



# Financing Nutrient Management Improvements in Underserved Communities

Forum Summary | November 17, 2021

## Introduction

The U.S. Environmental Protection Agency (EPA)'s Water Infrastructure and Resiliency Finance Center (WIRFC) and US Department of Agriculture (USDA) Rural Development (RD) co-hosted a forum on November 17, 2021, to help underserved communities with nutrient management challenges identify funding opportunities and sources of technical assistance. Over 200 participants attended the webinar. During the forum, presenters provided information on relevant funding programs, application processes, and how these programs can be used together to fund nutrient management projects. For more information about the forum, please contact [waterfinancecenter@epa.gov](mailto:waterfinancecenter@epa.gov).

Ellen Tarquinio (EPA WIRFC) opened the forum by welcoming participants. She expressed that a goal of the webinar was to share knowledge about funding programs that can be used together in a cohesive way to address the issues communities are facing today. LaVonda Pernelle (USDA Rural Development Innovation Center) provided an overview of Rural Development and the importance of creating communities that are self-sustaining and economically thriving with access to opportunities to build regional resilience and leverage funding resources.

## Overview of Nutrient Financing Options

Dave Flesher; USDA Financing Options

Flesher (Community Programs Specialist, Program Operations Branch Water and Environmental Programs, USDA Rural Development) shared an overview of nutrient financing options provided by USDA Rural Development. With USDA Rural Development composed of three agencies, including Rural Housing and Community Facilities, Rural Utilities Service, and Rural Business and Cooperative Service, there are a series of grants and programs available to assist development in rural communities. Over the last 10 years, USDA's water and waste disposal program has assisted over 21 million rural residents and provided over \$300 million in technical assistance. Flesher noted that rural communities within the programs are defined as having a population of 10,000 or less, with an emphasis on lower income communities. Rural Development priorities further include supporting disadvantaged communities, providing equitable access to programs, and increasing resilience to climate pollution. Funding offered by the USDA to support these efforts includes:

- **Water and Waste Disposal Loans and Grants**
  - Provides funding for clean and reliable drinking water systems, sanitary sewage disposal, sanitary solid waste disposal, and storm water drainage.
- **Water and Waste Disposal Guaranteed Loans**
  - Provides affordable financing to qualified borrowers to improve access to clean, reliable water and waste disposal systems for households and businesses in rural areas.
- **Emergency and Imminent Community Water Assistance Grants**
  - Covers emergency events, including up to \$150,000 for water transmission lines and up to \$1 million for water source grants.
- **Colonia and Native American Grants**
  - Provides low-income communities which face significant health risks access to safe, reliable drinking water and waste disposal facilities and services.
- **Special Evaluation and Assistance for Communities and Household Grants**
  - Assists low-income communities with predevelopment feasibility studies, design, and technical assistance on proposed water and waste disposal projects.
- **Pre-development Planning Grants**
  - Provides support on initial planning and development of applications.

Following Flesher's presentation, participants posed the question: As loans are repaid, do repayment funds get put back into the program for additional capital to be used for the program? Flesher responded that all funds return to the US Treasury, with an appropriation provided every year.

Dallas Shattuck, Alison Souders, and Michael Goralczyk; EPA Financing Options

Staff from EPA's Drinking Water and Wastewater finance programs presented information on EPA's financing options. Shattuck provided an overview of State Revolving Funds (SRFs), defining SRFs as federal and state partnerships designed to create permanent sources of drinking water and wastewater infrastructure financing. The EPA program is unique in that it is state implemented and operated. Shattuck shared that funding for SRFs originates in Congress, flowing through the EPA, and is divided and sent to states. Providing a 20% match, states operate the program and have the additional option to set-aside funding for non-infrastructure related activities. Benefits of SRFs includes:

- Low-cost financing option with interest rates typically half of the market interest rate
- Extended loan terms that states can customize to meet the needs of communities, with repayment beginning up to 12 months post completion of construction
- Serves diversity of communities of all sizes and socioeconomic statuses
- Availability of technical assistance
- Funding pairing with other sources including USDA, Federal Emergency Management Agency (FEMA), Sewer Overview and Stormwater Reuse Municipal Grants (OSG), and Water Infrastructure Finance and Innovation Act (WIFIA)

Shattuck, Souders, and Goralczyk provided a detailed overview of the various types of state revolving funds and related programs, including:

- **Clean Water State Revolving Fund:** Federal-state partnership that provides communities low-cost financing for a wide range of water quality infrastructure projects. Clean Water SRFs provide funding to municipalities, non-profits, community groups, and watershed groups for clean water infrastructure projects. Examples of eligible projects include nutrient removal processes, stormwater conveyance and treatment systems, green infrastructure, development of watershed-based plans, and agriculture best management practices (BMP's).
- **Drinking Water State Revolving Fund:** Financial assistance to publicly owned and privately-owned community water systems, as well as non-profit non-community water systems, for drinking water infrastructure projects. DWSRFs can provide funding for treatment, transmission and distribution, storage, consolidation, and creation of new systems.
- **OSG Program:** New grant program where each U.S. state and territory are allotted an allocation of funds. The program's focus is on treatment works to intercept, transport, control, treat, or reuse: Combined Sewer Overflows (CSO's) and Sanitary Sewer Overflows (SSO's). Also included are stormwater and subsurface drainage projects. The OSG program can further support nutrient management projects through green infrastructure and stormwater projects.

Following an overview of SRFs, forum participants raised questions regarding SRFs as a source to alleviate local match requirements. Presenters shared that for SRFs, the 20% state match requirements cannot come from other federal funding sources. Participants additionally asked for further details regarding green infrastructure and its inclusion in gray infrastructure projects. For DWSRF, green infrastructure improvements are eligible, but may not be prioritized for funding due to ranking structures.

## Leveraging Resources for Financing Nutrient Removal

Terry Fearins; USDA Rural Development

Fearins (USDA) provided community program examples to illustrate how communities can leverage funding for nutrient removal.

The Chesapeake Bay Tributary Strategy was highlighted as a program example where river basin specific implementation activities were developed to reduce nutrient and sediment pollutant loads from point and nonpoint sources. The strategy was co-developed by seven watershed jurisdictions to achieve 2003 nitrogen, phosphorus, and sediment cap loads.

The Greensboro Regional Wastewater Treatment System served as an example of results from combining funding sources to address different aspects of a multi-year planning effort. With the City of Greensboro under a consent order for failing septic systems, the City purchased 20 acres for a new wastewater treatment plant (WWTP), leveraging funding from USDA, Maryland Department of Environment, and the Community Development Block Grant (CDBG) program. Additional funding from a Special Evaluation Assistance for Rural Communities (SEARCH) grant was utilized to prepare a preliminary engineering report for the North Carolina County Sewer District to further expand the treatment capacity of the system.

## Who Can Help?

Representatives from EPA and USDA presented on available funding streams through their organizations. Funding agencies discussed resources available to assist communities as they navigate co-funding and managing co-funded projects.

### US Department of Agriculture

U.S. Department of Agriculture has funds available for rural communities to develop clean and reliable water or septic systems. These programs include:

- **Technical Assistance and Training Grant Program:** Provides assistance for qualified, private nonprofits to provide technical assistance and training to identify and evaluate solutions to water and waste problems.
- **Solid Waste Management Grant Program:** Provides assistance for organizations that provide technical assistance and training to reduce or eliminate pollution of water resources and improve planning and management of solid waste sites.
- **Rural Decentralized Water Systems Grant Program:** Assists qualified nonprofits and tribes in creating a revolving loan fund to increase access to clean and reliable water or septic systems for households in eligible rural communities.
- **Circuit Riders Assistance Program:** Provides technical assistance to rural water systems through a contract with the National Rural Water Association. Rural water system officials may request assistance from the Rural Utilities Service.

For more information, contact [christopher.adamchak@usda.gov](mailto:christopher.adamchak@usda.gov).

### Environmental Protection Agency

The U.S. EPA Water Infrastructure Resiliency Finance Center (WIRFC) is an information and assistance center, helping communities make informed decisions for drinking water, wastewater, and stormwater infrastructure to protect human health and the environment. The Center provides financing information and assistance through programs such as the EPA Water Finance Clearinghouse. The Center offers resources on Community Assistance for Resiliency and Excellence, affordability programs, technical assistance partners. The Environmental Financial Advisory Board (EFAB) serves as an additional resource, providing ideas to program offices on ways to lower costs and increase investments in environmental and public health protection.

The EPA Water Finance Clearinghouse acts as an online portal to help communities locate information to assist in an informed decision-making process for stormwater, wastewater, and drinking water needs. The Clearinghouse further provides learning modules on various financing sources and funding topics.

For more information, contact [chau.addison@epa.gov](mailto:chau.addison@epa.gov).

