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Sewer Overflow and Stormwater Reuse Municipal Grants Program

Grant Implementation Document

Office of Water



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ACRONYMS

AIS	American Iron and Steel
AORs	Authorized Organization Representatives
AWIA	America's Water Infrastructure Act
BMP	Best Management Practice
CCMP	Comprehensive Conservation and Management Plan
CE	Categorical Exclusion
CEQ	Council on Environmental Quality
CFR	Code of Federal Regulation
CSO	Combined Sewer Overflow
CWA	Clean Water Act
CWNS	Clean Watersheds Needs Survey
CWSRF	Clean Water State Revolving Fund
DUNS	Data Universal Number System
DBE	Disadvantaged Business Enterprises
EA	Environmental Assessment
EIS	Environmental Impact Statement
EPA	Environmental Protection Agency
FFR	Federal Financial Report
FNSI	Finding of No Significant Impact
FY	Fiscal Year
GMO	Grants Management Officer
IUP	Intended Use Plan
MBE	Minority Business Enterprise
MS4s	Municipal Separate Storm Sewer Systems
NEP	National Estuary Program
NEPA	National Environmental Policy Act
NPDES	National Pollution Discharge Elimination System
NPS	Nonpoint Source
OSG	Overflow and Stormwater Grant (short name for this document's program)
ROD	Record of Decision
SAT	Simplified Acquisition Threshold
SF	Standard Form
SRF	State Revolving Fund
SSO	Sanitary Sewer Overflow
USC	United States Code
WBE	Woman Business Enterprise

I. OVERVIEW

On October 23, 2018, the America's Water Infrastructure Act of 2018 was signed into law and amended section 221 of the Federal Water Pollution Control Act (also known as the Clean Water Act or CWA) to reauthorize the Sewer Overflow and Stormwater Reuse Municipal Grants Program (this may be referred to as the Overflow and Stormwater Grant program or OSG program). This legislation substantially amended the existing Sewer Overflow Control Grants. These amendments expanded project eligibilities to include stormwater management projects and reauthorized appropriations for the program, among other modifications. This program is intended to address infrastructure needs for combined sewer overflows (CSO), sanitary sewer overflows (SSO), and stormwater management and will award grants to states to make sub-awards to eligible entities for eligible projects.

This document describes how the Environmental Protection Agency (EPA) will administer these grant funds and provide procedures for program implementation for relevant state agencies to issue sub-awards to eligible recipients for projects as outlined in the CWA. This document may also be helpful to provide eligible grant recipients and other stakeholders an opportunity to better understand project eligibilities and related program requirements.

II. STATUTORY AUTHORITY

Section 221 of the CWA, also referenced by the U.S. Code title: 33 USC 1301, was amended by section 4106 in America's Water Infrastructure Act of 2018. This amendment authorizes EPA to award grants to states to assist communities in meeting CSO, SSO, and stormwater management infrastructure needs. The statutory language, as amended, is as follows:

CWA Section 221:

(a) IN GENERAL.—

(1) GRANTS TO STATES.— The Administrator may make grants to States for the purpose of providing grants to a municipality or municipal entity for planning, design, and construction of—

(A) treatment works to intercept, transport, control, treat, or reuse municipal combined sewer overflows, sanitary sewer overflows, or stormwater; and

(B) any other measures to manage, reduce, treat, or recapture stormwater or subsurface drainage water eligible for assistance under section 603(c).

(2) DIRECT MUNICIPAL GRANTS.— Subject to subsection (g), the Administrator may make a direct grant to a municipality or municipal entity for the purposes described in paragraph (1).

(b) PRIORITIZATION.— In selecting from among municipalities applying for grants under subsection (a), a State or the Administrator shall give priority to an applicant that—

(1) is a municipality that is a financially distressed community under subsection (c);

(2) has implemented or is complying with an implementation schedule for the nine minimum controls specified in the CSO control policy referred to in section 402(q)(1) and

has begun implementing a long-term municipal combined sewer overflow control plan or a separate sanitary sewer overflow control plan;

(3) is requesting a grant for a project that is on a State's intended use plan pursuant to section 606(c); or

(4) is an Alaska Native Village.

(c) FINANCIALLY DISTRESSED COMMUNITY.—

(1) DEFINITION.— In subsection (b), the term “financially distressed community” means a community that meets affordability criteria established by the State in which the community is located, if such criteria are developed after public review and comment.

(2) CONSIDERATION OF IMPACT ON WATER AND SEWER RATES.—In determining if a community is a distressed community for the purposes of subsection (b), the State shall consider, among other factors, the extent to which the rate of growth of a community's tax base has been historically slow such that implementing a plan described in subsection (b)(2) would result in a significant increase in any water or sewer rate charged by the community's publicly owned wastewater treatment facility.

(3) INFORMATION TO ASSIST STATES.— The Administrator may publish information to assist States in establishing affordability criteria under paragraph (1).

(d) COST-SHARING.— The Federal share of the cost of activities carried out using amounts from a grant made under subsection (a) shall be not less than 55 percent of the cost. The non-Federal share of the cost may include, in any amount, public and private funds and in-kind services, and may include, notwithstanding section 603(h), financial assistance, including loans, from a State water pollution control revolving fund.

(e) ADMINISTRATIVE REQUIREMENTS.— A project that receives assistance under this section shall be carried out subject to the same requirements as a project that receives assistance from a State water pollution control revolving fund under title VI, except to the extent that the Governor of the State in which the project is located determines that a requirement of title VI is inconsistent with the purposes of this section. For the purposes of this subsection, a Governor may not determine that the requirements of title VI relating to the application of section 513 are inconsistent with the purposes of this section.

(f) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.— There is authorized to be appropriated to carry out this section \$225,000,000 for each of fiscal years 2019 through 2020.

(2) MINIMUM ALLOCATIONS.—To the extent there are sufficient eligible project applications, the Administrator shall ensure that a State uses not less than 20 percent of the amount of the grants made to the State under subsection (a) in a fiscal year to carry out projects to intercept, transport, control, treat, or reuse municipal combined sewer overflows, sanitary sewer overflows, or stormwater through the use of green infrastructure, water and energy efficiency improvements, and other environmentally innovative activities.

(g) ALLOCATION OF FUNDS.—

(1) FISCAL YEAR 2019.—Subject to subsection (h), the Administrator shall use the amounts appropriated to carry out this section for fiscal year 2019 for making grants to municipalities and municipal entities under subsection (a)(2) in accordance with the criteria set forth in subsection (b).

(2) FISCAL YEAR 2020 AND THEREAFTER.—Subject to subsection (h), the Administrator shall use the amounts appropriated to carry out this section for fiscal year 2020 and each fiscal year thereafter for making grants to States under subsection (a)(1) in accordance with a formula to be established by the Administrator, after providing notice and an opportunity for public comment, that allocates to each State a proportional share of such amounts based on the total needs of the State for municipal combined sewer overflow controls, sanitary sewer overflow controls, and stormwater identified in the most recent detailed estimate and comprehensive study submitted pursuant to section 516 and any other information the Administrator considers appropriate.

(h) ADMINISTRATIVE EXPENSES.— Of the amounts appropriated to carry out this section for each fiscal year—

(1) the Administrator may retain an amount not to exceed 1 percent for the reasonable and necessary costs of administering this section; and

(2) the Administrator, or a State, may retain an amount not to exceed 4 percent of any grant made to a municipality or municipal entity under subsection (a), for the reasonable and necessary costs of administering the grant.

(i) REPORTS.— Not later than December 31, 2003, and periodically thereafter, the Administrator shall transmit to Congress a report containing recommended funding levels for grants under this section. The recommended funding levels shall be sufficient to ensure the continued expeditious implementation of municipal combined sewer overflow and sanitary sewer overflow controls nationwide

III. ELIGIBLE RECIPIENTS FOR 2020 APPROPRIATIONS AND THEREAFTER

Eligible recipients include the 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands.¹ For the purposes of this document, the term “state” will be used to describe all eligible recipients. Funds will be awarded to states based on an allocation formula consistent with CWA section 221(g)(2)(B). The allocation process is further described in Part V of this document. States may use available OSG funding to provide financial assistance to municipalities and municipal entities within their jurisdiction for the purposes described in CWA section 221(a)(1).

