



INTENDED USE PLAN  
EMERGING CONTAMINANTS  
CLEAN WATER STATE REVOLVING FUND

STATE FISCAL YEAR (SFY) 2023  
FEDERAL FISCAL YEAR (FFY) 2022





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## **Introduction**

In 1987 Tennessee General Assembly passed the Wastewater Facilities Act and established the Tennessee Clean Water State Revolving Fund (CWSRF). The Tennessee Department of Environment and Conservation manages the CWSRF through the Division of Water Resources in the State Revolving Fund (SRF) program. The CWSRF provides low-interest loans and grants to local governments and publicly-owned treatment works for wastewater and stormwater infrastructure improvement projects. Since its creation, the CWSRF Loan has provided hundreds of millions of dollars in assistance to Tennessee communities. The CWSRF supports TDEC's mission to protect and promote human health and safety and to protect and improve water quality across the state by helping communities afford safe, sustainable, and resilient water systems.

The Infrastructure Investment and Jobs Act of 2021, also called the Bipartisan Infrastructure Law (BIL), provides supplemental funding to strengthen the nation's water infrastructure, with significant benefits for the CWSRF program. Over the next five years, more than \$50 billion will be invested in American water infrastructure, supporting two areas of focus, one of which addresses emerging contaminants. For a project to be eligible under this appropriation, it first must be otherwise eligible under section 603(c) of the CWA including the construction of publicly owned treatment works, stormwater management, and nonpoint source pollution control. These emerging contaminants include perfluoroalkyl and polyfluoroalkyl substances (PFAS), persistent organic pollutants (POPs), biological contaminants and microorganisms, pharmaceuticals and personal care products (PPCPs), and microplastics.

Eligible entities for project funding under the CWSRF Emerging Contaminants (EC) grant include state and local governments, wastewater or stormwater utilities, and publicly owned wastewater treatment facilities, in Tennessee. The purpose of the projects must be to address emerging contaminants in wastewater, stormwater, and nonpoint sources with a focus on PFAS.

Section 606(c) of the Clean Water Act (CWA) requires each state to prepare an Intended Use Plan annually. TDEC's IUP outlines how CWSRF EC funds awarded to the state will be used



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and demonstrates how these uses align to safeguard public health and the environment.

***BIL Emerging Contaminants Capitalization Grant***

Tennessee's allotment for the CWSRF Emerging Contaminants grant for federal fiscal year 2022 is \$1,358,000. There is no state match required for this capitalization grant.

**Clean Water State Revolving (Emerging Contaminants) Fund  
Goals and Objectives**

Recently, the Tennessee Department of Environment and Conservation (TDEC) leveraged an opportunity to merge the existing loan program with a grant program developed for water infrastructure grants. The CWSRF program and State Water Infrastructure Grants (SWIG) program merged in 2023. have been combined at the to Building a broader platform for water infrastructure funding assistance will improve execution of BIL dollars and assist communities build a pipeline of projects using a "grants to loans process". The SWIG-SRF merger will help the CWSRF program adapt to current and future funding opportunities, program needs, public outreach, and technical assistance. Funding for EC-specific projects will be distributed in the form of grants; for this reason, the term grant will be used when applicable for the remainder of this document.

Congress allows the state flexibility to design a program tailored to meet the needs of the state, local communities, and publicly owned stormwater and wastewater treatment works. Tennessee's program developed long and short-term goals as a framework for. The primary goal of the SRF for Emerging Contaminants in Tennessee is to provide financial assistance in the form of grants and technical assistance to communities for the identification, assessment, and remediation of emerging contaminants in their wastewater and stormwater systems. The focus is on ensuring water quality for all residents.

***Long-Term Goals***

1. Remediation projects: Provide financial assistance to communities to implement remediation projects focused on removing or reducing emerging contaminants from

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stormwater sources, treatment plants, and sewer collection systems.

2. Prevention and source control: Promote pollution prevention and source control measures to minimize introducing emerging contaminants into the environment. Encourage sustainable wastewater management practices and raise awareness about potential contamination sources.

