



# Maine Clean Water State Revolving Fund (CWSRF) Cost and Effectiveness Analysis Requirements and Guidance

DEPWQ1280-A-2017

## CWSRF Cost and Effectiveness Analysis Requirements

Starting **October 1, 2015**, loan recipients are required to certify that the recipient has studied and evaluated the cost and effectiveness of the project or activity for which financial assistance is being received. The Cost and Effectiveness Analysis (CEA)<sup>1</sup> must be completed and certification provided before final design or construction.<sup>2</sup>

If the project or activity receiving CWSRF assistance is not required by law to be designed by a professional engineer, the loan recipient may certify that a CEA for the funded project or activity has been performed as described in A and B below. If the project or activity is required by law to be designed by a professional engineer, a professional engineer must certify that the recipient:

- A. has studied and evaluated the cost and effectiveness of the processes, materials, techniques, and technologies for carrying out the proposed project or activity for which assistance is sought; and
- B. has selected, to the maximum extent practicable, a project or activity that maximizes the potential for efficient water use, reuse, recapture, and conservation, and energy conservation, taking into account –
  - i. the cost of constructing the project or activity;
  - ii. the cost of operating and maintaining the project or activity over the life of the project or activity; and
  - iii. the cost of replacing the project or activity.

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<sup>1</sup> CEAs are now required due to the passage of Federal Public Law 113-121 that amended Section 603(b) (13) of the Federal Water Pollution Control Act.

<sup>2</sup> This requirement does not apply to a loan if, prior to this date, the project was listed on a CWSRF Intended Use Plan or the loan recipient submitted an application for CWSRF funding assistance.

## **CWSRF Cost and Effectiveness Analysis Guidance**

The *Cost and Effectiveness Analysis Certification* form states that the loan recipient has met the statutory requirements for proposed projects or activities being financed that includes, at a minimum, the specific criteria contained in this document, the *Maine CWSRF Cost and Effectiveness Analysis Requirements and Guidance*.

There are very few projects that are financed through the CWSRF that are not required by law to be designed by a licensed professional engineer. Since the cost and effectiveness analysis takes place prior to final design, during the study/planning phase of a project, the appropriate person to certify that the cost and effectiveness analysis criteria have been satisfied is the professional engineer.

When certifying to the cost and effectiveness analysis, the recipient's consultant should take into consideration the complexity of the project or activity being funded. Complex projects, such as a new wastewater treatment facility or a major upgrade, should have facility plans or preliminary engineering reports that substantiate the cost and effectiveness, and water and energy analysis of the project as stated in A and B of the Requirements. Not all of the analysis criteria are applicable to every project. Less complex projects, such as a sewer replacement or a minor pumping station upgrade, might not have the documentation afforded a larger project. It is up to the professional engineer representing the loan recipient to assess if the level of engineering effort is sufficiently appropriate on the project to certify to the project's cost and effectiveness and that the selected project maximizes the potential for efficient water and energy use, to the maximum extent practicable.

If the appropriate level of effort has not been completed, additional analysis shall be performed and documented. Development of a Cost and Effectiveness Analysis is a CWSRF eligible expense.



## Maine CWSRF Cost and Effectiveness Analysis (CEA) Certification

Loan Recipient: \_\_\_\_\_

Project Name: \_\_\_\_\_

CWSRF Loan Number: \_\_\_\_\_

The passage of the *Water Resources Reform and Development Act (WRRDA) of 2014* makes significant changes to Titles I, II, V, and VI of the *Federal Water Pollution Control Act*, as amended. Effective October 1, 2015, loan recipients are required to certify that the recipient has studied and evaluated the cost and effectiveness of the project or activity for which financial assistance is being received.

The statute requires that a cost and effectiveness analysis for the project or activity involve, at a minimum:

- the study and evaluation of the cost and effectiveness of the processes, materials, techniques, and technologies that are applicable to the funded project; and
- to the maximum extent practicable, and applicable, selected a project that maximizes the potential for efficient water use, reuse, recapture, and conservation, and energy conservation, taking into account the cost of construction, operations and maintenance, and replacement.

If the project or activity receiving CWSRF assistance is not required by law to be designed by a professional engineer, the loan recipient may certify that a CEA for the funded project or activity has been performed as described above. If the project or activity is required by law to be designed by a professional engineer, a professional engineer must certify.

I (name) \_\_\_\_\_, of (consulting firm, if applicable)  
\_\_\_\_\_, representing (loan recipient) \_\_\_\_\_

hereby certify that to the best of my knowledge, the appropriate engineering evaluations have been conducted consistent with the criteria contained in the *Maine CWSRF Cost and Effectiveness Analysis Requirements and Guidance*. The Department recognizes that not all of the analysis criteria are applicable to all projects.

\_\_\_\_\_

(signature)

\_\_\_\_\_

(date)