWSRF National Information Management System (NIMS) as binding commitments are entered into with borrowers as proposed in this IUP. The projects will be updated in NIMS at a maximum of one quarter after the binding commitment close date.

Attachment 1: Project Priority List

Project #	Applicant Name	Project Description	City/Town	County	Population Trend	Poverty Rate	Unemployment Rate	Population	Total Census	Disadvantaged Rank	CW BIL-EC Amount Granted	CW BIL-EC PF Amount	CW BIL-EC PF %	Applied for Project Amount	Fund
CS010815-04	West Morgan- East Lawrence Water and Sewer Authority	Mgmt of Concentrated Waste Stream from PFOA/PFOS from DW Treatment	Decatur	Lawrence, Morgan	0	0	1	55,449	1	1	\$2,378,000	\$2,378,000	100%	\$2,378,000	CWBIL EC
Total	1										\$2,378,000	\$2,378,000	100%	\$2,378,000	1

*Note: All projects are equivalency.

Attachment 2: Project Descriptions

West Morgan / East Lawrence-Waste Stream and Sludge Treatment Improvements

The proposed project is a continuation of the fiscal year 2022 and 2023 project (see FY2022/2023 CWSRF BIL EC IUP). The proposed facility improvements will improve handling of the waste streams from the UF and RO systems by installation of new pumps with VFD controls. The existing clarifier is undersized and its capacity will be increased with the addition of plate settlers. The clarification improvements will help stabilize organic matter and bind more of the PFAS particles together. Once the coagulated PFAS particles settle, the solids will be transferred to a sludge thickening tank and then will be sent to a screw press for drying. Once the sludge has been discharged from the screw press it will be sent to an approved disposal site. The supernatant will flow to a disk filter and then will be pumped to the GAC chambers for reduction of PFAS before discharge.

WM/EL has also implemented actual scale pilot testing for treatment and destruction methods for the waste stream from the RO system. These treatment options may be implemented pending the results of the pilot test. This would result in elimination of the concentrated waste stream containing emerging contaminants.

Attachment 3

Alabama CWSRF A/E Procurement Requirements

Effective September 30, 2014 for all assistance agreements directly made available from the FY 15 (and later) capitalization grant.

It is the intent of the Alabama Clean Water SRF program that all assistance recipients select architectural & engineering services based on qualifications of the selected firm, not price. This reinforces Canon IV of the Board of Engineers and Land Surveyors' Code of Ethics, contained in the Board's regulations at 330-X-14-.05 (f):

The engineer or land surveyor shall not participate in or implement procurement practices (bid submittals) which do not first determine the qualifications of the engineer or land surveyor prior to entering into fee negotiations for services being sought. An engineer or land surveyor having submitted a statement of qualification and performance data, and having first been judged as the qualified individual or firm to provide the services required for the proposed project, may proceed to negotiate a contract with a client and establish compensation or fees for the required services.

Should the engineer or land surveyor be unable to negotiate a satisfactory contract with the client for any reason, the engineer or land surveyor shall withdraw from further consideration for the engineering or land surveying services. Another engineer or land surveyor may then be selected for negotiations of a contract for the services on the stated project.

Examples include but are not limited to, simultaneous negotiations or solicitation of fee proposals by the client from two or more engineers or land surveyors constitutes "bidding" and participation by a licensee is prohibited.

Use of a qualifications-based selection is also required by the Alabama Board for Registration of Architects, at 100-X-5-.10:

Architects are encouraged to seek professional employment on the basis of qualifications and competence for proper accomplishment of the work. This procedure restricts the architect from submitting a price for services until the prospective client has selected, on the basis of qualifications and competence, one architect or firm for negotiations.

CWSRF assistance applicants are required to certify the following:

1. That the applicant sought the most-qualified firm for professional services, by issuing a Request for Proposals (RFP) or a Request for Qualifications (RFQ).
2. That the applicant made a good faith effort to seek proposals or qualifications from at least 3 firms, as evidenced by a public notice, advertisement, or other appropriate means.
3. That the applicant evaluated the proposals or qualifications and selected a firm based on professional competency, past performance, specialized experience, and other factors deemed critical for success of the project.

4. That only upon making a selection based on qualifications did the applicant negotiate a contract and determine compensation. (If the applicant was unable to negotiate a contract with the most qualified firm, the applicant may then negotiate with the next-most-qualified firm)

Attachment 4

Alabama Clean Water State Revolving Fund

Additional Subsidization and Affordability Criteria

Effective September 30, 2015

Purpose:

This document establishes the additional subsidization and affordability criteria for the Alabama Clean Water State Revolving Fund. The criteria is effective September 30, 2015, and may be modified from time-to-time upon notice.

Background:

Section 603(i) of the Federal Water Pollution Control Act states the following:

Additional Subsidization-

(1) IN GENERAL- In any case in which a State provides assistance to a municipality or intermunicipal, interstate, or State agency under subsection (d), the State may provide additional subsidization, including forgiveness of principal and negative interest loans--

(A) to benefit a municipality that--

*(i) meets the affordability criteria of the State established under paragraph (2);
or*

(ii) does not meet the affordability criteria of the State if the recipient--

(I) seeks additional subsidization to benefit individual ratepayers in the residential user rate class;

(II) demonstrates to the State that such ratepayers will experience a significant hardship from the increase in rates necessary to finance the project or activity for which assistance is sought; and

(III) ensures, as part of an assistance agreement between the State and the recipient, that the additional subsidization provided under this paragraph is directed through a user charge rate system (or other appropriate method) to such ratepayers; or

(B) to implement a process, material, technique, or technology--

(i) to address water-efficiency goals;

(ii) to address energy-efficiency goals;

(iii) to mitigate stormwater runoff; or

(iv) to encourage sustainable project planning, design, and construction.

