



# Protecting Public Health and Water Quality with the Clean Water State Revolving Fund



The U.S. Environmental Protection Agency's (EPA) Clean Water State Revolving Fund (CWSRF) was established by the 1987 amendments to the Clean Water Act (CWA) as a low interest source of funding for a wide range of water infrastructure projects. The program represents a powerful partnership between EPA and the states with the flexibility to fund a variety of projects that address their highest priority water quality needs. Through 2016, state CWSRF programs have provided over \$117 billion to communities and more than 37,000 low-interest loans to protect public health, aquatic resources, and meet environmental standards.

## HOW THE CWSRF WORKS

CWSRF programs in each state and Puerto Rico operate like banks. Federal and state contributions are used to capitalize the programs. These assets are used to make low interest loans for important water quality projects. Funds are then repaid to the CWSRFs over terms as long as 30 years and are recycled to fund other water quality and public health projects.

## WHO MAY QUALIFY

CWSRF programs may provide assistance to public, private, or non-profit entities for water infrastructure projects. Eligible recipients vary by project type and include municipalities, utilities, state agencies, community groups, farmers, homeowners, small businesses, conservation districts, and nonprofit organizations.

## GETTING A PROJECT FUNDED

Those interested in learning more about CWSRF funding opportunities should seek out the CWSRF program in their state and participate in the annual process that determines which projects are funded. The list of CWSRF state programs can be found on our website at:

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

## CWSRF PROJECT ELIGIBILITIES

Eleven types of projects are eligible to receive CWSRF assistance:

- Construction of publicly owned treatment works
- Nonpoint source projects
- National estuary program projects
- Decentralized wastewater treatment systems
- Stormwater
- Water conservation and efficiency
- Watershed pilot projects
- Energy efficiency
- Water reuse
- Security measures at publicly owned treatment works
- Technical assistance

## TYPES OF CWSRF ASSISTANCE

CWSRFs can offer a variety of types of financial assistance. The programs primarily offer low interest loans or purchase local debt over terms as long as 30 years. CWSRF programs can also refinance previously issued debt, provide credit enhancements in the form of guarantees or insurance, and guarantee sub-state revolving loan fund debt. A small amount of additional subsidization may be available each year in the form of principal forgiveness, negative interest rate loans, or grants. Additional subsidization can be provided to projects that address affordability concerns, stormwater, water and energy conservation, or sustainable project planning, design, and construction.

## SOURCES OF LOAN REPAYMENT

Potential borrowers must identify a repayment source before a loan is approved. Finding a source of repayment may prove challenging, but it does not have to be burdensome. Many recipients demonstrate a high level of creativity in developing sources of repayment. The source of repayment need not come from the project itself. Some potential repayment sources include:

- Wastewater user charges
- Dedicated portions of local, county, or state taxes or fees
- Stormwater utility fees
- Fees paid by developers
- Recreational fees (fishing licenses, entrance fees)
- Donations or dues made to nonprofit organizations
- Individual or business revenues

## CLEAN WATER SUCCESS STORIES

### *Indiana*

Properly managing wet weather flows is an important aspect of wastewater treatment that poses challenges for communities across the country. Heavy rain events can place additional burden on the capacity of treatment works, damaging infrastructure and negatively impacting local water quality. In September of 2013, the city of Chesterton took action to address wet weather concerns when it received a \$10.75 million loan from the Indiana Finance Authority's Wastewater State Revolving Fund (SRF) to finance the construction of a 1.2 million gallon wet weather storage tank and upgrades to the local treatment plant's headworks. The increased wet weather storage capacity will enable Chesterton to better manage wet weather flows that exceed the treatment plant capacity of up to 26 million gallons per day, or rainfall equivalent to 10-year storm event. Securing a loan through the SRF program rather than a conventional sewage revenue bond saved Chesterton \$2.7 million over 20 years, achieving significant environmental protection benefits at a lower cost to rate payers.



The Renewable Energy Biosolids Facility in the start-up phase, generating power in Wilmington, Delaware. Photo courtesy of: Delaware Dept. of Natural Resources & Environmental Control.

### *Delaware*

Rising energy costs combined with the prospect of climate change have made energy management a critical concern for today's wastewater utilities. The City of Wilmington is one of a growing list of communities striving to reduce the climate impacts of wastewater management and save money in the process. Wilmington received a \$36M CWSRF loan to construct a renewable energy biosolids facility (REBF) at the city's Hay Road Wastewater Treatment Plant (WWTP). The REBF captures methane gas generated by WWTP digesters and the adjacent landfill to produce approximated 4 Megawatts of electricity per day— enough to power the plant. Excess heat from electricity generation is used to operate a new thermal sludge dryer that reduces the volume of biosolids produced by the plant. The dehydrated thermal sludge dryer is reducing the amount of hauled off waste by approximately 75 percent, while greenhouse gas emissions will be reduced by 13,000 metric tons per year.

For more information about the CWSRF please contact us at:

United States Environmental Protection Agency  
Clean Water State Revolving Fund Branch  
Office of Water, Office of Wastewater Management  
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EPA 832F16011  
AUGUST 2016  
[www.epa.gov/cwsrf](http://www.epa.gov/cwsrf)



Clean Water  
State Revolving Fund