



CWSRF Wastewater Infrastructure Eligibility Guidance Document November 2023

This document is intended for wastewater infrastructure projects included on the Clean Water State Revolving Fund (CWSRF) Project Priority List (PPL) and offered funding, and is meant to provide a broad overview of the requirements that recipients need to follow throughout the project to establish and maintain eligibility for CWSRF reimbursement. Familiarity with these requirements will enhance successful project implementation, assist in maintaining eligibility, and streamline the disbursement process for reimbursement of project costs.

This document does not encompass all potential aspects of every project. CWSRF staff are available for further discussion should a particular concern not be addressed in this document. The CWSRF program is governed by NH Code of Administrative Rules [Env-Wq 500](#).

Receiving CWSRF Loan

Authority to Borrow: In order to complete a loan application, communities must obtain the authority to borrow from the governing body for the full amount of the loan, including the principal to be forgiven.

For New Hampshire cities/towns, obtaining this authority means putting the full loan amount on a resolution/warrant article for approval at town meeting or city equivalent process. Proof of the approval from the governing body is a required part of the loan application. As such, the city/town should plan ahead so as to have this authority in hand at the time of applying for the loan.

It is recommended that the resolution/warrant article be checked for completeness and appropriateness by the city/town counsel prior to voting. Applicants may also reach out to the Department of Revenue Administration with questions. New Hampshire Municipal Association (NHMA) members seeking assistance with drafting warrant articles may contact the NHMA Legal Advisory Service.

It should be noted that a city/town may move forward with this process prior to submitting a pre-application and being placed on the PPL especially to expedite the overall process.

Loan Application: If a project is on the PPL and offered funding, and the community wishes to move forward with funding the project through the CWSRF program, a loan application needs to be submitted to the New Hampshire Department of Environmental Services (NHDES). The [CWSRF application form and instructions](#) are available on the NHDES website. Loan applications can be submitted between September and June; NHDES encourages submission of loan applications as soon as possible.

Note: Loan applications will not be accepted after the annual June deadline set forth by NHDES (last business day of June); any projects that were offered funding that do not submit a loan application by the deadline need to submit a new pre-application for consideration in a future funding cycle.

Maintaining Eligibility

Qualifications-Based Selection (QBS) Procurement: To receive funding from the CWSRF for engineering services, the recipient shall contract only with a [prequalified licensed engineering firm](#). NHDES maintains a Prequalification Program to ensure that the firms have the experience and capability to satisfactorily complete contracts for these types of projects.

The loan recipient must issue a Request for Qualifications (RFQ) to obtain the services of a professional engineer and select the most qualified consulting firm in accordance with [PART Env-Wq 509](#).

Engineering Contract Approval: Funding recipients should utilize the standard state engineering contracts for report, design, and construction phase engineering. Recipients must submit draft contracts to NHDES for review and approval prior to executing the contract.

Standard state engineering contracts should be used for all CWSRF projects. Any recipient wishing to use an alternate contract form must submit the request in writing along with all requirements stated in Env-Wq 509.06(f).

Design Review: Design Review is required to ensure projects are in compliance with [Env-Wq 700](#) (Standards of Design and Construction for Sewerage and Wastewater Treatment Facilities), CWSRF requirements, and appropriate federal regulations (e.g. [Federal Flood Risk Management Standard](#)).

The NHDES Design Review team will assist in implementing projects that address wastewater conveyance and treatment needs, and consider solutions that promote energy efficiency, water quality, and/or flood resiliency. Important milestones include submission of a Basis of Design Report (BDR) and 90% design plans and specifications (including the [standard front end documents](#)).

Please visit the [Wastewater Infrastructure Projects](#) website and for more information.

Environmental Review: Once the project scope details are established, loan recipients (or their consultant) initiate the Environmental Review (ER) by submitting the [Water Infrastructure Environmental Review Form](#) at least three months prior to the planned bid date. The NHDES ER process satisfies the federal National Environmental Policy Act process required for all projects receiving federal funding. Any construction activities performed prior to the execution of the environmental determination are ineligible for CWSRF reimbursement.

Authorization to Bid: Upon completion of the design review and ER processes, NHDES will issue an authorization to publicly bid the construction contract. Projects cannot proceed to bidding without this authorization and remain eligible.

Construction Contract Award: Recipients must submit a Request for Authorization to Award package to NHDES prior to awarding the construction contract to the lowest responsible bidder. The package shall include all items outlined in the Authorization to Bid letter issued by the NHDES Design Review section and in Env-Wq 510.05(d).

A construction phase engineering contract should be executed prior to award of the construction contract.

The NHDES Construction Management team will oversee the construction phase and monitor compliance with CWSRF requirements through completion of construction.

Other Procurement Methods: Recipients are responsible for ensuring that proper procurement methods are used when obtaining products or services outside of any executed engineering or

construction contract. Failure to do so will render these products or services ineligible under the CWSRF and the loan recipient will not receive reimbursement for associated costs.

