



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**  
WASHINGTON, D.C. 20460

June 3, 2005

OFFICE OF  
WATER  
CWSRF 05-3

**MEMORANDUM**

**TO:** CWSRF Regional Coordinators  
EPA Regions I – X

**FROM:** George Ames, Chief /s/  
State Revolving Fund Branch

**SUBJECT:** Clean Water State Revolving Fund Compliance with EPA Order on  
Environmental Results

On November 30, 2004, the Grants Administration Division (GAD) issued EPA Order 5700.7, Environmental Results Under Assistance Agreements, which became effective January 1, 2005. The purpose of this Order is to address environmental results under EPA Assistance Agreements, including grants and cooperative agreements and to establish a stronger linkage between EPA-financed projects and the goals of the Agency's Strategic Plan. Knowing the CWSRF's substantial role in funding water infrastructure projects, it is important that environmental results are credited to those funded projects. This memorandum provides information that will assist both the Regional Project Officers and States in understanding and complying with the requirements of the EPA Order.

**Background on EPA Order:**

The EPA's Strategic Plan includes five goals to better serve the mission of the Agency, which is to protect human health and the environment. The goal that applies to the Clean Water State Revolving Fund is Goal 2: Clean and Safe Water. The key elements for the CWSRF are found under Goal 2, Objective 2.2, Sub-Objective 2.2.1: Improve Water Quality on a Watershed Basis. "By 2008 use pollution prevention and restoration approaches, so that:

- In 600 of the Nation's watersheds, water quality standards are met in at least 80 percent of the assessed water segments.
- In 200 watersheds, all assessed water segments maintain their quality and at least 20 percent of assessed water segments show improvement above conditions of 2002."

The Order stipulates that grantees, working in conjunction with their Project Officers, incorporate outputs and to the maximum extent practicable, outcomes that are linked to the goals

and objectives of EPA's Strategic Plan into their workplans. Project Officers should work with their grantees to identify outputs and outcomes as we strive to attain shared environmental strategic goals. It is the responsibility of the Project Officers to assure in the Funding Recommendation that the workplans submitted by grantees contain well-defined outputs and, to the maximum extent practicable, well-defined outcomes. A description of how Project Officers make such assurances will be discussed further in this memorandum.

The EPA Order applies to all EPA grants and grant programs including the CWSRF, and all funding packages /funding recommendations submitted to the Grants Management Office after January 1, 2005. Each State's Capitalization Grant application must include selected well-defined outputs and, to the maximum extent practicable, well-defined outcomes in the Goals and Objectives section of the State's Intended Use Plan (IUP). As defined by GAD, an output means "an environmental activity or effort, and associated work products related to an environmental goal or 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" (EPA Order, Section 2). Project Officers should exercise their own best professional judgment when reviewing the output measures submitted by the States.

Further, GAD defines an outcome as, "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" (EPA Order, Section 2). States should be informed that it is recognized that outcomes may require a longer span of time than one fiscal year to formulate measurable results. Such outcomes may be entered into the Annual Report at the time they become measurable. It is important to note that every output listed in the IUP does not need to have an outcome associated with it for that given fiscal year.

### **Discussion:**

In developing the Strategic Plan and the National Program Guidance (which describes for each environmental program, multi-year strategies for accomplishing goals presented in EPA's Strategic Plan), the Agency collaborated with a myriad of State associations to develop agreed upon key outcome and output performance measurements. The CWSRF program, in conjunction with ASIWPCA and CIFA, currently has four *National Reportable Output* program activity measures (PAMS). At a national level, these measures are acceptable outputs that satisfy the EPA Order. Using these four PAMS as a guide, we have developed the attached *Sample Anticipated Outputs Activities and Sample Anticipated Outcomes* document.

*The Sample Anticipated Outputs and Outcomes* are additional output/outcome measures that may be used by the States to meet the EPA Order. If any of the *Sample Anticipated Outputs Activities* are applicable to projects being funded in the current fiscal year, States may select these activities from the sample list and insert them in their IUP to comply with the EPA Order. If these samples do not relate to projects funded in the States' fiscal year, States may opt to create their own outputs/outcomes. Furthermore, if these samples do relate to projects funded in the fiscal year, but the States would like to create their own outputs/outcomes and not use the samples, they may do so and satisfy the EPA Order. All of the activities shown require States to include estimated project-level data in order to successfully comply with the Environmental

Results Order. This project-level data includes the number of projects funded in a given area, the total dollar amount allocated to those projects, and various percentages. It is understood that these numbers are only estimates based on the projects intended to receive funding in a given year.

The final section in the “Sample” is dedicated to the *Sample Anticipated Outcomes Activities*. These activities may be used by States who find them applicable to those projects funded. It is required that the Annual Report be used to record progress on meeting outputs and outcomes. The incorporation of outcomes into Annual Reports is a way to report on the accomplishments of the CWSRF program for the past fiscal year.

### **Environmental Benefits:**

The CWSRF, working with ASIWPCA and the States, has developed a method for measuring the environmental benefits achieved through the program. The Benefits Assessment project is a voluntary process by which participating States can measure the environmental results of their programs by collecting project-level data through a Benefits Assessment one-page worksheet (attached). We encourage all States to participate in this project.

