

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
ENVIRONMENTAL FINANCIAL ADVISORY BOARD**

August 27, 2003

Honorable Marianne L. Horinko
Acting Administrator
U. S. Environmental Protection Agency
Washington, D.C. 20460-0001

Dear Acting Administrator Horinko:

I am pleased to provide you with the Environmental Financial Advisory Board's latest report, *"Coordination of USEPA/SRF and USDA/RUS Water and Sewer Loan Assistance."* The development of this report was led by the Board's Public Finance Workgroup chaired by Sonia Toledo of Lehman Brothers. In particular, the Board recognizes and thanks member John McCarthy for his important contributions to the report. Mr. McCarthy is a Program Director with the Northeastern Rural Community Assistance Program.

This report examines the operations and interactions of the United States Environmental Protection Agency (USEPA) Clean Water and Drinking Water State Revolving Loan Fund Programs (SRFs) and the United States Department of Agriculture (USDA) Rural Utility Service (RUS) Water and Environment Programs. All of these programs provide significant financial assistance in the form of loans and/or grants for small rural communities to use in developing water-related environmental infrastructure.

In essence, the report looks at the issue of coordination between these programs and considers whether improved coordination would result in more efficient use of federal resources and improved environmental and public health protection. The report includes recommendations and next steps for USEPA to consider regarding the future interaction of these important federal assistance efforts. In this regard, the Board concludes that improved coordination is needed and strongly recommends that USEPA commit to working with USDA to achieve closer cooperation between the programs. The Board further recommends that these cooperative efforts focus on integrating program priorities, coordinating interest rates charged for loan assistance, and harmonizing their respective affordability standards.

The Board hopes that the Agency will find the report and its suggestions constructive and useful. It is prepared to discuss the findings and recommendations, and to take any follow-up actions that are consistent with its charter. If you or your staff have questions regarding the report, or would like to arrange a meeting, please let us know. We greatly appreciate the opportunity to serve the Agency.

Sincerely,

/s/

A. Stanley Meiburg
Executive Director

Enclosure

cc: Stephen L. Johnson, Acting Deputy Administrator
G. Tracy Mehan, III, Assistant Administrator for Water
Linda M. Combs, Chief Financial Officer
Michael W. S. Ryan, Deputy Chief Financial Officer
Joseph L. Dillon, Comptroller

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY ENVIRONMENTAL FINANCIAL ADVISORY BOARD

Coordination of USEPA/SRF and USDA/RUS Water and Sewer Loan Assistance

Purpose of Paper

This paper examines important programs overseen by the United States Environmental Protection Agency (USEPA) and the United States Department of Agriculture (USDA) that provide financial assistance to small rural communities to pay for water related environmental infrastructure. The programs examined include:

- the USEPA Clean Water and Drinking Water State Revolving Loan Fund Programs; and
- the USDA Rural Utility Service Water and Environment Programs.

The paper looks at the purposes of these programs and presents the eligibilities, amounts, and types of assistance that they provide. The paper also looks at the issue of coordination between the programs and considers whether improved coordination would result in better, more efficient environmental and public health protection. The paper includes recommendations and next steps for USEPA to consider regarding the future interaction of these important federal assistance programs.

Introduction

Both the USDA Rural Utilities Service (RUS) Water and Environment Programs (WEPs) and the USEPA-funded, state-run Clean Water and Drinking Water State Revolving Funds (SRFs) have successfully financed important numbers of water infrastructure projects in rural America. The RUS programs provide communities with a mix of loan and grant assistance for water and waste disposal projects, while the USEPA-funded SRFs make loans to communities for wastewater and drinking water projects.

RUS WEPs target loans and grants to small, lower income, rural communities with populations under 10,000. While the state-run SRFs are not limited to this target group, many of the environmental and public health threats that the SRFs seek to eliminate occur in this same target group. As a result, it is not uncommon for both funding entities to consider offers of financial assistance to the same communities.