¹ 33 U.S.C. §1362(3)

IV. ELIGIBLE USE OF FUNDS

To be eligible for program assistance, a project must meet the criteria as described in CWA section 221(a)(1). This section describes that states can provide financial assistance:

- (1) . . . to a municipality or municipal entity for planning, design, and construction of—
 - (A) treatment works to intercept, transport, control, treat, or reuse municipal combined sewer overflows, sanitary sewer overflows, or stormwater; and
 - (B) any other measures to manage, reduce, treat, or recapture stormwater or subsurface drainage water eligible for assistance under section 603(c).

CWA section 603(c) states that assistance may be used:

- (1) . . . for construction of publicly owned treatment works (as defined in section 212);
- (2) for the implementation of a management program established under section 319;
- (3) for development and implementation of a conservation and management plan under section 320;
- (4) for the construction, repair, or replacement of decentralized wastewater treatment systems that treat municipal wastewater or domestic sewage;
- (5) for measures to manage, reduce, treat, or recapture stormwater or subsurface drainage water;
- (6) . . . for measures to reduce the demand for publicly owned treatment works capacity through water conservation, efficiency, or reuse;
- (7) for the development and implementation of watershed projects meeting the criteria set forth in section 122;
- (8) . . . for measures to reduce the energy consumption needs for publicly owned treatment works;
- (9) for reusing or recycling wastewater, stormwater, or subsurface drainage water;
- (10) for measures to increase the security of publicly owned treatment works;
- (11) . . . to provide assistance to owners and operators of small and medium publicly owned treatment works—
 - (A) to plan, develop, and obtain financing for eligible projects under this subsection, including planning, design, and associated preconstruction activities; and
 - (B) to assist such treatment works in achieving compliance with this Act; and
- (12) . . . to provide assistance to an eligible individual (as defined in subsection (j))—
 - (A) for the repair or replacement of existing individual household decentralized wastewater treatment systems; or
 - (B) in a case in which an eligible individual resides in a household that could be cost-effectively connected to an available publicly owned treatment works, for the connection of the applicable household to such treatment works.

Project Categories

The statutory eligibilities allow states to fund a variety of project types. Eligible projects exist under the following three general categories: 1) combined sewer overflow correction, 2) sanitary sewer overflow correction, and 3) stormwater and subsurface drainage water. This list is not meant to be exclusive and it is possible that there are other eligible projects that are consistent with the OSG authorizing statute

that are not specifically mentioned in this document. In all cases, municipalities or municipal entities are eligible for assistance. However, the projects can be publicly or privately owned. In addition, only capital projects are eligible, including infrastructure planning, design, construction, and equipment purchases. Operations and maintenance activities are not eligible for funding.

1. Combined Sewer Overflow Correction

Under CWA section 221(a)(1)(A), assistance may be provided to any municipality or municipal entity for planning, design, and construction of treatment works to intercept, transport, control, treat, or reuse municipal combined sewer overflows. Eligible CSO correction projects may include:

- Installation of separate sanitary and storm sewers
- Downspout disconnection
- Overflow tanks/tunnels
- Infiltration/inflow correction
- Conveyance infrastructure related to CSO correction
- Real-time control systems for CSO management
- Planning and design activity related to an eligible capital project

2. Sanitary Sewer Overflow Correction

Under CWA section 221(a)(1)(A), assistance may be provided to any municipality or municipal entity for planning, design, and construction of treatment works to intercept, transport, control, treat, or reuse municipal sanitary sewer overflows. Eligible SSO correction projects may include:

- Infiltration/inflow correction
- Enhancement of collection system, pump station, or treatment facility capacity for the purposes of mitigating SSOs
- Real-time control systems for SSO management
- Other capital projects for the purposes of mitigating or preventing the impact of stormwater on wastewater collection
- Planning and design activity related to an eligible capital project

3. Stormwater and Subsurface Drainage Water

Under CWA section 221(a)(1)(A), assistance may be provided to any municipality or municipal entity for planning, design, and construction of treatment works to intercept, transport, control, treat, or reuse stormwater. There are additional eligibilities under CWA section 221(a)(1)(B), which provides states with the authority to provide assistance to any municipality or municipal entity for any other measures to manage, reduce, treat, or recapture stormwater or subsurface drainage water eligible for assistance under CWA section 603(c). Eligible gray and green infrastructure projects may include:

- Gray Infrastructure - conventional piped drainage and water treatment systems designed to move urban stormwater away from the built environment. Examples include:
 - Traditional pipe, storage, and treatment systems
 - Collection and treatment systems for reuse

- Real-time control systems for CSO management
 - Sediment controls including:
 - o Filter fences
 - o Storm drain inlet protection
 - o Street sweepers
 - o Vacuum trucks
 - Planning and design activity related to an eligible capital project
- Green infrastructure - section 502 of the CWA defines this as "...the range of measures that use plant or soil systems, permeable pavement or other permeable surfaces or substrates, stormwater harvest and reuse, or landscaping to store, infiltrate, or evapotranspire stormwater and reduce flows to sewer systems or to surface waters." Examples include:
 - Green roofs, blue roofs, green streets, and green walls
 - Rainwater harvesting collection, storage, management, and distribution systems
 - Real-time control systems for harvested rainwater
 - Infiltration basins
 - Constructed wetlands, including surface flow and subsurface flow (e.g., gravel) wetlands
 - Bioretention/bioswales (e.g., rain gardens, tree boxes)
 - Permeable pavement
 - Wetland/riparian/shoreline creation, protection, and restoration
 - Establishment/restoration of urban tree canopy
 - Replacement of gray infrastructure with green infrastructure including purchase and demolition costs
 - Planning and design activity related to an eligible capital project
 - Other capital projects for the purposes of mitigating or preventing the impact of stormwater on wastewater collection or treatment

Stormwater projects may be eligible for funding either under CWA section 221(a)(1)(A) as a treatment works or, along with subsurface drainage water, under CWA section 221(a)(1)(B) which refers to CWA section 603(c). CWA section 603(c) includes twelve eligibility criteria, the majority of which refer to measures that attain an objective; however, four eligibilities reference other sections of the CWA (e.g., section 212, section 319, section 320, and section 122). Those four eligibilities have additional criteria that must be considered when determining if a project may receive program assistance. Criteria for those four eligibilities are summarized below.

CWA Section 603(c)(1) Eligibility: Section 212

Eligible entities may use funds for projects at publicly owned treatment works, as defined in CWA section 212, under this grant program. The eligibility criteria for CWA section 603(c)(1) projects are:

- Projects must be consistent with the definition of “treatment works” as set forth in CWA section 212
- Projects must be publicly owned, as required by CWA section 603(c)(1)

CWA Section 603(c)(2) Eligibility: Section 319

Eligible entities may fund publicly or privately-owned projects that implement nonpoint source (NPS) management programs established under CWA section 319. The eligibility criteria for CWA section 319 projects are:

- Projects must support the implementation of a current EPA approved state NPS management program plan or nine-element watershed-based plan
- Projects can be publicly or privately owned
- CWA section 603(c)(2) funding is for the control of NPS pollution; only projects that do not directly implement a final National Pollutant Discharge Elimination System (NPDES) permit are eligible

EPA encourages states to work with their NPS programs to ensure that projects funded under the CWA section 319 authority are consistent with the current approved state NPS management program plan.

