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Office of Wastewater Management
U.S. Environmental Protection Agency
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Clean Water State Revolving Fund Helping America's Communities in Need



Clean Water State Revolving Fund

Helping America's Communities in Need

- Cumulatively, 36,159 CWSRF assistance agreements have provided over \$111 billion for vital projects
 - \$5.8 billion was provided in 2015 alone
- As of the end of February, the CWSRFs have provided \$4.1 billion
 - At this rate, the CWSRFs are possibly on track for passing the \$6 billion mark this year
- For every federal dollar awarded, over \$2.8 has been provided to eligible recipients
- Flexible financing options have allowed these programs to pass on significant costs savings
 - In 2015, the CWSRF average interest rate was 1.7%
- Additional subsidization is also available with over \$4.1 billion having been provided to eligible recipients

Clean Water State Revolving Fund

Helping America's Communities in Need

- Building Resilient Communities and CWSRFs
- Increasing Marketing and Outreach
- Funding Innovative Solutions
- Enhancing and Maintaining a Diverse and Strong Portfolio



Building Resilient Communities and CWSRFs

Increasing Marketing and Outreach

- EPA is putting considerable effort in working with CWSRFs to promote effective marketing and outreach
- An EPA and state workgroup was formed to discuss new initiatives and best practices for marketing the CWSRFs which include:
 - Creating a Model Marketing Plan
 - Assisting states with their marketing surveys
 - Developing a mapping tool which visually displays the program's impact
 - Creating a recognition program to highlight and award noteworthy projects
 - Exchanging best practices between CWSRF programs
 - Exploring creative ways of providing technical assistance for communities seeking CWSRF funding

Building Resilient Communities and CWSRFs

SRFs Up and CWSRF Annual Report



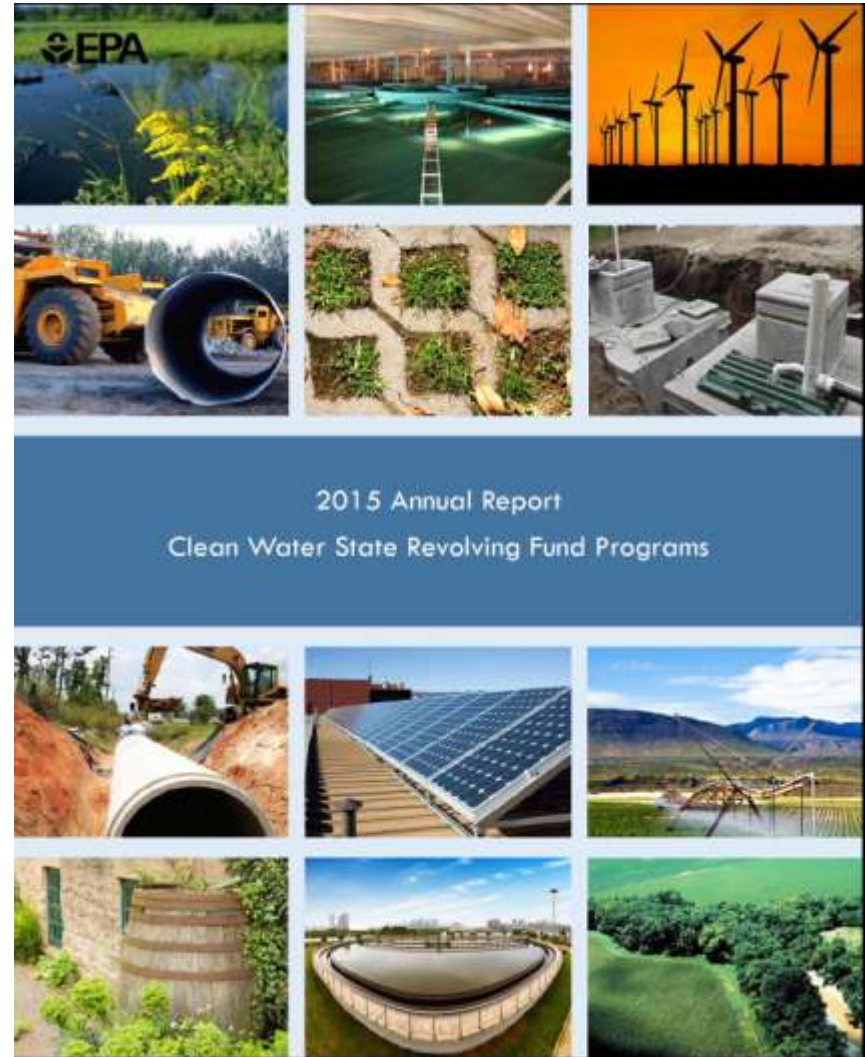
SINCE its introduction in 1987, the Clean Water State Revolving Fund (CWSRF) has established itself as one of the largest and most effective water infrastructure financing programs in the country. Through 2014, our 51 programs provided a combined \$105 billion in funding for critical infrastructure projects nationwide. This achievement is a testament to a financing model that has the ability to provide environmental and economic benefits in communities. The question of "how to pay" for infrastructure remains relevant today. National need for a robust, creative CWSRF is as pressing now as 27 years ago.