***Short-Term Goals***

1. Grant process: Establish a granting process using the established State Water Infrastructure Grants program to disburse Emerging Contaminants Clean Water Capitalization Grants.
2. Identification and prioritization: Collaborate with regulatory agencies, scientific experts, and stakeholders to identify and prioritize emerging contaminants based on their prevalence, potential risks, and impacts on water quality.
3. Assessment and monitoring: Allocate funds to support comprehensive assessments and monitoring programs to identify sources, concentrations, and pathways of emerging contaminants in wastewater systems across Tennessee.
4. Education and outreach: Allocate resources to enhance public awareness campaigns, educational programs, and outreach efforts to educate communities about emerging contaminants, potential health risks, and ways to protect water resources.
5. Research and development: Support research initiatives that aim to develop innovative technologies, treatment methods, and best practices for the removal, treatment, or mitigation of emerging contaminants.
6. Create Emerging Contaminants Priority Ranking List: The State Water Infrastructure Grants (SWIG) program will partner with the CWSRF program to develop a priority ranking system specific to grants for ECs through the SWIG-CWSRF partnership.

The SWIG-CWSRF partnership programs strives to be a good partner with the EPA. Aligning the program goals is one part of the good partnership agreement both agencies maintain.



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Below is a table demonstrating the connection between the states program goals above and the goals outlined within the [EPA's strategic plan for FY 2022 –2026](#).

<b>SWIG – SRF Long-Term Goals EPA Alignment</b>				
EPA Strategic Goals and Activity Alignment			TN SWIG-SRF Results	
EPA Strategic Plan	Goals & Core Elements	Activity	Outputs	Outcomes
Protect and Restore Waterbodies and Watersheds	Goal 5 / Objective 5.2	Remediation projects	Provide financial assistance to communities to implement remediation projects focused on removing or reducing emerging contaminants from stormwater sources, treatment plants, and sewer collection systems.	Water quality improvement by reducing emerging contaminants from stormwater sources, treatment plants and sewer collection systems
Protect and Restore Waterbodies and Watersheds / Enforce Environmental Laws and Ensure Compliance	Goal 5 / Objective 5.2 & Goal 3 / Objective 3.1-3.2	Prevention and source control	Promote pollution prevention and source control measures to minimize introducing emerging contaminants into the environment. Encourage sustainable wastewater management practices and raise awareness about potential contamination sources.	Improved water quality by reduction in possible contamination into environmental water sources
<b>SWIG – SRF Short-Term Goals EPA Alignment</b>				
EPA Strategic Goals and Activity Alignment			TN SWIG-SRF Results	
EPA Strategic Plan	Goals & Core Elements	Activity	Outputs	Outcomes

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Protect and Restore Waterbodies and Watersheds	Goal 5 / Objective 5.2	Grant process	Establish a granting process through State Water Infrastructure Grants program to disburse Emerging Contaminants Clean Water Capitalization Grants.	Applicants can successfully apply for EC grant money
Protect and Restore Waterbodies and Watersheds	Goal 5 / Objective 5.2	Identification and prioritization	Collaborate with regulatory agencies, scientific experts, and stakeholders to identify and prioritize emerging contaminants based on their prevalence, potential risks, and impacts on water quality.	Funding aligns accurately with state and EPA goals
Protect and Restore Waterbodies and Watersheds	Goal 5 / Objective 5.2	Assessment and monitoring	Allocate funds to support comprehensive assessments and monitoring programs to identify sources, concentrations, and pathways of emerging contaminants in wastewater systems across Tennessee.	Ensure scientific integrity and science-based decision making
Protect and Restore Waterbodies and Watersheds	Goal 5 / Objective 5.2	Education and outreach	Allocate resources to enhance public awareness campaigns, educational programs, and outreach efforts to educate communities about	Improve community relations and awareness of EC related water quality issues and contributors



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			emerging contaminants, potential health risks, and ways to protect water resources.	
Protect and Restore Waterbodies and Watersheds	Goal 5 / Objective 5.2	Research and development	Support research initiatives that aim to develop innovative technologies, treatment methods, and best practices for the removal, treatment, or mitigation of emerging contaminants.	Ensure scientific integrity and science-based decision-making regarding EC project development
Protect and Restore Waterbodies and Watersheds	Goal 5 / Objective 5.2	Create Emerging Contaminants Priority Ranking List	Develop a priority ranking system specific to grants for ECs through the SWIG-SRF partnership.	Ensure scientific integrity and science-based decision-making regarding EC project development

Table 1: Tennessee CWSRF alignment with EPA Strategic Goals

### Clean Water (Emerging Contaminants) Priority Ranking System

The Division of Water Resources is currently investigating the potential scope and magnitude of ECs within surface, treated, and wastewater. Tennessee plans to expand the existing CWSRF priority ranking system to include criteria for EC specific projects for the CWSRF program in the near future using information from post investigation discoveries.

