



Funding Disadvantaged Communities with the Clean Water State Revolving Fund



The U.S. Environmental Protection Agency's (EPA) Clean Water State Revolving Fund (CWSRF) Program is the largest public source of water quality financing in the country. Since 1988, programs in all 50 states and Puerto Rico have provided over \$118 billion in funding for a wide range of eligible projects. The funding flexibility inherent to CWSRF programs allows states to address their unique water quality priorities and reach communities of all sizes.

EPA recognizes the financing challenges posed by infrastructure needs are not the same everywhere; they are most acute in small and disadvantaged communities. These communities can face serious difficulties when it comes to financing, operating, and maintaining infrastructure assets. With a variety of funding eligibilities, financing mechanisms, and other tools at their disposal, CWSRF programs are ideally positioned to provide relief to the communities that need it the most.

ASSISTING DISADVANTAGED COMMUNITIES

States use a variety of methods to provide assistance to disadvantaged communities. They include, but are not limited to:

Flexible Financing Terms

At its core the CWSRF is already a subsidy program due to its favorable loan terms. One of the most significant benefits states can offer potential assistance recipients is low interest rates. Interest rates for CWSRF loans vary between zero and market rate, and can provide communities with significant cost savings over the life of a loan. Loans can be repaid over a 30 year period or the useful life of the project, whichever is less. Financing flexibility allows states to tailor financing terms to a prospective borrower's ability to pay.

Additional Subsidization

CWSRF programs have the authority to provide a portion of their assistance as additional subsidization in the form of principal forgiveness, negative interest rate loans, or grants. Additional subsidization may only be used to help address affordability issues or to implement a process, material, technique, or technology that addresses water or energy efficiency goals; mitigates stormwater runoff; or encourages sustainable project planning, design, and construction. The majority of state programs use additional subsidization authority to assist disadvantaged communities.

Technical Assistance

For communities that lack technical, financial, or managerial capacity, states can sometimes offer assistance to facilitate up-front planning. Additionally, states are often able to assist potential assistance recipients navigate the CWSRF application process.

Funding Partnerships

Communities with significant need can sometimes leverage the advantages of multiple funding agencies through partnerships. Numerous CWSRF programs participate in multi-agency funding committees that coordinate to provide communities with customized, cost-effective solutions.

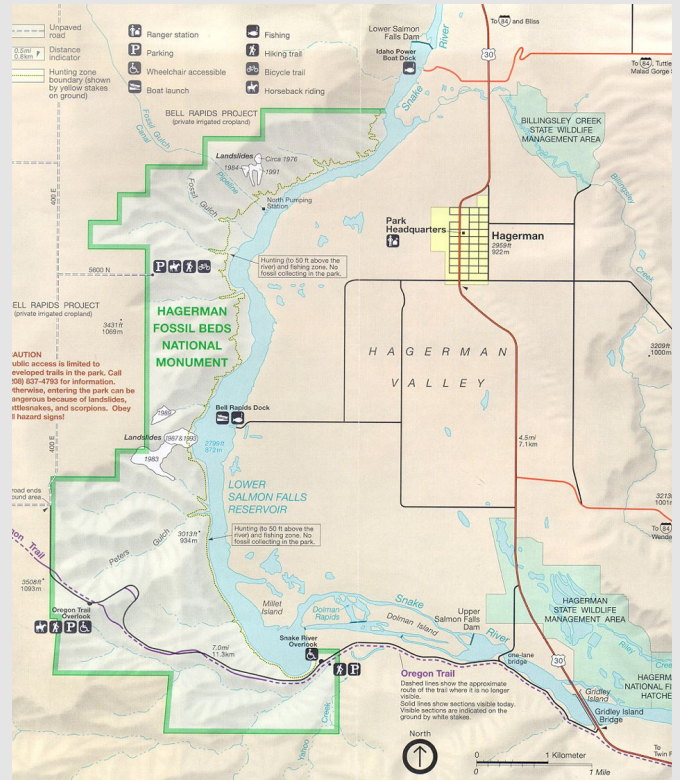
GETTING A PROJECT FUNDED

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.

CLEAN WATER SUCCESS STORIES

Idaho

In 2014, the City of Hagerman, Idaho submitted a letter to the Idaho Department of Environmental Quality (DEQ) indicating the desire to finance upgrades to their wastewater treatment infrastructure, as well as purchase 100 acres for the beneficial reuse of wastewater effluent. At a price tag of \$10 million, Hagerman also needed to determine how a population of less than 1,000 was going to pay for the project. Even with low CWSRF interest rates, monthly user fees would need to be raised to \$115 to pay back a loan. Thanks to collaboration between the engineering staff at DEQ and other federal and state funding sources, Hagerman was able to reduce the cost of the project to \$7.8 million. DEQ provided Hagerman with a \$5 million loan and \$1.2 million in principal forgiveness, with the remaining infrastructure costs covered by other funding agencies. This collaboration between funding partners satisfied Hagerman's infrastructure needs and maintained a manageable monthly user fee of \$57.



Hagerman Valley, Idaho

West Virginia

For years, septic tanks in Crown, West Virginia were in desperate need of repair. The community's remote location and rugged terrain made it cost prohibitive for to be serviced by centralized treatment, necessitating an onsite wastewater treatment solution. Due to economic hardship the community was not in a position to pay for critical infrastructure upgrades, but they found relief through the CWSRF. Thanks to a \$1.57 million grant from the West Virginia Department of Environmental Protection, along with additional funding from the Monongalia County Commission, Crown was able to address public health concerns by installing innovative onsite wastewater collection and treatment systems. The system collects waste in septic tanks and pumps separated effluent through a network of pipes to 44 recirculating sand beds. There, the effluent is filtered into the ground, instead of being discharged to nearby water bodies.



Gravel beds for the filtration of wastewater effluent

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
1200 Pennsylvania Avenue, NW (mail code 4204M)
Washington, DC 20460

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