




Addressing Stormwater Challenges with EPA Technical Assistance and Funding



Webinar
May 29, 2024
1-2pm ET

Agenda

- Introductions
- EPA Water Technical Assistance (WaterTA)
- EPA Funding Opportunities
 - Clean Water State Revolving Fund (CWSRF)
 - Sewer Overflow and Stormwater Reuse Municipal Grants (OSG)
 - Water Infrastructure Finance and Innovation Act (WIFIA) Program
- WaterTA Provider Insight – Delta Institute
- Q&A



Housekeeping



All attendees are in listen-only mode.



Closed captions are available by clicking the “CC” button in your control panel.



This presentation is being recorded. The recording and PDF of the presentation slides will be available.




Please submit questions/comments through the Q&A Box. Questions will be answered at the end of the presentation.



Relevant links will be shared via the Chat Box throughout the presentation. Please use the Chat Box for troubleshooting issues.

Speakers

- **Travis Ostrom**, PE, PhD, EPA Office of Wastewater Management, Environmental Engineer
- **Michael Goralczyk**, EPA Office of Wastewater Management, Program Coordinator
- **Dallas Shattuck**, EPA Office of Wastewater Management, Senior Program Manager
- **Kristina Murphy**, EIT, CFM, CC-P, Delta Institute, Environmental Finance Center Administrator



EPA Water Technical Assistance (WaterTA) for Stormwater



Many Communities Face Stormwater Infrastructure Challenges

EPA Support for Stormwater Infrastructure

Funding

Clean Water and Drinking Water State Revolving Funds (CWSRF)

Sewer Overflow and Stormwater Reuse Municipal Grants (OSG)

Water Infrastructure Finance and Innovation Act (WIFIA)

Clean Water Indian Set Aside (CWISA)

Other EPA funding (e.g., Community Change Grants)

Technical Assistance (TA)

EPA WaterTA Programs

EPA WaterTA Engineering Support

Other EPA TA Programs

External TA Program Partnerships

[Navigating Federal Funding for Green Infrastructure and Nature-Based Solutions](#)

Bipartisan Infrastructure Law

- **\$50 billion** investment in water infrastructure – the largest ever!
- Large amount of funding will be grants/forgivable loans for **disadvantaged communities**
- Loans at **below market rates**
- **5-year** appropriation timeline





EPA WATER TA

**Environmental Finance
Centers**

**Closing America's Wastewater
Access Gap**

**Get the Lead Out (GLO)
Initiative**

**Training and Technical
Assistance for Small
Systems**

**Clean Water Rural, Small, & Tribal
Assistance**

**Lead Service Line Replacement
Accelerators Pilot**

Cybersecurity TA

Community Solutions Team Pilot

Creating Resilient Water Utilities

**Preliminary Engineering
Support**

...and more!

EPA WaterTA Supports Communities to:



Identify stormwater challenges



Plan for solutions



Increase community engagement



Improve compliance and resiliency of
stormwater services



Build technical, managerial, financial capacity



Develop application materials to access
stormwater infrastructure funding

EPA WaterTA Approach

- **Targeted:** focused on disadvantaged and underserved communities as well as those that may struggle to access funding to improve their stormwater infrastructure
- **Proactive:** directly assist disadvantaged and underserved communities – we go to them!
- **Community-centered:** meet communities where they are by building trust, adjusting to their needs, and being culturally competent

GOAL: more communities with applications for federal funding, quality stormwater infrastructure, and reliable stormwater services!

Technical Assistance (TA) Providers

EPA works with national and regional providers that are experts in stormwater and supporting communities.





Who is eligible to receive EPA WaterTA Services?

- Local governments/communities
- Drinking water utilities/systems
- Wastewater utilities/systems
- Stormwater utilities/systems
- States, Tribes, territories
- Non-governmental organizations
- **Questions? Contact WaterTA@epa.gov**

How to Request Assistance

Submit a WaterTA request form at epa.gov/WaterTA



Help for Your Community

The EPA's WaterTA aims to assist communities with applications for federal funding, quality infrastructure, and reliable water services. If your community is facing water infrastructure challenges and could benefit from support, we encourage you to learn more about [who can receive WaterTA services and the challenges WaterTA can help your community address](#) then complete and submit a webform request via the following button:

[Click Here to Request Water Technical Assistance for Your Community](#)



Complete in just a few minutes!

Request Form! →



Learn more or request assistance at
www.epa.gov/WaterTA



WaterTA@epa.gov



Available Funding for Stormwater Projects

Clean Water State Revolving Fund (CWSRF)
and

Sewer Overflow and Stormwater Reuse Municipal Grants (OSG)

Both the CWSRF and OSG, are EPA programs that provide funding to states and territories for wastewater infrastructure.

CWSRF

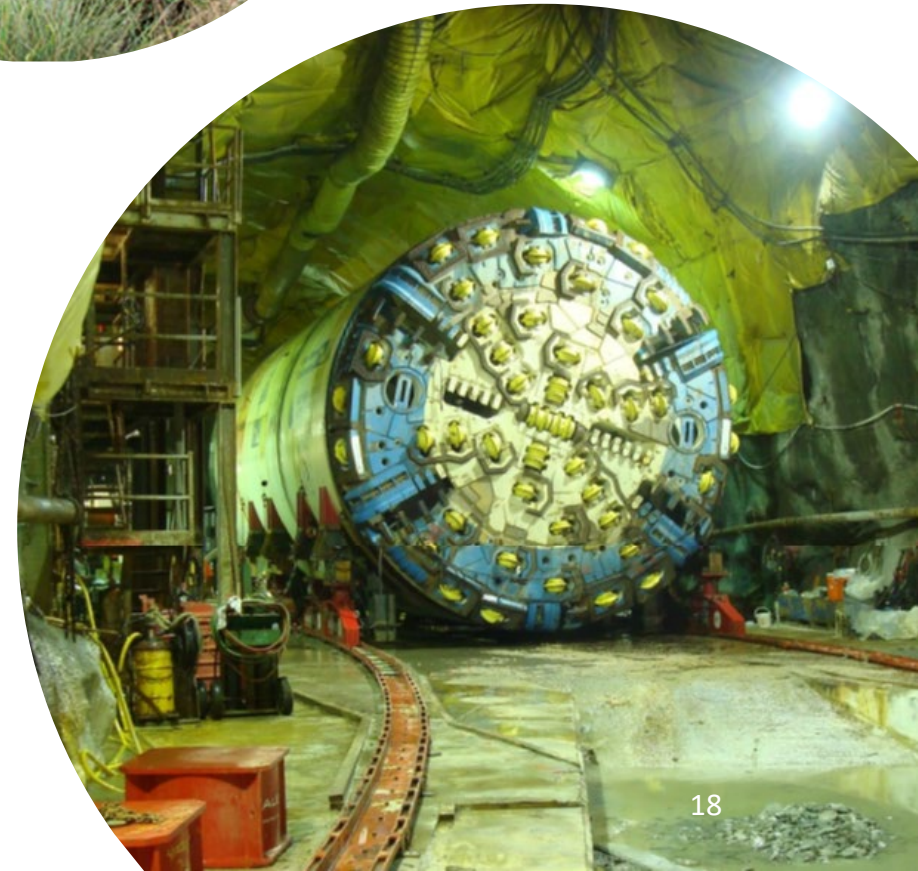
The CWSRF is an **\$172 Billion** affordable loan program that can fund many projects, including stormwater work.

OSG

OSG is a **\$202 Million** grant program that can only fund overflow or stormwater projects.

CWSRF or OSG can Fund...

- Treatment works to intercept, transport, control, treat, or reuse municipal combined sewer overflows, sanitary sewer overflows, or stormwater
 - Measures to manage, reduce, treat, or recapture stormwater or subsurface drainage water
 - Reusing or recycling wastewater, stormwater, or subsurface drainage water
-
- CWSRF and OSG are flexible! They can support...
 - Ongoing overflow or stormwater work (gray or green)
 - Planning and design costs to get a project off the ground
 - Disadvantaged communities and EJ initiatives
 - CWSRF can be paired with Sewer Overflow and Stormwater Reuse Municipal Grant Program funds to reduce costs for the community



Example Stormwater Projects include...

- Separate sanitary and storm sewers
- Downspout disconnection
- Overflow tanks/tunnels
- Infiltration/inflow correction
- Conveyance infrastructure / sewer pipes
- Street Sweepers
- Vacuum trucks
- Green infrastructure
- Constructed wetlands
- Establishment/restoration of urban tree canopy



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.*

Who Can Use the OSG?

- Municipalities and municipal entities



Overview of CWSRF Eligibilities

Florida Minuteman Causeway Project

- \$1.8M CWSRF loan at 0.315% interest to match a 319 Nonpoint Source Grant
- Green infrastructure/urban stormwater project to reduce nutrients discharged into the Banana River Lagoon
- Native landscape bioswales/tree filters, underground exfiltration, and pervious pavers.
- Project treats an 8.34-acre watershed



Veteran Memorial Park & Golf Course Stormwater System Improvements

- \$4M loan to the City of Griffin, Georgia at 1.94% interest
- Culvert was creating sink holes throughout the Park and required special care to ensure that the stone memorials found around the Park could be repaired without any major disturbance
- Project completed using a “trenchless” technique
 - Eliminated safety issues with flooding
 - Saved the city over \$750,000 in construction costs since relocating monuments was not necessary
- Litter trap installed at a pond at the City’s golf course irrigation pond to remove debris
- Coordinated with the City’s Public Works Departments & Others
- Public meetings held throughout the process



Who to Contact about the CWSRF or OSG?

- Interested parties can contact their state's office for water infrastructure investments to learn more about each program.





WIFIA FUNDING FOR STORMWATER PROJECTS



MISSION STATEMENT

The Water Infrastructure Finance and Innovation Act (WIFIA) program accelerates investment in our nation's water and wastewater infrastructure by providing long-term, low-cost, supplemental credit assistance under customized terms to creditworthy water and wastewater projects of national and regional significance.



PROGRAM FEATURES

\$20
MIL

Minimum project size for large communities

5
YEARS

Maximum time that repayment may be deferred after substantial completion of the project

\$5
MIL

Minimum project size for small communities (population of 25,000 or less)



Interest rate will be equal to or greater than the U.S. Treasury rate of a similar maturity

49%

Maximum portion of eligible project costs that WIFIA can fund



Broad eligibility allows for wide variety of borrowers and projects, plus special program for SRF borrowers (SWIFIA)

35
YEARS

Maximum final maturity date from substantial completion



NEPA, Davis-Bacon, American Iron and Steel, Build America, Buy America, and all federal cross-cutter provisions apply



LOAN FEATURES AND BENEFITS

FAVORABLE RATES	<ul style="list-style-type: none">• Fixed interest rate locked in at closing• Interest does not accrue until loan is drawn• Borrower credit does not impact interest rate
GENEROUS TERMS	<ul style="list-style-type: none">• No penalty for prepayment• Sculpted repayment schedule to grow payments over time• WIFIA can take a subordinate lien position
FLEXIBLE FINANCING	<ul style="list-style-type: none">• Loan closing in as little as 4 months, or faster for repeat borrowers• Bespoke loan agreements that can fit into each borrower's existing indenture structure or be stand-alone issuances• Pairs well with other forms of funding and financing
BUNDLING FEATURES	<ul style="list-style-type: none">• Financing available for a combination of projects under one loan• Upfront commitment available for multiple projects taking place over time via a Master Agreement
LOAN MANAGEMENT	<ul style="list-style-type: none">• Ability to request monthly disbursements• Disbursements processed within 15 days of request• Dedicated loan management team responsive to borrower needs



FINANCING AVAILABLE

Each year, Congress appropriates funds to WIFIA

- This allows the WIFIA program to have money available on an ongoing basis
- WIFIA can finance up to 49% of the anticipated project costs **and is offering up to 80% of anticipated project costs for small communities**



PROJECT SELECTION

WIFIA and SWIFIA Letters of Interest (LOI) may be submitted at any time!

- Rolling selection provides:
 - ✓ Year-round access to WIFIA funding
 - ✓ Accelerated selection decisions allows for real-time financial decision-making by prospective borrowers
 - ✓ WIFIA LOI submission can be timed with cycles of other funding sources
 - ✓ WIFIA can provide technical assistance to prospective borrowers that need feedback on LOI package

Submission of an LOI is easy via EPA's SharePoint site!

- To request access, simply contact WIFIA@EPA.GOV



STORMWATER PROJECT EXAMPLES

San Diego, CA

- **\$225M WIFIA loan** for Stormwater Capital Improvement Program
- Design and construction of traditional and green infrastructure projects
- Captured stormwater flows will be directed to innovative multi-benefit stormwater management technologies to reduce untreated runoff entering the Pacific Ocean
- First loan under a Master Agreement that will commit over \$359 million in WIFIA loans to San Diego

Memphis, TN

- **\$10M WIFIA loan** for Stormwater Upgrades Project
- Memphis will complete 13 projects to modernize portions of the aging stormwater infrastructure
- First loan under a Master Agreement that will commit \$50 million in WIFIA loans to Memphis



MEETING WITH WIFIA PROGRAM STAFF

EPA is happy to meet with all prospective borrowers interested in discussing the program prior to submission of a letter of interest

- Send requests to wifia@epa.gov
- Meetings may be virtual or in-person



RESOURCES

General Information

<https://www.epa.gov/wifia/about-wifia>

- What is WIFIA?
- What is SWIFIA?
- WIFIA Benefits
- Laws and Regulations

Application Materials

<https://www.epa.gov/wifia/wifia-application-materials>

- Letter of Interest form
- Letter of Interest checklist
- Sample Letter of Interest
- Sample financial pro forma

Program Resources

<https://www.epa.gov/wifia/wifia-program-resources>

- Template Term Sheet
- Federal Compliance Requirements
- Program Handbook
- FAQs

Learn More

<https://www.epa.gov/wifia/learn-more-about-wifia>

- Annual Report
- Videos
- Presentations and Factsheets



CONTACT US

Dallas Shattuck: shattuck.dallas@epa.gov

Website: www.epa.gov/wifia

Sign-up to receive announcements about the WIFIA program at <https://tinyurl.com/wifianews>

Have questions? Want to meet with WIFIA staff?

Contact us at wifia@epa.gov





*US EPA Region 5
Environmental Finance Center
for Water Infrastructure*

*WaterTA and Funding for Stormwater Webinar
May 29, 2024*



BIOGRAPHY

- Kristina Murphy, CFM, CC-P*
 - Delta Institute – nonprofit in Chicago
 - Environmental Finance Center Administrator for EPA Region 5
 - 25 years of experience in stormwater and floodplain management, modeling, and design and permit review; wastewater collection system modeling and permit review; drinking water storage and distribution systems modeling and permit review; climate resilience and adaptation; and climate mitigation
 - Worked directly for local governments for 10 years

* Certified Floodplain Manager (CFM), Certified Climate Change Professional (CC-P)



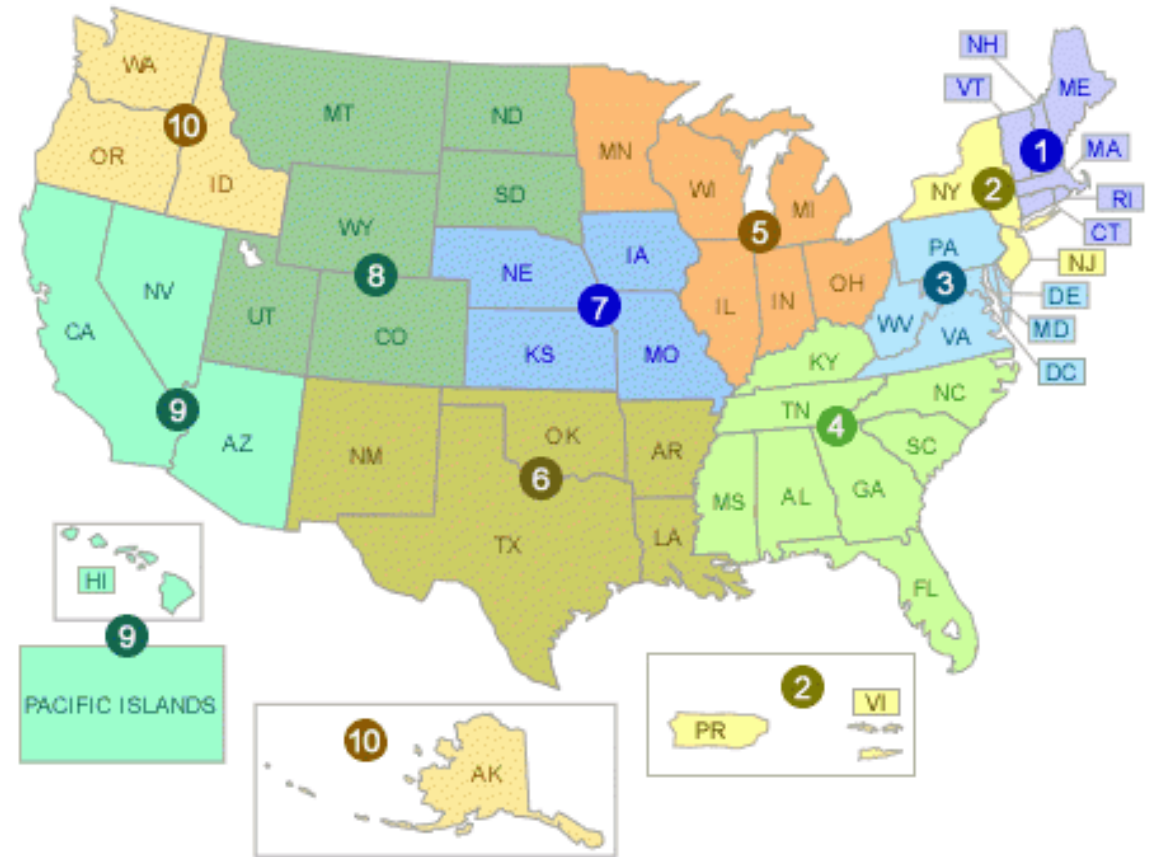
AGENDA FOR TODAY

- Environmental Finance Centers
- Water Technical Assistance
- State Revolving Funds (SRF)
- Lessons Learned

ENVIRONMENTAL FINANCE CENTERS

OVERVIEW OF ENVIRONMENTAL FINANCE CENTERS

- Bipartisan Infrastructure Law provided \$50 billion for drinking water, wastewater, and stormwater infrastructure
- Technical assistance programs to help communities obtain State Revolving Funds (SRF)
- EPA Regional Environmental Finance Centers (EFCs) provide technical assistance to communities



www.epa.gov/waterfinancecenter/efcn

EPA REGION 5 EFCS

- Delta's EFC Partners in Region 5:
 - American Society of Adaptation Professionals (ASAP)
 - Current
 - Center for Neighborhood Technology (CNT)
- Other Region 5 EFCs:
 - Great Lakes Community Assistance Program (GLCAP)
 - Michigan Technical University (MTU)



WATER TECHNICAL ASSISTANCE

WATER TECHNICAL ASSISTANCE SERVICES

- Delta's technical assistance services focuses on water infrastructure and directly engages with water utilities and communities.
- Our services result in concrete actions that put communities on the path to successfully accessing SRF funding. Delta and our partners are providing services to communities inclusive of:
 - Planning and assessment: Water infrastructure project identification, planning, and set-up;
 - Project development: Ensuring project readiness for SRF application(s);
 - Funding and financing: Application assistance to secure state based SRF investment; Compliance and risk mitigation advisement;
 - Program management support: Project maintenance, stewardship, and long-term planning; and,
 - Direct water-focused technical assistance.



ELIGIBLE ENTITIES FOR TECHNICAL ASSISTANCE

- A local unit of government
- A privately owned (not-for-profit) community water supply or wastewater treatment
- Priority
 - Has not received a State Revolving Fund (SRF) loan in more than 3 years

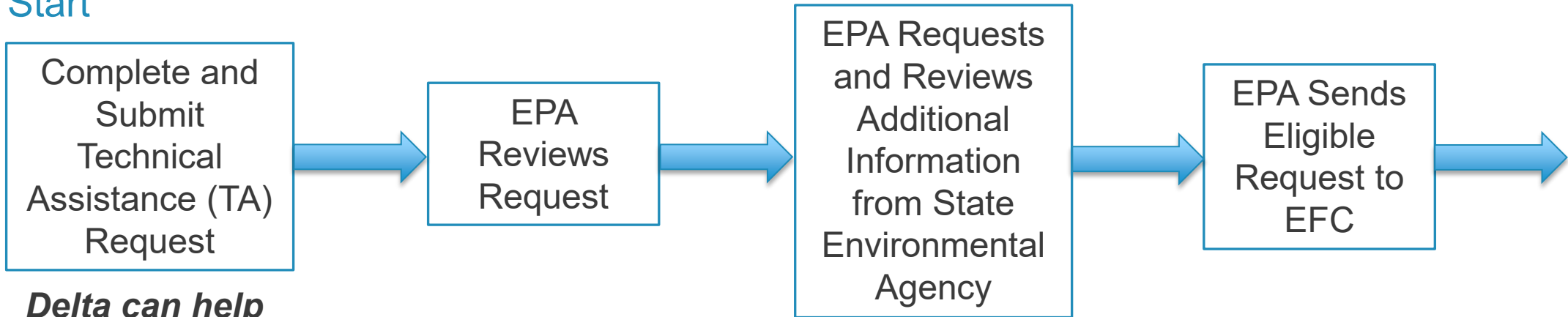
OR

- A Disadvantaged Community (based on state criteria)