Expanding the priority points system to rank emerging contaminants projects to be eligible for grants requires careful consideration and a comprehensive approach. The goal is to ensure that the limited funds available are allocated efficiently to the most critical and impactful projects. Here is the current list of possible criteria for prioritizing funding:

1. Public Health Impact: Assess the potential risks to public health posed by the



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emerging contaminants. Projects addressing contaminants with severe health implications should receive higher priority.

2. Environmental Impact: Evaluate the ecological consequences of the contaminants. Prioritize projects that mitigate or prevent significant environmental damage.
3. Magnitude of Contamination: Consider the scale and extent of contamination. Projects dealing with larger areas or higher concentrations should be given priority.
4. Small and Disadvantaged Communities: Identify projects in or serving vulnerable communities, such as low-income or marginalized populations. Ensuring equitable distribution of funds can be an essential criterion.
  - **“Disadvantaged Community”** is one determined by the state to be disadvantaged under the affordability criteria established by the state under Section 603(i) of the Water Resources Reform and Development Act (WRRDA). The current state criteria of disadvantaged if it has a ATPI score of 50 or lower.
  - **“Small Community”** has a population of less than 25,000 individuals that the Administrator determines cannot incur debt sufficient to finance a project or activity under the grant program. This is a statutory definition.
5. Innovation: Encourage innovative approaches and technologies that efficiently address emerging contaminants. Projects incorporating novel solutions should be considered favorably.
6. Feasibility and Implementation: Evaluate proposed projects’ technical and financial feasibility. Consider the capability of the applicants to carry out the project successfully.
7. Sustainability: Give preference to projects that demonstrate long-term sustainability

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in their design and operation.

8. Collaboration: Projects involving multiple stakeholders, such as local governments, non-government organizations (NGOs), and academic institutions, should be encouraged.
9. Timing and Urgency: Consider the urgency of the issue and the need for immediate action. Time-sensitive projects may be prioritized to tackle imminent threats.
10. Measurable Outcomes: Establish clear metrics and performance indicators to measure the success of funded projects. Projects with well-defined outcomes should be preferred.
11. Leveraging Funds: Prioritize projects that leverage additional funding sources or demonstrate the ability to attract co-financing.
12. Education and Outreach: Encourage projects that include public awareness and education components to empower communities and raise awareness about emerging contaminants.
13. Monitoring and Reporting: Projects with robust monitoring and reporting plans should be favored to ensure accountability and transparency in fund usage.
14. Resilience to Climate Change: Consider the resilience of the proposed projects in the face of potential climate change impacts.
15. Cross-Media Benefits: Projects that offer multiple benefits, such as improved water quality, energy efficiency, or green infrastructure, should be prioritized.

**List of Projects**



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In accordance with section 606(c)(1) of the CWA, 40 CFR § 35.3150, SWIG will develop a PRL to identify projects that will receive funding in the initial year following the grant award and a comprehensive priority list of eligible projects for funding in future years. Additionally, no eligible “EC” specific projects have been identified for SFY 2023; therefore, an Emerging Contaminants PRL has not been developed at this time.

### **Funding of Projects**

SWIG projects will be prioritized based on the number of priority points awarded. The projects with the highest number of priority points will be given preference for funding. Once the EPA grant award date is determined, SWIG will issue funding letters to all communities whose projects are listed on the 2023 EC PRL. This systematic approach ensures the efficient allocation of resources to projects ready to move forward and supports the timely implementation of critical water infrastructure improvements across Tennessee.

### **Project By-Passing Procedures**

Regardless of their rank on the future PRL, projects may be bypassed if the communities are not prepared to proceed or fail to respond to the funding notification letter. However, SWIG is committed to working closely with these bypassed entities to ensure that their projects remain eligible for funding in the subsequent fiscal year to the greatest extent possible. The program recognizes that unforeseen circumstances can arise, and exceptions to the funding order may be allowed under special circumstances. These exceptional projects typically involve unanticipated failures that require immediate attention to safeguard public health and safety and improve water quality. By offering flexibility and assistance, SWIG strives to address the needs of communities and ensure that critical wastewater infrastructure projects receive the necessary support, even in challenging situations.

