



Clean Water State Revolving Fund &
State Water Infrastructure Grants
Emerging Contaminants
Intended Use Plan

State Fiscal Year (SFY) 2026
Federal Fiscal Year (FFY) 2025

**Clean Water State Revolving Fund
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November 4, 2025**

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Introduction

Background

In 1987, the Tennessee General Assembly passed the Wastewater Facilities Act and established the Tennessee Clean Water State Revolving Fund (CWSRF) loan program. The Tennessee Department of Environment and Conservation (TDEC) manages the CWSRF through the Division of Water Resources (DWR) in the State Revolving Fund (SRF) loan program. CWSRF offers low-interest loans and grants to local governments and publicly owned treatment works for wastewater and stormwater infrastructure improvement projects. Since its creation, CWSRF has provided hundreds of millions of dollars in assistance to Tennessee communities.

TDEC's mission is to ensure water quality, protect human health, and enhance safety throughout the State. The CWSRF supports this mission by helping communities afford safe, sustainable, and resilient water systems. For more detailed information about the CWSRF program, visit the [TDEC SRF website](#).

This Intended Use Plan (IUP) is required under the Clean Water Act (CWA) § 606(c) to inform EPA and Tennessee stakeholders how the CWSRF program intends to use the allotment of dollars. This IUP outlines how the CWSRF Emerging Contaminant (EC) funds awarded to the State will be used, demonstrates how these uses meet EPA requirements, and focuses on safeguarding public health and the environment.

IIJA Emerging Contaminants Capitalization Grant

The Infrastructure Investment and Jobs Act of 2021 (IIJA) provides SRF programs with supplemental funding to strengthen the nation's water infrastructure. Funding through IIJA to address emerging contaminants (EC) is available to states during federal fiscal years 2022 - 2026. This infusion of funding supports key areas of focus, one of which addresses ECs. ECs include perfluoroalkyl and polyfluoroalkyl substances (PFAS), persistent organic pollutants (POPs), biological contaminants and microorganisms, pharmaceuticals and personal care products (PPCPs), and other contaminants listed on EPA's Contaminant Candidate Lists (CCLs).

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For a project to be eligible under this appropriation it must first qualify under CWA § 603(c), including the construction of publicly owned treatment works, stormwater management, and nonpoint source pollution control. Projects, or project components, must also address ECs, including per- 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 EC Capitalization Grant include state and local governments, wastewater or stormwater utilities, and Tennessee's publicly owned wastewater treatment facilities. The projects must address EC in wastewater, stormwater, and nonpoint sources.

Tennessee's allotment for the CWSRF EC grant for federal fiscal year 2025 is \$3,089,000. No state match is required for this capitalization grant.

**Clean Water Emerging Contaminants State Revolving Fund
Program Goals and Objectives**

TDEC merged the existing loan program with the State Water Infrastructure Grants (SWIG) program in 2023. These programs build a broader platform for water infrastructure funding assistance to improve the execution of IIJA dollars and assist communities in building a pipeline of projects using the "grants to loans" process. The SWIG-SRF merger helps the CWSRF program adapt to current and future funding opportunities, respond to program needs, expand public outreach, and provide more technical assistance to communities. Funding for EC-specific projects is distributed in the form of grants or 100% loan forgiveness inside a larger loan, depending on the scale and scope of the project.

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. The primary goal of the SRF for EC in Tennessee is to provide financial assistance through grants and technical assistance to communities to identify, assess, and remedy EC in their wastewater and stormwater systems. The focus is on ensuring water quality for all residents.

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Long-Term Goals

1. Remediation projects: Provide financial assistance to communities to implement remediation projects focused on removing or reducing EC from stormwater sources, treatment plants, and sewer collection systems.
2. Prevention and source control: Promote pollution prevention and source control measures to minimize the introduction of EC 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 EC Clean Water Capitalization Grants.
2. Identification and prioritization: Collaborate with regulatory agencies, scientific experts, and stakeholders to identify and prioritize EC 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 EC 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 EC, 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 EC.
6. Prioritize Impactful EC Projects: Develop a priority ranking system to ensure that qualified clean water projects receive funding.

Tennessee CWSRF Outputs and Outcomes:

1. Output: Funding projects for wastewater treatment upgrades, stormwater

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management, and watershed protection initiatives addressing EC.

Outcome: Improves surface water quality conditions throughout various environments that support public, wildlife, and botanical life.

