

Ask Me Anything! What are the Important SRF Documents? 4.2.2025

Quick Recap

This presentation by Ashley Lucht, from Quantified Ventures, provides an overview of the essential documents required for successful State Revolving Fund (SRF) project development, financial review, construction, and post-construction phases. The discussion focuses on overarching federal requirements from the EPA and relevant statutes, supplemented with a few specific state examples. It is not intended as an exhaustive review of every state's program, as each varies.

Project Development

The initial step in securing SRF funding involves a pre-application process. This crucial document, variously named "priority-list application," "intent to apply," or "project information form," allows projects to enter the funding pipeline. While inclusion on the priority list doesn't obligate funding acceptance, it's essential for funding eligibility. Applicants should ensure projects are viable within a two-year timeframe, aligning with federal grant spending deadlines. Pennsylvania's PENNVEST program is an example of an exception, combining the pre-application and loan application steps. Another is Oregon's CWSRF program

Another key document, specific to the CWSRF, is the Qualification-Based Selection (QBS) or Request for Qualifications (RFQ) requirement. This mandates competitive procurement of engineering/architectural services, focusing on qualifications rather than cost. Procuring an engineer early is crucial, as non-compliance renders services ineligible for CWSRF reimbursement.

The formal funding application is universally required, enabling financial underwriters to assess creditworthiness and determine loan terms. Supporting financial documents, often including audited financial statements, debt schedules, socioeconomic data, projections, and capital improvement plans, are also necessary.

Finally, obtaining a Unique Entity ID (UEI) through SAM.gov is critical for federal funding eligibility and should be initiated early to avoid delays. State-specific registration requirements, including debarment and suspension checks, should also be addressed. While a DUNS number is no longer federally mandated, some states may still require it.

Project Design

Key documents in the design phase include the Preliminary Engineering Report (PER) or feasibility study. While some states require early review, others adopt a more hands-off approach. Using the standard USDA PER template is recommended, as it broadens funding eligibility for programs like USDA Rural Development, CDBG, and potentially others. As the project progresses, plans, specifications, bid documents, and construction documents incorporating specific SRF language are also required.

Environmental review is another non-negotiable element. While templates vary, all federal funding sources require this assessment. Aiming for a Categorical Exclusion (CatEx) simplifies the process, while more complex projects may require an Environmental Assessment to receive a Finding of No Significant Impact (FONSI).

Construction

Construction involves numerous important documents, often streamlined by state-provided templates. Borrowers should ensure compliance with requirements like American Iron and Steel (AIS) and Build America, Buy America (BABA). Certification letters from manufacturers are crucial for these requirements. Disadvantaged Business Enterprise (DBE) utilization requires a good-faith effort, with some states having stricter requirements than the federal guidelines.

The Davis-Bacon Act mandates fair wages for contractors, requiring payroll documentation must accompany reimbursement requests and potential on-site inspections. Change orders, particularly the final balancing change order, are also essential for determining loan repayment start dates.

Project Completion and Post-Construction

Disbursement, primarily reimbursement-based, necessitates short-term financing for many borrowers. Short-term financing should cover the period between incurring costs and receiving reimbursement from the state. While short-term financing costs are reimbursable, they are typically limited to the period between requesting submission and receipt of funds.

Finally, projects exceeding \$1 million in federally reimbursable funds during a borrower's fiscal year require a Single Audit. Careful cost management across fiscal years can help avoid this often expensive and complex process.

Key Takeaways

This presentation highlighted the numerous essential documents required throughout the SRF project lifecycle. Early preparation, particularly with the pre-application, QBS/RFQ (for CWSRF), PER, and environmental review, is crucial for securing funding and ensuring compliance. Understanding state-specific requirements and utilizing available templates can streamline the process. Careful attention to detail, particularly regarding AIS/BABA, Davis-Bacon, and reimbursement requests, can prevent delays and ensure timely project completion. Finally, strategic cost management can help borrowers avoid the need for a Single Audit.

Disclaimer: This summary was generated using AI but reviewed and edited by a Human.

From the Chat

Q: Where can that standard PER template be found?

A: Here's the link to the USDA-RD PER template

https://www.rd.usda.gov/files/UWP_Bulletin_1780-2.pdf

Q: Can a Borrower include short-term financing costs in their State SRF re-imbursement request? Are there situations when finance costs are not reimbursable?

A: Generally speaking, only short-term interest costs incurred between submission of the reimbursement request to the state and receipt of funds is reimbursable. However, there may be more restrictive state-specific guidelines.

Q: What criteria do most states look at when selecting projects?

A: Readiness to proceed, hands down. While states may have specific projects or borrowers they want to prioritize, at the end of the day, the borrower/project's ability to move quickly to construction, thereby spending loan funds, is the most important thing.

Q: Going back to procurement, we need to procure the A/E firm before being notified we receive funding? In terms of ranking

A: It's tricky. A/E procurement is technically an equivalency requirement; however, the borrower/project may not know it is being selected to comply with equivalency requirements until funding is awarded. This is too late to competitively procure A/E services. In addition, many states apply equivalency requirements across the board, meaning that every project must comply with all federal crosscutting requirements

regardless of how the state chooses to report. This topic is an SRF301 level course, but I will be doing an 'Ask Me Anything' session on it on October 20, 2025.

C: To register for upcoming trainings, follow the links below:

What is an IUP? <https://efcnetwork.org/event/or-online-training-what-is-an-iup-how-intended-use-plans-can-serve-as-secret-decoder-rings-for-the-state-revolving-loan-funds-srfs/>

<https://efcnetwork.org/event/virtual-office-hours-ask-me-anything-srf-technical-assistance-open-discussion/>

Q: Have you seen a Preliminary Engineering Report prepared and paid for as a result of a community submitting a Water Technical Assistance Request Form to EPA? I believe some EFCs have EPA grant money to assist with such. I want to clarify: Was it EPA grant funds through an EFC that paid for the PER?

A: Yes, there is at least one community I'm working with that is receiving free PER services. This offering is being funded using BIL money, so likely won't be around much longer.

C: I've been working with a community to apply for the EPA's Thriving Communities Grantmaker Program to help pay for a PER. The Tier II Planning award level seems like a good fit and can also cover things like community engagement.

C: Thank you, this and all the other webinars you've done have been very helpful!