### **Subsidies and Affordability Criteria**

The State Water Infrastructure program is currently exploring a range of grant opportunities through which communities and utility systems can harness EC funds. These options may



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include grants with low to no required match, EC grant funds coupled with traditional SRF loans, and investigation and planning partnership grants with local universities. By exploring these alternatives, applicants can endeavor to alleviate the financial strain associated with their wastewater infrastructure improvements.

### **Ability To Pay Index and Disadvantaged Communities**

The Ability To Pay Index (ATPI) is a vital tool the State uses to allocate subsidies and determine interest rates. Its creation and implementation are mandated by the Water Resources Reform and Development Act (WRRDA) of 2014 (33 U.S.C.A. §§ 2201 to 2355). The ATPI relies on a comprehensive socioeconomic and financial data database to aid in decision-making related to interest rates, subsidy allocation, and options designed to benefit communities with the greatest needs. This index is determined based on a standard distribution of affordability scores derived from nine factors specific to each community, including median household income, unemployment, food stamp dependence, families in poverty, community assets, revenues, debt, expenditures, and change in population. To ensure accuracy, the ATPI will be updated annually to reflect the current fiscal capacity, economic trends, and changes within communities across the state.

For Emerging Contaminants projects, the ATPI threshold for disadvantaged communities (ATPI = 50) will be used to lower or eliminate any required match. Additionally, 25% of EC funds must be provided to disadvantaged communities or public water systems serving fewer than 25,000 people.

### **Grant Terms and Conditions**

Grant terms and conditions will follow state and federal guidelines for using SRF capitalization dollars. Grant contract terms will have a 24-36 month term for investigation, planning, and design projects and a contract term of 60 months for grants that include construction.

The grant contract will have strict performance measures to ensure that the schedule and



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information provided in the grant application will be executed in a timely manner. All grantees must fulfill the grant obligations to meet any terms, covenants, conditions, or provisions of the grant contract. SWIG will have no obligation to the grantee for fulfillment and reimbursement of funds outside the contract term.

Financial, Managerial, and Technical Capacity

Before granting funds, the SWIG program will evaluate a utility's financial, technical, and managerial capabilities. To evaluate the technical, financial, and managerial capacities of water, wastewater, and storm water systems eligible for grants, the state has developed an infrastructure assessment tool, TN Infrastructure Scorecard. The Tennessee Board of Utility Regulation (TBOUR) also evaluates water systems. TBOUR handles cases concerning utility districts and water and wastewater authorities. The program assesses documents providing evidence of the applicant's managerial, technical, and financial capacity.

**Grant Recipient Project Requirements**

All SWIG projects must comply with all current CWSRF rules, regulations, policies, and procedures provided in this section. In addition, grants are subject to:

***Procurement***

Grant applicants are responsible for ensuring that any procurement using SWIG EC funds, or payments under procurement contracts using such funds, are consistent with state procurement standards<sup>1</sup> and those set forth in the Uniform Guidance at 2 CFR Part 200 Subpart D, as applicable. Specifically, grantees must follow 2 CFR 200.317 through 2 CFR 200.327 and the monitoring requirements in 2 CFR 200.331 through 2 CFR 200.333. When the terms of a grant award allow disbursements for the cost of goods, materials, supplies, equipment, or contracted services, such procurement must be made on a competitive basis, including using competitive bidding procedures, if purchases exceed the simplified acquisition threshold. According to the State's Procurement Policy, acquisitions over \$50,000 must be formally procured. Local procurement policies and thresholds for simplified acquisitions may be lower. At a minimum, the lowest threshold (local, state, or federal)



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should be applied for any transaction. Grant applicants must maintain documentation for the basis of each procurement for which a disbursement is made under the grant award. In each instance where it is determined that using a competitive procurement method is impractical, supporting documentation must include a written justification for the decision and use of a non-competitive procurement process. Further, grant applicants are considered subrecipients and must comply with 2 C.F.R. §§ 200.318—200.327 when procuring property and services under a federal award.

***Reimbursement***

A request to be reimbursed for costs incurred on awarded grants shall include only requests for actual, reasonable, and necessary expenditures required in the delivery of service described in the grant contract and identified in the individual project budget. Reimbursement may not include any request for future expenditures. The grant contract term for a reimbursement request means the time the grant applicant may incur new obligations to carry out the work authorized in the grant contract. Grant contracts will have a 24–60 month term from the issuance of the contract. Grant applicants may elect to complete their final report early if all contract deliverables are complete and reports are submitted and approved.