2. Output: Prioritize infrastructure investments for projects that apply proven solutions or pilot studies dealing with an identified EC.

Outcome: Reduced impacts to water resources from released EC, improved protection of waterbodies and watersheds.

3. Output: Encourage that funded projects provide public education campaigns, community involvement in water quality monitoring efforts, and initiatives to increase public awareness about EC.

Outcome: Increased community engagement and education across Tennessee to promote awareness.

4. Output: Recommend to project stakeholders that proposed projects incorporate innovative water treatment technologies, such as advanced filtration systems, nutrient removal technologies, and decentralized wastewater treatment solutions.

Outcome: Increased usage of innovative technologies will improve water quality and operational efficiency while reducing levels of EC.

5. Output: Prioritize funding for projects that benefit underserved and disadvantaged communities, address EC, and ensure equitable access to clean water and sanitation services for all Tennessee residents.

Outcome: Improved public health and safety in vulnerable communities and federal agencies can facilitate the exchange of best practices, data, and innovative solutions to address common challenges and achieve shared objectives more effectively.

The CWSRF program strives to be a good partner with EPA. Tennessee has set its short- and long-term goals to align with EPA's strategic goals and objectives, specifically Pillar 1: Clean Air, Land, and Water for Every American. By aligning the goals of the Tennessee CWSRF program with those of EPA, the State can leverage federal resources, expertise, and guidance

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to advance its priorities related to wastewater and stormwater infrastructure, quality, and sustainability, ultimately benefiting the health and well-being of its residents. Additionally, collaboration between the State and federal agencies can facilitate the exchange of best practices, data, and innovative solutions to address common challenges and achieve shared objectives more effectively.

The Loan Process

Clean Water Emerging Contaminants Priority Ranking System

The CWSRF and SWIG programs use a priority ranking system to develop the Priority Ranking List (PRL). Applicants seeking funding must submit a Questionnaire containing detailed project information including a project description, cost, and construction timeline, if applicable. Priority points are assigned based on the presence of EC, the ability to reduce environmental health risks, and the improvement of water quality from stormwater runoff and treated wastewater.

Expanding the priority points system to rank EC projects for grants or loans 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. The current list of expanded criteria for prioritizing funding can be found in the Appendix.

List of Projects

In accordance with CWA § 606(c)(1) and 40 CFR § 35.3150, CWSRF and 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. Eligible EC projects have been identified for SFY 2025.

Funding Projects

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 EPA determines the grant award date, CWSRF and SWIG will issue funding letters to all communities whose projects are listed on the 2025 EC PRL. This systematic approach

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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 for Loans

Despite their ranking on the PRL, projects selected for loans may risk being bypassed if communities are unprepared to proceed. However, the CWSRF loan program is dedicated to collaborating with these bypassed entities to help maintain their project eligibility for funding in the following fiscal year, if possible.

Loan Phases

The CWSRF program now facilitates the entire application process online via the Grants Management System (GMS) platform. After completing the Questionnaire (Phase 1), applicants must adhere to established timelines to advance their projects efficiently through the CWSRF process. Currently, the estimated time for the State to complete each phase is as follows:

- Phase 2 (Financial Sufficiency Review and Initial Environmental Review): 90 days. In this phase entities will provide initial financial and environmental information. The State will conduct a Financial Sufficiency Review to determine if the entity is financially fit to receive a loan.
- Phase 3 (Environmental Determination): 180 days. During this phase the State will determine whether the proposed project should be issued as a Categorical Exclusion (CE) or Finding of No Significant Impact (FNSI)
- Phase 4 (Loan Application): 120 days. In this phase the loan application will be sent to the entity, the loan package will be compiled, and signatures will be obtained.
- Phase 5 (Design Review): 90 days. In this phase the State will review design and technical documents to ensure SRF requirements are met.

The program acknowledges that unforeseen circumstances and exceptions to the funding order may be permitted in emergencies. Emergency projects typically involve unexpected failures that necessitate immediate action to protect public health and safety and enhance

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water quality. More information regarding the CWSRF's response to infrastructure emergencies can be found in this document's Sources and Uses of Funds section. By providing flexibility and support, the CWSRF grant and loan program aims to meet community needs and ensure that essential water infrastructure projects receive the necessary assistance, even in difficult circumstances.