Given the extent of the financial need in many rural areas and the difficulty of meeting that need, this overlap is fortunate. Many smaller communities, affected by diseconomies of scale, experience compliance and capacity problems. This makes these small communities an important target group for SRF program managers as well.

Funding Comparison

Both the RUS WEPs and the EPA-funded SRF programs are important sources of federal assistance for small communities. A comparison of the financial resources of these programs demonstrates significant differences in how the Congress provides resources to them. For example, the RUS WEPs had \$714,360,000 of budget authority for federal fiscal year 2001. This funding amount included \$594,265,000 designated for direct grants to communities and \$120,095,000 designated as loan subsidy. This loan subsidy amount was projected to create \$883,701,251 in direct project loans. Loan repayments are returned to the United States Treasury.

The funding mechanism for the SRF programs is quite different. During federal fiscal year 2001, USEPA made capitalization grants to the State Revolving Funds of \$825,000,000 for Drinking Water and \$1,350,000,000 for Clean Water. These amounts were combined with other SRF assets, including state matching funds, leveraging, funds from prior federal capitalization grants, loan repayments and interest earnings. Using all of these combined assets, the Drinking Water SRFs were able to make \$1,315,100,000 of loans and the Clean Water SRFs were able to make \$3,846,300,000 of loans during the period July 1, 2000 to June 30, 2001. Loan repayments are made to the state SRFs.

It should be noted that 22% of the DWSRF loans were made to communities under 3,300 and 12% of the CWSRF to communities under 3,500 (USEPA uses 3,500 for CWSRF).

While funding for the RUS WEPs is smaller than the funds allocated to the two SRFs, its significance is quite large when one considers that they are targeted to serve the smallest, lowest-income communities where needs have proved to be so great and so intractable. In fact, RUS WEPs funding of communities with a population of less than 3,300 is significantly higher than funding by the SRFs.

Subsidy Comparison

While both the RUS WEPs and the EPA-funded SRF programs promote water infrastructure improvements by providing subsidized loans, the subsidy mechanisms used by the programs are quite different. As a result, the user costs can vary significantly depending on which program provides the loan subsidy. Virtually all RUS funding packages include some amount of loan. In order to make projects affordable, however, RUS also offers grants to many eligible communities, in combination with their loans.

At the time of the review, the RUS loan interest rate for poverty level communities was 4.5% nationwide. An RUS funding package can range from 100% market rate loan (at the time of review, this rate was 5.5%) all the way to a maximum of 75% grant and 25% poverty rate loan for some projects. However, most RUS loan/grant packages do not include 75% grants, because there is insufficient grant money available. Forty-year loan terms are common for RUS projects.

Factors affecting the cost of money in the Clean Water and Drinking Water SRFs are the rate of subsidy offered and the length of loan terms. Most SRF loan terms have been set at 20 years although loans made by some Drinking Water SRFs can now extend to 30 years. Unlike the RUS programs, state SRF programs have the flexibility to set interest rates based on the state priorities as outlined in their Intended Use Plans. In some states, the SRF interest rate has been set as low as 0%. Principal forgiveness is also available for hardship communities participating in the Drinking Water SRF Program. On the other end of the scale, the average weighted interest rates offered by SRFs in some states are set at or close to market interest rates.

Coordination Efforts

In most states throughout the nation there have been efforts at coordination between the EPA-funded SRFs and USDA RUS WEPS. At the national level, a 1997 Memorandum of Understanding between EPA, USDA and HUD provided high-level official encouragement for such coordination; however the results have been uneven at the state level.

Coordination efforts have produced active cooperation in some states and resulted in sharing of project priority lists, regular co-funding of projects and interim funding of RUS loans by SRF loans. However, there are other states where coordination has not worked as well. Although there are a number of factors that impact effective coordination, SRF interest rates, which vary considerably among the states, may be the most important factor.