CWA section 603(c)(3) Eligibility: Section 320

Eligible entities may fund projects that support the development and implementation of a National Estuary Program (NEP) Comprehensive Conservation and Management Plan (CCMP) under CWA section 320. CCMPs are long-range plans developed by each NEP Management Conference; they contain actions to address water quality, living resources, and habitat challenges in the estuary and the surrounding area called the “study area.” The study area includes the estuary and the land area adjacent to the estuary that is affected by the estuary and/or has a significant effect on the estuary, such as salt marshes, coastal and intertidal areas, bays, harbors, lagoons, inshore waters, and channels. Some NEPs also work in the upland areas of the larger surrounding watershed. Activities located outside the study area, but within the “estuarine zone” or watershed as defined in CWA section 104(n)(4) and Section 320(k), may have an impact on the water quality of the estuary and may implement the CCMP. States can fund projects located within a NEP watershed so long as the project implements a CCMP. The eligibility criteria for CWA section 603(c)(3) projects are:

- Projects must develop, amend, or implement a CWA section 320 CCMP
- Projects can be publicly or privately owned

EPA encourages states to work with the appropriate NEP to ensure that projects funded under the CWA section 603(c)(3) eligibility are consistent with the CCMP.

CWA section 603(c)(7) Eligibility: Section 122

Stormwater or subsurface drainage water projects that develop or implement watershed pilot projects related to at least one of the six areas identified in CWA section 122 are eligible:

Watershed Management of Wet Weather Discharges

Watershed management of wet weather discharges includes the management of municipal combined sewer overflows (CSOs), sanitary sewer overflows (SSOs), and stormwater discharges.

Stormwater Best Management Practices (BMPs)

Stormwater BMPs include activities that manage, reduce, treat, recapture, or reuse municipal stormwater.

Watershed Partnerships

Watershed partnerships include efforts to demonstrate cooperative ways to address nonpoint sources of pollution to reduce adverse impacts on water quality.

Integrated Water Resource Planning

An integrated water resource plan facilitates the coordinated management and protection of surface water, ground water, and stormwater resources on a watershed or subwatershed basis to meet the objectives, goals, and policies of the CWA.

Municipality-Wide Stormwater Management Planning

A municipality-wide stormwater management plan identifies the most effective placement of stormwater technologies and management approaches to reduce water quality impairments from stormwater on a municipality-wide basis.

Increased Resilience of Treatment Works

Eligible projects are those that increase the resilience of treatment works to manmade or natural disasters, such as extreme weather events and sea-level rise. This includes efforts to assess future risks and vulnerabilities.

The eligibility criteria for CWA section 603(c)(7) projects are:

- Projects must meet the criteria set forth in CWA section 122.
- Projects can be publicly or privately owned.

Additional information on the stormwater and subsurface drainage water projects eligible for assistance under CWA section 603(c) can be found in the EPA report, *Overview of Clean Water State Revolving Fund Eligibilities*: https://www.epa.gov/sites/production/files/2016-07/documents/overview_of_cwsrf_eligibilities_may_2016.pdf.

V. ALLOCATION OF FUNDS

Funds appropriated for this program shall be allocated to the states according to their total proportional needs for municipal CSOs, SSOs, and stormwater as identified in the most recent Clean Watersheds Needs Survey (CWNS) and any other additional information considered appropriate by the EPA Administrator. The allocation criteria are described in CWA section 221(g)(2):

...the Administrator shall use the amounts appropriated to carry out this section for fiscal year 2020 and each fiscal year thereafter for making grants to States under subsection (a)(1) in

accordance with a formula to be established by the Administrator, after providing notice and an opportunity for public comment, that allocates to each State a proportional share of such amounts based on the total needs of the State for municipal combined sewer overflow controls, sanitary sewer overflow controls, and stormwater identified in the most recent detailed estimate and comprehensive study submitted pursuant to section 516 of this title and any other information the Administrator considers appropriate.

After notice and comment, EPA adopted the following methodology to allocate funds appropriated for the program.

1. Reserve 1% of the federal appropriation for EPA's administrative expenses per CWA section 221(h).
2. Allocate the remaining amount (federal appropriation minus EPA administrative set-aside) based on several factors to characterize the "need allocation" of each state. In addition to the most recent CWNS, EPA chose additional objective factors to help characterize the infrastructure needs of each state, as permitted by CWA section 221(g)(2). EPA assigned weights to each of the factors in the allocation formula. The CWNS needs are weighted at 50% and the additional factors were weighted evenly to collectively account for the remaining 50%. The combination of the following factors forms the need allocation for each state with data sources listed in [Appendix B](#).
 - Clean Watersheds Needs Survey: This factor is included as the statute directs EPA to use the needs submitted pursuant to CWA section 516. Each allocation year, EPA will use the latest available CWNS information that provides a comprehensive assessment of CSOs, SSOs, and stormwater infrastructure needs. This factor represents 50% of the need allocation as these needs were directly identified in the survey.
 - Annual Average Precipitation: This factor is included to account for the volume of annual precipitation a state receives which suggests the amount of stormwater runoff that needs to be managed. This factor represents 16.67% of the need allocation.
 - Total Population: This factor is included to represent the proportional need of each state's population size acknowledging that higher populations generally have greater infrastructure needs. This factor represents 16.67% of the need allocation.
 - Urban Population: This factor is included to represent the needs that urban centers have for CSOs, SSOs, and stormwater management due to high concentrations of impervious surfaces. This factor represents 16.67% of the need allocation.
3. Adjust the allocation proportions to ensure that no state receives an allocation below 0.5%. Any adjustments to raise states to this base allocation amount will be taken at a proportional basis from states that were above this base amount. Once adjustments are made to ensure that each state receives at least 0.5% of the remaining amount (federal appropriation minus EPA administrative set-aside), this allocation will be considered the final state allocation for the applicable fiscal year.

In following this methodology, the results for each state’s allocation proportion are shown in Table 1.

Table 1: State Entity Allocation Table

State Entity	Allocation Percentage
Alabama	1.0%
Alaska	0.5%
American Samoa	0.5%
Arizona	0.8%
Arkansas	0.7%
California	10.6%
Colorado	1.0%
Connecticut	2.2%
Delaware	0.5%
District of Columbia	1.3%
Florida	2.7%
Georgia	1.5%
Guam	0.9%
Hawaii	0.5%
Idaho	0.5%
Illinois	2.7%
Indiana	3.1%
Iowa	0.8%
Kansas	1.2%
Kentucky	2.1%
Louisiana	1.4%
Maine	0.6%
Maryland	2.7%
Massachusetts	2.6%
Michigan	1.5%
Minnesota	0.7%
Mississippi	0.8%
Missouri	3.9%
Montana	0.5%
Nebraska	1.3%
Nevada	0.7%
New Hampshire	1.0%
New Jersey	5.7%
New Mexico	0.5%
New York	6.4%
North Carolina	1.3%
North Dakota	0.5%
Northern Marianas	0.8%
Ohio	7.0%
Oklahoma	0.8%
Oregon	1.5%
Pennsylvania	3.5%
Puerto Rico	0.9%
Rhode Island	0.9%
South Carolina	0.8%
South Dakota	0.5%
Tennessee	1.5%
Texas	5.5%
Utah	0.5%
Vermont	0.5%
Virgin Islands	0.5%
Virginia	2.1%
Washington	1.8%
West Virginia	1.3%
Wisconsin	1.8%
Wyoming	0.5%

Availability for Obligation: States are encouraged to apply for their allocation during each fiscal year the OSG program receives an appropriation. CWA section 221 funds appropriated in fiscal year 2020 and prior to the release of this Implementation Document will be made available until the end of the 2022 fiscal year. States should discuss any delays in applying for funding with their EPA Regional Office. If a state does not submit an application for their allocation during the fiscal year for which it was appropriated, the EPA Regional Administrator may award the funds to any eligible recipient in the region.

State Administrative Expenses: According to CWA section 221(h)(2), a state may retain an amount not to exceed 4% of a grant made to a municipality or municipal entity for the reasonable and necessary costs of administering the grant. If used, please account for this expense when writing the budget narrative.

VI. APPLICATION FORMS AND SUBMISSION INFORMATION

To receive allocated funds, states must submit an application package which must include the required application forms, work plan, and estimated project costs (2 CFR 200 and 1500). It is recommended that the application be submitted at least 60 days before the beginning of the proposed funding period to ensure timely award of the grant. States are encouraged to coordinate with their EPA Regional Project Officers to review their grant application and to answer questions concerning the technical or administrative requirements of the grant prior to the application package submission on grants.gov.