Subsidies and Affordability Criteria

Congress authorized SRF programs to provide EC funding as 100% loan forgiveness or grants. Therefore, there is no need to use affordability criteria when determining loan terms. However, if an entity receives a grant, this criterion will determine the required grant match. The CWSRF and SWIG programs are currently exploring a range of grant opportunities through which communities and utility systems can harness EC funds. These options may include grants with low match, EC 100% loan forgiveness 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. The ATPI creation and implementation are mandated by the Water Resources Reform and Development Act (WRRDA) 2014 (33 U.S.C.A. §§ 2201 to 2355). The ATPI relies on a comprehensive socioeconomic and financial 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 changes 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 EC projects, the ATPI threshold for disadvantaged communities ($ATPI \leq 50$) will be used to lower or eliminate any required grant match. Additionally, 25% of EC funds must be

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provided to disadvantaged communities or public water systems serving fewer than 25,000 people.

Contract Terms and Conditions

Contract terms and conditions will follow the state and federal guidelines for using CWSRF capitalization dollars. Contract terms will be 24-36 months for investigation, planning, and design projects and 60 months for contracts that include construction.

The contract will have strict performance measures to ensure that the schedule and information provided in the questionnaire will be executed in a timely manner. All awardees must fulfill the grant and loan obligations to meet any terms, covenants, conditions, or provisions of the contract. CWSRF and SWIG will have no obligation to the awardees for fulfillment and reimbursement of funds outside of the contract terms.

Financial, Managerial, and Technical Capacity

The CWSRF and SWIG programs evaluate an applicant's financial, technical, and managerial capabilities before awarding funds. Entities must demonstrate and ensure technical, managerial, and financial capacity to be eligible for a loan or grant.

Funding Assistance Project Requirements

All awarded CWSRF and SWIG projects must comply with all current CWSRF rules, regulations, policies, and procedures provided in this section.

Procurement

Grant and loan applicants are responsible for ensuring that any procurement using CWSRF EC funds, or payments under procurement contracts using such funds, are consistent with state procurement standards and those set forth in the Uniform Guidance at 2 CFR Part 200 Subpart D, as applicable. Specifically, entities must follow 2 CFR § 200.317 - 200.327 and the monitoring requirements in 2 CFR § 200.331 - 200.333. When the terms of the 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

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Procurement Policy, acquisitions over \$100,000 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) should be applied for any transaction. Awardees must maintain documentation for the basis of each procurement for which a disbursement is made under a grant or loan 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 and loan awardees 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 assistance agreements shall include only requests for actual, reasonable, and necessary expenditures required in the delivery of service described in the contract and identified in the individual project budget. Reimbursement may not include any request for future expenditures. The contract term for a reimbursement request means the time the subrecipient may incur new obligations to carry out the work authorized in the contract. Contract terms will range from 24 - 60 months from the issuance of the contract. Grant or loan recipients 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

CWSRF, SWIG, state auditors, the Comptroller of the Treasury, or their duly appointed representatives will monitor and evaluate assistance agreements. All subrecipients must submit annual and final progress reports through the GMS. The awardee shall comply with all applicable state and federal laws and regulations in the performance of the contract. The awardee and any approved subcontractor shall maintain documentation for all items managed under the contract. Funding assistance 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

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maintained for no less than five full years from the final payment date. Awards may be subject to state and local audits.

Davis-Bacon

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

In accordance with 40 CFR Part 33, Subpart D, established goals/objectives remain in effect for three fiscal years unless significant changes are made 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.

Under 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

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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 DBE participation 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 follow the steps outlined by good-faith efforts one through five.

American Iron and Steel

The American Iron and Steel (AIS) provision requires CWSRF 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 CWSRF and DWSRF projects.

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Build America, Buy America (BABA) Act

IIJA 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 CWA § 602(b)(13) municipalities, inter-municipal, interstate, and state agencies must certify that they have conducted a cost and effectiveness analysis before receiving assistance. This analysis must:

- Evaluate the cost and effectiveness of processes, materials, techniques, and technologies for the proposed project.
- Select, to the greatest extent practicable, a project that maximizes water and energy efficiency, reuse, recapture, and conservation.

The analysis should consider:

- Construction costs,
- Lifetime operation and maintenance costs, and
- Replacement costs.

Costs for conducting this analysis are eligible for CWSRF funding, but certification must be provided prior to grant or loan approval. This requirement applies to all relevant applications submitted on or after October 1, 2015.