***Monitoring, Oversight, and Reporting Requirements***

SWIG, state auditors, the Comptroller of the Treasury, or their duly appointed representatives will monitor and evaluate grantees. All grantees will be required through the Grants Management System (GMS) to submit annual and final progress reports. The grantee shall comply with all applicable state and federal laws and regulations in the performance of the grant contract. The grantee and any approved subcontractor shall maintain documentation for all items managed under the grant contract. Grant recipients and partners should appropriately maintain accounting records for compiling and reporting accurate, compliant financial data per appropriate accounting standards and principles. Records shall be maintained for a period less than five full years from the date of the final payment. Grant applicants may be subject to state and local audits.

***Davis-Bacon***

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The Davis-Bacon Act, 46 Stat. 1494 (Pub. Law 71-800), and Related acts apply to contractors and subcontractors performing on federally funded or assisted contracts over \$2,000 for the construction, alteration, or repair (including painting and decorating) of public buildings or public works. The Davis-Bacon Act (DBA) and Related Acts require contractors and subcontractors to pay their laborers and mechanics employed under the contract no less than the locally prevailing wages and fringe benefits for corresponding work on similar projects in the area. The Davis-Bacon Act directs the Department of Labor to determine locally prevailing wage rates. The Davis-Bacon Act applies to contractors and subcontractors working on federal or District of Columbia contracts. The prevailing Davis-Bacon Act wage provisions apply to the "Related Acts," under which federal agencies assist construction projects through grants, loans, loan guarantees, and insurance.

For prime contracts over \$100,000, contractors and subcontractors must also, under the provisions of the Contract Work Hours and Safety Standards Act, as amended, pay laborers and mechanics, including guards and watchmen, at least one and one-half times their regular rate of pay for all hours worked over 40 in a workweek. The overtime provisions of the Fair Labor Standards Act may also apply to DBA-covered contracts.

***Disadvantaged Business Enterprise (DBE) Goals*** DBE reporting is required in annual reports. Reporting is required for assistance agreements where there are funds budgeted for procuring construction, equipment, services, and supplies, including funds budgeted for direct procurement by the recipient or procurement under sub-awards or loans in the "Other" category that exceed the threshold amount of \$150,000, including amendments or modifications.

The State of Tennessee has negotiated the following applicable Minority Business Enterprises (MBE)/ Women's Business Enterprise (WBE) fair share objectives/goals with EPA as follows:

MBE: CONSTRUCTION 2.6%; SUPPLIES 5.2%; SERVICES 5.2%; EQUIPMENT 5.2%

WBE: CONSTRUCTION 2.6%; SUPPLIES 5.2%; SERVICES 5.2%; EQUIPMENT 5.2%

In accordance with 40 CFR, Part 33, Subpart D, established goals/objectives remain in effect



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for three fiscal years unless there are significant changes to the data supporting the fair share objectives. The loan recipient must follow the requirements outlined in 40 CFR Part 33, Subpart D when renegotiating the fair share objectives/goals.

Pursuant to 40 CFR § 33.301, the recipient agrees to make the following good faith efforts whenever procuring construction, equipment, services, and supplies under an EPA financial assistance agreement and to require that sub-recipients, loan recipients, and prime contractors also comply. Records documenting compliance with the six good-faith efforts shall be retained:

1. Ensure DBEs are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. For Indian Tribal-State and Local Government recipients, this will include placing DBEs on solicitation lists and soliciting them whenever they are potential sources.
2. Make information on forthcoming opportunities available to DBEs, arrange time frames for contracts, and establish delivery schedules where the requirements permit in a way that encourages and facilitates participation by DBEs in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of 30 calendar days before the bid or proposal closing date.
3. Consider whether firms competing for large contracts could subcontract with DBEs in the contracting process. For Indian Tribal, State, and local Government recipients, this includes dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by DBEs in the competitive process.
4. Encourage contracting with a consortium of DBEs when a contract is too large for one of these firms to handle individually.
5. Use the services and assistance of the Small Business Administration (SBA) and the Minority Business Development Agency of the Department of Commerce.
6. If the prime contractor awards subcontracts, the prime contractor must take the steps in paragraphs (1) through (5).

