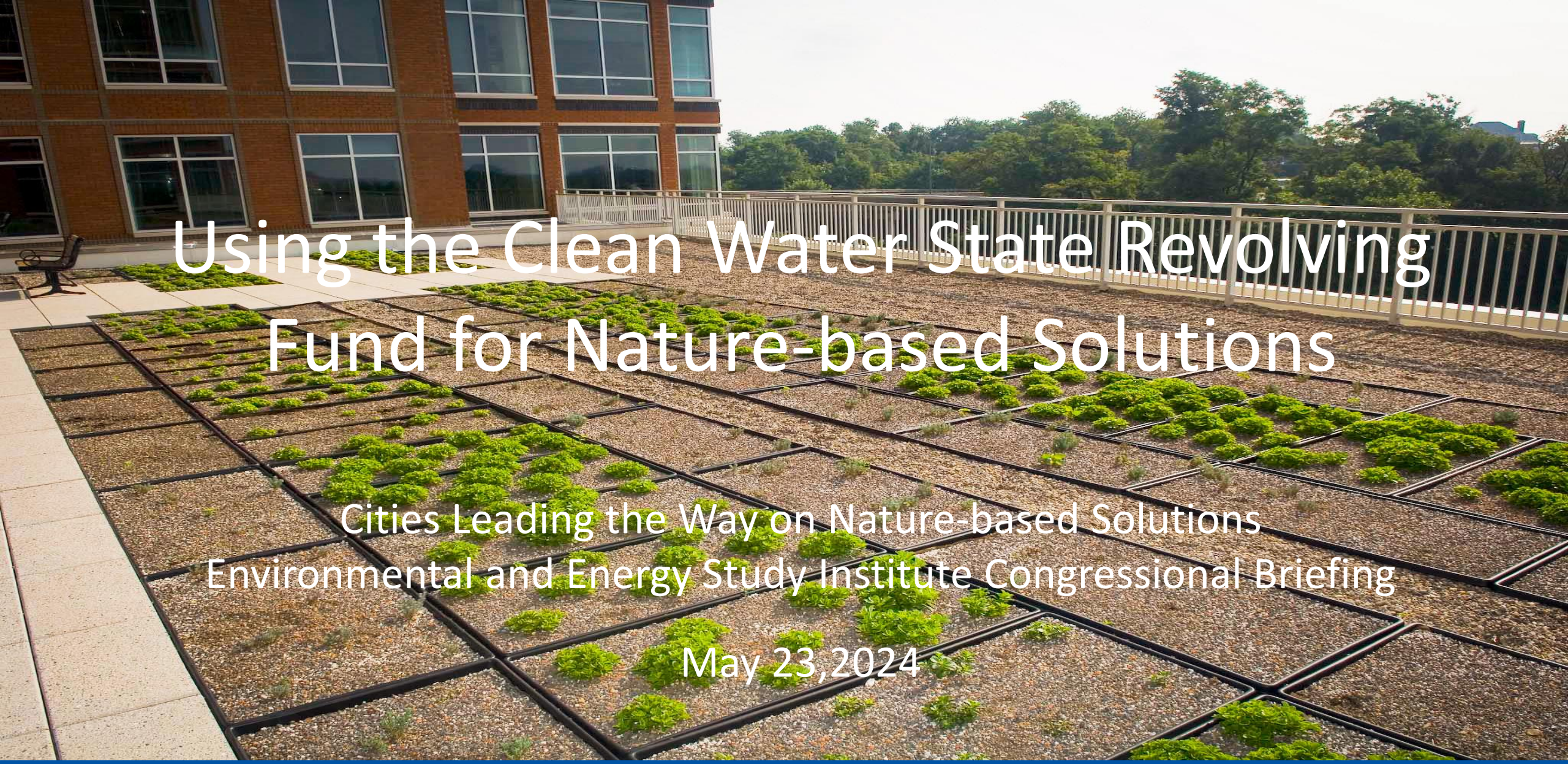


Using the Clean Water State Revolving Fund for Nature-based Solutions

Cities Leading the Way on Nature-based Solutions
Environmental and Energy Study Institute Congressional Briefing

May 23,2024

EPA United States Environmental Protection Agency

Office of Water

Clean Water State Revolving Fund: Overview

What is the CWSRF?