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Generally Accepted Accounting Principles (GAAP)

The State requires assistance recipients to follow CWA § 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 in using 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 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 repairing, replacing, or expanding 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:

- 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 CWSRF before grant or loan

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approval. The AMP must be completed and in place by the “Notice to Proceed” and made available for review by CWSRF 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

CWSRF EC Loan Program Project Funds	
Prior-Year (FFY2025) Carry-forward Funds*	\$0
Unliquidated EPA Grant Funds as of SFY 2025	\$1,358,000
Less Banked Set Asides	\$0
FFY2024 IIJA Emerging Contaminants Capitalization	\$3,089,000
FFY2025 IIJA Emerging Contaminants Capitalization Grant	\$3,089,000
Set Aside Activities:	
<u>IIJA Supplemental Grant</u>	\$0
TOTAL \$0	
CWSRF EC Loan Program Project Funds***	\$7,536,000
*Estimated balance at June 30, 2025, pre-year-end adjustments	
***Does not include anticipated commitments for SFY 2026	

Table 1: Financial Funds for the CWSRF EC Grant Program

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Uses of Funds

CWA allows each state the flexibility to establish the allocation of Capitalization Grants for infrastructure loans, grants, assistance to financially disadvantaged 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 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 for planning, planning and design, or construction projects. It is to be noted that not all compliance problems can be solved through capital financing of infrastructure improvements.

Program Assistance Contracts

CWSRF and SWIG actively engage with researchers at universities across Tennessee who are conducting studies and projects related to EC. To ensure the effective utilization of allocated funding for addressing these contaminants, SRF, in collaboration with the Office of Sustainable Practices (OSP), has established a partnership to coordinate with universities, identify project proposals, and maintain an ongoing communication framework to solicit and support future research initiatives.

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

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Annual Report Requirements

CWA § 606(d) requires the State to provide an Annual Report to EPA beginning the first fiscal year after receiving payments under CWSRF. 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 CWSRF, the population of the loan recipient, and additional information as required by EPA.

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, the State agrees to comply with all requests for data by EPA related to the use of the funds under Subchapter VI of CWA and to report all uses of the funds in the Benefits Reporting database no less than quarterly. This report 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 CWA § 606(c)(4) and (5), 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 CWA;

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- 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. The State's NEPA-like procedures are contained in the approved Operating Agreement.

Amending the Intended Use Plan

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

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Appendix

Sources and Uses Table

Sources and Uses Summary				
Clean Water Emerging Contaminants Sources and Uses				
Administered by Tennessee Department of Environment and Conservation - State Revolving Fund Loan				
State Fiscal Year July 1, 2025 - June 30, 2026				
Sources and Uses	Federal Contribution	State Contribution	DW SRF Fund	Total
<i>Funding Sources</i>				
Prior Year Project Carry Forward Funds	\$ 4,447,000.00	\$ -	\$ -	\$ 4,447,000.00
<i>less Unliquidated Obligations</i>	\$ -	\$ -	\$ -	\$ -
FFY2025 IJJA Emerging Contaminants Capitalization Grant	\$ 3,089,000.00	\$ -	\$ -	\$ 3,089,000.00
Totals for Funding Sources	\$ 7,536,000.00	\$ -	\$ -	\$ 7,536,000.00
<i>Funding Uses</i>				
Project Disbursements	\$ 7,536,000.00	\$ -	\$ -	\$ 7,536,000.00
Set Asides Spending	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
Total for Funding Uses	\$ 7,536,000.00	\$ -	\$ -	\$ 7,536,000.00

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Sources and Uses Detail		
Sources	%	Amount
Projects		
FFY2025 IJJA Emerging Contaminants Capitalization Grant		\$3,089,000
Set-Aside	0.0%	\$0
Total Project Fund		\$3,089,000
FFY22 Emerging Contaminants Grant - project fund		\$1,358,000
FFY23 Emerging Contaminants Grant - project fund		\$0
FFY24 Emerging Contaminants Grant - project fund		\$3,089,000
Total Available Cap Grant Funds		\$4,447,000
Set Asides		
FFY22 Emerging Contaminants Grant - set asides	0.00%	\$0
FFY23 Emerging Contaminants Grant - set asides	0.00%	\$0
FFY24 Emerging Contaminants Grant - set asides	0.00%	\$0
FFY25 Emerging Contaminants Grant - set asides	0.00%	\$0
Total Available Set Aside Funds		\$0
Total Sources of Funds		\$7,536,000
Uses		
Projects		
Executed Loans		\$0
Anticipated Loan Commitments SFY25		\$0
Anticipated Loan Commitments SFY26		\$0
Total Anticipated Loan Commitments*		\$0
Set Asides		
Executed Grant Contracts		\$0
Anticipated Grant Commitments SFY25		\$0
Anticipated Grant Commitments SFY26		\$4,447,000
Set Asides		\$3,089,000
		\$7,536,000
21		
Total Uses of Funds		\$7,536,000