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**American Iron and Steel**

The American Iron and Steel (AIS) provision requires CW SRF assistance recipients to use iron and steel products produced in the United States. This requirement applies to projects for the construction, alteration, maintenance, or repair of a public water system or treatment works and if the project is funded through an assistance agreement executed beginning January 17, 2014, and is a permanent requirement for all CW SRF and DW SRF projects.

**Build America, Buy America (BABA) Act**

The Bipartisan Infrastructure Law Title IX, Subtitle A, Part 1 requires all federal equivalency projects funded after May 14, 2022, to meet BABA requirements. BABA requires all the iron, steel, manufactured products, and construction materials used in the project to be produced in the United States. Iron and Steel products will still have to comply with AIS guidelines. For manufactured projects to meet BABA requirements, the cost of components mined, produced, or manufactured in the United States must be 55% or more of the total cost of all components and does not include labor costs. Common construction materials include non-ferrous metals, plastic, and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables, glass (including optic glass), lumber, and drywall.

**Cost and Effectiveness Analysis**

Under the CWA section 602(b)(13), the statute requires all assistance recipients meeting the definition of municipality or inter-municipal, interstate, or state agency to certify that they have conducted the studies and evaluations referred to as a cost and effectiveness analysis. The statute requires that a cost and effectiveness analysis involve, at a minimum, the study and evaluation of 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 the selection, to the maximum extent practicable, of a project or activity that maximizes the potential for efficient water use, reuse, recapture, and conservation and energy conservation, taking into account –

- The cost to construct the project or activity;

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- The cost of operating and maintaining the project or activity over the life of the project or activity and
- The cost to replace the project or activity.

A cost and effectiveness analysis is an eligible cost. CWSRFs can assist in planning or engineering activities involving this analysis; however, the certification must be provided before grant or loan approval. This provision applies to all types of assistance provided to the public entities described above for which the recipient applies on or after October 1, 2015.

**Generally Accepted Accounting Principles (GAAP)**

The State requires assistance recipients to follow CWA section 602(b)(9) and maintain project accounts according to Generally Accepted Accounting Principles (GAAP) as issued by the [Government Accounting Standards Board \(GASB\)](#). This provision requires assistance recipients to use standards relating to the reporting of infrastructure assets. The most recent applicable standard is GASB Statement No. 34 (GASB 34), issued in June 1999, which details governmental reporting requirements, including standards for reporting infrastructure assets. Further details on the requirements and the full text of GASB 34 can be obtained through the GASB.

**Fiscal Sustainability Planning – Tennessee’s Asset Management Plan**

Fiscal Sustainability Planning (FSP), also known as the Asset Management Plan (AMP) in Tennessee, is a requirement under the WRRDA and CWA §603(d)(1)(E). It mandates that recipients of CWSRF loans or SWIG grants for projects involving the repair, replacement, or expansion of publicly owned treatment works must develop and implement an AMP or certify that they have done so. This requirement applies to loans or grants with applications submitted on or after October 1, 2014.

AMPs should be treated as “living documents” that are regularly reviewed, revised, expanded, and implemented as an integral part of the operation and management of the system. At a minimum, the AMPs should include:



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- An inventory of critical assets that are part of the treatment works;
- An evaluation of the condition and performance of inventoried assets or asset groupings;
- A certification that the assistance recipient has evaluated and will implement water and energy conservation efforts as part of the plant and
- A plan to maintain, repair, and, as necessary, replace the treatment works and a plan to fund such activities.

The State has determined that certification will be submitted to SRF before grant approval. The AMP must be completed and in place by the “Notice to Proceed” and made available for review by SRF staff upon the first interim construction inspection visit.

**Architectural and Engineering Procurement**

According to the Amendments to the Water Resources Reform and Development Act, for any capitalization grant awarded after October 1, 2014, the State must ensure that all architectural and engineering (A/E) contracts for projects identified as using funds “directly made available by” a 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.

**Sources and Uses of Funds**

<b>Clean Water State Revolving Funds: Addressing Emerging Contaminants</b>	<b>\$1,358,000</b>
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Table 2: Financial Funds for the CWSRF Program for Addressing Emerging Contaminants.

Uses of Funds

The CWA allows each state the flexibility to establish the allocation of funds from Capitalization Grants used for infrastructure grants, assistance to financially disadvantaged



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communities, and set-aside activities. The state, in turn, is responsible for directing the funds to address wastewater and stormwater infrastructure problems.