States may use their completed Benefits Assessment one-page worksheets to satisfy the requirements of the EPA Order. GAD has reviewed the one-page worksheet and accepts its use as a method of measuring the outputs and outcomes of a program’s financed projects. If a State chooses to use the one-page worksheet to meet the EPA Order, the State must include in its IUP a statement which says that the State agrees to complete a one-page worksheet for all binding commitments (final loan agreements). The States must also include copies of the completed worksheets or a summary table of the worksheets in their Annual Report in order to demonstrate compliance with the EPA Order. If a State is providing loans for section 212, 319 and 320 projects but decides to only complete one-page worksheets for section 212 projects, the State must then include in its IUP output and outcome measures for the section 319 and/or 320 loans listed in the IUP.

If you have any questions concerning CWSRF compliance with the EPA Order, please contact Sheila Platt, at (202) 564-0686 or at [platt.sheila@epa.gov](mailto:platt.sheila@epa.gov).

### **Attachments**

cc: Paul Cough, Municipal Support Division  
Sylvia Bell, Municipal Support Division  
Howard Corcoran, Office of Grants and Debarment  
Richard T. Kuhlman, Grants Administration Division  
Peggy Anthony, Office of Grants and Debarment  
Kimberley Roy, Office of Water  
Tracey Miller, Office of Water

## SAMPLE

**GRANT PROGRAM:** *Clean Water State Revolving Fund (CWSRF)*

**CFDA:** 66.458

**STRATEGIC PLAN OBJECTIVE 2: PROTECT WATER QUALITY - Protect the quality of rivers, lakes and streams on a watershed basis and protect coastal and ocean waters.**

**Subobjective 2.2.1:** Protect and Improve Water Quality on a Watershed Basis - Number of the Nation's watersheds where: water quality standards are met in at least 80% of the assessed water segments; and all assessed water segments maintain their quality and at least 20% of assessed water segments show improvement above conditions of 2002.

**NATIONAL REPORTABLE OUTPUTS/OUTCOMES (PAMS) FOR CWSRF:**

- ☐ Number and dollar value of projects financed with CWSRF loans to prevent polluted runoff.
- ☐ Fund utilization rate [cumulative loan agreement dollars to the cumulative funds available for projects] for the CWSRF.
- ☐ Return on Federal Investment [cumulative dollar amount of assistance disbursements to projects divided by cumulative federal outlays for projects [for the CWSRF].
- ☐ Number of states using integrated planning and priority systems to make CWSRF funding decisions (cumulative).

**OUTPUTS/OUTCOMES TO ACHIEVE SUBOBJECTIVE(S):**

*Note:* The following outputs/outcomes are options for grantees to consider including in their work plans. They can be modified and augmented as necessary to suit the particular needs and circumstances of the grantee.

**SAMPLE ANTICIPATED OUTPUTS/ACTIVITIES:**

- ☐ Number of projects financed [insert a range of number of possible projects] that will result in landfill closures.
- ☐ Number of projects financed [insert range of number of projects] to upgrade wastewater treatment plants operating at the secondary level to the advanced treatment level.
- ☐ Number and dollar of projects financed [insert number and dollar value of projects] to prevent polluted runoff. (PAM)
- ☐ Number of high priority projects identified for funding to protect and improve water quality on a watershed basis through an integrated planning and priority system. (PAM)
- ☐ In FY \_\_\_\_, our fund utilization rate was [calculate percentage], which is lower than the national average. In the coming year we intend to increase our pace to [calculate percentage]. (PAM)

**SAMPLE ANTICIPATED OUTCOMES (SHORT-TERM/LONG-TERM):**

- ☐ Number of projects contributing to landfill closures and resulting in restored acreage.
- ☐ Number of projects financed to upgrade WWTPs from secondary level treatment to advanced (tertiary) treatment that have produced a higher quality effluent from those facilities.
- ☐ Annual reduction in pollutant loadings [lbs. tons of nitrogen, phosphorus, and sediment] from nonpoint sources to waterbodies. (PAM)
- ☐ Improvement in water quality on a watershed basis.

# CWSRF Benefits Reporting

Contact Information

Project Information

Search



## ENTER LOAN INFORMATION:

Select a Loan



1 of 1



Add/Delete Loans



Borrower:

Tracking #:

Borrower:

Loan Amount \$:

Total from Project Records \$s:

0

Loan Interest Rate:

 %

Repayment Period:

 yrs

Loan Execution Date:

Tracking #:

Other #:

Phased Funding?

☐

Phase #:

Linked to Original Tracking #:

## ENTER PROJECT INFORMATION:

Select Project Record



1 of 1



Add/Delete Project



Project Description:

### Needs Category(ies)

Funded Amount

-- Select a Needs Category --

 0

-- Select a Needs Category --

 0

-- Select a Needs Category --

 0

-- Select a Needs Category --

 0

-- Select a Needs Category --

 0

### Project Improvement/Maintenance of Water Quality

a. Contributes to water quality .....

b. Allows the system to .....

c. Affected waterbody is .....

d. Allows the system to address....

### Contribution to Protection or Restoration of the Waterbody Uses

☐ Check if project only improves infrastructure

Designated  
Surface Water Uses

Protection

Restoration

Other Uses and  
Outcomes

Protection Restoration




☐
☐




☐
☐




☐
☐




☐
☐




☐
☐

Discharge to:

Waterbody ID:

Waterbody ID Type:

☐

Seasonal  
Discharge

Permit Type:

Permit Number:

Population Served:

Wastewater Volume:

Project:

mgd

Facility:

mgd

Project Comments:

