



# Ask Me Anything: Equivalency? Please Explain.

October 20, 2025



# About Us

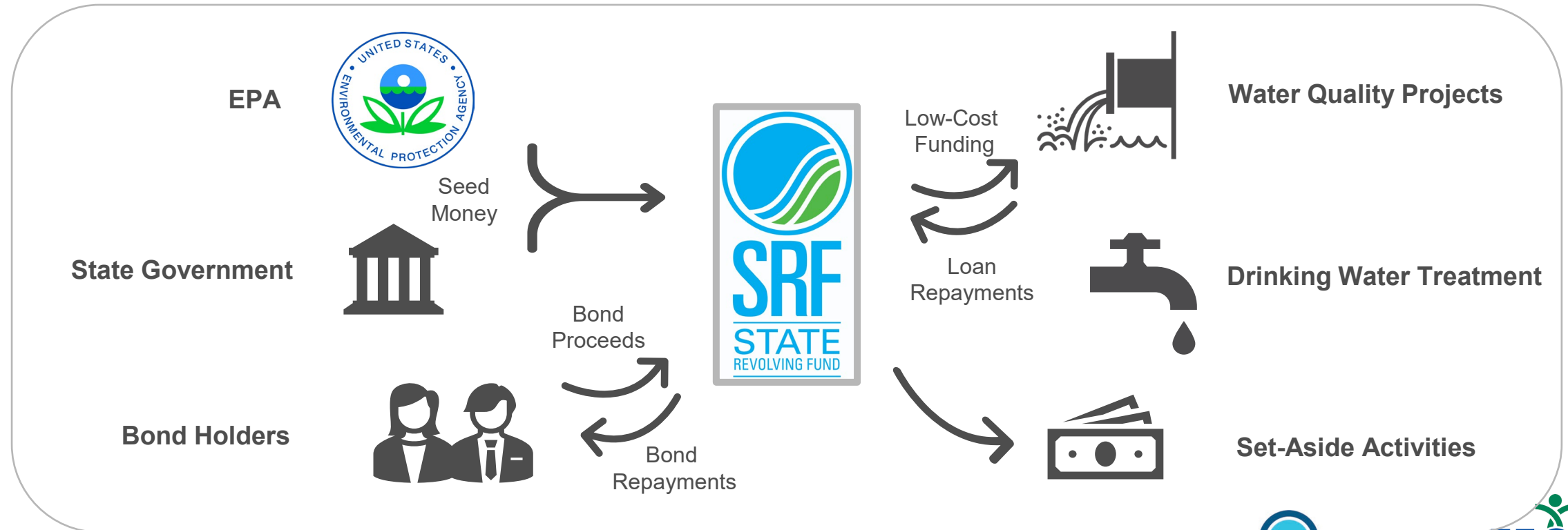
The **Environmental Finance Center Network (EFCN)** is a university- and non-profit-based organization creating innovative solutions to the difficult how-to-pay issues of environmental protection and water infrastructure.

The EFCN works collectively and as individual centers to address these issues across the entire U.S, including the 5 territories and the Navajo Nation. The EFCN aims to assist public and private sectors through training, direct professional assistance, production of durable resources, and innovative policy ideas.



# What are the SRFs?

- Low interest revolving loan program with subsidies for targeted projects and communities
- Money comes from EPA/Federal Government, state match, loan repayments, interest, bond proceeds



Every state is different.  
It depends.