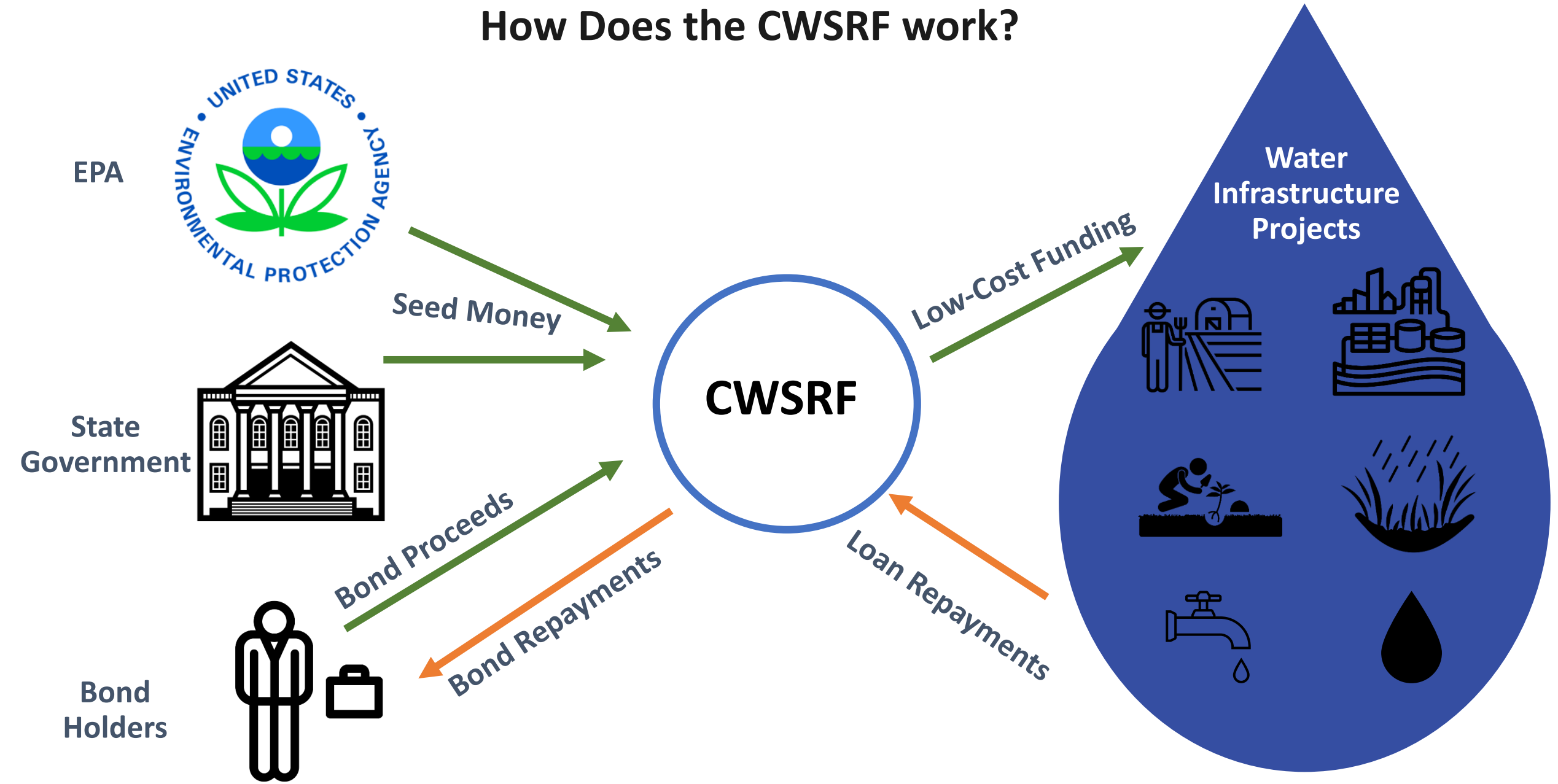
- The Clean Water State Revolving Fund (CWSRF) is a federal-state program that provides funding and financing to eligible recipients for a wide range of water quality improvement projects.

What is the Purpose?

- To provide government assistance that is intended to reduce the cost of critical public health and environmental infrastructure.

Clean Water State Revolving Fund Overview

How Does the CWSRF work?