In at least some states, the managers of the RUS programs and the SRF programs have found themselves competing at times for the same projects. It is also not uncommon for communities to apply to both programs in an effort to find the lowest cost. This can result in a duplication of administrative effort and in some instances, a loss by the state RUS programs of a portion of its federal water subsidy. In some cases, in an effort to further reduce user costs, loans from the SRF program are used to refinance loans from RUS, occasionally within just a few months after the RUS loan is completed. In at least one Northeastern state, SRF funds went to projects that could have been funded by the RUS, while state RUS funds were returned unspent, even though other state project priorities remained unfunded.

Important Coordination Issues

A variety of factors influence coordination, but the cost of money is certainly among the most important. In some states RUS WEPS funding is generally more affordable for small communities to use. In these cases the SRF programs have difficulty competing with the RUS. In other states, however, the opposite is true, and the RUS 4.5% loans, even when combined with grants, cannot compete with a SRF loan carrying a very low rate of interest. In some cases, lower rate SRF loans are being used to refinance the loan portion of RUS grant/loan packages in an effort to raise subsidy to a level where the user rates become more affordable.

The affordability of water and sewer rates is also at the center of issues affecting coordination among infrastructure funding programs. If a consensus on affordability could be

developed between the RUS programs and the SRF programs, it would be easier to speak about desirable interest rates and partial grants for communities in particular environmental and economic circumstances.

Finally, RUS programs have a long history of capacity development and offer significant resources to communities. They represent an important partner to EPA in overcoming capacity problems in small and low income communities. Better coordination could increase the value of this partnership.

Program Goals: Differences and Opportunities

EPA's goal is health protection while USDA's is rural development, resulting in different program priorities and restrictions. For example, SRF funds may not be readily available for system extensions intended to create economic development. There is still significant overlap however, in the objectives of the two agencies. For instance, the capacity of rural communities and their leaders to effectively plan and manage their water infrastructure over the long term is essential to achieving the goals of both agencies.

In addition to the RUS focus on some of the most difficult systems, RUS also brings an important integrated development focus to their funding efforts in many states. This is, in part, because the RUS WEP represent only a fraction of the USDA Rural Development programs available to small communities. USDA Rural Development programs also include a variety of home ownership and multi-family housing programs, community facilities loans and a business and industry grants program.

Because the RUS is one of a variety of community development programs offered by USDA, it is in a position to support community capacity development in a way that is just not possible for USEPA or the state primacy agencies. This is important because many rural water systems are in communities difficult to serve, economically non-viable, and geographically isolated. RUS programs may offer the best potential for creating economic and social capacity in some of these communities. Fostering a supportive working relationship with federal programs like RUS could be a means for USEPA and the states to achieve their own compliance and health goals.

Recommendations Regarding EPA and USDA Cooperation

1. EFAB recommends that USEPA pursue a national-level commitment from USDA/RUS to achieve closer coordination between the SRF Programs and the RUS Water and Environmental Programs.
2. EFAB recommends that USEPA invite USDA/RUS input on integrating small community water infrastructure funding into the broader planning and development concerns of rural areas. This would help to assure that the SRF program promotes other USEPA and community goals, such as smart growth, economic development and the building of strong, capable communities.

3. EFAB recommends that USEPA work with USDA/RUS on setting WEP interest rates that mesh with SRF interest rates to achieve greater affordability for communities with the most need.
4. To foster more efficient coordination between these two major federal water and wastewater loan programs EFAB recommends that USEPA include one or more experts from the state based RUS programs as members or expert witnesses to the EFAB board.

Additional Steps

- A next step could be to seek case studies of RUS-SRF coordination from a number of states where this coordination has been either especially positive or particularly difficult. There may be states where coordination was at one time poor but has now improved; these should be included.
- EFAB could seek a partner to survey SRF and RUS program managers in all fifty states to learn more about their perceptions of the need for improved coordination. This survey could be used to request input on measures that would strengthen collaboration.
- EFAB could encourage SRF and RUS program managers to discuss and review their respective affordability standards with an eye to looking at how affordability can best be expressed and achieved. EFAB could offer to participate in these discussions.

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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

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U.S. EPA REGION 4
OFFICE OF
REGIONAL ADMINISTRATOR

Mr. A. Stanley Meiburg
Executive Director
Environmental Financial Advisory Board
61 Forsyth Street, SW
Atlanta, GA 30303

Dear Mr. Meiburg:

Thank you for your letter of October 14, 2003, to Acting Administrator Marianne Lamont Horinko and the transmittal of the Environmental Financial Advisory Board's (EFAB) report entitled, "Coordination of USEPA/SRF and USDA/RUS Water and Sewer Loan Assistance." I support EFAB's interest in improving coordination between these financial assistance programs. Below I offer my thoughts on each of your four recommendations.

First, EFAB recommended that we pursue a national-level commitment from the Rural Utility Service (RUS) to achieve closer coordination between the State Revolving Fund (SRF) programs and the RUS Water and Environmental programs. Your recommendation comes at a time when the Office of Water is undertaking unprecedented efforts to work with the United States Department of Agriculture (USDA) on a number of water-related issues, including our recent Combined Animal Feeding Operations (CAFO) rule and implementation of the Wetlands Reserve Program and the Environmental Quality Incentives Program of the Farm Bill of 2002. Two months ago, I sent a letter to each state environmental director and agriculture commissioner calling attention to the opportunities to address sources of pollution at agricultural operations with both the Drinking Water and Clean Water State Revolving Fund. To follow up on your recommendation to coordinate more closely with RUS, we will take another look at the 1997 Memorandum of Understanding with USDA and HUD signed by my predecessor Bob Perciasepe. I have directed our Clean Water State Revolving Fund (CWSRF) Branch to meet with the RUS to explore ways in which this memorandum might be reinvigorated.


Second, EFAB recommended that we invite USDA/RUS input on integrating small community water infrastructure funding into the broader planning and development concerns of rural areas. Our statutory authority on SRF funds is limited to supporting clean and safe water, but we have encouraged states to integrate their SRF practices and policies with development and planning and a number of states have led the way. Currently some 19 states have developed "one-stop shopping" initiatives that steer applicants to the full range of funding options, including RUS, available for water quality solutions. The enclosed *Activity Update* of January

2003 provides more details on the one-stop shopping initiatives of Washington, Arizona and Montana. I am also pleased to report that our Clean Water State Revolving Fund Branch is working with a network of water funding officials, including the Rural Utility Service, interested in coordinating environmental infrastructure funding efforts. The "Small Community Water Infrastructure Exchange" has financial support from the Council of Infrastructure Funding Authorities.

Third, EFAB recommended that we work with RUS on setting interest rates that mesh with SRF interest rates. We will include interest rates as part of our discussions with RUS. Briefly, CWSRF interest rates are determined by states and currently average 2.2 percent. RUS interest rates are set by the Secretary of Agriculture. As you may know, recent market interest rates have fallen below interest rates charged by RUS, but I understand USDA is internally considering a proposal to fix this problem by setting the intermediate rate at 80 percent of the market rate and the poverty rate at 60 percent of market.

Fourth, EFAB recommended that we include one or more experts from the state based RUS programs as members or expert witnesses to the EFAB board. As you know, the Deputy Administrator appoints members to EFAB. I would certainly support any decision of the Deputy Administrator to appoint someone familiar with RUS to EFAB.

Thank you again for calling my attention to another way to work with USDA to ensure our joint success. If you have any further questions, please feel free to contact Sheila Frace, Director, Municipal Support Division (202-564-0749).