# Equivalency

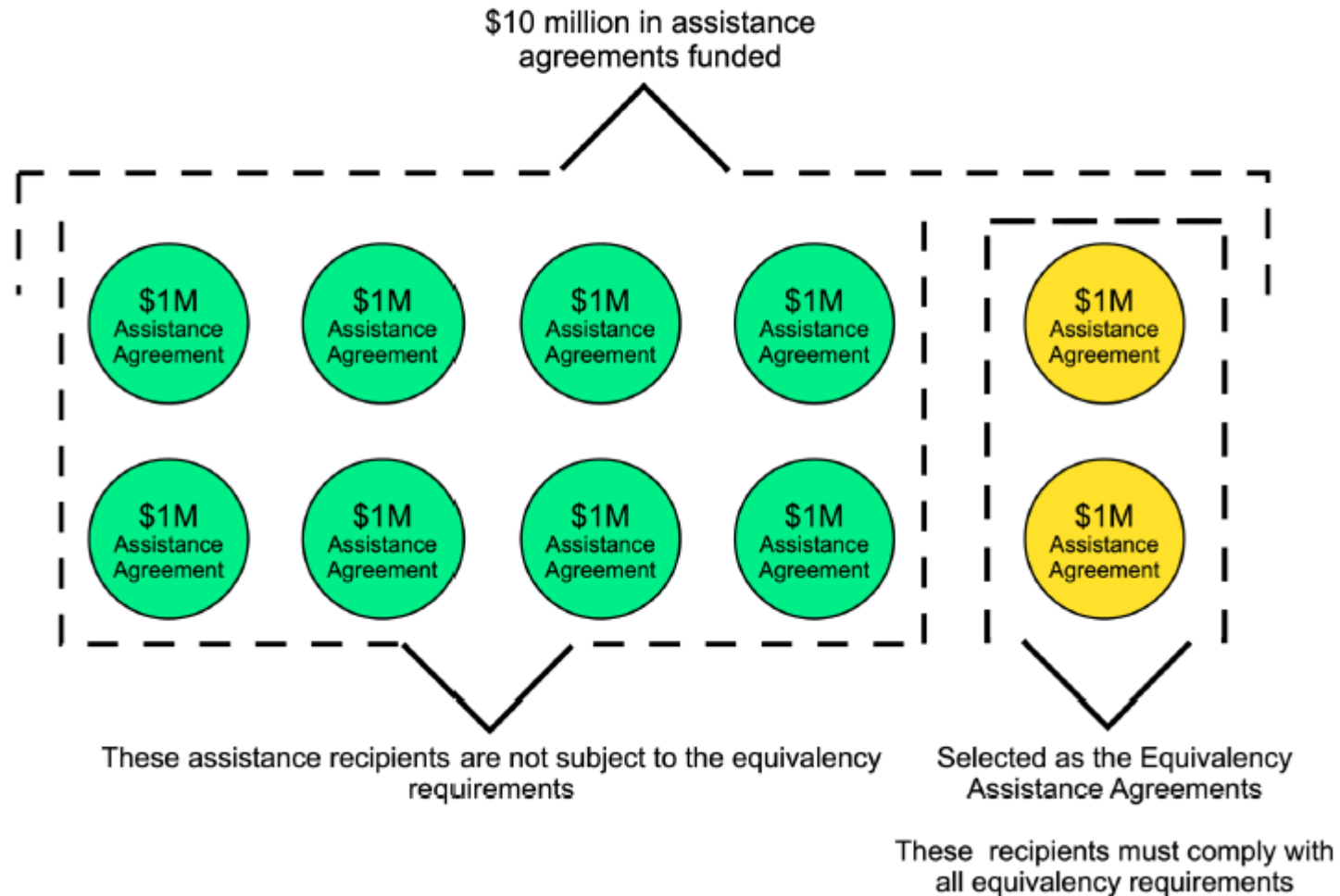
# Equivalency Basics

- Assistance amount equal to the federal grant
- State may identify borrower, project, or group of projects to apply requirement
- Only those borrowers/projects will need to meet certain Federal requirements
- Project cannot be separated to avoid compliance
- EPA SRF Equivalency Handbook:  
<https://www.epa.gov/system/files/documents/2025-09/srf-equivalency-handbook.pdf>