* from PRL - maximum available for funding or all available projects (whichever is less)

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Clean Water Emerging Contaminants Ranking Criteria

PRIORITY POINTS FOR EMERGING CONTAMINANTS PROJECTS

Project Criteria Points will be assigned to individual wastewater facilities projects based on the following:

- Wastewater treatment plant (WWTP) discharges to a water-quality impaired stream segment will receive 100 Project Criteria Points in addition to any other applicable Project Criteria Points. WWTP projects with a compliance schedule in the NPDES permit requiring construction will receive 50 Project Criteria Points in addition to any other applicable Project Criteria Points;
- Wastewater collection system projects with a compliance schedule in the NPDES permit requiring construction will receive 50 Project Criteria Points in addition to any other applicable Project Criteria Points;
- Nonpoint Source (NPS) pollution projects affecting a water-quality impaired stream segment will receive 100 Project Criteria Points. Other NPS pollution projects will receive 25 Project Criteria Points. NPS pollution projects may be directed toward protecting or improving the quality of groundwater, surface water, or wetlands. NPS pollution projects must be consistent with Tennessee's approved Nonpoint Source Management Program requirements and be included in the State's current EPA-approved Nonpoint Source Management Plan;
- Effluent-trading projects will receive 50 Project Criteria Points in addition to any other applicable Project Criteria Points;
- Combined Sewer Overflow (CSO) projects will receive 25 Project Criteria Points;
- Infiltration/Inflow (I/I) correction and major sewer rehabilitation projects will receive 25 Project Criteria Points. Construction of projects that will transport and treat I/I at the WWTP will receive 10 Project Criteria Points;
- Stormwater management projects affecting a water-quality impaired stream segment will receive 100 Project Criteria Points. Stormwater management projects with a compliance schedule in the NPDES permit requiring construction will receive 50 Project Criteria Points. All other stormwater management projects will receive 25 Project Criteria Points;
- Collection lines to be constructed to address an existing public health problem caused by failed septic systems will receive a minimum of 40 Project Criteria Points up to a

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maximum of 100 Project Criteria Points;

- Any wastewater project proposed for development or growth potential, i.e., projects not planned to address a water quality problem or a public health problem, will receive 5 Project Criteria Points. WWTPs that are required to serve new collectors as part of the approved facilities plan will receive the same Project Criteria Points as the collectors;
- Interceptors and pump stations will receive varying Project Criteria Points. Interceptors or pump stations that eliminate a WWTP discharge point included in an approved facilities plan will receive the same Project Criteria Points as the WWTP. Interceptors or pump stations proposed as part of an I/I elimination project will receive the same Project Criteria Points as the I/I elimination project. Interceptors or pump stations submitted as part of a collection system project will receive the same Project Criteria Points as the collection system project;
- Planning/Design projects will receive Project Criteria Points based on the proposed project type;
- CWA Section 212 projects that are also associated with the construction of nonpoint source projects shall have an additional 20 Project Criteria Points;
- CWA Section 212 projects with zoning that demonstrates preservation of greenspace shall have an additional 15 Project Criteria Points;
- CWA Section 212 projects with zoning that demonstrates riparian buffer zones of at least 150 feet shall have an additional 10 Project Criteria Points;
- CWA Section 212 projects demonstrating an enforced buffer zone ordinance shall have an additional 5 Project Criteria Points;
- Refinancing projects will receive 1 Project Criteria Point; and
- In accordance with Tenn. Code Ann. § 6-58-109(b), all SRF projects within counties with an approved growth plan will receive 5 Project Criteria Points in addition to any other applicable Project Criteria Points.

Additional priority points were given to communities that stated the:

- Project proposed addressed emerging contaminants (5 points)
- The Identified emerging contaminant can be found on the CCL 5 list (5 points)
- The proposed design concept is a proven solution (5 points)
- The project is a combination/companion loan proposal (5 points)