Sincerely,

G. Tracy Mehan, III
Assistant Administrator

Enclosure



ACTIVITY UPDATE

One-Stop Shopping in the Clean Water State Revolving Fund Program

States with One-Stop Shopping Initiatives

Arizona
Arkansas
California
Colorado
Illinois
Louisiana
Missouri
Montana
Nebraska
Nevada
New Mexico
New York
Ohio
Oklahoma
Oregon
Vermont
Washington
West Virginia
Wisconsin

With more than \$42 billion in assets and continuing financial support from USEPA, the Clean Water State Revolving Fund (CWSRF) program is the largest water quality funding program in the country. However, many other federal and state assistance programs have similar water quality or public health objectives. For this reason, some state CWSRF programs have worked with federal and state financial assistance programs to develop "one-stop shopping" initiatives that provide one point of contact for water quality improvement projects.

CWSRF programs have developed many variations of the one-stop shopping concept. Some states have developed internet sites that help potential applicants identify funding for which they are eligible. Other states have developed funding committees that help applicants identify which funding sources are most applicable to their needs. Some states have developed application materials and environmental review documents that can be used for many federal and state assistance programs. Finally, the most integrated example of a one-stop shopping program uses a single application process for multiple programs.

One-stop shopping initiatives provide many benefits:

- Joint funding packages can provide borrowers with greater amounts of

funding, helping borrowers afford appropriate water quality solutions

- Coordinated funding initiatives can help CWSRF programs support more projects and use more of their available loan funds
- One-stop shopping programs ensure that assistance programs support projects that address a state's highest priority water quality problems and help eliminate competition with other programs
- Applicants find a one-stop shopping funding process to be easier and more convenient. Projects are able to navigate the process quickly and move forward with project implementation
- Both the financial assistance programs and the applicants in one-stop shopping initiatives reduce administrative costs because water quality projects are directed to the most appropriate funding sources

This document highlights one-stop shopping initiatives in Washington, Arizona, and Montana. Washington's single application method is highly efficient for applicants and funding programs, but the joint application only serves three financial assistance programs. Arizona's funding committee method

directs applicants to more than ten financial assistance programs, but if a project's most appropriate financing solution involves funding from multiple programs, the project has to complete multiple applications. Montana uses a funding committee method similar to that used by Arizona to direct applicants to appropriate funding programs. Montana also developed a uniform application for their programs, but the funding process for each program remains separate.

Washington

The State of Washington coordinates loan and grant funding from three water quality programs – the Clean Water State Revolving Fund loan program, the §319 Nonpoint Source Grants program, and the state's Centennial Clean Water Fund loan and grant program. Washington's Department of Ecology manages all three programs (www.infracfunding.wa.gov). In state fiscal year 2002, these programs supported \$107.0 million in water quality projects (\$80.4 million, \$2.3 million, and \$25.1 million, respectively.)

Washington's water quality financial assistance programs support projects sponsored by Indian Tribes, state agencies, local governments, and special districts. Loans and grants have supported many types of projects:

- Planning, design and construction of wastewater and stormwater treatment facilities
- Water reuse planning and facilities
- Agricultural best management practices
- Public boat pump-out construction
- Lake restoration
- Stream and salmon habitat

restoration

- Wetland habitat acquisition
- Wellhead protection
- Watershed planning
- Water quality monitoring
- Public information and education



Marina pump-out station

Joint funding process

Washington's Department of Ecology tries to manage these three financial assistance programs as one. The programs share one funding cycle, one application form, and one offer list. In each funding cycle, the Department reviews all proposed projects and places them on a priority-ordered offer list. If a project is in the fundable portion of the offer list, the Department identifies the most appropriate funding source for the project.

Washington's Department of Ecology identifies the most appropriate funding source(s) for each project by considering six questions:

- Does the project have a revenue stream that could repay a loan?
- How do project objectives match the

- slightly different objectives of the three funding programs?
- How much assistance is each program offering this year?
- Will the CWSRF program meet its goal of using 20 percent of its available resources for nonpoint source and estuary projects?
- Have legislative budget provisos directed to the Department to award Centennial loans and grants to specific projects?
- Do project sponsors suffer financial hardships that would be alleviated with partial grant support?