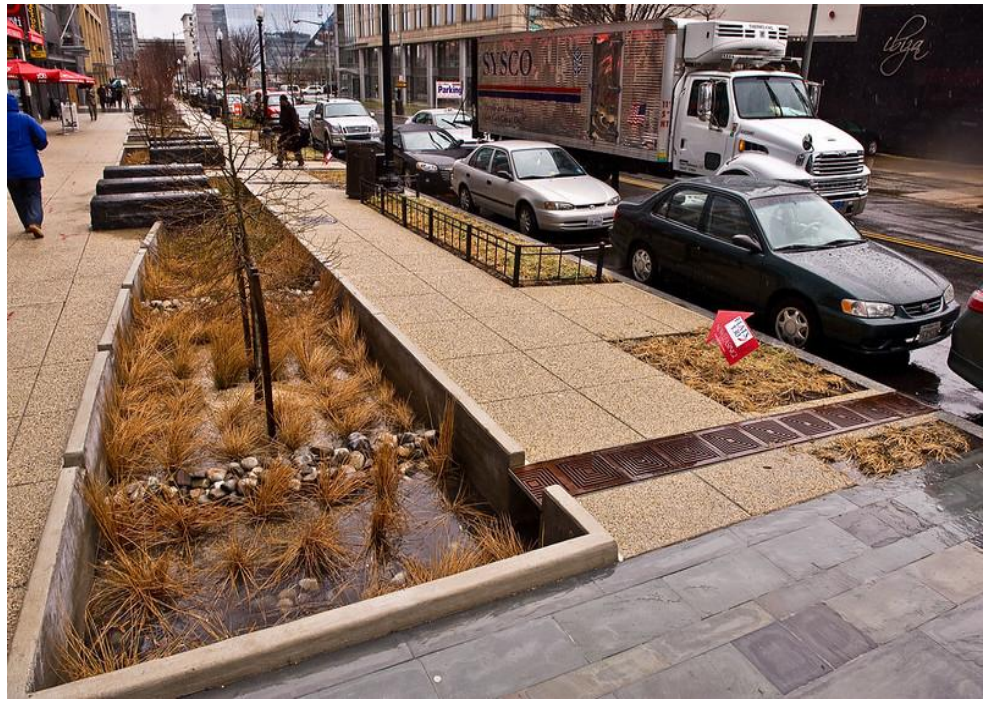
Who is Eligible to Use the CWSRF?

- Municipalities, intermunicipal, interstate, or state agencies.
- Nonprofit entities*
- Private, for-profit entities*
- Watershed groups*
- Community groups*
- Homeowner's associations*
- Individuals*

**Some states do not fund private systems/private entities*.

CWSRF-eligible Nature-based Solution Project Types

- Stormwater bioretention (rain gardens, tree boxes)
- Permeable pavement
- Green roofs, green streets, or green walls
- Conservation Easements or Fee Simple Purchase of Land
- Habitat Restoration/Riparian Buffers
- BMPs to reduce NPS pollution



What Are the Benefits of Using the CWSRF?

- Very low-cost financing
  - Interest rate: 0% to market rate (1.2% average interest rate)
  - Potential availability of additional subsidy (i.e., principal forgiveness, grants)
  - There is no minimum or maximum loan requirement
- Extended loan terms
  - Can go up to 30 years
  - Repayments begin up to 12 months after construction completion
- Can be used as match for grants or bridge-funding until grant funding comes in
- Funding can be paired with other sources (e.g., WIFIA, FEMA, USDA)

Bipartisan Infrastructure Law (BIL)

- Also known as the Infrastructure Investments and Jobs Act (IIJA).
- Signed by President Biden on November 15, 2021.
- Historic investment in key programs and initiatives implemented by the U.S. Environmental Protection Agency to build safer, healthier, cleaner communities.
- Includes $50 billion to EPA to strengthen the nation's drinking water and wastewater systems – the single largest investment in water that the federal government has ever made ($11.7 billion to CWSRF base funds and $1 billion to CWSRF emerging contaminants over 5 years).

BIL Implementation Key Priorities

- Increase investment in disadvantaged communities
- Make rapid progress on lead service line replacement
- Address PFAS and emerging contaminants
- Support resilience (including climate resilience and cybersecurity) and One Water innovation
- Support American workers and renew the water workforce
- Cultivate domestic manufacturing

How Do I Apply For Funding?

- Engage with your state CWSRF program
  - Each state has a process and timeline for applications
  - Discuss funding options to build a plan for your community
  - State SRFs may provide planning and development assistance
- Build an ongoing relationship with the state CWSRF
  - BIL funds are available over a 5-year period (FY 2022-2026)
  - Base SRF programs are ongoing

Project Examples

Green Stormwater Infrastructure Programmatic Financing
Capital Region Water - City of Harrisburg, PA

- CRW developed a CIP for green stormwater infrastructure throughout Harrisburg for the next 4 years.
- CRW received a $13 million CWSRF loan from the Pennsylvania Infrastructure Investment Authority (PENNVEST) to cover the multi-year cash flow needs.
- Projects may include porous pavement, green roofs, rain gardens, and cisterns.
- Projects will capture urban stormwater runoff before entering the CSO system, reducing the frequency and volume of overflows to the Susquehanna River and Paxton Creek.