The primary use of the Capitalization Grant is to provide grants and other financial assistance to municipalities and rural water/wastewater districts for the construction of publicly owned treatment works including stormwater projects. This assistance can be provided as one of the following grants: planning, planning and design, or construction. It is to be noted that not all compliance problems can be solved through capital financing of infrastructure improvements.

**Program Assistance Contracts**

TDEC is aware of researchers at universities across Tennessee working on emerging contaminant related research and projects. To maximize use of allotted funding to address emerging contaminants, TDEC SRF with assistance from the Office of Sustainable Practices (OSP), will partner to engage universities to identify project proposal and develop a communication pathway to solicit future work.

TDEC OSP will partner with SWIG-SRF to establish a consortium of researchers working on emerging contaminant related issues, such as PFAS, microplastics, DBPs, etc. This consortium will regularly convene to share information on current research, assessment methodologies, magnitude of known EC issues, education and outreach efforts, as well as funding opportunities. SWIG-SRF intends to support this research collaboration effort across Tennessee, ensure research occurring in Tennessee related to emerging contaminants is informed by TDEC priorities, and provide a form for sharing latest Tennessee-based emerging contaminant research. The consortium, tentatively named the Tennessee Emerging Contaminants Research and Education Collaborative (TEC-REC), will meet on a periodic basis, with a frequency agreed upon by the members of the consortium, but likely to be at least quarterly.

**Annual Report Requirements**

Section 606(d) of the CWA requires the State to provide an Annual Report to EPA beginning



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the first fiscal year after receiving payments under SWIG. The Annual Report shall be submitted to EPA within 90 days after the end of the fiscal year covered by the IUP. This report shall identify loan recipients (name and identification number), loan amounts and terms, Green Projects, projects receiving subsidization (principal forgiveness), amount of subsidy, similar details on other forms of financial assistance provided by SWIG, the population of the loan recipient, and additional such information as EPA may require.

### **Environmental Benefits**

To conform to EPA's Policy for Environmental Results under EPA Assistance Agreements, EPA Order 5700.7, and the Consolidated Appropriations Act of 2017, P.L. 115-31, SWIG agrees to comply with all requests for data by EPA related to the use of the funds under Subchapter VI of the CWA, and to report all uses of the funds in the Benefits Reporting database no less than quarterly. This reporting will include but not be limited to data for compliance with the Green Project Reserve.

### **Assurances and Specific Proposals**

The State shall provide the necessary assurances and certifications described in the Operating Agreement submitted as part of the Capitalization Grant Application. This Operating Agreement is the official agreement between the State and EPA and is incorporated herein by reference. Pursuant to sections 606(c)(4) (5) of the CWA, the State certifies that:

- The State will enter into binding commitments equal to at least 120% of each quarterly grant payment within one year after receipt of the payment.
- The State will expend all funds in the CWSRF in an expeditious and timely manner;
- Funds will first be used to ensure maintenance of progress toward compliance with enforceable deadlines, goals, and requirements of the CWA;
- The State agrees to commit or expend each quarterly capitalization grant payment in accordance with the state's laws and procedures.

In addition, the State certifies that it will conduct environmental reviews on wastewater facility projects to satisfy the National Environmental Policy Act (NEPA)-like requirements.



**Clean Water State Revolving Fund  
Emerging Contaminants  
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The State's NEPA-like procedures are contained in the approved Operating Agreement.

**Amending the Intended Use Plan**

The SWIG-SRF program can amend the IUP as needed to implement an efficient and effective program. Changes to the IUP that impact the program's administration will be made public on the SRF website and through appropriate communication channels.





**Clean Water State Revolving Fund  
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**Appendix**

Sources and Uses Table

Appendix Clean Water State Revolving Funds: Addressing ECs State Fiscal Year July 1, 2022 - June 30, 2023				
Sources and Uses	Federal Contribution	State Contribution	DW SRF Fund	Total
<i>Funding Sources</i>				
Banked Set Asides	\$-			\$-
FFY 2022 Clean Water EC Grant	\$1,358,000.00			\$1,358,000.00
<b>Totals for Funding Sources</b>	<b>-\$1,358,000.00</b>			<b>\$1,358,000.00</b>
<i>Funding Uses</i>				
Project Disbursements	\$1,358,000.00			\$1,358,000.00
State Asides Spending	\$-			\$-
<b>Total for Funding Uses</b>	<b>-\$1,358,000.00</b>			<b>\$1,358,000.00</b>