Projects have one year to accept funding offers.



Restored wetland preserve
Source: Natural Resources Conservation Service

Coordinated Information on the Internet and in Environmental Review Documentation

Washington's Infrastructure Assistance Coordination Council (IACC) is a nonprofit organization that identifies ways of streamlining and coordinating the delivery of infrastructure-related financial and technical assistance to communities. This Council is composed of staff from state and federal agencies, nonprofit organizations, local government associations, and universities that provide assistance to local governments in Washington State. Two of the IACC's greatest successes have been the development of a web-based directory of assistance programs (www.infracfunding.wa.gov) and a standardized approach to environmental documentation for water and sewer infrastructure.

The web-based directory of assistance programs allows potential assistance recipients to identify assistance programs for which they may be eligible. The directory sorts assistance programs by type of borrower, type of water quality project, type of assistance, and match requirements.

The standardized approach to environmental documentation for water and sewer infrastructure adopted the most encompassing requirements of the National Environmental Policy Act, the State Environmental Policy Act, and the State Environmental Review Process. As a result of this coordination, communities are not required to complete multiple environmental review processes.

Integration of the funding programs

Washington developed a joint application for the CWSRF loan program and the Centennial Fund loan and grant program as a pilot project in 1995. This joint application process received positive feedback from applicants, and the §319 Nonpoint Source Grants Program was added to the joint application in 1997. The funding programs required similar information and used similar evaluation

methods—the joint application meets the needs of all three programs. Washington further streamlined the programs by combining program guidelines.

Arizona

Arizona's Rural Water Infrastructure Committee (RWIC) is an informal partnership that works to improve the wastewater and drinking water infrastructure in Arizona. This committee

A RWIC Success Story

The experience of Fredonia, Arizona provides a typical example of the packaging of multiple funding sources through the efforts of the RWIC. Fredonia was one of the first RWIC participants to participate in the project meeting process. Town officials came to RWIC meetings several times over a period of 2 to 3 years to seek technical and funding consultation and advice. The RWIC partners worked together and with the town to develop a funding plan.

Fredonia is a small community located on the north rim of the Grand Canyon; it has a population of just over 1100 people. When the town first came to the RWIC, it had no sewer system and many of the septic tanks in the community were failing. In addition, the local economy was declining because its main logging industry had closed. This situation was compounded by a low median household income.

The community decided to build a new sewer system with sewerage lagoons and also came up with a plan to attract industry. Town leaders pursued an aggressive campaign to fund the \$3.9 million project.

With the assistance of the RWIC, the following funding was procured for the sewer system and economic development:

US Dept. of Commerce Economic Development Administration Grant (Industrial Park development)	\$1,035,900
US Dept. of Agriculture RD Grant	\$1,000,000
US Dept. of Agriculture RD Loan	\$ 828,200
Local Funding	\$ 232,500
WIFA Hardship grant	\$ 150,000
WIFA CWSRF Loan	\$ 660,120
	<u>\$3,936,720</u>

of federal, state, local, and private sector organizations meets regularly to coordinate financial and technical assistance. RWIC partners include the following groups:

Arizona Commission of Indian Affairs
Arizona Corporation Commission
Arizona Department of Emergency Management
Arizona Department of Environmental Quality
Arizona Department of Commerce
Arizona Department of Water Resources
Arizona State Environmental Training and Technology Center
Arizona Small Town Environment Program
Arizona Small Utilities Association
Arizona Water and Pollution Control Association
Border Environment Cooperation Commission
Greater Arizona Development Authority Intertribal Council
North American Development Bank
Rural Community Assistance Corporation
U.S. Department of Agriculture, Rural Development



Wastewater treatment plant

Source: Natural Resources Conservation Service

U.S. Department of Commerce,
Economic Development Administration
U.S. Department of Housing and Urban Development
U.S. Department of Interior, Bureau of Reclamation
Water Infrastructure Finance Authority of Arizona (includes Clean Water State Revolving Fund and Drinking Water State Revolving Fund)

The RWIC meeting process

Arizona's Rural Water Infrastructure Committee has considered projects from almost every rural community in the state within its structured format. Each project sponsor spends 75 minutes discussing its project with the committee. The sponsor first describes its situation and its proposed project. The committee then offers technical advice and recommends further sources of technical and financial support for the project. At the end of each meeting, the chair of the Rural Infrastructure Committee summarizes the discussion and recommended "next steps" for the project.

The RWIC most often suggests that communities constructing wastewater treatment projects apply for funding from the Water Infrastructure Financing Authority of Arizona (CWSRF) or the U.S. Department of Agriculture (Rural Development Program). To a lesser extent, other partners, including the Greater Arizona Development Authority, the Economic Development Administration, the North American Development Bank, the Department of Housing and Urban Development, and the Arizona Department of Emergency Management also support construction projects. Technical assistance is provided by many sources, as well. The RWIC identifies financial assistance

programs that are most appropriate for each proposed project, and it offers advice on how to develop a funding package that coordinates multiple funding sources.

Development of the RWIC

The Rural Water Infrastructure Committee formed in 1990 as an informal organization of state and federal funding programs. Committee participants discussed how they could best meet the infrastructure needs of rural communities, and the funding programs implemented many of the committee's ideas. The committee first hosted project-oriented meetings in 1994, and this format blossomed in 1996 when funding programs increased their participation in RWIC activities. Since 1996, RWIC meetings have assisted almost every rural jurisdiction in Arizona and more than 200 projects.

Montana

Montana's Water, Wastewater, and Solid Waste Action Coordinating Team (W²ASACT) is a group of state, federal, and nonprofit organizations that provides financial and technical assistance to communities and to water and sewer districts. The following five organizations coordinate six funding programs (including the CWSRF) through their participation in W²ASACT.

Montana Board of Investments
Montana Department of Commerce
Montana Department of Environmental Quality
Montana Department of Natural Resources and Conservation
U.S. Department of Agriculture

W²ASACT meets on a bimonthly basis to coordinate program efforts, and subcommittees pursue program improvements between meetings. A series of workshops around the state in the spring and the fall allow W²ASACT programs to provide face-to-face advice and assistance to communities as they develop and finance water, wastewater, and solid waste infrastructure projects. These workshops



Montana W²ASACT workshop participants

steer projects to appropriate sources of funding and help them complete the application process.

W²ASACT has also developed a uniform application form, environmental checklist, and preliminary engineering report that is accepted by the six federal and state funding programs. While the application process remains separate for each funding program, and while each program does require some supplementary information, the uniform materials reduce the time, effort, and expense that local governments incur when they apply to multiple agencies for financial assistance.

Development of W²ASACT and uniform application materials

W²ASACT was created in 1983 as a forum for water and wastewater financing professionals in Montana. This coordinating team was created in response to new state-funded grant programs for infrastructure financing. In the early years of W²ASACT's existence, this forum discussed the progress of local infrastructure projects, especially problem projects where local governments were struggling. W²ASACT has hosted workshops for local governments since its creation in 1983, but in 1990 W²ASACT agencies expanded their outreach and hosted workshops in three or four communities across the state.

In 1995, W²ASACT developed a common preliminary engineering report format that was acceptable to each of the agencies that fund water, wastewater, and solid waste projects in Montana. Spurred by this success, some of the

state agencies also adopted a common application summary form and environmental checklist that same year. In 1997, W²ASACT members adopted a uniform publication that contains a common application form, environmental checklist and preliminary engineering report. Critical to these efforts was the identification of the core information that must be provided for all projects that receive assistance from any of these funding sources.

Contact Information

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For more information about the Clean Water Revolving Fund, or for a program representative in your State, please contact:

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