Minuteman Causeway Stormwater/Streetscape Improvements
City of Cocoa Beach, FL

- City of Cocoa Beach wanted to reduce nutrients flowing into Banana River Lagoon and further into the Indian River Lagoon system, a designated Estuary of National Significance.
- City used $1.8 million in financing from the CWSRF, an EPA 319 Nonpoint Source grant, and leveraged funding from several state and county sources for the $5.2 million project.
- The urban stormwater project removes pollutants through native landscape bioswales/tree filters, underground exfiltration, and pervious pavers, while also revitalizing the local area through aesthetics.

Wetland Stormwater Retention
City of Waynesboro, VA

- To reduce polluted runoff to the South River and the Chesapeake Bay, the City of Waynesboro converted an open field into a wetland stormwater retention system.
- The $1.7 million project cost was split between a state grant and a CWSRF loan of $870,376 at 0% interest for 20 years.
- The stormwater ponds retain and delay the flow of excess water while native plants and trees filter and absorb phosphorus and nitrogen from runoff.

Santa Fe River Repair and Bank Stabilization
City of Santa Fe, NM

- In 2018, a historic flood degraded the riverbanks of the Santa Fe River, allowing agricultural runoff and trash to enter the river.
- The City received $4.2 million in CWSRF funding to restore the river using GI principles and soft engineering (large boulders, revegetation plantings, willow bundles).
- The project reduces stormwater pollution, controls erosion, improves water quality, and restores the health of the river corridor.

Wardola-Thompson School Creek Restoration

City of Jacksonville, NC

- Residential stormwater drainage into the Thompson School Creek watershed was blocked by undersized culverts and a dam, resulting in flooding during heavy rain events. The improper drainage also inhibited fish passage for several anadromous species.
- The City of Jacksonville received $500,000 from the CWSRF toward the drainage improvement project.
- The project removed the culverts and dam and installed a bridge and enhanced 230 feet of stream buffer through native plantings and a conservation easement.

Bee Branch Creek Project
City of Dubuque, IA

- The City of Dubuque wanted to address a frequent neighborhood flooding issue by replacing a one-mile storm sewer with a daylighted creek and floodplain.
- Nearly half of the project's $60 million cost came from the CWSRF (including $6 million in principle forgiveness). The City leveraged other funding from state and federal programs as well as through a municipal stormwater utility fee.
- This stream daylighting project not only protects 1,000 properties, but it promotes a healthy aquatic environment for fish.

Sioux Falls Nonpoint Source Improvement Projects
City of Sioux Falls, SD

- The City of Sioux Falls wanted to improve the conditions of Skunk Creek, a tributary to Big Sioux River which serves as a drinking water source. The Creek was on the state's impaired list for suspended solids.
- The City utilized the CWSRF to obtain low-interest loans to implement nonpoint source projects throughout the 100-year floodplain of the Creek.
- In 2020, over 1,200 acres of riparian area had been enrolled in a Seasonal Riparian Area Management practice, and this has since been expanded to over 3,500 acres. Due to this effort, Skunk Creek was removed from the state's impaired list.

Before (left) and after (right) riparian protection

Haskill Basin Conservation Easement
City of Whitefish, MT

- The City of Whitefish used a $8.2 million loan from the CWSRF in 2016 for the purchase of a conservation easement on 3,020 acres of land in the Haskill Creek watershed to protect the City's drinking water.
- Additional funds for the total easement cost ($16.7 million) came from state and federal grants, and the lumber company which agreed to sell the conservation easement at a significant discount below the appraised value. For loan repayment, the City voted to increase its resort tax by 1 percentage point.
- In addition to protecting source water for the City of Whitefish, the project protects wildlife habitat and provides for existing recreational activities.