(2) AFFORDABILITY CRITERIA-

(A) ESTABLISHMENT-

(i) IN GENERAL- Not later than September 30, 2015, and after providing notice and an opportunity for public comment, a State shall establish affordability criteria to assist in identifying municipalities that would experience a significant hardship raising the revenue necessary to finance a project or activity eligible for assistance under subsection (c)(1) if additional subsidization is not provided.

(ii) CONTENTS- The criteria under clause (i) shall be based on income and unemployment data, population trends, and other data determined relevant by the State, including whether the project or activity is to be carried out in an economically distressed area, as described in section 301 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3161).

(B) EXISTING CRITERIA- If a State has previously established, after providing notice and an opportunity for public comment, affordability criteria that meet the requirements of subparagraph (A)--

(i) the State may use the criteria for the purposes of this subsection; and

(ii) those criteria shall be treated as affordability criteria established under this paragraph.

(C) INFORMATION TO ASSIST STATES- The Administrator may publish information to assist States in establishing affordability criteria under subparagraph (A).

(3) LIMITATIONS-

(A) IN GENERAL- A State may provide additional subsidization in a fiscal year under this subsection only if the total amount appropriated for making capitalization grants to all States under this title for the fiscal year exceeds \$1,000,000,000.

(B) ADDITIONAL LIMITATION-

(i) GENERAL RULE- Subject to clause (ii), a State may use not more than 30 percent of the total amount received by the State in capitalization grants under this title for a fiscal year for providing additional subsidization under this subsection.

(ii) EXCEPTION- If, in a fiscal year, the amount appropriated for making capitalization grants to all States under this title exceeds \$1,000,000,000 by a percentage that is less than 30 percent, clause (i) shall be applied by substituting that percentage for 30 percent.

(C) APPLICABILITY- The authority of a State to provide additional subsidization under this subsection shall apply to amounts received by the State in capitalization grants under this title for fiscal years beginning after September 30, 2014.

(D) CONSIDERATION- If the State provides additional subsidization to a municipality or intermunicipal, interstate, or State agency under this subsection that meets the criteria under paragraph (1)(A), the State shall take the criteria set forth in section 602(b)(5) into consideration.

Discussion:

On June 10, 2014, the Water Resources Reform and Development Act of 2014 was signed into law. Among the provisions of the Act is the new Section 603(i), which details how a state Clean Water State Revolving Fund (CWSRF) program may provide additional subsidization. It also requires that each program establish an affordability requirement that can be a consideration in granting additional subsidization.

The American Recovery and Reinvestment Act of 2009 was the first time that Congress applied the principle of principal forgiveness to the CWSRF. In response, the Alabama CWSRF program utilized additional subsidization in the form of principal forgiveness as way to construct green infrastructure.

In Alabama, green infrastructure (stormwater) projects are constructed very infrequently, even though stormwater runoff is a major source of pollutants. Many local communities lack a dedicated revenue stream to pay for stormwater projects; thus, the CWSRF program has applied principal forgiveness to these projects in order for them to be economically viable. It is hoped that in time, the success of these projects will encourage the construction of more improvements without the need for additional subsidy. The Alabama CWSRF intends to continue this practice to ensure nonpoint source projects are constructed along with the traditional point source projects.

In previous years, the amount of additional subsidization was set by Congress through the annual appropriations process. The amount available varied from year to year and may have been subject to a minimum or maximum. Under the new 603(i)(3), a state may provide up to a maximum of 30% of its capitalization grant, if the total appropriations equal or exceed \$1.3 billion. The Alabama program elects to provide a maximum of \$1 million per year in principal forgiveness, subject to the 603(i)(3) maximum.

Individual assistance agreements will be subject to a project maximum of 50% principal forgiveness. The project priority list will be used to determine which projects are provided principal forgiveness, starting with the highest-ranked green infrastructure (stormwater) project.

603(i)(2) also requires state CWSRF programs to establish affordability criteria. The criteria *“shall be based on income and unemployment data, population trends, and other data determined relevant by the State”*. Traditionally, affordability has been determined by the CWSRF through a comparison of median household income and annual sewer use charges. The new requirements take a broader approach, focusing more on income and employment of the affected population. In response, the Alabama CWSRF program will utilize the county poverty rate (a measure that compares household income to the number of persons in the household), county unemployment rate, and statewide population trend to determine if a project is affordable. Although this measure will not be used for additional subsidy, it will be tracked and it is hoped that as green infrastructure projects build momentum it may be possible to transition to applying subsidy to projects deemed unaffordable.

Final Criteria for Additional Subsidy and Affordability:

Additional subsidy in the form of principal forgiveness shall be made available in a total amount per year not to exceed \$1 million, or the cap set at 603(i)(3), whichever is less. To be eligible for additional

subsidy, the primary purpose of the project must be to construct green infrastructure intended to mitigate or prevent stormwater pollution. Each project may receive a maximum of 50% of the allowable cost in principal forgiveness. Funding will be provided in rank order on the project priority list, until the maximum amount has been allocated.