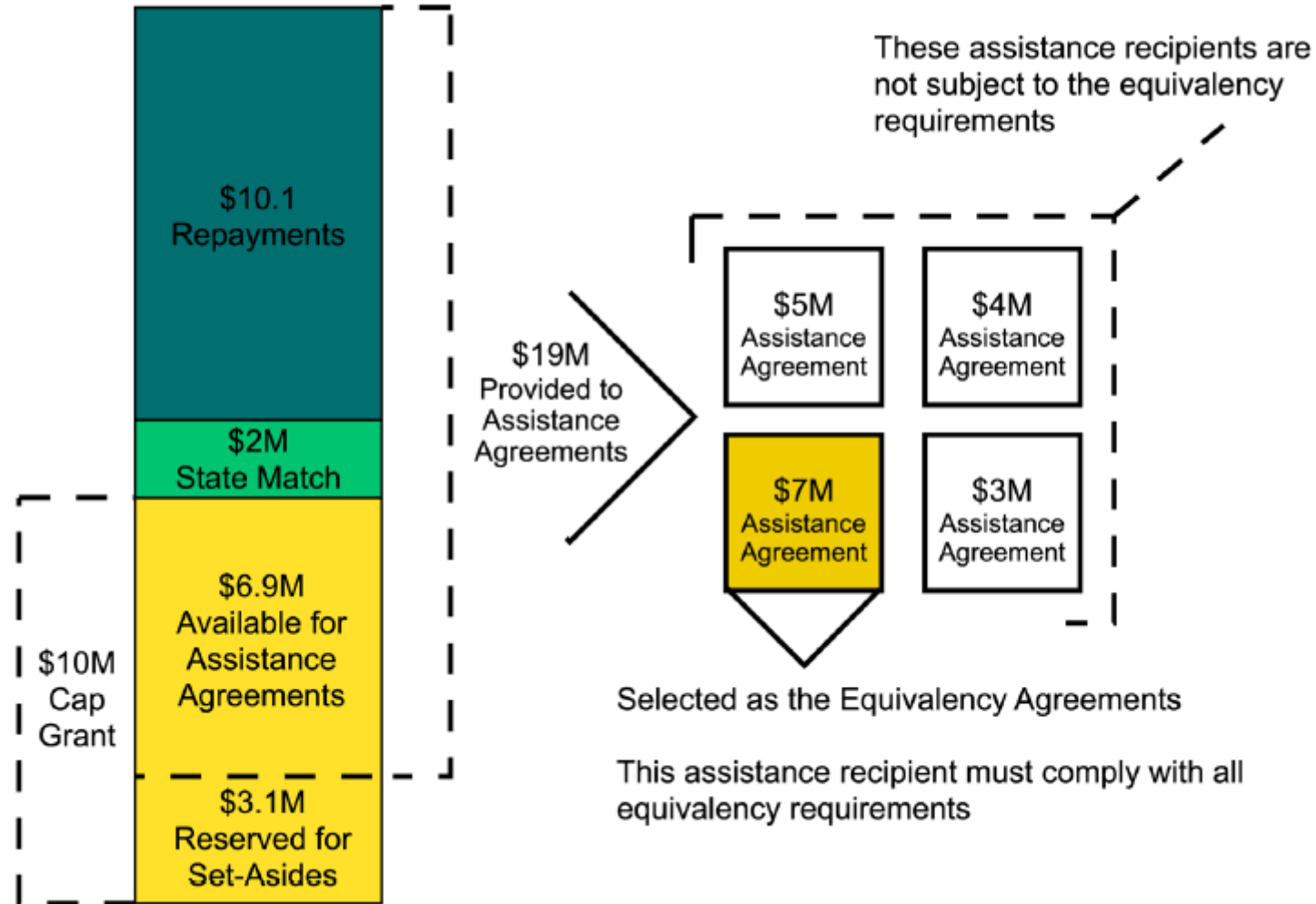
If you are NOT an SRF staff person, DO NOT read the Handbook. It will only confuse you.

# Equivalency CWSRF

State's Annual CWSRF Capitalization Grant: \$2 million  
State's Annual Total Assistance Provided: \$10 million

