

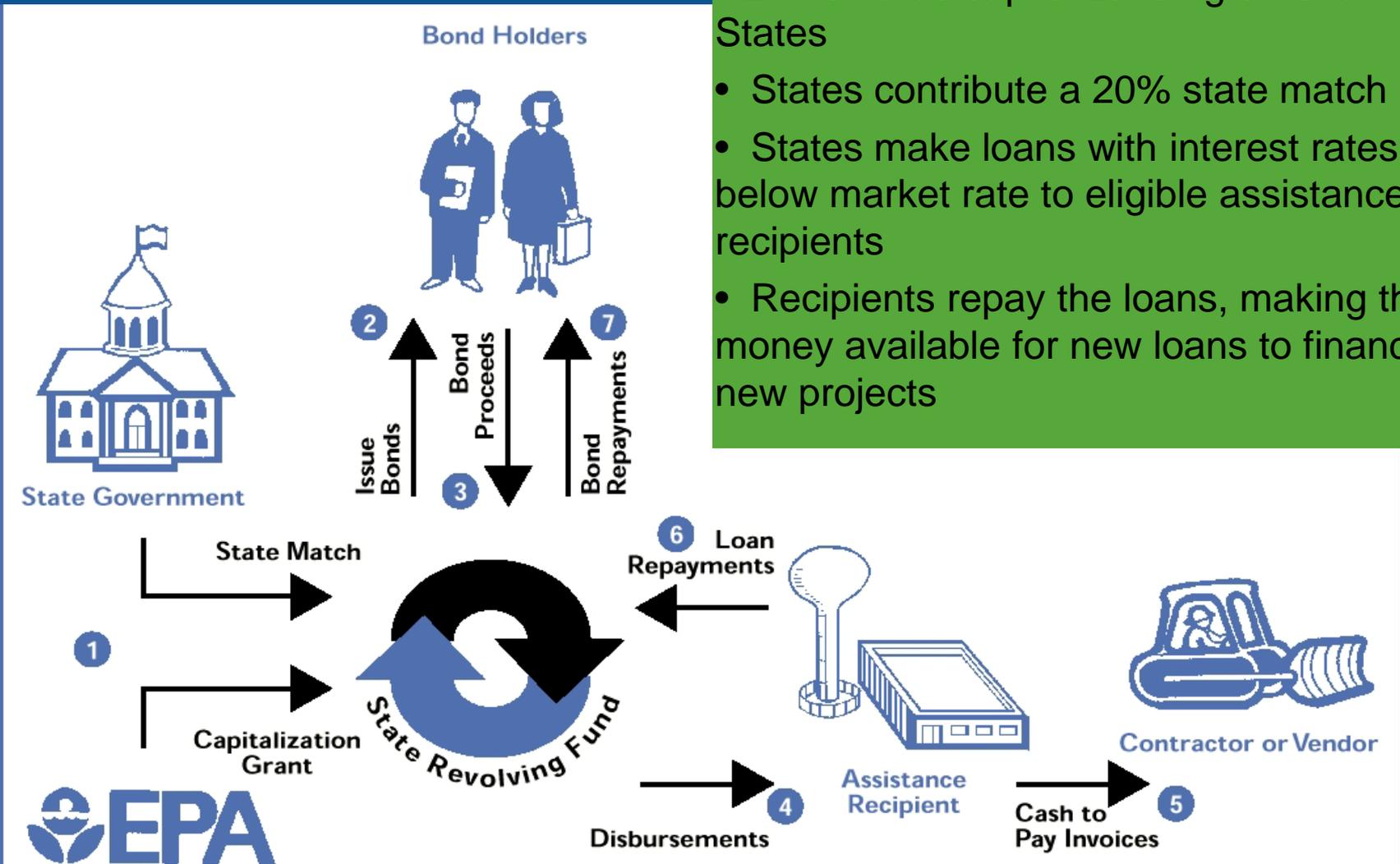
Protecting Drinking Water with the Clean Water State Revolving Fund

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How the SRFs Work

- EPA awards capitalization grants to the States
- States contribute a 20% state match
- States make loans with interest rates below market rate to eligible assistance recipients
- Recipients repay the loans, making the money available for new loans to finance new projects