The Affordability Measure for Alabama will be calculated as the sum of the following:

1. Poverty Rate Value: The poverty rate of the county served by the project minus the statewide poverty rate;
2. Unemployment Rate Value: The unemployment rate of the county minus the statewide unemployment rate; and
3. If the statewide population has increased over the two most recent 10-year census estimates, the population trend value shall be 1; if it has decreased the population trend value shall be 2.

Projects with an Affordability Measure of more than 10.0 are considered unaffordable according to the criteria.

Attachment 5



Form 340: Clean Water State Revolving Fund Preapplication

Project Name	
Assistance Amount Requested	\$
Date Submitted	



Submit Complete Preapplication to:	
Preferred method By email:	srf@adem.alabama.gov
By overnight mail:	1400 Coliseum Boulevard Montgomery, Alabama 36110-2400 (334) 271-7714
By mail:	SRF Section Alabama Department of Environmental Management Post Office Box 301463 Montgomery, Alabama 36130-1463

Section 1: Contact Information

Loan Applicant

Applicant Name			
Authorized Representative (Signatory of Loan Agreement)		Title of Authorized Representative	
Email Address		Telephone Number	
Contact Person (Daily SRF Communications)		Title of Contact Person	
Email Address		Telephone Number	
Mailing Address		City, Zip Code	
County		UEI Number	
Fax Number		PWSID Number	
AL House District(s)		AL Senate District(s)	
NPDES Permit Number of Facility (if applicable)		Population of System	
Names and 12-digit HUC Codes of Watersheds Impacted			

Project Engineer:

Firm Name	
Address	
City, State, Zip code	
Engineer Name	
Telephone Number	
Email Address	
Fax Number	

Section 2: Project Information

For the following questions, please attach additional pages if adequate space is not provided on this form:

1. List all other funding sources to be utilized to complete this project.

Other Funding Source(s)	Amount(s)	Commitment Date

2. Provide demographic information about the affected community

Community is defined as the township or county that best represents the system. Please identify what community is being used.

Median Household Income		Source/Date:	
Unemployment Rate		Source/Date:	
Population Trend Over 10 Years (+%)		Source/Date:	
Community			

Priority Ranking System

The following factors are used to rank the proposed project, and will ultimately determine if it falls in the fundable portion of the priority list. The applicant must provide documentation where required in order to receive credit.

*Any ranking criteria that cannot be verified through supporting documentation by the Department will be awarded zero points.

A. Enforcement and Compliance Rating Criteria (Maximum: 50 points) *

Ranking Criteria		Point Value
1	Facility is under formal enforcement action by ADEM and is currently in significant non-compliance. The project will bring the facility into compliance. (A copy of the enforcement order must be attached)	50
2	Project is a voluntary effort to resolve violations and will mitigate the issuance of a formal enforcement action.	40
3	The facility is currently in compliance with permit limits, but will fall out of compliance without the proposed project.	25

B. Water Quality Improvement Criteria (Maximum: 135 points) *

Ranking Criteria		Point Value
1	Project will significantly address water quality standards in a water body that:	
	a) Has an approved TMDL	25
	b) Is subject to a draft TMDL, dated 0-2 years from present	15
	c) Is subject to a draft TMDL, dated 3-5 years from present	10
	d) Is subject to a draft TMDL, dated 6-10 years from present	5
2	Project will implement TMDL(s) for:	5
	a) Pathogens (i.e., fecal coliform/E. coli)	15
	b) Mercury	10
	c) Nutrients (i.e., phosphorous, nitrogen)	5
	d) Organic Enrichment/Dissolved Oxygen	5
	e) Ammonia (toxicity)	15
	f) Siltation (sediment)	
3	a) Project will benefit a Category 5 or Category 4 listed water body.	5
	a) Project takes place in an EPA-identified priority watershed and reduces/eliminates one or more sources of impairments (point and nonpoint source).	5
	b) Project will improve water quality in an Outstanding Alabama Water (OAW).	5
	c) Project will improve water quality in an Outstanding National Resource Water (ONRW).	5
4	Project will upgrade or replace existing failing or inadequate decentralized wastewater treatment systems, or construct septage treatment facilities that are crucial to the proper operation of decentralized wastewater treatment systems.	10
5	Project will protect a public drinking water source from contamination that will negatively impact public health.	15
6	Project will implement a National Estuary Program Comprehensive Conservation Management Plan	10

C. Water/Energy Efficiency Rating (Maximum: 65 points) *

Ranking Criteria		Point Value
1	Project incorporates energy efficient design considerations with established objectives and targets for energy reduction opportunities, performed energy audits or developed energy conservation plans.	5
2	Project uses renewable energy to provide power to a POTW.	10
3	Project implements upgrades to pumps and treatment processes which result in:	
	a) 20 percent or greater reduction in energy consumption at a POTW.	10
	b) Less than a 20 percent reduction in energy consumption at a POTW.	5
4	Infiltration/Inflow correction projects that save energy from pumping and result in reduced treatment costs, and I/I projects in cases where excessive groundwater infiltration is contaminating the influent.	10
5	Projects that incorporate recycling and/or reuse of gray water or wastewater.	20
6	Production of treated effluent for groundwater recharge, industrial operations, or agricultural purposes.	5

