

**INSTRUCTIONS REGARDING ZERO PERCENT RATE OF INTEREST LOANS FOR
WASTEWATER NUTRIENT MANAGEMENT PROJECTS FINANCED THROUGH THE
CLEAN WATER STATE REVOLVING FUND**

Introduction

In order to appropriately implement the Clean Water State Revolving Fund program, MassDEP seeks to finance projects that mitigate documented impacts to public health or the environment, and for which proponents have completed comprehensive planning and alternatives analysis. The Massachusetts Legislature has further directed MassDEP, pursuant to M.G.L. c. 29C, § 6, to provide zero-percent interest (0%) rate loan financing to wastewater nutrient removal projects that meet the following criteria:

- (1) the project is primarily intended to remediate or prevent nutrient enrichment of a surface water body or a source of water supply;
- (2) the applicant is not currently, due to a violation of a nutrient-related total maximum daily load standard or other nutrient based standard, subject to a Department enforcement order, administrative consent order or unilateral administrative order, enforcement action by the United States Environmental Protection Agency or subject to a state or federal court order relative to the proposed project, excluding any such order or action establishing a schedule for coming into compliance with more stringent effluent limitations contained in regulations at 310 CMR 44.07(2)(a), and NPDES renewal permit or permit modification;
- (3) the applicant has a Comprehensive Wastewater Management Plan approved by the Department of Environmental Protection or the Department of Environmental Protection determines that the project is consistent with an areawide waste management plan approved under section 208 of the federal Clean Water Act;
- (4) the project has been deemed consistent with the regional water resources management plans, including but not limited to a current areawide water resources management plan adopted under section 208 of the federal Clean Water Act, if such a plan exists; and
- (5) the applicant has adopted land use controls, subject to the review and approval of the Department in consultation with the Executive Office of Housing and Economic Development and, where applicable, any regional land use regulatory entity, intended to limit wastewater flows to the amount authorized under zoning and wastewater regulations as of the date of the approval of the CWMP.

Instructions

Local government units seeking zero rate of interest (0%) SRF financing for water pollution abatement nutrient removal projects must establish eligibility by completing an SRF Application using an addendum form provided by MassDEP for such purposes. The Addendum must include the following:

- (1) A narrative explanation establishing that the project is primarily intended to remediate or prevent nutrient enrichment of surface waters or water supply sources in order to meet a NPDES permit or an EPA-approved TMDL or to otherwise implement a nutrient management plan approved by MassDEP, including (a) specific reference to the applicant's CWMP or nutrient management plan approved by MassDEP, (b) a copy of any such plan, and (c) a detailed estimate of the project flows and costs primarily intended to remediate or prevent nutrient enrichment and the project flows and costs not associated with remediating or preventing nutrient enrichment;
- (2) Certification that the applicant is not currently in violation of a MassDEP enforcement order, administrative consent order or unilateral administrative order or enforcement action by the United States Environmental Protection Agency due a violation of a nutrient-related total maximum daily load standard or other nutrient based standard, or otherwise subject to a state or federal court order relative to the proposed project. An exception is provided if the ACO establishes a schedule to come into compliance.
- (3) For Comprehensive Wastewater Management Plans (CSMP), the applicant shall submit a copy of the MassDEP regional office approval letter and/or a copy of the certificate for the CWMP issued by the Secretary of the Executive Office of Energy and Environmental Affairs;
- (4) If the applicant is subject to a regional water resources management plan, then the applicant must submit a copy of such plan and a narrative explanation establishing that the applicant's project is consistent with such plan. The applicant shall submit a letter, certificate or other written determination from the regional planning agency deeming the project consistent with the regional water resources management plan if such a plan exists. If the applicant is not subject to a regional water resources management plan, then the applicant must certify as much; and
- (5) A narrative explanation demonstrating that the applicant has established flow neutral land use controls as provided in 314 CMR 44.04(3), including reference to the specific land use controls (LUCs) adopted to ensure such flow neutrality, and certified copies of such land use controls or sewer use regulation and all pertinent maps and overlays; this requirement may apply to all adjacent communities providing flow to the WWTF;
 1. Land use controls must reference the approved CWMP date, sewerage areas, sewerage area volumes and overall wastewater volumes.
 2. Volumes may not be transferred outside of a sewerage area.
 3. Changes to sewerage areas and volumes would require a notice of project change to the CWMP.
 4. Such land use controls include lawfully adopted bylaws, ordinances, and regulations.
 5. In the case of a zoning or general bylaw, the submitted bylaw shall have been reviewed and approved by the Massachusetts Attorney General as required by M.G.L. c. 40, § 32, or pursuant to Chapter 831 of the Act of 1977, as amended. In the case of any other land use controls, the city or town clerk must authenticate such copies. MassDEP's Division of Water Investment will work with applicants and the Executive Office

