



## **Clean Water Fund Memorandum (2014-002)**

**TO: All Connecticut Municipalities and Consultants**

**RE: Administration of Clean Water Fund Priority List Reserve for Construction of Infiltration & Inflow (I/I) Rehabilitation Projects**

### **I. PURPOSE**

To inform the municipalities of the administrative requirements for funding I/I rehabilitation construction projects under the Connecticut Clean Water Fund (CWF) Fiscal Year 2014 and 2015 Priority List (hereafter referred to as “the Priority List”).

### **II. GOVERNING STATE AND FEDERAL REQUIREMENTS TO PERFORM COST-EFFECTIVENESS ANALYSIS ON I/I REHABILITATION PROJECTS**

As detailed below, a cost-effectiveness analysis on I/I rehabilitation projects is a state and federal prerequisite to CWF funding.

#### **A. State CWF Eligibility Requirements**

Section 22a-482-4(a)(26)(B) of the Regulation of Connecticut State Agencies (RCSA) defines the allowable funding for sewer system rehabilitation projects as follows:

“the costs of sewer system rehabilitation necessary to eliminate excessive infiltration/inflow as determined in a sewer system evaluation survey under Section 22a-482-3(g).”

RCSA Section 22a-482-1(a)(15) defines “excessive infiltration/inflow” as:

“the quantity of infiltration/inflow which can be economically eliminated from a sewer system as determined in a cost-effectiveness analysis that compares the costs for correcting the infiltration/inflow conditions to the total costs for transportation and treatment of the infiltration/inflow.”

#### **B. Federal Funding Eligibility Requirements**

On June 10, 2014, the Water Resources Reform and Development Act of 2014 was signed into law, which includes amendments to Titles I, II, V, and VI of the Federal Water Pollution Control Act. Section 602(b)(13) of the law states:

“Beginning in fiscal year 2016, the State will require as a condition of providing assistance...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”.

### **III. REQUIREMENTS/PROCESS**

#### **CWF program requirements necessary to process a funding agreement for the construction of I/I rehabilitation projects**

1. Consistent with Section 3b of the Priority List, this reserve has an annual limit per municipality (\$4 M/year in FY2014 and FY 2015) and shall be administered on a first come, first served basis. Only complete CWF applications shall be considered for funding for an I/I rehabilitation project from this reserve.
2. In accordance with RCSA Section 22a-482-4(i), engineering consultants shall be selected by the municipality using the Qualification Based Selection (QBS) process. The QBS process shall include I/I design and construction services experience as a prime consideration of qualifications and must be current. The municipality may choose to seek funding for construction costs only and self-fund consultant services. In this case, the Department will waive the QBS selection requirement provided the municipality provides proof that the consultant has the required knowledge and experience to perform the work.
3. The municipality shall submit an I/I planning study, followed by a more focused Sewer System Evaluation Study (SSES). In accordance with RCSA Section 22a-482-1(a)(15), the SSES shall include a cost-effective alternatives analysis to select a preferred rehabilitation method; followed by a comparison (by each pipe section) of the preferred alternative rehabilitation cost to the transportation and treatment cost. If the transportation and treatment cost is lower than the preferred rehabilitation cost, it is not considered cost-effective to perform rehabilitation on that pipe section and that section will not be eligible for CWF funding assistance. The I/I and SSES studies must be approved in writing by the Department in order to qualify for CWF construction assistance.
4. Consistent with Section 3b of the Priority List, the Department will not process separate CWF design agreements for I/I removal projects. In accordance with RCSA Section 22a-482-2(d)(3), municipalities must seek prior written approval on the design fees to retain funding eligibility. The municipality will complete the design with local financing. The municipality may then recoup the design costs by including them in the construction application for CWF financing. The grant percentage on the design services will be the same as the grant percentage for construction (i.e. if funding is under Section 3b of the Priority List, the grant percentage is 20%; if funding is under Section 3c, the grant percentage is 0%).
5. Consistent with Section 3b of the Priority List, the municipality shall have opened bids for all projects listed in the application.

6. No CWF funding agreements for the construction of I/I rehabilitation projects will be processed until all of the conditions/requirements outlined above have been met.
7. Funding of I/I planning studies, design and/or construction of I/I projects is contingent upon the availability of funds. No expressed commitment for funding is implied or guaranteed by any approval given under any of the precursor conditions above (#2, 3, 4 or 5).

#### **IV. DEFINITIONS**

CGS: Connecticut General Statutes

CWF: Clean Water Fund

DEEP: Department of Energy & Environmental Protection

I/I: Infiltration and Inflow

Priority List: This document describes the uses of funds available under Sections 22a-446 and 22a-483 of the CGS and federal funds under the Water Quality Act of 1987.

QBS: Qualification Based Selection

RCSA: Regulation of Connecticut State Agencies

SSES: Sewer System Evaluation Study

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Date



Denise Ruzicka

Director of Planning & Standards

Bureau of Water Protection & Land Reuse