Application Package: [Appendix C](#) includes a list of the required forms and documents for the application package.

VII. WORKPLAN

The workplan, also known as the project narrative, should include the following items and be considered by the States in describing their project. The workplan does not require a public notification process.

- A. Project and Budget Period:** The project/ budget periods will be no more than four years.
- B. Eligible Activities:** States will use funding for the purpose of providing sub-awards to municipalities or municipal entities (subrecipients) for the planning, design, and construction of treatment works and measures to manage combined sewer overflows, sanitary sewer overflows, and stormwater to improve water quality under the CWA (see Part IV. ELIGIBLE USE OF FUNDS). The sub-awardee benefiting from assistance must meet the statutory definition in CWA section 221(a)(1), (see Part IV. ELIGIBLE USE OF FUNDS).

States will include a list of eligible activities for assistance in their workplan along with sufficient detail to support the eligibility determination. States will include the following information for each eligible activity:

- The name of the subrecipient(s)
- A description of the project(s)
- The estimated start and end dates for the project(s)
- A description of how the project(s) fulfills the statutory criteria, as referred to in CWA section 221(g)(2)

C. Programmatic Priorities:

Project Prioritization: CWA section 221(b) requires states to prioritize the award of subawards to eligible subrecipients that are:

- financially distressed communities;
- implementing a long-term control plan for CSOs or SSOs;
- requesting funds for a project included on a state’s Intended Use Plan for the Clean Water State Revolving Fund; or
- an Alaskan Native Village.

While states shall follow these priorities, they have the flexibility to determine which of the priorities are most relevant to their program.

According to CWA section 221(c), states have the discretion on how to define a “financially distressed community” provided that the affordability criteria used considers the financial impact on water or sewer rates due to the implementation of a long-term control plan for CSOs or SSOs. States may adopt their existing CWSRF criteria as outlined in CWA section 603(i)(2)(A), or revise/adapt it accordingly to reflect the CWA section 221 program.

Minimum Allocation for Green Project Reserve: CWA section 221(f)(2) requires that to the extent there are sufficient eligible project applications, at least 20% of a state’s allocation must be used for green infrastructure, water and energy efficiency improvements, and other environmentally innovative activities. For further guidance regarding possible eligible projects, refer to EPA’s Green Project Reserve Guidance for the CWSRF: <https://www.epa.gov/cwsrf/green-project-reserve-guidance-clean-water-state-revolving-fund-cwsrf>.

D. Strategic Plan Linkage and Anticipated Outputs/Outcomes:

Pursuant to Section 6a of [EPA Order 5700.7, Environmental Results under the EPA Assistance Agreements](#), states must link proposed assistance agreement workplans with the Agency’s Strategic Plan. EPA also requires that workplans adequately describe environmental outputs and outcomes to be achieved under assistance agreements.

Linkage to EPA’s Strategic Plan: The activities to be funded support [EPA’s Fiscal Year \(FY\) 2018-2022 Strategic Plan](#). The following statement should be included in the workplan:

As described in the project descriptions, the funding by this OSG program supports EPA’s Strategic Plan under Goal 1, “A Cleaner, Healthier Environment: Deliver a cleaner, safer, and healthier environment for all Americans and future generations by carrying out the Agency’s core mission,” Objective 1.2, “Provide for Clean and Safe Water: Ensure waters are clean through improved water infrastructure and, in partnership with states and tribes, sustainably manage programs to support drinking water, aquatic ecosystems, and recreational, economic, and subsistence activities.”

States must explain in their workplan how their project will further this goal and objective. States must include specific statements describing the environmental results of proposed activities in

terms of well-defined outputs and, to the maximum extent practicable, well-defined outcomes that will demonstrate how activities will contribute to program priorities.

Outputs: The term “output” means an environmental activity, effort, and/or associated work product related to an environmental goal and objective that will be produced or provided over a period of time or by a specified date. Outputs may be quantitative or qualitative but must be measurable during an assistance agreement funding period.

Expected outputs from the activities to be funded under this announcement may include, but are not limited to, the following:

- Increase in investment for infrastructure projects to address CSOs, SSOs, and stormwater management
- Increase in investment for infrastructure projects that implement long-term CSO and SSO control plans
- Increase in funding to financially distressed communities
- Increased adoption of green infrastructure, water and energy efficiency improvements, and other environmentally innovative activities to address CSOs, SSOs, and stormwater management

Outcomes: The term “outcome” means the result, effect, or consequence that will occur from carrying out an environmental program or activity that is related to an environmental or programmatic goal or objective. Outcomes may be qualitative and environmental, behavioral, health-related or programmatic in nature, but must also be quantitative. They may not necessarily be achievable within an assistance agreement funding period.

Expected outcomes from the activities to be funded under this announcement may include, but are not limited to, the following:

- Reduction in the occurrence and severity of combined sewer overflow and sanitary sewer overflow events in impacted communities
- Increased compliance for municipalities and municipal entities in regard to NPDES permits and relevant control plans for CSOs and SSOs
- Reduction in the impacts of stormwater pollution and enhance opportunities for stormwater capture and use among municipalities and municipal entities
- Increased compliance for municipalities and municipal entities in regard to NPDES permits for municipal separate storm sewer systems

E. Budget Narrative:

Provide a detailed budget and the estimated funding amounts for each project task when developing the budget narrative. An example detailed budget can be found at: [Sample Budget](#). Identify the requested federal dollars, demonstrate how the cost share will be met, and provide the total project cost for each project task.

Provide a description of proposed cost for each of the budget categories found in Form SF 424A (i.e., personnel, travel, contractual, other). Identify funding by budget category for each year of funding request. Explain if and how non-federal partners will contribute to the required cost share. This section provides an opportunity for a narrative description of the budget or aspects of the budget such as other costs and contracts. Describe itemized costs in sufficient detail for the EPA to determine whether the costs for each workplan component/task are reasonable and allowable, including the use of the cost share funds. Please note that an applicant's and any sub-recipient's indirect cost/fringe generally may be used as cost share.

VIII. STATE ACTIVITIES SELECTION

Each state will submit a draft workplan to their respective EPA Regional Office based on the programmatic priorities outlined previously in this document. The workplan must clearly demonstrate that proposed activities are eligible and adhere to the requirements of the grant program. EPA Regional Offices will review the draft workplan to confirm that the workplan: (1) is designed to help achieve the elements, goals, and objectives of the grant program; (2) includes eligible costs that are allowable and consistent the grant program; (3) clearly identifies and describes the specific outputs, outcomes, and other results that are expected to be achieved, including target dates and milestones for achieving them; (4) clearly identifies the source of the applicable and required cost share requirements (see Part IX. COST SHARING REQUIREMENTS).

States are encouraged to begin this process as soon as possible to identify activities for the grant award. Both the EPA Regions and the states are also encouraged, where possible, to discuss any proposed activities prior to submission of the draft workplan and list of required documents and information (see Part VII. WORKPLAN, part B Eligible Activities). EPA encourages states to submit this information as soon as possible if they have questions that need to be addressed (i.e., whether a proposed activity is eligible or meets the mandatory criteria established by statute).

Submission Instructions: After workplan negotiations and other pre-application discussions are completed with the EPA Regional Office, see [Appendix D](#) for instructions for submitting applications through www.Grants.gov, including how to access the Funding Opportunity Number: EPA-CEP-02, and Assistance Listing #: 66.447.

IX. COST SHARING REQUIREMENTS

Cost Share Percentage: The statutory language in CWA section 221(d) describes:

The Federal share of the cost of activities carried out using amounts from a grant made under subsection (a) shall be not less than 55 percent of the cost.

To implement this statutory requirement, EPA established that the Federal share for activities awarded under CWA section 221, shall be 80% of the total activities cost. Consequently, states are required to provide the remaining 20% share of the total activities cost/grant award amount.

Optional Sources of Cost Share: CWA section 221(d) continues to describe:

...The non-Federal share of the cost may include, in any amount, public and private funds and in-kind services, and may include, notwithstanding section 603(h), financial assistance, including loans, from a State water pollution control revolving fund.