D. Stormwater Management Criteria (Maximum: 50 points)

Ranking Criteria		Point Value
1	Project will implement stormwater harvesting and reuse.	10
2	Project incorporates wet weather management systems including: permeable pavement, bioretention, tree plantings, green roofs, rain gardens and other practices that can be designed to mimic natural hydrology and reduce effective imperviousness.	10
3	Project will create riparian buffers, floodplains, vegetated buffers and additional streambank restoration methods.	10
4	Project supports wetland protection or restoration, including constructed wetlands.	10
5	Downspout disconnection to remove stormwater from sanitary sewers and manage runoff onsite.	5
6	Project incorporates green streets for new development, redevelopment or retrofits.	5

E. Agricultural and Nonpoint Source Pollution Criteria (Maximum: 35 points)

Ranking Criteria		Point Value
1	Project addresses water quality impacts associated with farming operations by: a) Implementing water-saving irrigation systems in farms currently using inefficient watering systems. b) Implementing methods to reduce soil and stream bank erosion. c) Utilizing BMPs including no-till farming practices, rotational grazing, cropland conversion and winter cover crops. d) Utilizing alternative watering sources including effluent or grey water reuse.	5 10 10 10
2	Project addresses water quality impacts associated with animal feeding operations by: a) Developing a Nutrient Management Plan. b) Establishing heavy –use protection areas. c) Implementing onsite waste management systems for manure and poultry litter; including recycling, spreading, and storage systems, and digester gas technologies. d) Utilizing dead bird composters and/or incinerators. e) Implementing BMPs (including exclusion fencing and stream crossings).	10 5 10 5 5

F. Sustainability Criteria (90 possible bonus points) *

Ranking Criteria		Point Value
1	Project incorporates one or more of the following planning methodologies: a) Comprehensive Land Use Plan (must designate areas where public infrastructure will and will not be supported) b) Asset Management Plan c) Watershed Management Plan d) Nutrient Management Plan e) Nutrient Trading f) Open Space Preservation g) Integrated Water Resource Plan that stresses water efficiency, reuse and conservation	5 10 5 5 5 5 5
2	Project includes one or several of the following design considerations: a) Site fingerprinting for minimized landscape disturbance and sustainable landscape design. b) LEED certified or other ADEM-approved green building techniques for POTWs. c) Minimizes the environmental and water quality impact of construction through the use of clean fuel construction vehicles, construction waste reduction and other innovative methodologies. d) Project envelope is located in a previously developed area. e) Use of environmentally friendly post-consumer recycled or reclaimed materials.	5 5 5 5 5
3	Project implements at least one of the following construction methods: • Innovative erosion control practices; • Protection of onsite trees, vegetation, native habitats and urban forests; or • Replanting of disturbed areas with native plant species.	5
4	Project will utilize one or more of the following water conservation strategies: a) Development of a water conservation program. b) Incorporates sustainable water pricing practices and rate structures. c) Completion of EPA's Water Quality Scorecard (see http://www.epa.gov/smartgrowth/water_scorecard.htm).	5 10 5

G. Growth Criteria (50 possible bonus points)

Ranking Criteria		Point Value
1	Project includes a significant growth component. (See PER instructions)	0
2	Project does not include a significant growth component. (See PER instructions)	50

Sum the points from each category below.

Part A: Enforcement and Compliance (50 points maximum)	
Part B: Water Quality (135 points maximum)	
Part C: Water/Energy Efficiency (65 points maximum)	
Part D: Stormwater Management (50 points maximum)	
Part E: Agricultural/Non-Point Source (35 points maximum)	
Part F: Sustainability (90 bonus points maximum)	
Part G: Growth (50 bonus points maximum)	
TOTAL POINTS CLAIMED:	

This form should be signed by the official who is authorized to execute contracts on behalf of the applicant jurisdiction.

ONE SIGNED COPY (including attachments) should be emailed to the address shown on Page 1 of this form.

Attachments to be included with this form:

- 1. Preliminary Engineering Report (PER Outline PER Format Below (Preferred))**
- 2. Copies of last three (3) years of audited financial statements (if available)**

Preliminary Engineering Report Outline:

- 1. Description of Project**
 - a. Brief description and background of project
 - b. Purpose of project
 - c. Location of project
 - d. Project Scope
 - e. Average annual household water bill
 - f. Population and median household income
- 2. Proposed Improvements**
 - a. System connections and connections that benefit from construction
 - b. System plan for water conservation
 - c. Proposed operation and management
 - d. Improvements to system
- 3. Project Maps**
 - a. Include all affected water bodies
- 4. Projected Outlay Schedule**
- 5. Cost Breakdown**
 - a. Estimated cost outline for entire project
- 6. Supporting Documentation*** for priority points claimed, as required above. Any points claimed that cannot be readily substantiated from the information submitted will not be counted. The Department reserves the right to make the final determination of all points awarded.
- 7. Growth Criteria:** If the project includes any of the following components, enter a point value of 0:
 - a. New (not a replacement) wastewater treatment plant (excluding decentralized systems).
 - b. Upgraded/expanded/replacement wastewater treatment plant where the purpose of the project is to increase the design flow or projects where the design flow of the facility incidentally increases by more than 20%.
 - c. Collection system improvements that increase design flow (excluding rehabilitation projects where the original design flow is restored).
 - d. New or expanded collection systems.
 - e. Any POTW project that serves future growth.

If none of the criteria above apply, the project will be awarded points as shown.

The undersigned representative of the applicant certifies that the information in the application and in the attached statements and exhibits is true, correct and complete to the best of the applicant's knowledge, information and belief.