of Housing and Livable Communities (HLC) to establish the LUCs.

Prior to initiating the application process for this type of SRF loan, applicants should contact DWI for assistance in providing the required submittal information. Applicants shall email a PDF file of the completed Addendum to **Division of Water Investment at srfmadep@mass.gov** with the subject line: **Nutrient Management Projects**.

Deadlines: Applicants must demonstrate that the zero percent interest rate loan program thresholds have been met before SRF loans are permanently financed, or the loan will be executed at the standard interest rate.

**Clean Water State Revolving Fund Loan Application
Addendum**

**Zero percent Interest Rate Loan Financing for
Wastewater Nutrient Management Projects**

Applicant:
Project Number:
Project Name:

Certification: To the best of my knowledge and belief the information provided on this form and the accompanying forms and attachments is true, correct and complete; and I am authorized to file this form on behalf of the applicant:

Authorized Borrower Representative (ABR):
ABR Signature:
ABR Phone Number:
ABR Email Address:

Supporting Document checklist:

Project Purpose: Provide a narrative explanation outlining the proposed construction project, and the work associated with nutrient removal. intended to remediate or prevent nutrient enrichment of surface waters or water supply sources, including:

- Specific reference to the project in the applicant’s CWMP, including page references; or,
- Specific reference to the applicant's nutrient management plan along with a copy of any such plan and page references.
- A detailed estimate of the project flows and costs primarily intended to remediate or prevent nutrient enrichment and the project flows, in comparison to the project costs not associated with remediating or preventing nutrient enrichment.

Enforcement

- Provide Borrower’s statement that the applicant is not currently subject to a MassDEP enforcement order, administrative consent order or unilateral administrative order or enforcement action by the United States Environmental Protection Agency due a violation of a nutrient-related total maximum daily load standard or other nutrient based standard or otherwise subject to a state or federal court order relative to the proposed project; or provide a statement that the applicant is not in violation of any such order or action that establishes a schedule for coming into compliance.

If the applicant is subject to a regional water resources management plan, then the applicant must submit:

- A letter, certificate or other written determination from the regional planning agency deeming the project consistent with the regional water resources management plan; or,
- Borrower certification that it is not subject to a regional water resource management plan.

Comprehensive Wastewater Management Plan

- Copy of Certification letter from the Secretary of the Executive Office of Energy and Environmental Affairs (EEA) or
- Copy of MassDEP approval letter.

Land Use Controls: Provide a narrative explanation demonstrating that the applicant has established flow neutral land use controls as provided in 314 CMR 44.04(3), including reference to the specific land use controls adopted to ensure such flow neutrality, and include:

- Certified copies of such land use controls (bylaws or ordinances): and/or sewer use regulation.

Please note: Any applicant unable to address each of the highlighted elements within this addendum is, per statute, ineligible to receive zero percent interest rate loan financing. Although ineligible for the zero percent interest, those projects will maintain eligibility for the standard CWSRF interest rate.