For each award a state receives under CWA section 221, consistent with the language of the CWA and Uniform Grant Guidance (2 CFR Part 200 et seq.), cost share funds can be provided through any, or a mix, of the following:

- public sources, including state appropriations or local government match to the OSG grant project etc.;
- private sources, such as funding from a local business or nonprofit contributing to the OSG project etc.;
- In-kind services, states should work with their EPA Regional Project Officers to identify appropriate in-kind services in their OSG workplans and applications. For example, the state's administrative expenses for managing and overseeing the OSG grant and OSG projects can be in-kind services provided that the expenses are not being reimbursed by the federal share of the OSG award. OSG-related expenses paid by the CWSRF fee accounts, held outside the Fund, may also be used as in-kind services provided, they are appropriately identified in the CWSRF Intended Use Plan (IUP) and CWSRF annual report.
- A CWSRF loan (including additional subsidization) to the same subrecipient or different subrecipients may be used to meet the cost share requirement. Only non-equivalency CWSRF agreements may be used. CWSRF proportionality rules do not apply to OSG grant draws.

The cost share amount can be provided at any time during the grant's project period. The source of the cost share should be included in the workplan and it should be documented on the OSG final Federal Financial Report (FFR) report – which is due to EPA 90 days after the end of the budget period.

X. AWARD ADMINISTRATION INFORMATION

- A. **Regulatory Requirements for Grant Assistance Agreements:** This award is subject to the regulations of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards; Title 2 CFR, Parts 200 and 1500. A listing and description of the EPA's general regulations applicable to the award of assistance agreements may be viewed at:
<https://www.epa.gov/grants/policy-regulations-and-guidance-epa-grants>.

In the event that the Governor of the state in which a project is located determines that a requirement of Title VI is inconsistent with the purposes of this section, as noted in CWA section 221(e), EPA requests a notification or letter from the Governor's office explaining their reasoning in choosing to exercise this option.

- B. **Terms and Conditions:** General administrative and programmatic terms and conditions applicable to the EPA's assistance agreements may be viewed at www.epa.gov/grants/grant-terms-and-

[conditions](#). EPA Regional Offices will ensure that all applicable terms and conditions are included in the grant agreements.

- C. **Funding to Subrecipients:** Funding may be used to provide subawards of financial assistance provided the state grantee complies with applicable requirements for subawards including those contained in 2 CFR Part 200 and the EPA's Subaward Policy at <https://www.epa.gov/grants/grants-policy-issuance-gpi-16-01-epa-subaward-policy-epa-assistance-agreement-recipients>. The National Term and Condition for Subawards is available at https://www.epa.gov/sites/production/files/2016-02/documents/gmc_subaward_policy_appendix_b_national_t_and_c.pdf.
- D. **Funding to Other State Agencies:** EPA's general policy, based on the definitions of the terms "Non-federal [entity](#)" (2 CFR §200.69), "Pass-through entity" (2 CFR §200.74) "Recipient" (2 CFR §200.86) and "State" (2 CFR §200.90), is that the state itself is the legal entity that receives the funds even if one particular component of the state is named in the assistance agreement as the recipient. Transfers of funds between state agencies to perform a particular financial assistance agreement would, therefore, be governed by state law. Additionally, 2 CFR §200.417 "Interagency Services" contemplates situations in which one agency provides services to another agency within the same unit of government as a direct cost of performing the EPA assistance agreement.

If utilizing interagency service agreements between state agencies under 2 CFR §200.417, the expenditures the state agency makes to carry out the Interagency Service Agreement should be shown in the corresponding direct cost categories (Personnel, Travel, Contractual etc.). If state law characterizes agreements under which one state agency provides services to another state agency as a procurement contract, then the costs would be placed in the contractual category. In interagency service situations, 2 CFR §200.417 provides the state may charge a pro-rated share of indirect costs for the service, or 10% of the ". . . direct salary and wage cost of providing the service (excluding overtime, shift premiums, and fringe benefits) may be used in lieu of determining the actual indirect costs of the service." Centralized services included in central service cost allocation plans subject to [2 CFR Part 200 Appendix V](#) are accounted for separately.

There may be situations in which state law provides that state agencies or instrumentalities are legally separate for the purposes of financial transactions between them or when state financial management policies for federal assistance agreements require separate instruments for accounting purposes (e.g. due to differences in indirect cost rates). In those situations, a state may characterize appropriate funding transfers as subawards. Note, however, that if one state agency provides a subaward to another state agency the state agency acting as the pass-through entity must comply with applicable provisions of 2 CFR Part 200 (including [2 CFR §200.332](#), the National Term and Condition for Subawards, and the EPA Subaward Policy unless the EPA provides an exception. The aggregate cost estimates for subawards to other state agencies or instrumentalities should be included as line items in the "Other" budget category.

- E. **Procurements:** When procuring property and services under a Federal award, a state must follow the same policies and procedures it uses for procurements from its non-Federal funds. The state will comply with [2 CFR §200.323](#) Procurement of Recovered Materials, and ensure that every purchase order or other contract includes any clauses required by section [2 CFR §200.327](#) Contract provisions. All other non-Federal entities, including subrecipients of a

state (other than another state agency), will follow §200.318 General Procurement Standards through §200.327 Contract Provisions.

- F. **Performance Partnership Grants:** Funds awarded under this program are not eligible for inclusion with the state's Performance Partnership Grants.
- G. **Pre-award Costs:** As authorized in [2 CFR §1500.9](#), EPA award recipients may incur allowable project costs 90 calendar days before the Federal awarding agency makes the Federal award. Expenses more than 90 calendar days pre-award require prior approval of EPA. All costs incurred before EPA makes the award are at the recipient's risk. EPA is under no obligation to reimburse such costs if for any reason the recipient does not receive a Federal award or if the Federal award is less than anticipated and inadequate to cover such costs.
- H. **Quality Assurance/Quality Control:** Activities that include the collection of environmental data, such as household water quality testing, will need to comply with the Quality Assurance/Quality Control requirements in [2 CFR 1500.12](#). Environmental data are any measurements or information that describe environmental processes, location, or conditions; ecological or health effects and consequences; or the performance of environmental technology. States should allow sufficient time and resources for this process. The EPA can assist states in determining whether QA/QC is required for a proposed project and, if required, the appropriate QA/QC practices needed. This requirement is non-applicable for OSG projects that do not collect Environmental Data.
- I. **Application of Federal Cross-Cutting Authorities (Cross-Cutters):** A number of federal laws, executive orders, and government-wide policies apply by their own terms to projects and activities receiving federal financial assistance, regardless of whether the statute authorizing the assistance makes them applicable. All programs, projects, and activities for which a state provides assistance are subject to the following federal anti-discrimination laws: Civil Rights Act of 1964, as amended, 42 U.S.C. 2000d *et seq.*; section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. 794; and the Age Discrimination Act of 1975, as amended, 42 U.S.C. 6102. A state is responsible for ensuring that assistance recipients comply with the requirements of crosscutters.
- J. **American Iron and Steel:** According to CWA section 221(e), a project that receives assistance shall be carried out subject to the same requirements as a project that receives assistance from a state water pollution control revolving fund (CWSRF) under title VI. Therefore, a treatment works project funded with CWA section 221 funds must agree to comply with CWA section 608 and follow the American Iron and Steel requirement which provide that the iron and steel products used in the project must be produced in the United States, unless a waiver is granted. Please see Implementation of Iron and Steel Provisions of P.L.113-76, Consolidated Appropriations Act of 2014 <https://www.epa.gov/sites/production/files/2015-09/documents/ais-final-guidance-3-20-14.pdf>
- K. **Davis-Bacon:** Projects funded with CWA section 221 funds are subject to CWA section 513 and a state grantee must apply the prevailing wage provision known as the Davis-Bacon act. <https://www.epa.gov/grants/guidance-implementation-davis-bacon-epa-funded-construction-grants>