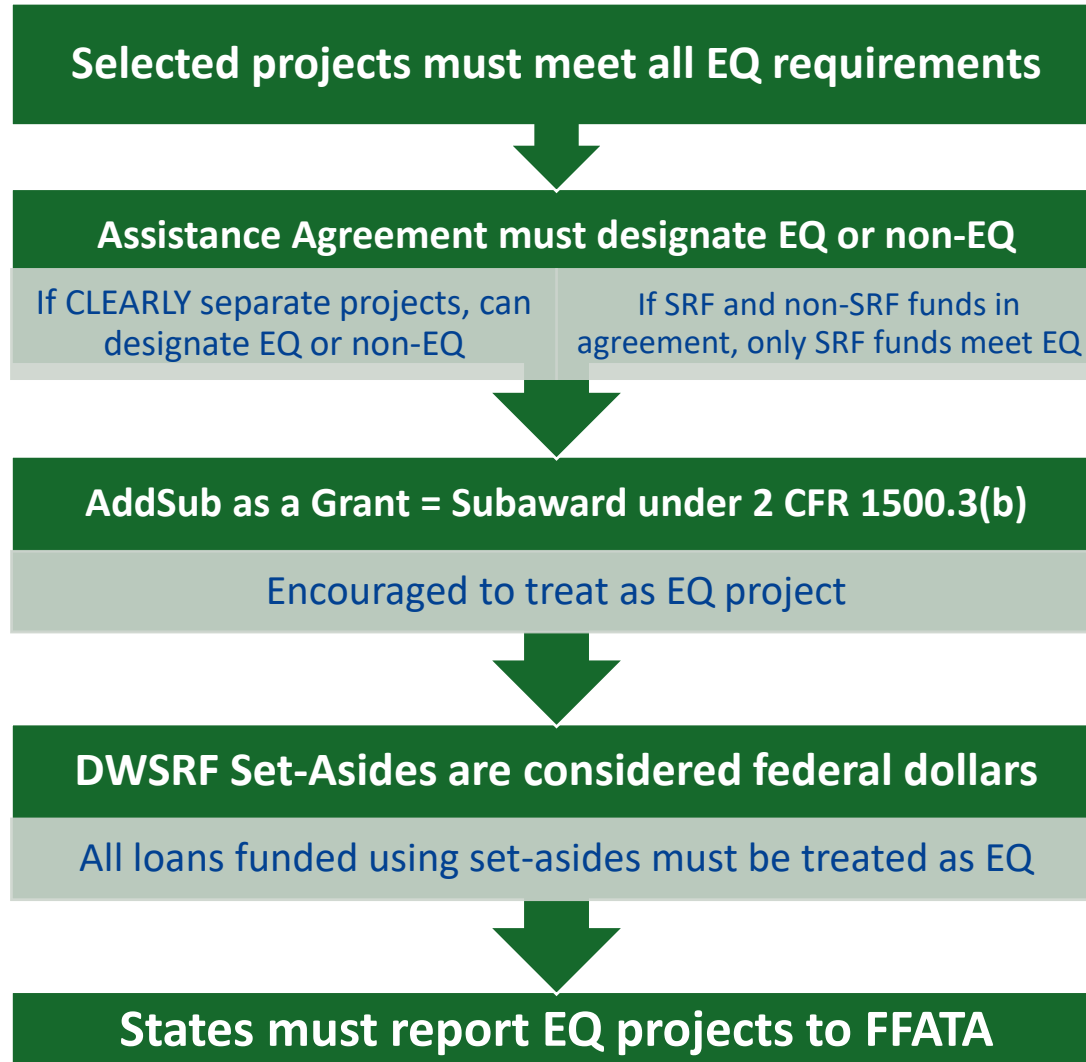


# Equivalency DWSRF





# Equivalency Rules



EQ applies to ALL Emerging Contaminant and Lead Service Line agreements

# Equivalency Best Practices

- States ID proposed EQ project(s) in the IUP; must report in Annual Report which ones that were EQ
- States overestimate the project value where EQ applies
- SRF program offer incentives for EQ project(s)
- Borrowers plan for the project to have EQ requirements
- Disbursements for EQ projects DO NOT need to come from a specific SRF account/source
- EPA Annual Review will include EQ project → make sure to DOCUMENT EVERYTHING

# Equivalency Requirements

A/E Procurement

Environmental

Socioeconomic

DBE

Single Audit

BABA

Signage

Telecom

# Qualifications Based Selection

# Qualifications Based Selection, AKA...

- QBS....Request for Qualifications (RFQ)....and Architectural and Engineering (A/E) Procurement
- **CWSRF-only requirement**
- Is satisfied via certification form, usually
- Sometimes requirement is met by long-standing state requirements (Oklahoma)
- Sometimes an applicant can pre-qualify engineering firms based on best fits for certain types of projects and the certification can cover multiple projects/years
  - Ex: One RFQ round can certify a firm for CSO, another for green stormwater, another for WWTF upgrade, etc.
  - This should be coordinated with state to be on safe side!!



