Flexible Funding for Watershed Protection and Restoration Projects

Restore America’s Estuaries Conference
November 4, 2014
What is the CWSRF?

- 20% State Match
- Federal Grant

CWSRF Loan

Clean Water
State Revolving Fund

[Images of landscapes and waterways]
Big Changes

• Water Resources Reform and Development Act
  • Additional subsidization
    • Principal forgiveness
    • Negative interest loans
    • Grants
  • Up to 30 year loan terms
  • New eligibilities
Broad Eligibilities

• Publicly owned treatment works
• Nonpoint source projects
• Implementation of National Estuary Program CCMP
• Decentralized systems
• Stormwater projects
• Water conservation
• Watershed pilot projects
• Energy efficiency
• Water reuse projects
• Security measures at POTWs
• Technical assistance
Broad Eligibilities

• Wastewater treatment plant
• Sewer interceptors
• Sewer collection systems
• Pumps and equipment
• CSO correction
• Land purchase for treatment application
• Stormwater pipes, storage and treatment
• Sediment traps and basins
• Wetland restoration
• Conservation easement
• Onsite sewage treatment (septics)
• Cluster systems
• Land for reservoirs

• Green infrastructure
• Energy-efficiency POTW upgrades
• Water conservation education
• Water-efficient fixtures
• Water meters
• Recycled water distribution system
• Alternative energy for a POTW
• Landfill leachate collection/liners
• Planting trees and shrubs
• Pervious pavement
• Contaminated site cleanup
• Efficient irrigation equipment
• Manure management BMPs
• More....
Assistance Recipients

- Municipalities
- Publicly Owned Wastewater Treatment Works
- Privately Owned Wastewater Treatment Works*
- Conservation District
- Nonprofit Organizations
- Watershed Groups
- Homeowners
- Farmers

*for certain project types/eligibilities
Flexible Repayment

This does not generate a repayment source...
Cost Savings

• CWSRF programs save communities significant financing costs:
  • For example, when the market rate is 6.0%, a 3.0% CWSRF loan to a $100,000 project is equal in savings to a $23,000 grant and a $77,000 loan at market rates.

<table>
<thead>
<tr>
<th>Cost Savings of CWSRF Below-Market Interest Rates</th>
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<tbody>
<tr>
<td>CWSRF Rate</td>
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<tr>
<td>Market Rate</td>
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Flexible Repayment

• **Repayment Sources**
• SRF assistance recipients have the flexibility to access income from many sources as repayment for assistance, including:
  - Usage based wastewater bill charges
  - Special assessments
  - Home owner association assessments
  - Stormwater district fees
  - Farming revenues
  - Non-profit membership fees
  - Home owner fees
  - Landfill fees
  - For profit company revenue
  - Property tax revenue
Land Conservation in California

• The Yurok Tribe purchased 22,237 acres on California’s Redwood Coast
• $18.75 million in CWSRF financing
• Repayment source: timber harvest and carbon credits
Park Revenues in DE and VA

Cape Henlopen State Park, Delaware

Natural Bridge Park, Virginia
Sponsorships

- POTWs can sponsor a NPS project in their community in exchange for a reduced interest rate on their CWSRF loan
- No financial impact to the POTW
- Projects without an easily identifiable repayment source get implemented
- States need to judiciously use this tool because it does impact the buying power of the CWSRF

<table>
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<tr>
<th>Project</th>
<th>POTW Project Only</th>
<th>POTW Project + NPS Project (Sponsorship)</th>
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<tbody>
<tr>
<td>Project Size</td>
<td>$1,000,000</td>
<td>$1,200,000</td>
</tr>
<tr>
<td>Interest Rate</td>
<td>2.98%</td>
<td>1.06%</td>
</tr>
<tr>
<td>Repayment Amount</td>
<td>$33,366 (2x / year)</td>
<td>$33,366 (2x / year)</td>
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Interest rate is set so that repayments remain the same.
Sponsorship Success in Ohio

Through March 2013, 117 projects restoring and permanently protecting an estimated:

- 143 miles of stream corridor
- 10,000 acres of riparian lands and wetlands
- Total cost of sponsored projects = $162,500,000

Pond Brook Wetlands Preservation – Metroparks Serving Summit County (2005)
CWSRFs as Match

• Many grant programs require match
• CWSRF may be used as match for grant programs
• Examples:
  • Nonpoint Source (319) Grants
  • National Estuary Program Grants
  • State grant programs
Remember...

- CWSRF Programs are Flexible
  - Can provide many types of assistance
  - Can provide assistance for many project types
  - Can provide assistance to a variety of borrowers
  - Can accept many different income streams for repayment of loans
Questions?

For State CWSRF program contact information, visit:
http://www.epa.gov/owm/cwfinance/cwsrf/contacts.htm

Kelly Tucker
U.S. EPA
202-564-0608
tucker.kelly@epa.gov