Recipients should receive authorization from NHDES Construction Management staff for all equipment and miscellaneous costs regardless of procurement method prior to purchase of goods or services to ensure eligibility.

Procurement standards are outlined in [Uniform Guidance at 2 CFR 200.317 through 2 CFR 200.327](#).

Informal procurement methods: When the value of the procurement for property or services does not exceed the simplified acquisition threshold (defined in [§ 200.1](#)) formal procurement methods are not required. Informal procurement methods may be used to expedite the completion of transactions and minimize the associated administrative burden and cost. These informal methods include:

- Micro-purchases – up to \$10,000
 - Recipients may purchase goods and services up to the micro-purchase threshold stated above from a supplier without soliciting competitive price or rate quotations. These purchases must be equitably distributed among suppliers to the maximum extent practicable, taking Disadvantaged Business Enterprises (DBE) considerations into account, and the price must be considered reasonable.
 - Recipients may not make a series of purchases in a relatively short time frame from the same source (particularly for professional services) in amounts at or less than the micro-purchase threshold to avoid competition as that practice would not lead to equitable distribution of purchases from qualified sources.
- Small purchases – between \$10,001 and \$249,999
 - For purchases that cost more than the micro-purchase threshold but less than the simplified acquisition threshold recipients may use small purchase procedures and solicit offers from an adequate number of sources, taking DBE considerations into account, without formally advertising or otherwise publicizing the contracting opportunity.
 - Recipients must obtain documented prices or quotes from at least three qualified sources.

Regarding small purchases, if there are not at least three qualified sources documentation needs to be provided when seeking approval of the purchase that clearly states why the recipient was not able to obtain at least three quotes.

Procurements in excess of the simplified acquisition threshold are subject to the formal competitive requirements: sealed bids and competitive proposals.

Requesting CWSRF Funds

Eligible Costs: Recipients may request disbursement for eligible costs incurred, recipients are not required to pay the invoices prior to requesting reimbursement.

Costs considered eligible for reimbursement under the CWSRF include:

- All costs directly related to the construction, expansion, or upgrading of an eligible project.
- All costs directly related to the planning and design of an eligible project, including the following: design fees, including fees for pre-closure investigations for landfill capping and

closure; costs of hydrological investigations, subsurface investigations, and soil borings, including costs of pre-closure hydrogeological investigations; environmental or archaeological consultants fees where required; property boundary survey and engineering survey costs; and recipient administrative costs to obtain approval of the design of the pollution abatement projects that are attributable to additional administrative duties outside of normal duty hours.

- Purchase of necessary land used for wastewater or NPS pollution control infrastructure or for ultimate disposal of residues resulting from wastewater treatment, such as spray irrigation or land application of sludge.
- Construction administration, including but not limited to resident project representatives, operations and maintenance manual preparation, and preparation of record drawings.
- Loan recipient administrative costs directly related to the pollution abatement project that are attributable to additional administrative duties outside of normal duty hours.
- Interest accrued on disbursements.

Disbursement Requests: CWSRF loan recipients can request disbursement of funds for eligible project costs once a financial assistance agreement has been executed and approved by Governor and Council. To receive loan funds, recipients submit a [Disbursement Request Form](#) and all required attachments to CWSRFDisbursements@des.nh.gov.

Failure to submit a complete disbursement request package will result in the request being deemed incomplete. Should this occur, the preparer will receive an email from NHDES along with the required [Disbursement Request Checklist](#) identifying the missing item(s). At this time, a complete resubmittal (new request package) will be required, including a new request form with new signatures once all requirements are met. Please refer to the [Disbursement Request Guidance](#) for more information.

Loan recipients are required to submit a disbursement request within six months of the date the loan was executed (Env-Wq 507.06(a)). After this initial submittal it is recommended to submit requests on a monthly or quarterly basis to keep requests current and manageable for all parties. Note that disbursement requests cannot be submitted more than once per month (Env-Wq 507.07(e)).

For projects that include items ineligible under the CWSRF (e.g. drinking water infrastructure), an eligibility percentage needs to be determined for both design and construction engineering costs. Eligibility percentages should be applied to engineering contracts and to the invoiced engineering costs included in disbursement requests. See the [Disbursement Request Guidance](#) for more information.

Final disbursement requests should be received within six months of substantial completion of construction.

Contact Information

Staff are available to assist through every step of your project. This includes project planning and administration, disbursements, design review, environmental review, and construction and compliance oversight.

- **CWSRF and Environmental Reviews:**

Beth Malcolm at Beth.L.Malcolm@des.nh.gov or (603) 271-2978.

- **Loan Agreements and Federal Provisions:**

Kathie Bourret at Kathleen.A.Bourret@des.nh.gov or (603) 271-2902.

- **Disbursements:** CWSRFDisbursements@des.nh.gov

- **General Engineering and Contracts:**

Dennis Greene at Dennis.J.Greene@des.nh.gov or (603) 271-2980.