# Environmental Review

# Environmental Review Requirements

CWSRF

Construction of projects that meet the definition of “treatment works”

DWSRF

All DWSRF funded projects and all source water protection funded by the 15% set-aside



# Environmental Review- Cross Cutters

## Natural Environment

- Endangered Species Act
- Bald & Golden Eagle Protection Act
- Migratory Bird Treaty Act
- Fish & Wildlife Coordination Act
- Marine Mammal Protection Act
- Coastal Barrier Resources Act
- Coastal Zone Management Act
- Magnuson-Stevens Fishery Conservation & Management Act
- Clean Water Act
- Clean Air Act
- Protection of Rivers
- River & Harbors Act
- Wild and Scenic Rivers Act



## Human Environment

- Archaeological & Historic Preservation Act
- Archaeological Resources Preservation Act
  - National Historic Preservation Act
- Consultation & Coordination w/ Indian Tribal Governments
- Native American Graves Protection & Repatriation Act
  - Environmental Justice
- Farmlands Protection Policy
  - Floodplain Management
  - Safe Drinking Water Act



# Socioeconomic

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## Civil Rights

Title VI of the Civil Rights Act of 1964  
Section 504 of the Rehabilitation Act of 1973  
Age Discrimination Act of 1975

## Labor Standards

Copeland 'Anti-Kickback' Act  
Contract Work Hours and Safety Standards Act  
Affirmative Action EO 11246

## Environmental Policy

NEPA  
Executive Orders on Environmental Justice  
Federal Water Pollution Control Act Amend, Section 13, of 1972

## Other

Uniform Relocation and Real Properties Acquisition Policies Act of 1970  
Debarment and Suspension (sam.gov)  
Demonstration Cities and Metropolitan Development Act



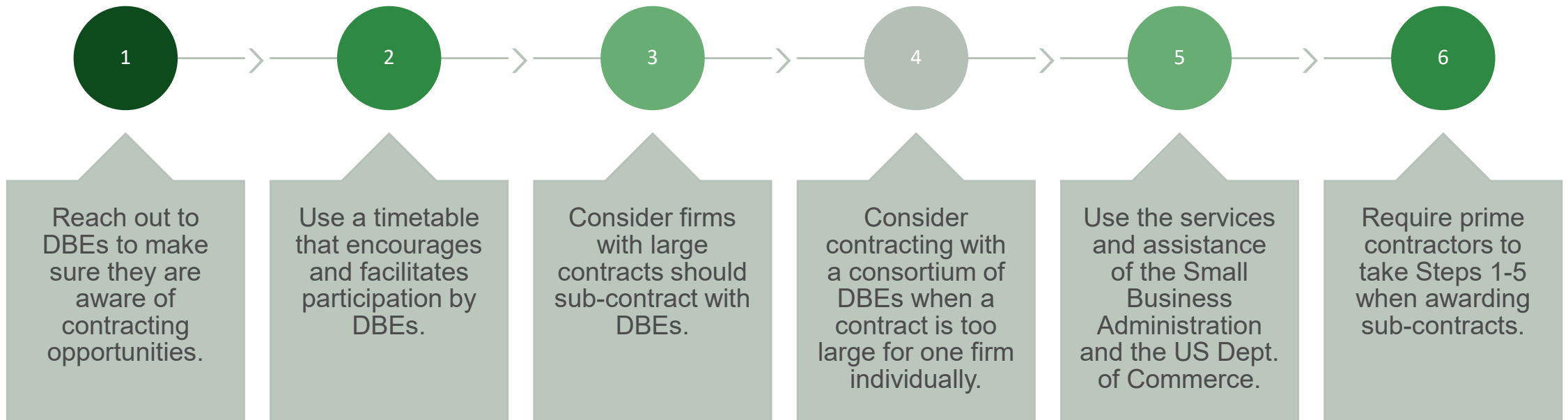
**This is not an exhaustive list.**

Disadvantaged Business Enterprise  
Women-owned Business Enterprise  
Minority-owned Business Enterprise  
(DBE/WBE/MBE)

# DBE/WBE/MBE

The EPA's Disadvantaged Business Enterprises authority ensures recipients of EPA financial assistance and their prime contractors, seek out, and wherever possible, utilize MBE, WBE, and other DBE firms when procuring services, equipment, supplies, and construction on EPA funded projects.

