



Clean Water
State Revolving Fund



Shaping the CWSRF of the Future

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Shaping the CWSRF of the Future

- CWSRF Budget Update
 - FY 2014 Enacted Appropriation
 - FY 2015 President's Budget
 - Water Infrastructure Finance and Innovation Act



CWSRF Budget Update

FY 2014 Enacted Appropriation

- FY 2014 CWSRF Appropriated Amount:
\$1,448,887,000
- Additional Subsidy: Not less than 20% but not more than 30%
 - Applies only to the amount over \$1 billion
- Green Project Reserve: Not less than 10%
- American Iron and Steel Requirement

CWSRF Budget Update

American Iron and Steel (AIS) Requirement

- Applies to SRF assistance agreements executed on January 17, 2014 through the end of the fiscal year
- Directs all iron and steel products installed in a project to be made in America if any SRF funds go to the project
 - EPA may grant waivers if applying the AIS requirement is against the public interest
- EPA issued guidance on implementation and the waiver process is available at:
http://water.epa.gov/grants_funding/aisrequirement.cfm
- The AIS requirement does not apply to manufactured goods

CWSRF Budget Update

FY 2015 President's Budget

- FY 2015 Requested Amount for the CWSRF:
\$1,018,000,000
- Additional Subsidy: Not less than 10% but not more than 20%
 - Unlike previous years, the provision would apply to the full appropriation
- Green Project Reserve: Not less than 20%

CWSRF Budget Update

Water Infrastructure Finance and Innovation Act (WIFIA)

- Included as part of the Water Resources Development Act of 2013 (S. 601), which was passed by the Senate on May 15, 2013
 - The House companion bill, HR 3080, does not contain a WIFIA provision
- Creates a program that allows EPA to provide loans and guarantees to public and private entities for large water and wastewater projects, of at least \$20 million
- There is a strong possibility that WIFIA will be included in the final bill
- The CWSRF can offer similar types of financial assistance, including providing guarantees and purchasing insurance

Shaping the CWSRF of the Future

- Innovation and the CWSRF
 - Utilizing CWSRF Funding to Address Critical Needs
 - Taking Advantage of Existing Financial Authorities
 - Collaborating with Other Federal and State Agencies



Innovation and the CWSRF

Utilizing CWSRF Funding to Address Critical Needs

- The Clean Water and Drinking Water Sustainability Policy can greatly assist the CWSRF in meeting the challenge of providing clean and safe water by:
 - Emphasizing low-cost, “upfront” planning processes that support sustainability
 - Endorsing a “fix it first” approach that focuses on system upgrade and replacement in existing communities
 - Ensuring that management strategies and rate structures are in place to support the wastewater infrastructure investments
 - Considering climate-related impacts, as well as a variety of infrastructure options, including the use of green infrastructure and other nontraditional approaches
- EPA will continue to work with the states in exploring ways these principles can be incorporated into CWSRF funding determinations

Innovation and the CWSRF

Utilizing CWSRF Funding to Address Critical Needs

- Much of this effort has focused on expanding the consideration of CWSRF projects eligibilities, especially related to:
 - Promoting green infrastructure
 - Combating and mitigating the impacts of climate change
- These types of projects not only provided significant environmental benefits, but can provide real cost savings as well

Innovation and the CWSRF

Utilizing CWSRF Funding to Address Critical Needs

- EPA activities aimed at promoting the consideration of green infrastructure and climate resiliency by the CWSRF include:
 - Released the “Importance of Operation and Maintenance for the Long-Term Success of Green Infrastructure” report
 - Revised the CWSRF Annual Review Checklist to incorporate several questions on resilience to climate change and extreme weather
 - Developing the “CWSRF and DWSRF Conversation Guide on Climate Change and Extreme Weather Issues”
 - Developing a paper on nontraditional eligibilities

Innovation and the CWSRF

Taking Advantage of Existing Financial Authorities

- Expanding the use of existing CWSRF project eligibilities is incomplete without equal consideration on how the CWSRF can actually fund them
- Potential recipients of CWSRF funding must be willing to adopt these options
- Sufficient funding must be available to meet the demand for financing wastewater infrastructure and other environmentally vital projects
- Innovative use of existing financial authorities can help meet these objectives

Innovation and the CWSRF

Taking Advantage of Existing Financial Authorities

- CWSRF has many financial tools at its disposal
 - Flexibility to set CWSRF loan repayment schedules and interest rates to best suit the needs of borrowers
 - Extended term financing that goes beyond 20 years
 - Additional subsidy that can assist small and disadvantaged communities while also supporting project planning that promotes sustainability
 - Other tools, including introducing guarantees and insurance, expanding the co-financing of projects, and more creative application of the investment authority
- The paper on nontraditional eligibilities will include a review of various financing mechanisms and how they can be used to support these types of projects

Innovation and the CWSRF

Collaborating with Other Federal and State Agencies

- Strategic partnerships with other federal and state agencies have the potential to greatly improve the CWSRF's ability to fund the most critical needs
 - In January of 2013, a joint EPA-USDA-HUD-IHS workgroup finalized a standardized Preliminary Engineering Report (PER) for communities seeking funding
 - EPA participates in the Small Communities Water Infrastructure Exchange (SCWIE), which is a network of federal and state funding officials that assists small and/or rural communities with their environmental infrastructure needs



Questions?

www.epa.gov/cleanwatersrf