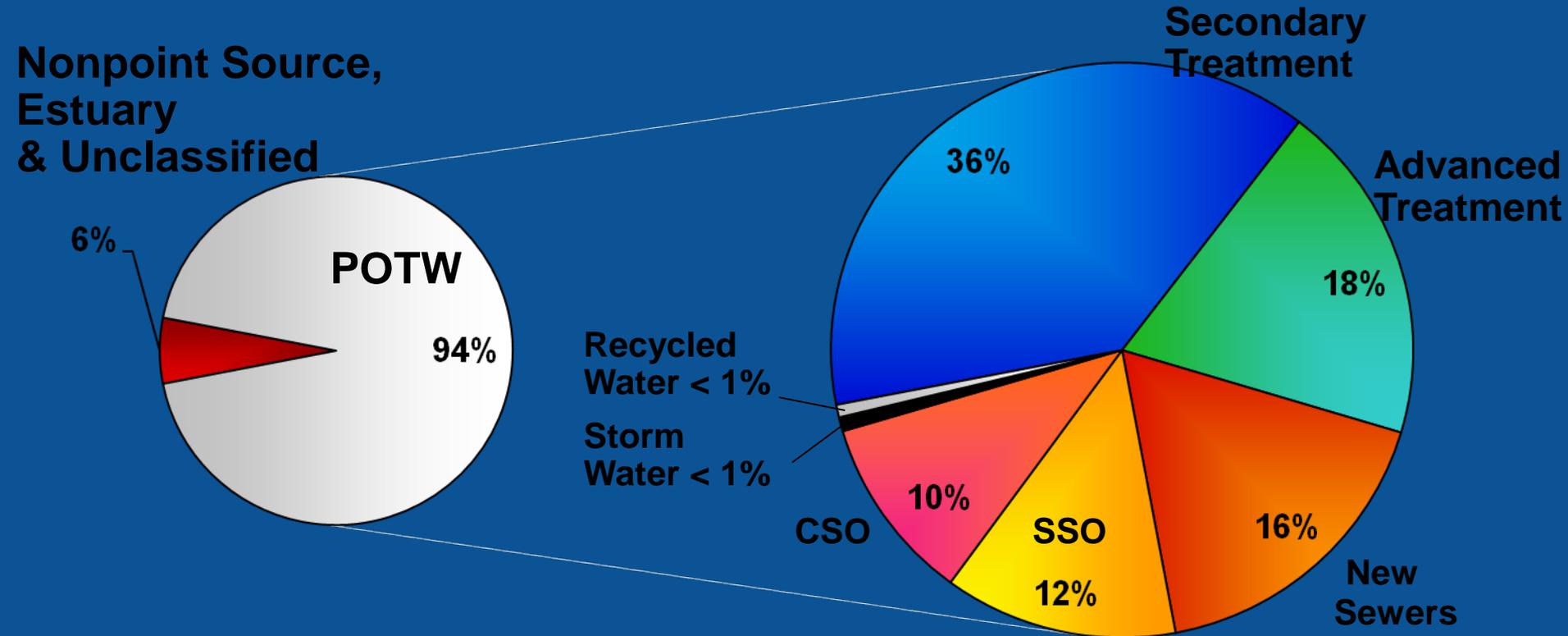


CWSRF Eligible Project Types

- Sanitary landfills
- Groundwater
- Storage Tanks
- Hydromodification
- Urban
- Agricultural Cropland
- Agricultural Animals
- Individual/Decentralized Sewage Treatment
- Brownfields
- Resource Extraction
- Silviculture



Cumulative CWSRF Assistance Provided



Total: \$89.5 Billion
NPS & Estuary: \$3.8B
 (\$1.2B not classified)

POTW
\$84.5
Billion

	\$32.5		\$11.0
	\$16.2		\$8.8
	\$14.7		\$0.7
			\$0.6

Priority Setting

- Green Project Reserve requirement:
 - FY2010 and FY2011 appropriations required that 20% of funds be used for green projects, to the extent that States have eligible projects
 - FY2012 appropriation requires that 10% of funds be used for green projects
 - Green projects include:
 - (1) Green Infrastructure
 - (2) Water Efficiency
 - (3) Energy Efficiency
 - (4) Environmentally Innovative Projects
- Since 2006, 40 states have funded nonpoint source projects

Challenges

- Small loans – administrative burden
- Credit worthiness
- Wastewater engineers unfamiliar with green infrastructure/stormwater BMPs/nonpoint source projects
- Limited ability to provide additional subsidy
 - FY2010: approx. \$996,900,000 available nationally
 - FY2011: approx. \$446,900,000 available nationally
 - FY2012: approx. \$115,400,000 available nationally

Solutions

- Partnerships
 - States partner with Counties, Soil and Water Conservation Districts, local banks, etc.
 - State provides funding through a loan or deposit to Partner
 - Partner loans funds to projects, collects repayments and repays the State CWSRF
 - Partners also conduct technical review of projects (NRCS, County Health Departments)

Solutions

- Sponsorship
 - POTW agrees to add the cost of a NPS project to their loan in return for a reduced CWSRF interest rate.
 - POTW user fees repay the loan in full.
 - Project costs the POTW the same or slightly less as a combined project than it would have as a POTW only project at normal CWSRF interest rates
 - NPS project has no repayment responsibility.
 - Useful approach for NPS projects in a State's priority watersheds that do not have a revenue stream to repay a loan.

Example Project: Cohasset, MA



- Cohasset, MA used a \$479,500 CWSRF loan with a 2% interest rate to retrofit its stormwater drainage system in the Lily Pond watershed.
- Lily Pond has served as the major drinking water source for the Town of Cohasset since the 1880s.
- Two-year project included the construction of more than 40 rain gardens and several vegetated swales to reduce the amount of runoff entering the town's stormwater collection system
- The rain gardens were strategically placed within township right-of-ways and are designed to capture the first 0.9 inches of rain during wet weather events.
- Project won the 2006 Massachusetts Smart Growth Award and is an excellent example of how low-cost and low-maintenance green infrastructure techniques can improve stormwater quality and drinking water sources

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