

GLOUCESTER CLEAN WATER INFRASTRUCTURE FINANCING

1. The Clean Water Act was enacted in 1972.
2. It authorized grants to states for Clean Water projects on a 75%-federal contribution/25% state or local contribution basis.
3. It was the largest non-military public works program since the Interstate Highway System under Eisenhower.
4. Although Congress appropriated to states nearly \$41 billion under the municipal wastewater treatment grant program through 1984, many communities did not take full advantage of the program before it was completely phased out.
5. Gloucester received only \$1.05 million in clean water infrastructure grants between 1976 and 1987.
6. When President Reagan was elected, he targeted the Act for reduction and elimination on his stated premise that: (a) the intent to address the backlog of sewage treatment needs had been virtually eliminated by the mid-1980s; and (b) the state and local governments were fully capable of running construction programs and had a clear responsibility to construct treatment capacity to meet environmental objectives that he saw as primarily established by the states.
7. In 1987, the CWA was amended to create a new State Water Pollution Control Revolving Funds (SRF) program.
8. From 1981-1987 the match changed to 55% federal contribution–45% state or local contribution under that amended version.
9. Between 1991-2009 under the Clean Water State Revolving Fund, Gloucester has borrowed from this federally-capitalized fund \$89.49 million in low or negative interest loans for 23 infrastructure projects.
10. Since 1997, it has borrowed for 17 of those projects totaling \$76.46 million.
11. Under the federal State and Tribal Grant Assistance (STAG) program for specific waste water treatment and other water quality projects – a set aside of a portion of the SRF funding for direct targeting to projects – some communities benefited from receipt of funds which were not obligated to be fully repaid.

12. From 1989 – 2009 Massachusetts received \$798.5 million of which Boston ranked as the largest recipient at \$743.2 million (most of which went toward the clean- up of Boston Harbor).
13. Since coming to Congress in 1997 congressman Tierney has secured for Essex County over \$7 million in direct federal assistance for clean water infrastructure upgrades. Of that amount, \$1.29 million has been for Gloucester, including the \$500,000 announced today (October 29, 2009).
14. In MA, Essex County was the third highest recipient of such STAG grants.
15. In 2009, the American Recovery and Reinvestment Act (ARRA – or “federal stimulus bill”) committed \$4 Billion more nationwide to recapitalize the states’ CWSRF and waived the current law requirement of a local match for recapitalization.
16. States were to prioritize projects that were “shovel ready” within 12 months.
17. Massachusetts received \$133 million for CWSRF which it leveraged into an additional 85 projects.
18. Gloucester is in line to receive funds for two projects under this plan: (1) the Gloucester Wastewater treatment Plant at \$13 million and (2) the Washington Street Area Sewage rehabilitation project at \$4.3 million.
19. Under this plan, in addition to accessing the federally capitalized loan fund, Gloucester will have its repayments reduced by \$1.54 million and also save substantially on its borrowing costs.
20. A final decision on applications will be made by the MA DEP by 1/15/10.