

# *Opportunities and Partnerships to Advance the CWSRFs*

**Dr. Andrew Sawyers, Director  
Office of Wastewater Management  
U.S. Environmental Protection Agency  
Washington, DC - May 18, 2015**

# CWSRF Performance Highlights

- To date, the CWSRFs have provided approximately 35,400 assistance agreements to communities, financing nearly \$109 billion in projects.
- The CWSRFs have committed over \$2.8 dollars to projects for every federal dollar received through federal capitalization grant awards.
- Over \$4.3 billion has gone to projects addressing nonpoint sources of pollution.
- Through the Green Project Reserve, the CWSRFs have funded a multitude of innovative projects, ranging from \$757 million for green infrastructure solutions to \$2.5 billion for water and energy efficiency improvement projects.
- In 2014, the average CWSRF interest rate was 1.8% compared to the prevailing market rate of 4.5%.
- The CWSRFs have made effective use of their additional subsidization authority by providing over \$4 billion in the form of principal forgiveness and grants.

# Opportunities and Partnerships to Advance the CWSRFs

- Opportunities through the WRRDA Amendments
- Strategic Partnerships

# Opportunities through the WRRDA Amendments

## Expanded Project Eligibilities

- The WRRDA amendments have resulted in a significant expansion of eligible project types particularly with respect to stormwater infrastructure and water reuse and recycling.
- The expanded eligibilities are defined mostly in terms of the results they are intended to achieve.
- They also send a clear signal about the priorities of Congress when it comes to the role of the CWSRFs.

# Opportunities through the WRRDA Amendments

## Expanded Project Eligibilities Continued

- These expanded eligibilities allow the CWSRFs to address the most pressing state and local water quality issues.
  - Privately owned regulated stormwater is now eligible, opening the door to such opportunities as public-private partnerships for green infrastructure.
  - The CWSRFs can now fund recycled water distribution lines on private property and industrial reuse.
- The CWSRFs have already begun to take advantage of the expanded eligibilities provided by WRRDA.
  - Several states are considering funding projects that correct inflow and infiltration of privately owned house laterals.

# Opportunities through the WRRDA Amendments

## Financing Options

- Consistent with the requirements of WRRDA, the CWSRFs may provide additional subsidization when the annual appropriation is greater than \$1 billion.
- Additional subsidization is a powerful tool for the CWSRFs to:
  - reach communities that could not otherwise afford a loan;
  - incentivize communities to incorporate green infrastructure and other non-traditional elements into their project designs; and
  - assist recipients in implementing new WRRDA provisions related to sustainable project planning such as requiring fiscal sustainability plans and cost and effectiveness analyses.

# Opportunities through the WRRDA Amendments

## Financing Options Continued

- The CWSRFs may now offer a loan that is up to 30 years provided that it does not exceed the useful life of the project.
  - This will allow greater flexibility in offering financing terms that meet the needs of various communities, including those that are small and disadvantaged.
- The amendments provide much more flexibility in using CWSRF funds to cover administrative expenses.
  - In addition to maintaining and operating the programs, administrative resources can also be used for other eligible purposes.
  - For example, the CWSRFs can use administrative funds to hire a nonprofit to provide technical assistance to eligible small systems/projects.

# Opportunities through the WRRDA Amendments

## EPA's Ongoing Efforts

- The WRRDA amendments add a great deal of flexibility to the types of projects and activities fundable under the CWSRFs.
- Recognizing the potential this flexibility can offer the CWSRFs, EPA is promoting the new eligibilities by:
  - working hard to facilitate the sharing of ideas amongst states by highlighting innovative projects monthly in EPA's Water Headlines;
  - planning to bring back our SRFs Up newsletter that will highlight state activities such as marketing, new financing mechanisms, and other state innovations; and
  - intending to post write-ups on projects of interest on the CWSRF website.



# Strategic Partnerships

## Water Infrastructure Finance and Innovation Act

- The Water Infrastructure Finance and Innovation Act (WIFIA) and the CWSRFs can work together.
  - The CWSRFs could cover the portion of the project not being funded by WIFIA.
  - The CWSRFs would be eligible to borrow from WIFIA to finance a combination of projects under a single application.
  - The CWSRFs could guarantee the taxable debt used by an eligible WIFIA recipient to cover its 51% share.
  - The CWSRFs could direct large projects it cannot finance to WIFIA. Conversely, WIFIA could direct projects more appropriate for CWSRF funding to the CWSRFs.
  - The CWSRFs could conduct construction inspections of co-financed projects or be contracted to inspect other WIFIA projects.

# Strategic Partnerships

## Water Infrastructure and Resiliency Finance Center

- The newly established Water Infrastructure and Resiliency Finance Center can offer much to both the CWSRFs and WIFIA.
  - The Center can help direct or “feed” projects into the pipelines for both programs by emphasizing these financing sources and supporting innovation in how projects are financed.
  - The Center will have a major function supporting the establishment and funding of stormwater utilities. The CWSRFs with the newly expanded eligibilities could play a role in supporting this effort.
  - The Center will work with states, cities, universities, non-profits and others to give communities technical assistance to help explore financing options.

# Strategic Partnerships

## Effective Utility Management and the Water Resources Utility of the Future Blueprint

- It is vitally important to engage with other important partners and support initiatives that are driving the way utilities are managing their operations.
- This summer, EPA, working with leading organizations like WEF, NACWA, and AWWA, will take a fresh look at the Effective Utility Management Attributes of Effectively Managed Utilities.
- Another important initiative revolves around the Water Resources Utility of the Future Blueprint developed by NACWA, WEF, and WERF.
- The CWSRFs with their new expanded project eligibilities, along with WIFIA, are in a great position to support these efforts.

# Opportunities and Partnerships to Advance the CWSRFs

[www.epa.gov/cleanwatersrf](http://www.epa.gov/cleanwatersrf)



Clean Water  
State Revolving Fund