

GEFA Fiscal Sustainability Plan (FSP) Certification

The Water Resources Reform and Development Act of 2014 (WRRDA) was signed into law on June 10, 2014 and updated certain requirements and added additional requirements for recipients of Clean Water State Revolving Fund (CWSRF) loans. Section 603(d)(1)(E) of WRRDA added a new requirement which requires the development of a Fiscal Sustainability Plan (FSP) for any loan which will repair, replace, or expand a treatment works. This provision applies to all CWSRF loans for which the loan recipient submitted a full GEFA application on or after October 1, 2014.

Section 603(d)(1)(E) - Fiscal Sustainability Plan Requirement

The Federal Water Pollution Control Act (FWPCA) Section (603)(d)(1)(E) requires that for a treatment works proposed for repair, replacement, or expansion, and eligible for assistance under subsection 603(c)(1), the recipient of a loan shall –

- (i) develop and implement a fiscal sustainability plan that includes –
 - (I) an inventory of critical assets that are a part of the treatment works;
 - (II) an evaluation of the condition and performance of inventoried assets or asset groupings;
 - (III) a certification that the recipient has evaluated and will be implementing water and energy conservation efforts as part of the plan; and
 - (IV) a plan for maintaining, repairing, and, as necessary, replacing the treatment works and a plan for funding such activities; or
- (ii) certify that the recipient has developed and implemented a plan that meets the requirements under clause (i).

Definition of Treatment Works

The definition of publicly owned treatment works included in FWPCA 212(2)(A) reads as follows: *The term "treatment works" means any devices and systems used in the storage, treatment, recycling, and reclamation of municipal sewage or industrial wastes of a liquid nature to implement section 201 of this act, or necessary to recycle or reuse water at the most economical cost over the estimated life of the works, including intercepting sewers, outfall sewers, sewage collection systems, pumping, power, and other equipment, and their appurtenances; extensions, improvements, remodeling, additions, and alterations thereof; elements essential to provide a reliable recycled supply such as standby treatment units and clear well facilities; and acquisition of the land that will be an integral part of the treatment process (including land use for the storage of treated wastewater in land treatment systems prior to land application) or will be used for ultimate disposal of residues resulting from such treatment and acquisition of other land, and interests in land, that are necessary for construction.*

FWPCA 212(2)(B) clarifies the above definition with the following language: *In addition to the definition contained in subparagraph (A), "treatment works" means any other method or system for preventing, abating, reducing, storing, treating, separating, or disposing of municipal waste, including storm water run-off, or industrial waste, including waste in combined storm water and sanitary sewer systems.*

Based on the above definition, GEFA will apply the FSP requirement to all CWSRF projects funded under FWPCA Section 212 including wastewater treatment, wastewater collection, sanitary sewer and municipal separate storm sewer system (MS4) projects and possibly to non-MS4 stormwater projects funded under the authorization of FWPCA Section 319. The cost of development of an FSP is an eligible project cost and may be borrowed as part of the total CWSRF loan amount.

Fiscal Sustainability Plan Compliance Options

The loan recipient may either certify that a compliant FSP has been developed and implemented or elect to include a contractual condition that the FSP will be developed and implemented. While the certification must be provided to GEFA prior to loan execution, a contractual condition in the loan agreement must be maintained throughout repayment of the loan and must specify when a compliant FSP will be developed. GEFA reserves the right to review a certified FSP or the most recently available FSP at any time to ensure the recipient is in compliance with CWSRF contractual conditions.

GEFA Fiscal Sustainability Plan Review Procedures and Elements

GEFA reserves the right to review any FSP to ensure compliance with the requirements of FWPCA 603(d)(1)(E). If any element of the FSP is found to be out of compliance with federal requirements, corrective action will be required of the loan recipient and must be completed within GEFA's designated time frame.

Elements of GEFA's review can include, but are not limited to: ensuring that the loan recipient developed an FSP, ensuring that the developed FSP contains the appropriate level of depth and complexity, ensuring that the FSP is implemented, and ensuring that the FSP appropriately integrates required water and energy conservation efforts as part of the plan.

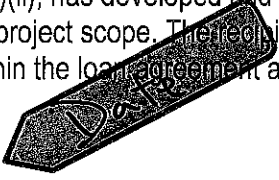
As a part of this phased approach to FSP implementation, the FSP shall be continuously expanded, updated and utilized as future work is performed with CWSRF funds to repair, replace, or expand components of the treatment works.

Fiscal Sustainability Plan (FSP) Certification

Please select one of the following two certification options (required):

_____ As the recipient of a CWSRF loan to repair, replace, or expand a publicly owned treatment works as defined in FWPCA 212(2), I certify that the recipient, in accordance with the requirements of FWPCA (603)(d)(1)(E)(i), will develop and implement an FSP for the portion of the treatment works included in the CWSRF project scope for this loan agreement. I acknowledge and accept that a condition to this effect will be included as a condition in this CWSRF loan agreement and will remain in effect throughout repayment of the loan. The recipient of this CWSRF loan will maintain the FSP at the physical address identified within the loan agreement and can and will make the FSP available upon request by GEFA.

_____ As the recipient of a CWSRF loan to repair, replace, or expand a publicly owned treatment works as defined in FWPCA 212(2), I certify that the recipient, in accordance with the requirements of FWPCA (603)(d)(1)(E)(ii), has developed and implemented an FSP for the portion of the treatment works included in the CWSRF project scope. The recipient of this CWSRF loan will maintain the FSP at the physical address identified within the loan agreement and can and will make the FSP available upon request by GEFA.



Dated: _____

CITY OF SENOIA

Signature: _____

Print Name: _____

Title: _____

(SEAL)



Attest Signature: _____

Print Name: _____

Title: _____