Jamie Piziali, EPA Municipal Ombudsman, acts as a resource for communities seeking to comply with the Clean Water Act and works directly with Agency leadership and appropriate offices at headquarters and

regional offices. The EPA ombudsman provides information regarding federal opportunities, technical assistance programs, flexibility under the Clean Water Act, and integrated planning resources.

For more information, contact [Pizali.jamie@epa.gov](mailto:Pizali.jamie@epa.gov).

## Questions & Answers

Several participant questions focused on financing resources for nutrient management centered around funding requirements and matching opportunities. One participant asked: What are the applicable program requirements for co-funding? Presenters emphasized the importance of ensuring all funding parties are in communication, as requirements vary. Further questions regarding funding requirements focused on whether SRFs can be used as a match for OSG funding. Panelists shared that initial capitalization (money flowing from EPA to states to capitalize their revolving loan funds) grant money is considered federal money which is not eligible to act as matching funds for other Federal programs. Once funding is recycled through the state revolving fund process, it is considered state money and eligible for meeting matching requirements.

Participants asked how the Farm Bill water protection funds are being used either in conjunction with other federal funding sources or individually. Panelists shared USDA's focus on source water protection, highlighting USDA's technical assistance providers grant programs to assist with source water protection efforts. Additional resources are found through drinking water SRF's, where set-asides for source water protection plans can be used to leverage farm bill funding.

To clarify community size requirements, participants asked: Can USDA help fund central sewers in county areas which qualify as rural even though the infrastructure will be turned over to a city with a population above 10,000 persons which does not qualify for USDA assistance? Panelists confirmed that USDA is able to assist in these cases. However, dollars can only be contributed to the project or project portions that serve eligible rural areas.

Forum participants additionally posed questions regarding cover crops, green infrastructure, and funding covered through the set-aside process. EPA representatives shared that cover crops are included in set-aside activities as a source water protection measure. Cover crops are additionally eligible for clean water agricultural best management practices funding. Members requested material factsheets detailing green infrastructure projects and their eligibility for American Rescue Act Funds. EPA representatives shared the following resource: <https://www.epa.gov/green-infrastructure/>.

## Closing

Rob Greenwood, Ross Strategic facilitator, shared further resources for participants, providing background information on Financing Nutrient Management Improvements in Underserved Communities: Resources. Greenwood thanked participants for their time and for sharing their perspectives and questions.



# Appendix A: Agenda

## Overview

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This virtual forum is designed to help underserved communities with nutrient management challenges identify funding opportunities for their needs, highlighting co-funding between EPA and USDA. The forum provides information on the relevant funding programs, the application processes and requirements and how these programs can be used together to fund point source nutrient management projects. Real world examples of communities that have successfully coordinated financing are shown. EPA and USDA also identify sources of technical assistance and other support for small, underserved communities that have struggled to access federal funds for nutrient management due to technical, managerial, or financial constraints.

## Agenda

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- 12:00 PM**     **Welcome, Introductions, and Agenda Overview**  
*Facilitator:* **Rob Greenwood, Ross Strategic**  
*Presenter:* **Ellen Tarquinio, US EPA and LaVonda Pernel, USDA**
- 12:10 PM**     **Brief Overview of Nutrient Financing Options**  
*Focus: USDA and EPA will briefly describe their funding programs, the application and evaluation process, and highlight what elements are hallmarks of successful applications.*  
**Topic: USDA Financing Options (20 min)**  
*Presenter:* Dave Flesher, Community Programs Specialist in the WEP's Program Operations Branch  
**Topic: EPA Financing Options (25 min)**  
*Presenters:* Dallas Shattuck, Drinking Water State Revolving Fund; Alison Souders, Clean Water State Revolving Fund; Michael Goralczyk, Sewer Overflow and Stormwater Reuse Municipal Grants
- 12:55 PM**     **Questions and Answers**
- 1:10 PM**     **Break**
- 1:20 PM**     **Leveraging Resources for Financing Nutrient Removal - How Does That Work?**  
*Focus: Success Story*  
*Presenter:* Terry Fearins, USDA Delaware/Maryland Community Programs Director (15 min)

**1:35 PM**      **Questions and Answers**

**1:50 PM**      **Who Can Help?**

*Focus: Funding agencies will discuss resources available to assist communities as they navigate co-funding and managing co-funded projects.*

*Presenter: Christopher Adamchak, USDA (15 min)*

*Presenters: Ellen Tarquinio, US EPA; Addison Chau, US EPA; Jamie Piziali, US EPA (20 min)*