Our program exists in a time of change. The American Recovery and Reinvestment Act and subsequent appropriations introduced new requirements such as American Iron and Steel, additional subsidization, the Green Project Reserve, and Davis Bacon wage requirements. Additionally, the Water Resources Reform and Development Act (WRRDA) passed in June 2014 further expanded program eligibilities and introduced such requirements as fiscal sustainability planning and affordability. While these developments offer significant opportunities, they also pose some questions for our state partners and assistance recipients.

Today's funding climate demands creative approaches to engaging stakeholders. We must create a strategic, long term marketing vision to ensure that communities, associations and other constituents are not only aware of the availability of assistance, but the tremendous environmental and economic benefits the CWSRF can provide. I'm pleased to rekindle the SRFs Up Newsletter so EPA can contribute to marketing efforts at the national level by highlighting the good work that CWSRFs are engaged in. I know firsthand that our state partners are creative, flexible, dedicated and have an incredible history of accomplishment. This is a recipe for successfully navigating the opportunities ahead. State programs have EPA's sincere thanks for the work they do in representing this unique federal and state partnership.

Andrew Sawyers, Ph.D., Director
EPA Office of Wastewater Management

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2015 Annual Report Clean Water State Revolving Fund Programs

Building Resilient Communities and CWSRFs Arizona: Technical Assistance

- Residents of Tucson are significantly impacted by flash flooding storm events
- Received approximately \$35,000 in technical assistance from WIFA to assess the benefits of green stormwater infrastructure
- Results show green stormwater infrastructure can have a significant impact in reducing flooding, runoff and pollution



Building Resilient Communities and CWSRFs

Funding Innovative Solutions

- The CWSRFs can fund a diversity of projects that address their core priorities
 - construction of wastewater treatment facilities
 - green infrastructure projects
 - agricultural best management practices
 - energy efficiency improvements
 - decentralized wastewater treatment systems
 - water efficiency and conservation efforts
 - other water quality projects
- EPA continues to actively work with states to tap the untapped potential of these eligibilities



Building Resilient Communities and CWSRFs

Maryland: Energy Efficiency

- Crisfield, MD received a \$3.6 million CWSRF loan for a wind energy project at their wastewater treatment plant
- Over \$3.1 million of the principal was forgiven from this loan
- It's estimated the wind power will provide up to \$200,000 in savings per year
- Greenhouse gas emissions are estimated to be reduced by 765 metric tons per year



Building Resilient Communities and CWSRFs

New Jersey: Green Infrastructure

- The Camden County Municipal Utility Authority received a \$2 million grant and a \$3.6 million low interest CWSRF loan to capture 100 million gallons of stormwater per year and reduce flooding by:
 - constructing 17 new rain gardens;
 - daylighting a stream that had been paved over since the 1920's;
 - converting an abandoned factory into a 5.5 acre riverfront park which addresses Environmental Justice issues for Camden's Waterfront; and
 - replacing several failing portions of the city's combined sewer system



Building Resilient Communities and CWSRFs

Maintaining a Strong and Diverse Portfolio

- CWSRFs have the ability to provide below market rate loans
- The WRRDA amendments allow for additional subsidization, 30-year loans, and expanded eligibilities
- Flexible financing options have allowed the CWSRFs to maintain a diverse portfolio by effectively providing financial assistance to a wide range of communities
 - In 2015 alone, 64% of all assistance agreements went to projects serving a population of less than 10,000
 - Though a majority of assistance agreements went to these type of projects, approximately 42% of the funding went to large projects serving populations greater than 100,000