Bipartisan Infrastructure Law

Water Quality Project Funding

+

EPA WaterTA
(EPA's free Water Technical Assistance)

EPA WaterTA Supports Communities to:

Identify water challenges

Plan for solutions

Increase community engagement

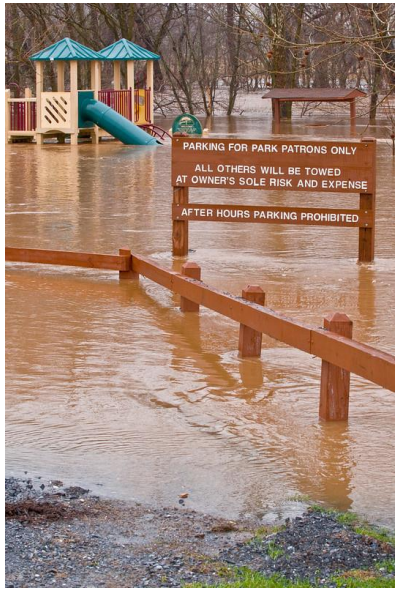
Improve compliance and access to safe and clean water services

Build technical, financial, managerial capacity

Develop application materials to access water infrastructure funding

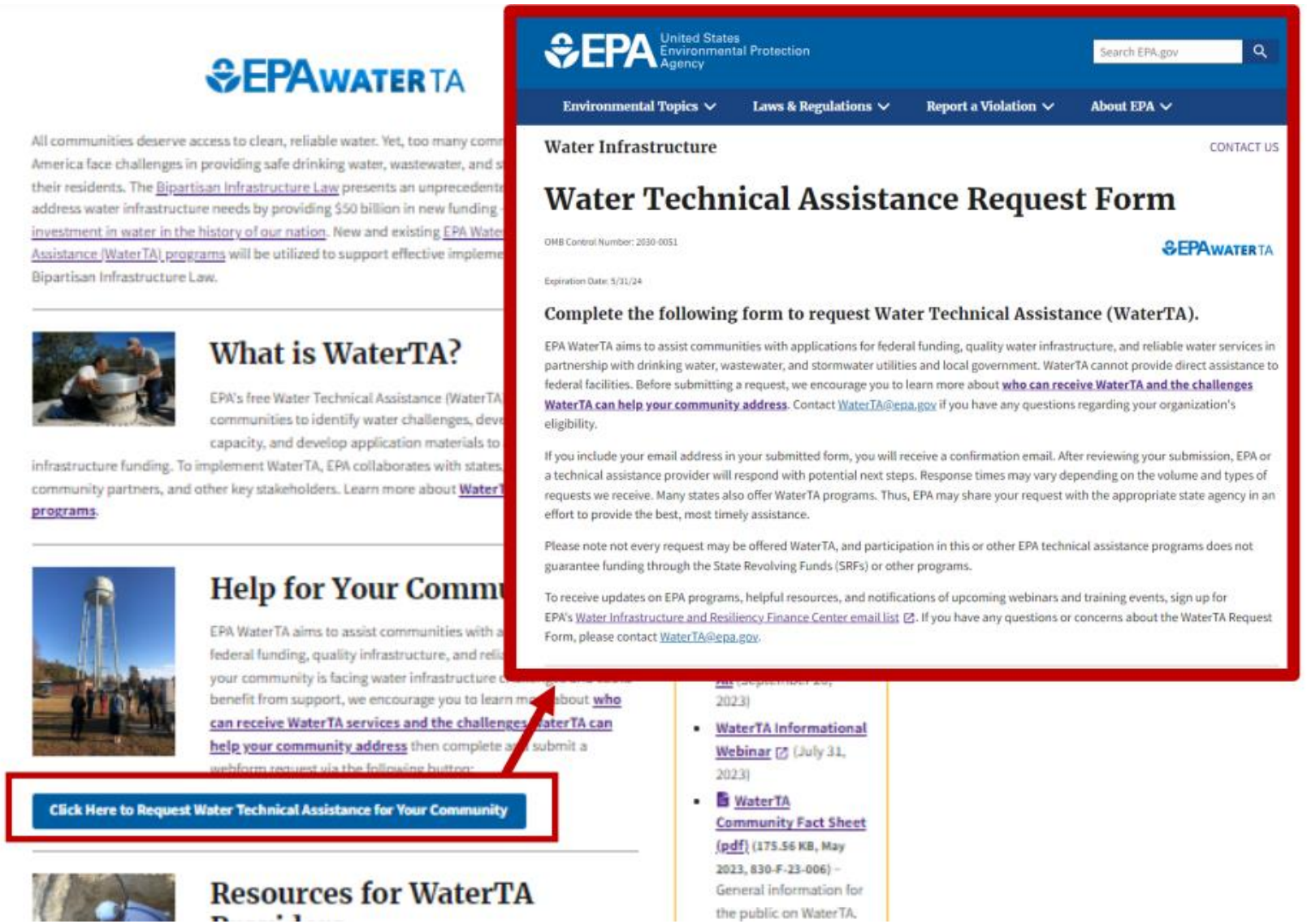
Who is eligible to receive Water TA Services?