**2:15 PM**      **Questions and Answers**

**2:30 PM**      **Wrap Up: Review of Available Resources**

*Presenter: Rob Greenwood, Ross Strategic*

**2:45 PM**      **Adjourn**



## Appendix B: Resources

### U.S. Environmental Protection Agency (EPA)

The U.S. EPA administers a broad set of federal programs to aid municipal wastewater treatment plant construction and improvement and provide technical assistance and support for communities across the U.S. as they work to provide clean water for their constituents. Originally established as a grant program in 1972 under the authority of the Clean Water Act (CWA), EPA now capitalizes state loan programs through the clean water state revolving loan fund (CWSRF) program and the drinking water state revolving loan fund (DWSRF) program. More recently, the Water Infrastructure Finance and Innovation Act of 2014 (WIFIA) established the WIFIA program, a federal credit program administered by EPA for eligible water and wastewater infrastructure projects.

- State Revolving Fund (SRF) Contacts:
  - Clean Water SRF. [State CWSRF Program Contacts | US EPA](#)
  - Drinking Water SRF. [State DWSRF website and contact\(s\) | US EPA](#)
- Water Infrastructure Finance and Innovation Act (WIFIA) Finance Program Handbook. [WIFIA Program Handbook \(epa.gov\)](#)
- Environmental Finance Centers (EFCs). [Environmental Finance Centers | US EPA](#)
  - Targeted technical assistance to and with states, tribes, local governments, and the private sector, providing innovative solutions to help manage the costs of environmental financing and program management.
- Source Water Protection Program. <https://www.epa.gov/sourcewaterprotection>

### U.S. EPA Water Finance Clearinghouse

The U.S. EPA Water Infrastructure Resiliency Finance Center is an information and assistance center, helping communities make informed decisions for drinking water, wastewater, and stormwater infrastructure to protect human health and the environment. The Center provides financing information and assistance through programs like the Water Finance Clearinghouse, Technical Assistance, and the Environmental Financial Advisory Board (EFAB).

- The [Water Finance Clearinghouse](#) is an easily navigable web-based portal to help communities locate information and resources that will assist them in making informed decisions for their drinking water, wastewater, and stormwater infrastructure needs. The Clearinghouse includes two searchable databases: one contains available funding sources for water infrastructure and the second contains resources, such as reports, weblinks, webinars etc. on financing mechanisms and approaches that can help communities access capital to meet their water infrastructure needs.
- The Water Finance Clearinghouse was developed by [EPA's Water Infrastructure Finance and Resiliency Center](#), an information and assistance center identifying water infrastructure financing approaches that help communities reach their public health and environmental goals.
- <https://clearinghouse.epa.gov/ords/wfc/f?p=wfc:12>

The USDA Rural Development Water & Environmental Program provides funding for the construction of water and waste facilities in rural communities and is proud to be the only Federal program exclusively



focused on rural water and waste infrastructure needs of rural communities with populations of 10,000 or less.

- USDA Rural Development. [Water & Environmental Programs | Rural Development \(usda.gov\)](#)
- USDA Rural Development State Offices. [State Offices | Rural Development \(usda.gov\)](#)
- RD Apply. [RD Apply | Rural Development \(usda.gov\)](#)
- Circuit Rider Program [State Associations | NRWA](#)
  - Provides technical assistance to rural water systems through a contract with the [National Rural Water Association](#) Rural water system officials may request assistance from the Rural Utilities Service, or Rural Utilities Service staff may request assistance on behalf of the system.

## Training Technical Assistance Providers

EPA and USDA also work with on-the-ground partners to provide financial technical assistance to communities including objective financial advice to help communities make informed decisions on funding drinking water, wastewater, and stormwater infrastructure projects, and access to tools that help utilities make financing decisions to meet their local infrastructure needs. These partners include:

- [Capacity Development Program](#)  
Every state has a capacity development program to help small systems improve their finances, management, infrastructure, and operations.
- [Environmental Finance Center \(EFC\) Network](#)  
EFCs and their partners provide innovative solutions to states, tribes, local governments and the private sector to help manage the costs of environmental financing and program management.
- [National Rural Water Association \(NRWA\)](#)  
NRWA is a national network of non-profit organizations serve rural and small communities across the U.S. and provides training and technical assistance on operating, managing, and financing water and wastewater
- [Rural Community Assistance Partnership \(RCAP\)](#)  
RCAP is a national network of non-profit organizations that provides training and technical assistance through six regional organizations on financing, managing, and operating water and wastewater systems.