- L. **Disadvantaged Business Enterprises (DBE):** EPA’s DBE program and its requirements are contained within [40 CFR Part 33](#) as modified by various memorandums and exceptions issued over time. More information on the DBE program requirements are located at: <https://www.epa.gov/grants/disadvantaged-business-enterprise-program-under-epa-assistance-agreements-dbe-program> and within the [General Administrative and Programmatic Terms and Conditions](#). When required, the recipient agrees to complete and submit a “MBE/WBE Utilization Under Federal Grants and Cooperative Agreements” report (EPA Form 5700-52A) on an annual basis. The current EPA Form 5700-52A can be found at the EPA Grantee Forms Page at: https://www.epa.gov/sites/production/files/2020-06/documents/epa_form_5700_52a_fill-sign.pdf. Reporting is required for assistance agreements where funds are budgeted for procuring construction, equipment, services and supplies (including funds budgeted for direct procurement by the recipient or procurement under subawards or loans in the “Other” category) with a cumulative total that exceed the Simplified Acquisition Threshold (SAT) (currently, \$250,000 however the threshold will be automatically revised whenever the SAT is adjusted; See 2 CFR Section 200.1), including amendments and/or modifications. When reporting is required, all procurement actions are reportable, not just the portion which exceeds the SAT.
- M. **Environmental Reviews:** The state shall apply its own “NEPA-like” state environmental review process for complying with the CWA section 511(c)(1) provided that the following elements (1) through (5) are met:
1. *Legal foundation.* The state must have the legal authority to conduct environmental reviews of CWA section 212 construction projects receiving SRF assistance. Such authority and supporting documentation must specify:
 - (i) The mechanisms to implement mitigation measures to ensure that a project is environmentally sound;
 - (ii) The legal remedies available to the public to challenge environmental review determinations and enforcement actions;
 - (iii) The state agency primarily responsible for conducting environmental reviews;
 - (iv) The extent to which environmental review responsibilities will be delegated to local recipients and will be subject to oversight by the primary state agency.
 2. *Interdisciplinary approach.* The state must employ an interdisciplinary approach for identifying and mitigating adverse environmental effects including, but not limited to, those associated with other applicable Federal environmental authorities.
 3. *Decision documentation.* The state must fully document the information, processes and premises that influence decisions to:
 - (i) Proceed with a project contained in a finding of no significant impact (FNSI) following documentation in an environmental assessment (EA);
 - (ii) Proceed or not proceed with a project contained in a record of decision (ROD) following preparation of a full environmental impact statement (EIS);
 - (iii) Reaffirm or modify a decision contained in a previously issued categorical exclusion (CE), EA/FNSI or EIS/ROD following a mandatory five year environmental reevaluation of a proposed project; and
 - (iv) If a state elects to implement processes for either partitioning an environmental review or CE from environmental review, the state must similarly document these processes in its proposed state environmental review process, also known as SERP.

4. *Public notice and participation.*
 - (i) The state must provide public notice when a CE is issued or rescinded, a FNSI is issued but before it becomes effective, a decision issued five years earlier is reaffirmed or revised, and prior to initiating an EIS.
 - (ii) Except with respect to a public notice of a categorical exclusion or reaffirmation of a previous decision, a formal public comment period must be provided during which no action on a project will be allowed.
 - (iii) A public hearing or meeting must be held for all projects except for those having little or no environmental effect.
5. *Alternatives Consideration.* The state must have evaluation criteria and processes which allow for:
 - (i) Comparative evaluation among alternatives including the beneficial and adverse consequences on the existing environment, the future environment and individual sensitive environmental issues that are identified by project management or through public participation; and
 - (ii) Devising appropriate near-term and long-range measures to avoid, minimize or mitigate adverse impacts.

N. **Reporting Requirements:** In accordance with [2 CFR §200.329](#), the non-Federal entity (in this case the state receiving the grant) must submit an annual report to their EPA regional office 90 days after the end of the state fiscal year. Further, in accordance with [2 CFR §200.329](#), the recipient agrees to report on key project characteristics, milestones, and environmental/public health protection results in the following areas: 1) achievement of the outputs and outcomes established in the workplan; 2) the reasons for delays if established outputs or outcomes were not met; and 3) any additional pertinent information on environmental/public health results. Information provided in the reports helps monitor the state's progress with implementing their project and also directly supports the grant program by highlighting measurable accomplishments to the public and Congress.

The final performance report submitted by the state must be due no later than 120 calendar days after the period of performance end date and summarize accomplishments, expenditures, outcomes, outputs, lessons learned, and any other resources leveraged during the project and how they were used. The subrecipient must submit to the state, no later than 90 calendar days after the period of performance end date, all final performance reports as required by the terms and conditions of the Federal award. See also §200.344.

XI. CONTACT INFORMATION

For general questions about the Sewer Overflow and Stormwater Reuse Municipal Grants Program, please contact the Clean Water State Revolving Fund Branch at (202) 564-7347, or by email at OSG@epa.gov. For questions that require the assistance of an EPA Regional Office, please see the table below.

Address	Contact	States and Territories Represented
<p>U.S. EPA Region 1 5 Post Office Square, Suite 100 Boston, MA 02109-3912</p>	<p>Jason Turgeon Turgeon.Jason@epa.gov Phone: 617-918-1637</p>	<p>CT, ME, MA, NH, RI, VT</p>
<p>U.S. EPA Region 2 290 Broadway, 18th Floor New York, NY 10007-1866</p>	<p>Denis Durack Durack.Denis@epa.gov Phone: 212-637-3875</p>	<p>NJ, NY, PR, VI</p>
<p>U.S. EPA Region 3 1650 Arch Street Philadelphia, PA 19103</p>	<p>Magdalene Cunningham Cunningham.Magdalene@epa.gov Phone: 215-814-2338</p>	<p>DE, DC, MD, PA, VA, WV</p>
<p>U.S. EPA Region 4 61 Forsyth Street, SW 16th Floor (9T25) Atlanta, GA 30303-8960</p>	<p>Caroline Ejimofor Ejimofor.Caroline@epa.gov Phone: 404-562-9309</p>	<p>AL, FL, GA, KY, MS, NC, SC, TN</p>
<p>U.S. EPA Region 5 77 West Jackson Boulevard (WS-15J) Chicago, IL 60604-3507</p>	<p>Kate Johnson Johnson.Catherine@epa.gov Phone: 312-353-5692</p>	<p>IL, IN, MI, MN, OH, WI</p>
<p>U.S. EPA Region 6 1445 Ross Avenue, Suite 1200 Dallas, TX 75202-2733</p>	<p>Miranda Penn Penn.Miranda@epa.gov Phone: 214-665-7417</p>	<p>AR, LA, NM, OK, TX</p>
<p>U.S. EPA Region 7 11201 Renner Boulevard Lenexa KS 66219</p>	<p>Glenn Curtis Curtis.Glenn@epa.gov Phone: 913-551-7726</p>	<p>IA, KS, MO, NE</p>

Address	Contact	States and Territories Represented
<p>U.S. EPA Region 8 1595 Wynkoop Street (8P-W-TF) Denver, CO 80202-1129</p>	<p>Benjamin Bents Bents.Benjamin@epa.gov Phone: 303-312-6435</p>	<p>CO, MT, ND, SD, UT, WY</p>
<p>U.S. EPA Region 9 75 Hawthorne St. San Francisco, CA 94105</p>	<p>Elizabeth Borowiec Borowiec.Elizabeth@epa.gov Phone: 415-972-3419</p>	<p>AZ, CA, HI, NV, AS, GU, CNMI</p>
<p>U.S. EPA Region 10 1200 Sixth Avenue, Suite 900 (OWW-137) Seattle, WA 98101</p>	<p>Sejal Soni Soni.Sejal@epa.gov Phone: 206-553-1798</p>	<p>AK, ID, OR, WA</p>

APPENDIX A: Glossary of Terms

Combined Sewer Overflow: A discharge of untreated wastewater from a combined sewer system at a point before the headworks of a treatment works. CSOs generally occur during wet weather (rainfall or snowmelt). During periods of wet weather, these systems become overloaded, bypass treatment works, and discharge directly to receiving waters at designed overflow points.