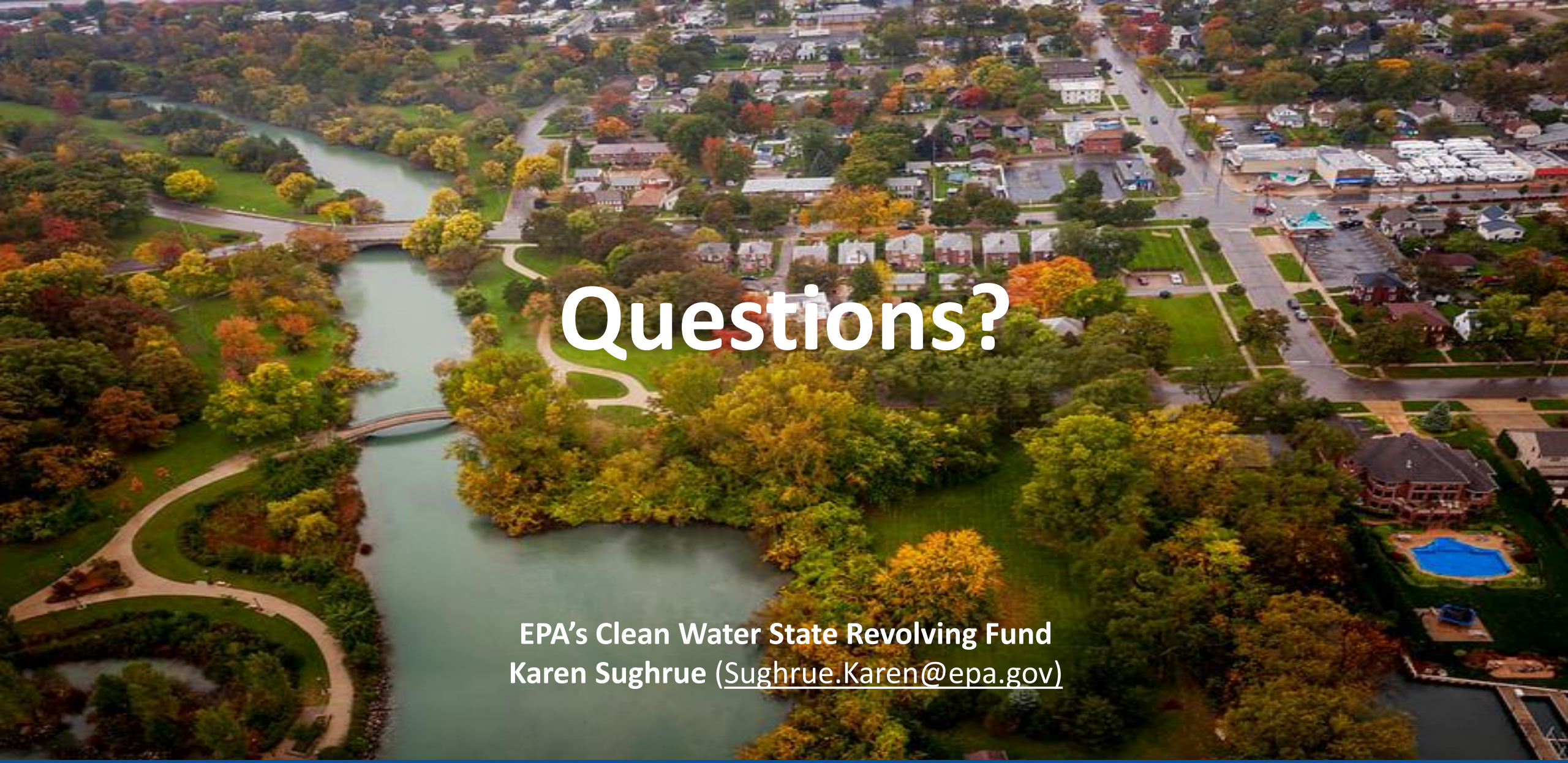
- Local government/communities
- States/Tribes/territories
- Non-governmental organizations
- Drinking water utilities/systems
- Wastewater utilities/systems
- Stormwater utilities/systems



How can I request WaterTA?

Submit a WaterTA Request Form at epa.gov/WaterTA





Questions?

EPA's Clean Water State Revolving Fund

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