



**Guidance on
Cost and Effectiveness Certification
Clean Water State Revolving Fund**

Overview

On June 10, 2014, President Obama signed into law the Water Resources Reform and Development Act of 2014 (WRRDA). Among its provisions are amendments to Titles I, II, V, and VI of the Federal Water Pollution Control Act (FWPCA). On January 6, 2015, the U.S. Environmental Protection Agency (EPA) issued an interpretive guidance for those provisions affecting the Clean Water State Revolving Fund (CWSRF) program.

This guidance pertains to the certification that the municipal, intermunicipal, interstate or State agency recipient of CWSRF financial assistance has taken into consideration the cost and effectiveness of the processes, materials, techniques, and technologies for carrying out the project and has selected, to the maximum extent practicable, a project or activity that maximizes the potential for efficient water use, reuse, recapture, and conservation and energy conservation.

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Federal Water Pollution Control Act (FWPCA)

As amended, the FWPCA now includes section 602(b)(13), which states:

Beginning in fiscal year 2016, the State will require as a condition of providing assistance to a municipality or intermunicipal, interstate, or State agency that the recipient of such assistance certify, in a manner determined by the Governor of the State, that the recipient—

(A) has studied and evaluated the cost and effectiveness of the processes, materials, techniques, and technologies for carrying out the proposed project or activity for which assistance is sought under this title; and

(B) has selected, to the maximum extent practicable, a project or activity that maximizes the potential for efficient water use, reuse, recapture, and conservation, and energy conservation, taking into account—

(i) the cost of constructing the project or activity;

(ii) the cost of operating and maintaining the project or activity over the life of the project or activity; and

(iii) the cost of replacing the project or activity;

Below is a link to a full copy of EPA's interpretive guidance on the WRRDA changes.

http://www.twdb.texas.gov/financial/programs/cwsrf/doc/sfy16/epa_wrrda_guidance.pdf

Guidance

All CWSRF financial assistance recipients meeting the definition of Municipality or Intermunicipal, Interstate, or State agency (see definitions below) must certify that they have conducted the studies and evaluations described in 602(b)(13)(A) and (B), referred to collectively as a Cost and Effectiveness Analysis.

A Cost and Effectiveness Analysis is an eligible cost and the Texas Water Development Board (TWDB) can provide assistance for planning and/or engineering activities that involve this analysis; however, the certification must be provided before CWSRF assistance is provided for final design or construction.

To whom does this requirement apply? This provision applies to all types of assistance provided to the entities above for applications submitted on or after October 1, 2015. An application is defined as the forms or web-based system that the executive administrator determines must be completed for consideration for financial assistance from the CWSRF.

How is the requirement met? To meet this requirement, the financial assistance recipient must submit the Cost and Effectiveness Certification form TWDB-1107A, which is attached as Exhibit A.

When is the Certification due? The certification is due no later than the date funds are released for final design if design-phase costs are financed. If design-phase costs are not financed, no later than the date funds are released for construction.

How will the recipient be informed of the requirement? A condition will be included in the TWDB commitment resolution requiring submission of a certification form before a recipient may proceed with final design or construction.

Definitions of certain terms found in this guidance

Municipality – A city, town, borough, county, parish, district, association, or other public body created by or pursuant to state law and having jurisdiction over disposal of sewage, industrial wastes, or other wastes, or an Indian tribe or an authorized Indian tribal organization, or a designated and approved management agency under 33 USC, Chapter 26, Subchapter V, Section 1288.

Intermunicipal – An agency established by two or more municipalities with the responsibility for the administration of wastewater.

Interstate Agency – An agency of two or more states established by or pursuant to an agreement or compact approved by the Congress, or any other agency of two or more states, having substantial powers or duties pertaining to the control of pollution as determined and approved by the EPA.

Cost and Effectiveness Certification

This executed certification covering project cost and effectiveness is required of all municipalities, intermunicipals, interstate, or State agency recipients of Clean Water State Revolving Fund (CWSRF) financial assistance. The requirement for this certification applies to all CWSRF applications received on or after October 1, 2015.

Name of Entity: _____

TWDB Project Number: _____

Project Name: _____

Section 602(b)(13) of the Water Resources Reform and Development Act (WRRDA), 2014 states that:

Beginning in fiscal year 2016, the State will require as a condition of providing assistance to a municipality or intermunicipal, interstate, or State agency that the recipient of such assistance certify, in a manner determined by the Governor of the State, that the recipient—

(A) has studied and evaluated the cost and effectiveness of the processes, materials, techniques, and technologies for carrying out the proposed project or activity for which assistance is sought under this title; and

(B) has selected, to the maximum extent practicable, a project or activity that maximizes the potential for efficient water use, reuse, recapture, and conservation, and energy conservation, taking into account—

(i) the cost of constructing the project or activity;

(ii) the cost of operating and maintaining the project or activity over the life of the project or activity; and

(iii) the cost of replacing the project or activity;

The undersigned hereby certifies that the project referenced above meets these requirements and the requirements found in the Environmental Protection Agency's "Interpretive Guidance for Certain Amendments in the Water Resources Reform and Development Act to Titles I, II, V, and VI of the Federal Water Pollution Control Act." The EPA guidance is available at this TWDB website: http://www.twdb.texas.gov/financial/programs/cwsrf/doc/sfy16/epa_wrrda_guidance.pdf

Signature of Authorized Official

Date

Printed Name of Authorized Official

Title of Authorized Official