



EPA's Clean Water State Revolving Fund

A low-cost financing source for water quality improvement

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51 state-level
infrastructure “banks”
that make loans for
water quality projects

- EPA funds state CWSRFs each year with 20% state match



- All 50 states and Puerto Rico have CWSRF programs

- Apply for financing through state CWSRFs



Terms: Up to 30 years

or useful life of the project, whichever is less



Below-market rates: 1.2% average interest rate in 2020 (compared to market rate 2.7%)



May also include additional subsidies (e.g., loan forgiveness and grants)

Repayment starts one year after project completion



CWSRF Assistance Options

- At or below market interest rate loans that may not exceed 30 years or the useful life of the project
- Buy or refinance local debt
- Guarantee or purchase of insurance for local debt obligations
- Guarantee SRF debt obligations (leveraging)
- Guarantee loans of “sub-state revolving funds”
- Pay SRF administrative expenses
- Additional subsidization



Financial Benefits of CWSRF Funding

- Coverage of up to 100 percent of project costs;
- Below-market rate loans down to zero percent;
- Provide match for grants that support eligible projects;
- Repayment starts one year after project completion;
- Deferred payments of principal and/or interest;
- Terms up to 30 years and extended term financing options that reduce annual interest payments;
- Dedicated revenues for loan repayments that can come from any source;
- Access to co-financing opportunities;
- Credit enhancements that lower the cost of borrowing for less than AAA green debt obligations; and
- Access to affordable assistance for technical assistance, project development, and planning



Flexible Repayment Options

- Identifying a repayment source can be challenging for watershed and land conservation projects...

- Usage based wastewater bill charges
- Special assessments
- Timber harvest revenues
- Environmental credits
- Stormwater district fees
- Nonprofit membership fees
- Home-owner association fees
- For profit company revenue
- Property tax revenue
- Hunting license fees



Lower Klamath River, California

Bipartisan Infrastructure Law (BIL)

- Significant federal funding for water and wastewater infrastructure funding FY22-FY26 (5-year total)
 - CWSRF General Supplemental
 - **\$11,713,000,000**
 - CWSRF Emerging Contaminants Supplemental
 - **\$1,000,000**
 - **All eligibilities in place**

BIL Opportunities

- **49%** of BIL funds must go out as additional subsidization (e.g., principal forgiveness, grants)
- **Opportunity for states to target assistance to priority issues**

Who is eligible?

(eligibility varies by state and project type)



Communities



Private Entities



**Nonprofit
Organizations**



**Citizen
Groups**

What Projects are Eligible for CWSRF Assistance?



Squalicum Creek, Washington Stream Re-Route, Washington

Clean Water Act

- 603(c)(1) Construction of publicly owned treatment works (POTW)
- 603(c)(2) Implementation of a nonpoint source management program
- 603(c)(3) Implementation of a national estuary program CCMP
- 603(c)(4) Decentralized systems
- **603(c)(5) Stormwater management**
- 603(c)(6) Projects that reduce the demand for POTW capacity through water conservation, efficiency, and reuse
- 603(c)(7) Watershed pilot projects
- 603(c)(8) Projects that reduce the energy consumption needs for POTWs
- 603(c)(9) Reuse of wastewater, stormwater, or subsurface drainage water
- 603(c)(10) Security measures at POTWs
- 603(c)(11) Technical assistance to small and medium POTWs
- 603(c)(12) Assistance to a qualified nonprofit entity to provide assistance to an eligible individual for the repair or replacement of household decentralized treatment systems

Project Categories

- Wastewater Treatment Plant Repair and Upgrade
- Decentralized Wastewater Treatment
- **Groundwater Protection**
- **Surface Water Protection**
- **Green Infrastructure**
- Contaminated Sites Clean Up & Conversion
- Planning/Assessments and Monitoring
- **Land Conservation**
- **Habitat Restoration**
- **Stormwater**
- Water Conservation & Reuse
- And more!