Signature of Authorized Representative	Print or Type Name
Title	Date

Exhibit 5: Financial Statements

FY25 Balance Sheet

Alabama Water Pollution Control Authority

Current Assets

<i>Cash and Cash Equivalents</i>	112,108,885.66
<i>Accrued Interest Receivable on Investments</i>	560,184.03
<i>Accrued Interest Receivable on Loans</i>	1,408,314.73
<i>Loans Receivable current</i>	30,011,177.00
<i>Principal Forgiveness EPA</i>	15,303,240.00
<i>Due from (Various detailed seperately)</i>	39,254.53
<i>TVA Grant</i>	257,156.39

Current Assets 159,688,212.34

Other Assets

<i>U S Treasury Bonds</i>	150,382,150.00
<i>Loans Receivable</i>	508,810,293.50
<i>Unamortized Loan Premium</i>	-4,344,914.91
<i>Unamortized Deferred Refunding Cost</i>	-0.05

Other Assets 654,847,528.54

Current Liability

<i>Escheat Property</i>	-55,000.00
<i>Due to (Various Detailed seperately)</i>	-24,906.25

Current Liability -79,906.25

Long Term Liabilities

<i>Arbitrage rebate accrual Liability</i>	0.00
<i>Payable to Borrowers</i>	-136,687,647.08
<i>TVA due to Grant Recipients</i>	-257,156.39

Long Term Liabilities -136,944,803.47

Net Assets 677,511,031.16

FY25 Balance Sheet

Alabama Water Pollution Control Authority

<i>Description</i>	<i>Account Description</i>	<i>Trustee Account #</i>	<i>amount</i>
Current Assets			
	<i>Cash and Cash Equivalents</i>		
CW D L & ADEM	Asset Collection Act	132654	32,996.62
CW D L & ADEM	BONY Direct Loans	132668	21,932,926.43
CW D L & ADEM	Invested funds	322352	56,478,961.78
CW D L & ADEM	State Match Funds	808856	33,664,000.13
CW D L & ADEM	USBank Direct Loans	5176896956	0.70
Total	<i>Cash and Cash Equivalents</i>		112,108,885.66
	<i>Accrued Interest Receivable on Investments</i>		
CW D L & ADEM	CW Non cash-accruals and adjustmen	2	560,184.03
Total	<i>Accrued Interest Receivable on Investments</i>		560,184.03
	<i>Accrued Interest Receivable on Loans</i>		
CW D L & ADEM	CW Non cash-accruals and adjustmen	2	1,408,314.73
Total	<i>Accrued Interest Receivable on Loans</i>		1,408,314.73
	<i>Loans Receivable current</i>		
CW D L & ADEM	CW Non cash-accruals and adjustmen	2	30,011,177.00
Total	<i>Loans Receivable current</i>		30,011,177.00
	<i>Principal Forgiveness EPA</i>		
CW D L & ADEM	Asset Collection Act	132654	4,213,850.00
CW D L & ADEM	Asset Collection Act	132654	11,089,390.00
Total	<i>Principal Forgiveness EPA</i>		15,303,240.00
	<i>Due from (Various detailed seperately)</i>		
CW D L & ADEM	Asset Collection Act	132654	480.66
CW D L & ADEM	BONY Direct Loans	132668	38,773.87
Total	<i>Due from (Various detailed seperately)</i>		39,254.53
	<i>TVA Grant</i>		
CW D L & ADEM	BONY Direct Loans	132668	257,156.39
Total	<i>TVA Grant</i>		257,156.39
Total	Current Assets		159,688,212.34
Other Assets			
	<i>U S Treasury Bonds</i>		
CW D L & ADEM	Invested funds	322352	150,382,150.00
Total	<i>U S Treasury Bonds</i>		150,382,150.00
	<i>Loans Receivable</i>		
CW D L & ADEM	Asset Collection Act	132654	68,075,000.00
CW D L & ADEM	Asset Collection Act	132654	507,972,647.00
CW D L & ADEM	Asset Collection Act	132654	-30,121,176.50
CW D L & ADEM	Asset Collection Act	132654	-7,105,000.00
CW D L & ADEM	CW Non cash-accruals and adjustmen	2	-30,011,177.00
Total	<i>Loans Receivable</i>		508,810,293.50
	<i>Unamortized Loan Premium</i>		

<i>Description</i>	<i>Account Description</i>	<i>Trustee Account #</i>	<i>amount</i>
CW D L & ADEM	CW Non cash-accruals and adjustmen	2	-735,032.95
CW D L & ADEM	CW Non cash-accruals and adjustmen	2	-3,609,881.96
Total	<i>Unamortized Loan Premium</i>		-4,344,914.91
	<i>Unamortized Deferred Refunding Cost</i>		
CW D L & ADEM	CW Non cash-accruals and adjustmen	2	-0.05
Total	<i>Unamortized Deferred Refunding Cost</i>		-0.05
Total	Other Assets		654,847,528.54
Current Liability			
	<i>Escheat Property</i>		
CW D L & ADEM	ADEM CW Master	1	-55,000.00
Total	<i>Escheat Property</i>		-55,000.00
	<i>Due to (Various Detailed seperately)</i>		
CW D L & ADEM	Asset Collection Act	132654	-23,080.00
CW D L & ADEM	Asset Collection Act	132654	-795.00
CW D L & ADEM	Asset Collection Act	132654	-1,006.25
CW D L & ADEM	Asset Collection Act	132654	-25.00
Total	<i>Due to (Various Detailed seperately)</i>		-24,906.25
Total	Current Liability		-79,906.25
Long Term Liabilities			
	<i>Arbitrage rebate accrual Liability</i>		
2010C Refunding (	Debt Service Reserve Fund Additional	815343	-180,121.00
2010A Refunding (	Debt Service Reserve Fund Additional	815253	-196,029.00
2010A Refunding (	Debt Service Reserve Fund Additional	815253	376,150.00
Total	<i>Arbitrage rebate accrual Liability</i>		0.00
	<i>Payable to Borrowers</i>		
CW D L & ADEM	BONY Direct Loans	132668	-64,466,981.16
CW D L & ADEM	BONY Direct Loans	132668	70,574,305.72
CW D L & ADEM	BONY Direct Loans	132668	-142,794,971.64
Total	<i>Payable to Borrowers</i>		-136,687,647.08
	<i>TVA due to Grant Recipients</i>		
CW D L & ADEM	BONY Direct Loans	132668	-257,156.39
Total	<i>TVA due to Grant Recipients</i>		-257,156.39
Total	Long Term Liabilities		-136,944,803.47
Net Assets			677,511,031.16