Building Resilient Communities and CWSRFs

West Virginia: Disadvantaged Assistance

- In the West Mud River watershed, an economically disadvantaged region in West Virginia, failing septic tanks can be a major contributor to nonpoint source pollution
- \$3.86 million was used to provide 117 homes technologically advanced septic systems that incorporate peat and ultra violet light treatment
- EPA contributed \$1 million in grant funds with the remaining \$2.86 million provided by the CWSRF at 100% principal forgiveness



Water Infrastructure Finance and Innovation Act (WIFIA)

- The President's Budget includes a request of \$20 million for WIFIA for FY 2017
 - \$15 million for credit subsidy to provide loans.
 - \$5 million for administering the program.
 - Potential loan volume of approximately \$1 billion
- Program development is continuing with the goal of the first loan to be obligated in FY 2017
- Many of the basic program functions and documents have been developed in draft
- Rulemaking process has begun with a schedule to issue a proposed rule at the end of FY 2016
- Congress is considering providing funds for WIFIA to support efforts to address lead contamination in drinking water

Water Infrastructure and Resiliency Finance Center

The Water Infrastructure and Resiliency Finance Center identifies financing approaches to help communities make better informed decisions for drinking water, wastewater, and stormwater infrastructure consistent with local needs.

A Think and Do Tank

- The Water Infrastructure and Resiliency Finance Center launched on January 16, 2015
- Focus is on supporting sustainable and resilient infrastructure financing for drinking water, wastewater, and stormwater needs
- Provide innovative financing and technical guidance to communities and stakeholders
- Work includes advising, convening, facilitating peer-to-peer learning opportunities, and providing access to information to share community models of financial and partnership success.

Water Infrastructure and Resiliency Finance Center

Caring for Communities

The Water Infrastructure and Resiliency Finance Center provides financial guidance and technical assistance, with a focus on disadvantaged and low-income communities.

- **Customer Assistance Programs (CAPs)**

Compendium – Highlights CAPs offered by drinking water and wastewater utilities to low-income customers. These programs (e.g., bill discounts, special rate structures) enable access to drinking water delivery and wastewater removal services while still allowing utilities to cover the costs of providing services.



- **Community Assistance for Resiliency and Excellence (WaterCARE)**

Program – Provides 10 communities with predevelopment financial planning assistance to increase investment in water infrastructure. Target communities have a population of less than 100,000, an immediate public health need, and/or a low median household income.

Water Infrastructure and Resiliency Finance Center

WaterCARE: Community Assistance for Resiliency and Excellence

Services

 Public Engagement and Customer Outreach

 Decision-Maker/Board Education and Training

 Alternatives Analyses

 Rate and Revenue Analyses

 Asset Management Practices

 Financing/Funding Options

 Affordability Analyses

 Fiscal Sustainability Plans

 Water Efficiency Studies

 Resiliency Assessments

 Regional Partnerships



WaterCARE will assist communities in developing a resilient and sustainable water infrastructure finance strategy to support capital water infrastructure that meets local long-term needs. Community characteristics include a combination of the following: population less than 100,000; an acute or chronic problem with an immediate public health need; MHI considerations; and readiness to proceed.



Water Infrastructure and Resiliency Finance Center

Sharing Financing Insights

*The Water Infrastructure and Resiliency Finance Center
collaborates with stakeholders to identify infrastructure financing solutions*

- **Stakeholder Funding Sources** – Working with federal agencies, states, and other stakeholders on the use of the SRFs and other funding best management practices.
- **Water Finance Forums** – Convening forums across the country where communities share their successful water and wastewater infrastructure financing strategies.
- **Resiliency and Disaster Recovery Financing** – Assisting communities to identify financing options for climate resilient and sustainable infrastructure projects.
- **Stormwater Financing** – Creating a stormwater financing clearinghouse to help communities develop revenue streams to fund stormwater and green infrastructure projects.
- **Water Sector Partnerships** – Reviewing financing strategies of public-private and public-public partnership projects in the water sector and collaborating with DHS to offer training for local officials.
- **Energy and Water Performance Contracting** – Researching model contracts and procurement best practices to increase funding for improved energy and water management for small and medium sized systems.

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www.epa.gov/cwsrf