A full listing of CWSRF eligibilities including examples of eligible projects can be found in the “Overview of Clean Water State Revolving Fund Eligibilities,” which can be downloaded from our website at: <https://www.epa.gov/cwsrf/overview-clean-water-state-revolving-fund-eligibilities>

Innovative Financing Mechanisms



- Co-Funding
- Grant Match
- Sponsorship Financing
- Programmatic Financing
- State Incentives
- Linked Deposit
- Pass-Through Lending



Financing Options for
Nontraditional Eligibilities
in the Clean Water State
Revolving Fund Programs



May 2017

EPA Publication Number 830817003

<https://www.epa.gov/cwsrf/clean-water-state-revolving-fund-cwsrf-resources>

<https://www.epa.gov/cwsrf/clean-water-state-revolving-fund-cwsrf-nontraditional-financing>

Ohio's Water Resource Restoration Sponsor Program (WRRSP)

Medina Marsh Land Conservation Project



CWSRF can finance both a POTW project and a NPS project **in one loan and offer an incentive rate**. To the sponsored project, the financing feels like a grant.

Northeast Ohio Regional Sewer District (NEOSD) received 0.06% discount on standard rate in exchange for sponsoring land protection

- Sponsored acquisition of 87-acre Medina Marsh with partners Western Reserve Land Conservancy and Medina County Park District
- Protects 1,450 linear feet of floodplain and forested buffer along the Rocky River, 32 acres of high quality wetlands, and various habitats

Expanding the SRF Reach: Co-Financing **DWSRF & CWSRF Coordinate to Protect 250 Acres**

- DWSRF grant from 15% local assistance set-aside for property value appraisal
- CWSRF loan used to purchase 250 acres of forest (up to 50% principal forgiveness)
- Protects drinking water source for Skagit PUD's 65,000 customers in perpetuity



Skagit Public Utility District, Washington

Next Steps:

- Subscribe to the EPA SRF Newsletter [HERE](#) for updates
- Contact EPA CWSRF team: CWSRF@epa.gov
- Reach out to your state CWSRF program!
<https://www.epa.gov/cwsrf/forms/contact-us-about-clean-water-state-revolving-fund-cwsrf#state>
- Have a discussion on the financing options available to you

Next Steps:

Learn about the Clean Watersheds Needs Survey!

Assessment of all states' and territories' water infrastructure needs that are eligible for SRF funding.

Includes projects needed/unfunded as of January 1st, 2022, through the next 20 years.

- Data entry open from March 1, 2022 – February 28, 2023
- State staff and/or their contractors complete the survey on behalf of their state
- Survey results are published in a **Report to Congress** and data are made available via public EPA “data dashboard”
- Last survey conducted in 2012

<https://www.epa.gov/cwns>

CWSRF Resources

Overview of CWSRF Eligibilities

<https://www.epa.gov/cwsrf/overview-clean-water-state-revolving-fund-eligibilities>

CWSRF Webinars

<https://www.epa.gov/cwsrf/cwsrf-webinars>

CWSRF Fact Sheets

<https://www.epa.gov/cwsrf/clean-water-state-revolving-fund-cwsrf-project-success-stories>

State CWSRF Websites and Contacts

<https://www.epa.gov/cwsrf/forms/contact-us-about-clean-water-state-revolving-fund-cwsrf#state>

Clean Watersheds Needs Survey and State Coordinators

<https://www.epa.gov/cwns>
<https://www.epa.gov/cwns/state-cwns-program-contacts>

Water Finance Learning Modules (SRF, DWSRF, WIFIA, etc.)
A 101 of each EPA water financing program is available.

<https://ofmpub.epa.gov/apex/wfc/f?p=165:9:8014844532819::NO:9::>

CWSRF Best Practices Guide for Financing Nonpoint Source Solutions

<https://www.epa.gov/system/files/documents/2021-12/cwsrf-nps-best-practices-guide.pdf>