FY25 Income Statement

Alabama WaterPollution Control Authority

	<i>Investment Earnings</i>	-9,284,960.59
	<i>Market Value adjustment</i>	-2,768,153.05
	<i>Loan Premium accretion</i>	-291,948.27
	<i>Loan Interest income</i>	-11,170,085.90
	<i>Accrued Loan Interest Income</i>	-1,408,314.73
	<i>Accrued Prior Interest receivable investme</i>	791,956.25
	<i>Accrued Prior interest receivable loans</i>	1,370,668.91
	<i>Accrued Investment Income</i>	-560,184.03
Operating Revenue		-23,321,021.41
	<i>Administrative expense</i>	433,134.48
Operating Expense		433,134.48
	<i>Grant Revenue</i>	-21,524,831.08
	<i>State Revenue</i>	-6,811,352.00
Non Operating Revenue		-28,336,183.08
	<i>Transfer to Master (Treasurer)</i>	0.00
	<i>Transfer to (from) other account</i>	0.00
	<i>Transfer Admin Fee</i>	7,682,570.65
	<i>Transfer to Drinking Water</i>	2,007,890.65
Transfers		9,690,461.30
	<i>Beginning Net Assets</i>	-635,977,422.45
Net Assets		-635,977,422.45
Ending Net Assets		-677,511,031.16

FY25 Income Statement

Alabama Water Pollution Control Authority

<i>Description</i>	<i>Account Description</i>	<i>Trustee Account #</i>	<i>amount</i>
Operating Revenue			
	<i>Investment Earnings</i>		
CW D L & ADEM	State Match Funds	808856	-1,277,266.87
CW D L & ADEM	BONY Direct Loans	132668	-1,011,468.40
CW D L & ADEM	Invested funds	322352	-4,835,425.00
CW D L & ADEM	Invested funds	322352	-2,090,038.45
CW D L & ADEM	Asset Collection Act	132654	-70,761.87
Total	<i>Investment Earnings</i>		-9,284,960.59
	<i>Market Value adjustment</i>		
CW D L & ADEM	Invested funds	322352	-2,768,153.05
Total	<i>Market Value adjustment</i>		-2,768,153.05
	<i>Loan Premium accretion</i>		
CW D L & ADEM	CW Non cash-accruals and adjustmen	2	-291,948.27
Total	<i>Loan Premium accretion</i>		-291,948.27
	<i>Loan Interest income</i>		
CW D L & ADEM	Asset Collection Act	132654	-11,170,085.90
Total	<i>Loan Interest income</i>		-11,170,085.90
	<i>Accrued Loan Interest Income</i>		
CW D L & ADEM	CW Non cash-accruals and adjustmen	2	-1,408,314.73
Total	<i>Accrued Loan Interest Income</i>		-1,408,314.73
	<i>Accrued Prior Interest receivable investments</i>		
CW D L & ADEM	CW Non cash-accruals and adjustmen	2	791,956.25
Total	<i>Accrued Prior Interest receivable investme</i>		791,956.25
	<i>Accrued Prior interest receivable loans</i>		
CW D L & ADEM	CW Non cash-accruals and adjustmen	2	1,370,668.91
Total	<i>Accrued Prior interest receivable loans</i>		1,370,668.91
	<i>Accrued Investment Income</i>		
CW D L & ADEM	CW Non cash-accruals and adjustmen	2	-560,184.03
Total	<i>Accrued Investment Income</i>		-560,184.03
Total	Operating Revenue		-23,321,021.41
Operating Expense			
	<i>Administrative expense</i>		
CW D L & ADEM	Asset Collection Act	132654	126,728.07
CW D L & ADEM	BONY Direct Loans	132668	306,406.41
Total	<i>Administrative expense</i>		433,134.48
Total	Operating Expense		433,134.48

Non Operating Revenue

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<i>Description</i>	<i>Account Description</i>	<i>Trustee Account #</i>	<i>amount</i>
<i>Grant Revenue</i>			
CW D L & ADEM	ADEM CW Master	1	-19,516,940.43
CW D L & ADEM	ADEM CW Master	1	-2,007,890.65
Total	<i>Grant Revenue</i>		-21,524,831.08
<i>State Revenue</i>			
CW D L & ADEM	ADEM CW Master	1	-6,811,352.00
Total	<i>State Revenue</i>		-6,811,352.00
Total	Non Operating Revenue		-28,336,183.08
Transfers			
<i>Transfer to Master (Treasurer)</i>			
CW D L & ADEM	Asset Collection Act	132654	32,429,975.70
CW D L & ADEM	ADEM CW Master	1	51,946,916.13
CW D L & ADEM	ADEM CW Master	1	6,811,352.00
CW D L & ADEM	BONY Direct Loans	132668	-51,946,916.13
CW D L & ADEM	ADEM CW Master	1	-32,429,975.70
CW D L & ADEM	State Match Funds	808856	-6,811,352.00
Total	<i>Transfer to Master (Treasurer)</i>		0.00
<i>Transfer to (from) other account</i>			
CW D L & ADEM	CW Non cash-accruals and adjustmen	2	-281,603.68
CW D L & ADEM	Asset Collection Act	132654	-64,466,981.16
CW D L & ADEM	Asset Collection Act	132654	-1,016,636.63
CW D L & ADEM	CW Non cash-accruals and adjustmen	2	1,016,636.63
CW D L & ADEM	BONY Direct Loans	132668	-2,000,000.00
CW D L & ADEM	State Match Funds	808856	1,825,800.00
CW D L & ADEM	Invested funds	322352	2,000,000.00
CW D L & ADEM	BONY Direct Loans	132668	-38,773.87
CW D L & ADEM	Asset Collection Act	132654	1,051,987.98
CW D L & ADEM	BONY Direct Loans	132668	-1,137,039.25
CW D L & ADEM	BONY Direct Loans	132668	-1,825,800.00
CW D L & ADEM	BONY Direct Loans	132668	64,466,981.16
CW D L & ADEM	Asset Collection Act	132654	38,773.87
CW D L & ADEM	Asset Collection Act	132654	281,603.68
CW D L & ADEM	Asset Collection Act	132654	85,051.27
Total	<i>Transfer to (from) other account</i>		0.00
<i>Transfer Admin Fee</i>			
CW D L & ADEM	Asset Collection Act	132654	7,682,570.65
Total	<i>Transfer Admin Fee</i>		7,682,570.65
<i>Transfer to Drinking Water</i>			
CW D L & ADEM	ADEM CW Master	1	2,007,890.65
Total	<i>Transfer to Drinking Water</i>		2,007,890.65
Total	Transfers		9,690,461.30
Net Assets			

<i>Description</i>	<i>Account Description</i>	<i>Trustee Account #</i>	<i>amount</i>
	<i>Beginning Net Assets</i>		
2010A Refunding (	Debt Service Reserve Fund Additional	815253	-180,121.00
2010C Refunding (	Debt Service Reserve Fund Additional	815343	180,121.00
CW D L & ADEM	BONY Direct Loans	132668	107,902,556.86
CW D L & ADEM	Asset Collection Act	132654	-519,105,507.19
CW D L & ADEM	USBank Direct Loans	5176896956	-0.70
CW D L & ADEM	Invested funds	322352	-199,167,495.28
CW D L & ADEM	State Match Funds	808856	-27,401,181.26
CW D L & ADEM	ADEM CW Master	1	55,000.00
CW D L & ADEM	CW Non cash-accruals and adjustmen	2	1,739,205.12
	Total		<i>Beginning Net Assets</i>
			-635,977,422.45
Total	Net Assets		-635,977,422.45
<i>Net Assets</i>			-677,511,031.16