## “The Six Good Faith Efforts”



# Single Audit

# Single Audit



More than \$1,000,000 in federally-reimbursable funds in a fiscal year



Organization-wide financial statement and federal award audit



Intended to provide assurances that a non-federal entity has adequate internal controls in place, and is in compliance with program requirements



# Build America Buy America (BABA)

# BABA

Included in the Infrastructure Investment and Jobs Act (IIJA)/Bipartisan Infrastructure Law (BIL)

Requires iron, steel, manufactured products, and construction materials used in the project are produced in the United States

Administered by the Made In America Office (MIAO) of the Office of Management and Budget (OMB), not the USEPA

Applies to all infrastructure projects that receive federal assistance not just CWSRF and DWSRF projects

BABA is an equivalency requirement. Applicable CWSRF and DWSRF projects must comply with both BABA and AIS



# BABA

Applies to items consumed in, incorporated into or affixed to an infrastructure project.

BABA covered items should be classified as iron and steel, or manufactured products, or construction materials:

- Iron and Steel - Items that are predominantly iron or steel, unless another standard applies under law or regulation; all manufacturing processes, from the initial melting stage through the application of coatings, must occur in the U.S.



BABA implementation memo:

<https://www.epa.gov/system/files/documents/2022-11/OW-BABA-Implementation-Procedures-Final-November-2022.pdf>

# Signage

# Signage

- Capitalization grant award condition.
- Can be part of bid documents/construction contract or handled as separate documents.
- Can be the standard project sign at the worksite. Must include the EPA logo.
- Other acceptable signage options include poster or wall signage in a public building, insert in water or sewer bill, newspaper or periodical advertisement, online signage, and press release.



# Telecom

# Telecom

- Telecom Services and Equipment
  - Cannot procure or obtain equipment, systems, or services that use “covered telecommunications equipment or services”.
  - Covered brands: Huawei, ZTE, Hylera, Dahua, others.
  - Products and services include automatic meter reading technology, advanced metering infrastructure, instrumentation control systems, and security cameras.
  - Applies to: DWSRF & CWSRF equivalency projects; CWSRF admin funds; all DWSRF set-asides.
- Telecom prohibition <https://www.law.cornell.edu/cfr/text/2/200.216>



What about AIS? Davis Bacon? Cost  
and Effectiveness? Fiscal  
Sustainability Plan?

# Some State Examples

- New Mexico
  - DW– starting in SFY24 will select projects
  - CW– all projects that receive AddSub + selected projects
- Rhode Island, Maryland, Vermont, Arkansas, Illinois, Virginia
  - All projects must meet EQ requirements
- Texas
  - Selects projects and offers an interest rate reduction
- Oklahoma
  - DW– may receive interest rate reduction; applied to AddSub projects
  - CW– if chosen, may receive interest rate or AddSub
- Louisiana
  - DW– all projects must meet EQ requirements
  - CW– ‘One or more projects equal to the amount of the capitalization grant are designated as [EQ]’

# Upcoming Trainings

## What is an IUP?

November 5, 2025 / 11:00-1:00 pm EST

## Summary of 12 Months of Ask me Anything's

November 17, 2025 / 2:00-4:00 pm EST

## Source Water Protection & the SRFs

December 3, 2025 / 11:00-1:00 pm EST

## Case Study: Lead Service Line Funding.

December 15, 2025 / 2:00-4:00 pm EST

**Guest Speaker:**  
Jean Devlin,  
Associate Director, QV

For more information and to register visit:

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



# Take the Survey, please:

<https://forms.office.com/Pages/ResponsePage.aspx?id=SyeYgsl5tEeBfeLURKp1LuVNsi-bKsRMo6hkDgErj3VUOUE3R09PVzU3SIFDN1RPTU02SVRPVIBRRS4u>

## Quantified Ventures

<https://www.quantifiedventures.com/our-team>



### Ashley Lucht

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