Construction²: The term "construction" means any one or more of the following: preliminary planning to determine the feasibility of treatment works, engineering, architectural, legal, fiscal, or economic investigations or studies, surveys, designs, plans, working drawings, specifications, procedures, field testing of innovative or alternative waste water treatment processes and techniques meeting guidelines promulgated under section 1314(d)(3) of this title, or other necessary actions, erection, building, acquisition, alteration, remodeling, improvement, or extension of treatment works, or the inspection or supervision of any of the foregoing items.

Municipality³: A city, town, borough, county, parish, district, association, or other public body created by or pursuant to state law and having jurisdiction over disposal of sewage, industrial wastes, or other wastes, or an Indian tribe or an authorized Indian tribal organization, or a designated and approved management agency under CWA section 208.

Sanitary Sewer Overflow: Untreated or partially treated sewage overflows from a sanitary sewer system intended to carry wastewater or waterborne wastes to a treatment works.

Stormwater: Stormwater runoff, snow melt runoff, and surface runoff and drainage.

Subsurface Drainage Water: Water from an underground collection system (e.g., sewer, tile drain, etc.) used to manage overland flow of water (e.g., stormwater, irrigation water, etc.). Depending on the type of collection system, subsurface drainage may be a point source or nonpoint source of pollution.

Treatment Works⁴: (A) 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 1281 of this title, 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 used 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.

² [33 USC 1292 \(1\)](#)

³ [33 USC 1362 \(4\)](#)

⁴ [33 USC 1292 \(2\)](#)

(B) In addition to the definition contained in subparagraph (A) of this paragraph, "treatment works" means any other method or system for preventing, abating, reducing, storing, treating, separating, or disposing of municipal waste, including storm water runoff, or industrial waste, including waste in combined storm water and sanitary sewer systems. Any application for construction grants which includes wholly or in part such methods or systems shall, in accordance with guidelines published by the Administrator pursuant to subparagraph (C) of this paragraph, contain adequate data and analysis demonstrating such proposal to be, over the life of such works, the most cost efficient alternative to comply with sections 1311 or 1312 of this title, or the requirements of section 1281 of this title.

APPENDIX B: Data Sources for the Allocation Formula

On August 4, 2020, EPA published a Federal Register Notice⁵ on the section 221 allocation formula design and its contributing data sources used to assess total needs of the state for municipal CSO controls, SSO controls, and stormwater. The data sources used in these need determinizations are as follows:

- Clean Watersheds Needs Survey: The CWNS includes and documents identified capital investment needs for Sanitary Sewer Overflow Correction (Categories I-IV where states have shown a designated SSO need), Combined Sewer Overflow Correction (Category V), and Stormwater Management (Category VI). Information for this factor will be taken from the most recent published CWNS⁶ and will be updated accordingly.

- Annual Average Precipitation: The precipitation factor for each state is the annual average amount of precipitation collected from the past 10 years of data from the National Oceanographic and Atmospheric Association (NOAA) National Centers for Environmental Information, Climate at a Glance: Statewide Time Series. These data will be updated annually to form a 10-year rolling average.⁷ Due to data limitations, alternative data sources are proposed to be used for the following states:
 - Hawaii: The past 10 years of data for annual average precipitation will be collected from the Hilo Area, Honolulu Area, Kahului Area, and Lihue Area from the Honolulu Forecast Office of NOAA.⁸ These sources constitute the most complete data set in the relevant timeframe and are considered the best available representation for Hawaii.
 - District of Columbia: The past 10 years of data for annual average precipitation will be collected from the Washington Area from the Baltimore/Washington Forecast Office of NOAA. This is the most complete data set in the relevant timeframe and is considered the best available representation for the District of Columbia.⁹
 - Puerto Rico: The past 10 years of data for annual average precipitation will be collected from the San Juan Area and Ensenada and Morovis weather stations from the San Juan Forecast Office of NOAA. These sources constitute the most complete data set in the relevant timeframe and are considered the best available representation for Puerto Rico.¹⁰
 - American Samoa: The past 10 years of data for annual average precipitation will be collected from the Pago Pago Area from the Pago Pago Forecast Office of NOAA. This is

⁵ Federal Registry citation # [85 FR 47205](#)

⁶ *Clean Watersheds Need Survey 2012 Report to Congress*, January 2016. <https://www.epa.gov/cwns/clean-watersheds-needs-survey-cwns-2012-report-and-data>

⁷ NOAA National Centers for Environmental information, Climate at a Glance: Statewide Time Series, accessed April 2020, <https://www.ncdc.noaa.gov/cag/statewide/time-series>

⁸ NOAA, Honolulu Forecast Office, Hilo Area, Honolulu Area, Kahului Area, and Lihue Area Data, <https://w2.weather.gov/climate/xmacis.php?wfo=hnl>

⁹ NOAA, Baltimore/Washington Forecast Office, Washington Area Data, <https://w2.weather.gov/climate/xmacis.php?wfo=lwx>

¹⁰ NOAA, San Juan Forecast Office, San Juan Area and Ensenada, and Morovis Weather Station Data. <https://w2.weather.gov/climate/xmacis.php?wfo=sju>

the most complete data set in the relevant timeframe and is considered the best available representation for American Samoa.¹¹

- Guam: The past 10 years of data for annual average precipitation will be collected from the Guam Area from the Tiyan Forecast Office of NOAA. This is the most complete data set in the relevant timeframe and is considered the best available representation for Guam.¹²
 - Northern Mariana Islands: The past 10 years of data for the annual average precipitation will be collected from the Guam Area from the Tiyan Forecast Office of NOAA. There are no available weather stations in the Northern Mariana Islands. However, the Northern Mariana Islands are covered by the Tiyan Forecast Office and Guam is located approximately 130 miles away. It has been determined that data from the Guam Area can be considered an acceptable surrogate for precipitation amounts in the Northern Mariana Islands.¹³
 - U.S. Virgin Islands: The past 10 years of data for the annual average precipitation will be collected from the Christiansted Airport and St. Thomas weather stations from the San Juan Forecast Office of NOAA. These sources constitute the most complete data set in the relevant timeframe and are considered the best available representation for the U.S. Virgin Islands.¹⁴
- Total Population: Data for the total population factor will be taken from the most recent published U.S. Census Bureau decennial census. The initial allocation will be based on the 2010 U.S. Census and will be updated accordingly.
 - The states, the District of Columbia, and Puerto Rico population data will be taken from the U.S. Census Bureau State Population Totals and Components of Change.¹⁵
 - American Samoa, Guam, Northern Mariana Islands, and U.S. Virgin Islands population data will be taken from the U.S. Census Bureau Island Area Tables.¹⁶
 - Urban Population: The urban population factor for each state will be based on the available data from the most recent U.S. Census Bureau decennial census.¹⁷ The initial formula will be based on the 2010 U.S. Census and data will be updated as future decennial censuses are published. Urban population estimates for American Samoa, Guam, Northern Mariana Islands, and the U.S. Virgin Islands are not available through the Census. The following alternative data sources will be used and updated as needed.

¹¹ NOAA, Pago Pago Forecast Office, Pago Pago Area Data, <https://w2.weather.gov/climate/xmacis.php?wfo=samoa>

¹² NOAA, Tivan Forecast Office, Guam Area Data, <https://w2.weather.gov/climate/xmacis.php?wfo=guam>

¹³ Ibid.