Exhibit 6: Disbursements

Project No	Applicant Name	Fund Source	FY IUP	Payment Date	Amount
CS010231-06	The Utilities Board of the City of Daphne	DL:EPA	2020	6/27/2025	\$ 265,956.15
CS010260-14	City of Cullman	CWSRF	2022	11/13/2024	\$ 368,738.89
CS010260-14	City of Cullman	CWSRF	2022	12/19/2024	\$ 960,221.57
CS010260-14	City of Cullman	CWSRF	2022	1/8/2025	\$ 860,783.20
CS010260-14	City of Cullman	CWSRF	2022	2/19/2025	\$ 547,943.47
CS010260-14	City of Cullman	CWSRF	2022	3/27/2025	\$ 1,115,655.99
CS010260-16	City of Cullman	CWSRF	2023	8/18/2025	\$ 1,060,013.09
CS010270-10	Guntersville Water and Sewer Board	DL:EPA	2015	2/14/2025	\$ 29,118.63
CS010281-21	Mobile Board of Water & Sewer Commissioners MAWSS	DL:EPA	2021	10/2/2024	\$ 6,902,700.18
CS010281-21	Mobile Board of Water & Sewer Commissioners MAWSS	DL:EPA	2021	11/21/2024	\$ 9,649,074.17
CS010281-21	Mobile Board of Water & Sewer Commissioners MAWSS	DL:EPA	2021	12/27/2024	\$ 10,612,765.89
CS010281-21	Mobile Board of Water & Sewer Commissioners MAWSS	DL:EPA	2021	7/25/2025	\$ 13,839,459.76
CS010281-22B	Water & Sewer Commissioners of the City of Mobile	CWSRF	2022	8/20/2025	\$ 9,189,679.87
CS010290-21	City of Tuscaloosa	DL:EPA	2018	12/17/2024	\$ 1,412,654.30
CS010290-21	City of Tuscaloosa	DL:EPA	2018	2/28/2025	\$ 33,194.85
CS010329-04	City of Alexander City	DL:EPA	2021	11/14/2024	\$ 469,500.01
CS010396-07	City of Fort Payne	DL:EPA	2018	1/15/2025	\$ 140,808.32
CS010396-07	City of Fort Payne	DL:EPA	2018	1/24/2025	\$ 372,352.50
CS010396-07	City of Fort Payne	DL:EPA	2018	2/10/2025	\$ 87,762.50
CS010396-07	City of Fort Payne	DL:EPA	2018	9/2/2025	\$ 225,243.98
CS010396-07	City of Fort Payne	DL:EPA	2018	9/3/2025	\$ 270,450.00
CS010396-07	City of Fort Payne	DL:EPA	2018	9/4/2025	\$ 116,976.18
CS010396-07	City of Fort Payne	DL:EPA	2018	9/10/2025	\$ 59,891.75
CS010412-08	City of Florence	CWSRF	2020	11/5/2024	\$ 2,197.50
CS010412-08	City of Florence	CWSRF	2020	12/6/2024	\$ 42,247.50
CS010412-08	City of Florence	CWSRF	2020	1/8/2025	\$ 176,056.33
CS010412-08	City of Florence	CWSRF	2020	2/28/2025	\$ 25,425.00
CS010412-08	City of Florence	CWSRF	2020	2/28/2025	\$ 42,338.50
CS010412-08	City of Florence	CWSRF	2020	4/3/2025	\$ 40,857.63
CS010412-08	City of Florence	CWSRF	2020	5/5/2025	\$ 40,169.75
CS010412-08	City of Florence	CWSRF	2020	6/27/2025	\$ 2,030.81
CS010412-08	City of Florence	CWSRF	2020	6/27/2025	\$ 10,359.75
CS010412-08	City of Florence	CWSRF	2020	8/29/2025	\$ 8,233.13
CS010412-08	City of Florence	CWSRF	2020	8/29/2025	\$ 12,446.12
CS010412-08	City of Florence	CWSRF	2020	9/24/2025	\$ 2,770.00
CS010811-05	Grand Bay Water Works Board, Inc.	DL:EPA	2019	6/12/2025	\$ 79,514.89
CS010818-03	The City of Selma	DL:EPA	2014	8/15/2025	\$ 87,500.00
CS010832-03	City of Childersburg	DL:EPA	2021	6/27/2025	\$ 158,120.00
CS010849-02	City Of Reform	CWSRF	2022	10/23/2024	\$ 44,152.65
CS010879-02	The Waterworks & Sewer Board of the City of Selma	DL:EPA	2021	12/31/2024	\$ 82,528.00
CS010879-02	The Waterworks & Sewer Board of the City of Selma	DL:EPA	2021	2/28/2025	\$ 27,704.00
CS010879-02	The Waterworks & Sewer Board of the City of Selma	DL:EPA	2021	3/31/2025	\$ 8,704.00
CS010879-02	The Waterworks & Sewer Board of the City of Selma	DL:EPA	2021	5/5/2025	\$ 512,602.00
CS010879-02	The Waterworks & Sewer Board of the City of Selma	DL:EPA	2021	6/5/2025	\$ 383,363.50
CS010879-02	The Waterworks & Sewer Board of the City of Selma	DL:EPA	2021	7/1/2025	\$ 130,979.30
CS010880-01	City of Calera	DL:EPA	2019	1/15/2025	\$ 192,460.17
CS010880-01	City of Calera	DL:EPA	2019	1/15/2025	\$ 467,552.36
CS010880-01	City of Calera	DL:EPA	2019	1/24/2025	\$ 385,330.83
CS010880-01	City of Calera	DL:EPA	2019	3/10/2025	\$ 507,358.90
CS010880-01	City of Calera	DL:EPA	2019	4/18/2025	\$ 1,941,984.03
CS010883-02	Town of Wedowee	DL:EPA	2020	11/18/2024	\$ 249,830.99
CS010883-02	Town of Wedowee	DL:EPA	2020	1/6/2025	\$ 131,650.00

CS010883-02	Town of Wedowee	DL:EPA	2020	7/31/2025	\$	20,160.20
CS010889-03	Dallas County Water Authority	CWBIL	2023	9/12/2025	\$	191,722.93
CS010898-02	City of Greenville Water Works & Sewer Board	CWBIL	2022	5/1/2025	\$	1,122,607.25
CS010923-02	City of Columbiana	CWBIL	2023	7/22/2025	\$	497,156.00
CS010923-02	City of Columbiana	CWBIL	2023	7/24/2025	\$	357,010.00
CS010923-02	City of Columbiana	CWBIL	2023	7/28/2025	\$	337,202.50
CS010923-02	City of Columbiana	CWBIL	2023	8/11/2025	\$	1,018,352.50
CS010947-02	Town of Hayneville	CWBIL	2022	10/22/2024	\$	244,613.50
CS010947-02	Town of Hayneville	CWBIL	2022	11/22/2024	\$	493,926.00
CS010947-02	Town of Hayneville	CWBIL	2022	12/19/2024	\$	454,298.30
CS010947-02	Town of Hayneville	CWBIL	2022	1/9/2025	\$	476,601.00
CS010947-02	Town of Hayneville	CWBIL	2022	3/5/2025	\$	349,747.00
CS010947-02	Town of Hayneville	CWBIL	2022	4/22/2025	\$	535,536.40
CS010954-01B	Utilities Board of the City of Linden	CWBIL	2022	8/15/2025	\$	87,959.25