¹⁴ NOAA, San Juan Forecast Office, Christiansted Airport and St. Thomas Weather Station Data, <https://w2.weather.gov/climate/xmacis.php?wfo=sju>

¹⁵ U.S. Census Bureau, State Population Totals and Components of Change 2010-2019, <https://www.census.gov/data/tables/time-series/demo/popest/2010s-state-total.html>

¹⁶ U.S. Census Bureau, 2010 Island Area Tables, <https://www.census.gov/data/tables/2010/dec/2010-island-areas.html>

¹⁷ U.S. Census Bureau, Census Urban and Rural Classification and Urban Area Criteria, <https://www.census.gov/programs-surveys/geography/guidance/geo-areas/urban-rural/2010-urban-rural.html>

- American Samoa: Data from the Central Intelligence Agency World Factbook will be used. The percentage of the total population considered to be urban will be multiplied by the total population.¹⁸
- Guam: Data from the Central Intelligence Agency World Factbook will be used. The percentage of the total population considered to be urban will be multiplied by the total population.¹⁹
- Northern Mariana Islands: Data from the Central Intelligence Agency World Factbook will be used. The percentage of the total population considered to be urban will be multiplied by the total population.²⁰
- U.S. Virgin Islands: Data from the Central Intelligence Agency World Factbook will be used. The percentage of the total population considered to be urban will be multiplied by the total population.²¹

¹⁸ Central Intelligence Agency, World Factbook, American Samoa, <https://www.cia.gov/library/publications/the-world-factbook/geos/aq.html>

¹⁹ Central Intelligence Agency, World Factbook, Guam, <https://www.cia.gov/library/publications/the-world-factbook/geos/gg.html>

²⁰ Central Intelligence Agency, World Factbook, Northern Mariana Islands, <https://www.cia.gov/library/publications/the-world-factbook/geos/cq.html>

²¹ Central Intelligence Agency, World Factbook, U.S. Virgin Islands, <https://www.cia.gov/library/publications/the-world-factbook/geos/vq.html>

APPENDIX C: Application Forms and Submission

The following are a list of forms that are part of the application process and should be downloaded at <https://www.grants.gov/web/grants/forms.html> in response to the Assistance Listing:

Required forms

- Standard Form 424 (“Application for Federal Assistance”)
- Standard Form 424A (“Budget Information for Non-Construction Programs”)
- EPA Form 4700-4 (“Pre-award Compliance Review Report”)
- Project Narrative Attachment Form²² (Work Plan)
- Budget Narrative Attachment Form²¹
- EPA Form 6600-06 (“[Certification Regarding Lobbying](#)”) is available at epa.gov and will be requested by the EPA Project Officer after the application has been selected for an award.

Post-Award

- EPA Form 5700-52A (“[MBE/WBE Utilization Report](#)”) is available at epa.gov
- Standard Form 425 (Federal Financial Report)

²² The Project Narrative and Budget Narrative forms may appear as optional attachments in Grants.gov, however they are a pivotal component of evaluating the grant application package and should be included in the application package submitted through Grants.gov.

APPENDIX D: Grants.gov Instructions Guide - Noncompetitive Applications for States

After workplan negotiations and other pre-application discussions are completed, Program Offices/Regional GMOs will communicate to the state or territory the specific instructions for submitting their application on Grants.gov.

Register with Grants.gov: EPA requires that all initial applications be submitted through Grants.gov.

In order to submit your application using Grants.gov, your organization must be registered with Grants.gov. Please allow four weeks to complete registration. Also, please note that you must have a Data Universal Number System (DUNS) number and an active SAM.gov registration before registering with Grants.gov. Please note that only Authorized Organization Representatives (AORs) can submit an application on behalf of your organization. You can find out more information about registering here: <https://www.grants.gov/web/grants/applicants/organization-registration.html>

Access Grant Application Package

Applicants can access the grant application package two ways: by either using the direct link below or searching for the application package using the Funding Opportunity Number.

For a direct link to the application package: <https://www.grants.gov/web/grants/view-opportunity.html?oppld=273808>

Search using the Funding Opportunity Number (Note – OSG applicants use Funding Opportunity Number EPA-CEP-02):

Go to <https://www.grants.gov/web/grants/applicants/search-opportunity-package.html>

Type “EPA-CEP-02” into the “Funding Opportunity Number” field and click “Search”.

Search for Opportunity Package

To search for an opportunity package, enter the Funding Opportunity Number or Opportunity Package ID and click the Search button. If you do not remember the Funding Opportunity Number for the grant opportunity, return to the [Search Grants](#) section to locate the grant opportunity.

Please enter criteria and click Search:

Funding Opportunity Number:

Opportunity Package ID:

Once the applicant has entered the Funding Opportunity Number, Assistance Listing numbers will be listed.

OPPORTUNITY PACKAGE(S) CURRENTLY AVAILABLE FOR THIS FUNDING OPPORTUNITY:						
CFDA	Competition ID	Competition Title	Opportunity Package ID	Opening Date	Closing Date	Actions
66.001			PKG00213703		10/04/2020	Preview Apply
66.032			PKG00214049		10/04/2020	Preview Apply
66.034			PKG00214050		10/04/2020	Preview Apply
66.038			PKG00214051		10/04/2020	Preview Apply
66.040			PKG00214052		10/04/2020	Preview Apply
66.042			PKG00214046		10/04/2020	Preview Apply
66.121			PKG00214048		10/04/2020	Preview Apply
66.124			PKG00214043		10/04/2020	Preview Apply
66.125			PKG00214045		10/04/2020	Preview Apply
66.202			PKG00214047		10/04/2020	Preview Apply
66.418			PKG00214053		10/04/2020	Preview Apply
66.419			PKG00214103		10/04/2020	Preview Apply
66.432			PKG00214104		10/04/2020	Preview Apply
66.433			PKG00214105		10/04/2020	Preview Apply
66.437			PKG00214106		10/04/2020	Preview Apply
66.454			PKG00214107		10/04/2020	Preview Apply
66.456			PKG00214108		10/04/2020	Preview Apply
66.458			PKG00214109		10/04/2020	Preview Apply
66.460			PKG00214110		10/04/2020	Preview Apply

Click “Apply” next to Assistance Listing 66.447

Once you have accessed the application package:

1. Login to create a Workspace for the opportunity. Fill out and attach the forms and information that your particular program requires. Contact your EPA point of contact if you have questions about which forms and materials you must submit for your program. Please note that the DUNS number on your application must belong to the entity listed on the application as applying for the grant.
2. Submit your application. Please Note: an AOR is the only one who can submit an application and they must be authorized by the entity applying for the grant.
3. Confirm with your EPA point of contact that EPA has received your application package.

If for any reason you cannot submit your application by the deadline specified, contact your EPA point of contact immediately.

Resources: A link to Grants.gov resources such as how to apply, register, and seek help.

<https://www.grants.gov/web/grants/applicants.html>

What happens next?

When the application is submitted using Grants.gov, EPA’s Grant Management System will use the applicants state to identify the region receiving the application package. An accompanying ‘lookup table’ will associate the region with an EPA point of contact in that region to receive the email notice and the link to the application in the pre-award module.

Applicant Grants.gov Support

Visit the Grants.gov Applicant page here <https://www.grants.gov/web/grants/applicants.html> for FAQs, User Guides, Checklists, Training and Technical Support.

Call or email the Grants.gov Contact Center (<https://www.grants.gov/web/grants/support.html>) – Open 24 hours a day, 7 days a week – with any technical questions or issues. 1-800-518-4726
support@grants.gov

APPENDIX E: Grants Policies and Resources

Grants Policy Resources: EPA grant policies may affect how recipients manage and administer EPA assistance agreements. Refer to the resources in the following link for specific information that may be pertinent to your grants.

<https://www.epa.gov/grants/epa-grants-policy-resources>

Grants Policy Issuance (GPI) 16-01: EPA Subaward Policy for EPA Assistance Agreement Recipients:

<https://www.epa.gov/grants/grants-policy-issuance-gpi-16-01-epa-subaward-policy-epa-assistance-agreement-recipients>

EPA Office of Grants and Debarment Guidance on Selected Items of Cost for Recipients:

<https://www.epa.gov/grants/rain-2018-g01-r>

Cost review template and guidance for EPA project officers 40 CFR Part 35 Subpart A:

<https://www.epa.gov/grants/cost-review-template-and-guidance-project-officers-grants-under-40-cfr-part-35-subpart>

Best Practice Guide for Procuring Services, Supplies, and Equipment Under Assistance Agreements:

<https://www.epa.gov/grants/best-practice-guide-procuring-services-supplies-and-equipment-under-epa-assistance-agreements>

Grants Management Training for Applicants and Recipients: <https://www.epa.gov/grants/epa-grants-management-training-applicants-and-recipients>