www.epa.gov/water-infrastructure/water-technical-assistance-waterta-information#help

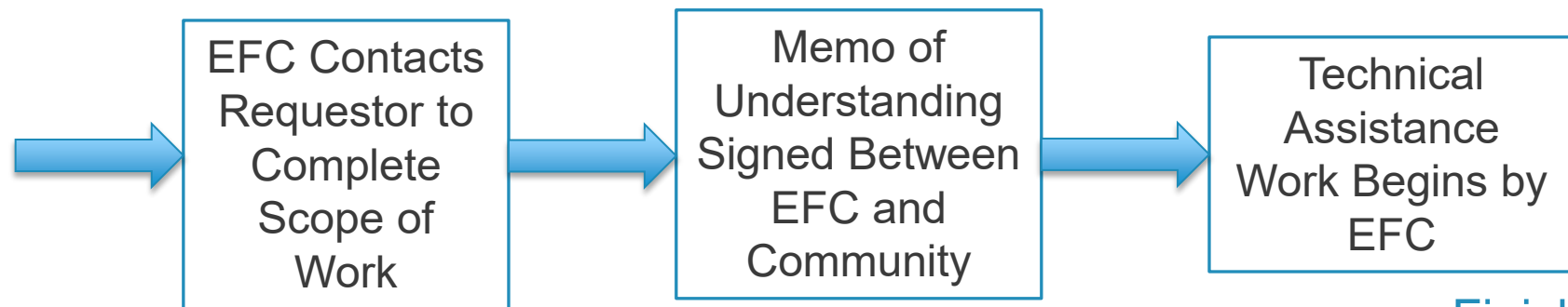
THE EFC PROCESS

Start



Delta can help with the form!

TA is provided at no cost to the requestor!



Finish

www.epa.gov/water-infrastructure/forms/water-technical-assistance-request-form

delta-institute.org/epa-region-5-water-infrastructure/

FILL OUT OUR ONLINE INTAKE FORM LOCATED ON THE ABOVE WEBPAGE

WATER TECHNICAL ASSISTANCE

Describe where your agency is at in the process of obtaining a SRF loan (check all that apply):

- Need assistance with planning project(s)
- Project(s) planning completed
- Detailed project design needed (EJ communities are prioritized)
- Detailed project design is completed
- Assistance needed with establishing or increasing a utility user fee
- A payback method (utility fee) has been established
- Need assistance with SRF application/forms

STATE REVOLVING FUNDS (SRF)

CLEAN WATER SRF

- CWSRF loans for 35 years (www.epa.gov/cwsrf)
- Cost savings for communities by offering a lower interest rate compared to the prevailing market rate
- Current SRF interest rates (IL): base - 1.81%; small community - 1.36%; hardship rate - 1.00%
- US EPA Guidance
 - www.epa.gov/cwsrf/clean-water-state-revolving-fund-cwsrf-implementation
 - www.epa.gov/sites/default/files/2016-01/documents/cwsrf_green_infrastructure_policy_final.pdf
 - www.epa.gov/cwsrf/clean-water-state-revolving-fund-cwsrf-nontraditional-financing
 - www.epa.gov/system/files/documents/2024-01/bil-srf-frequent-questions.pdf



ELIGIBLE PROJECTS FOR SRF

- **Clean Water (stormwater and wastewater)**
 - Centralized and decentralized wastewater treatment facilities
 - Reduction of infiltration and inflow (I&I)
 - Combined sewers separation
 - Water conservation
 - Ground water protection and restoration
 - Surface water protection and restoration
 - Stormwater management (both gray and green infrastructure that provides water quality benefits)

SRF is not intended for on-going maintenance

*Security and energy
conservation
improvements are eligible*

SRF LOAN REQUIREMENTS

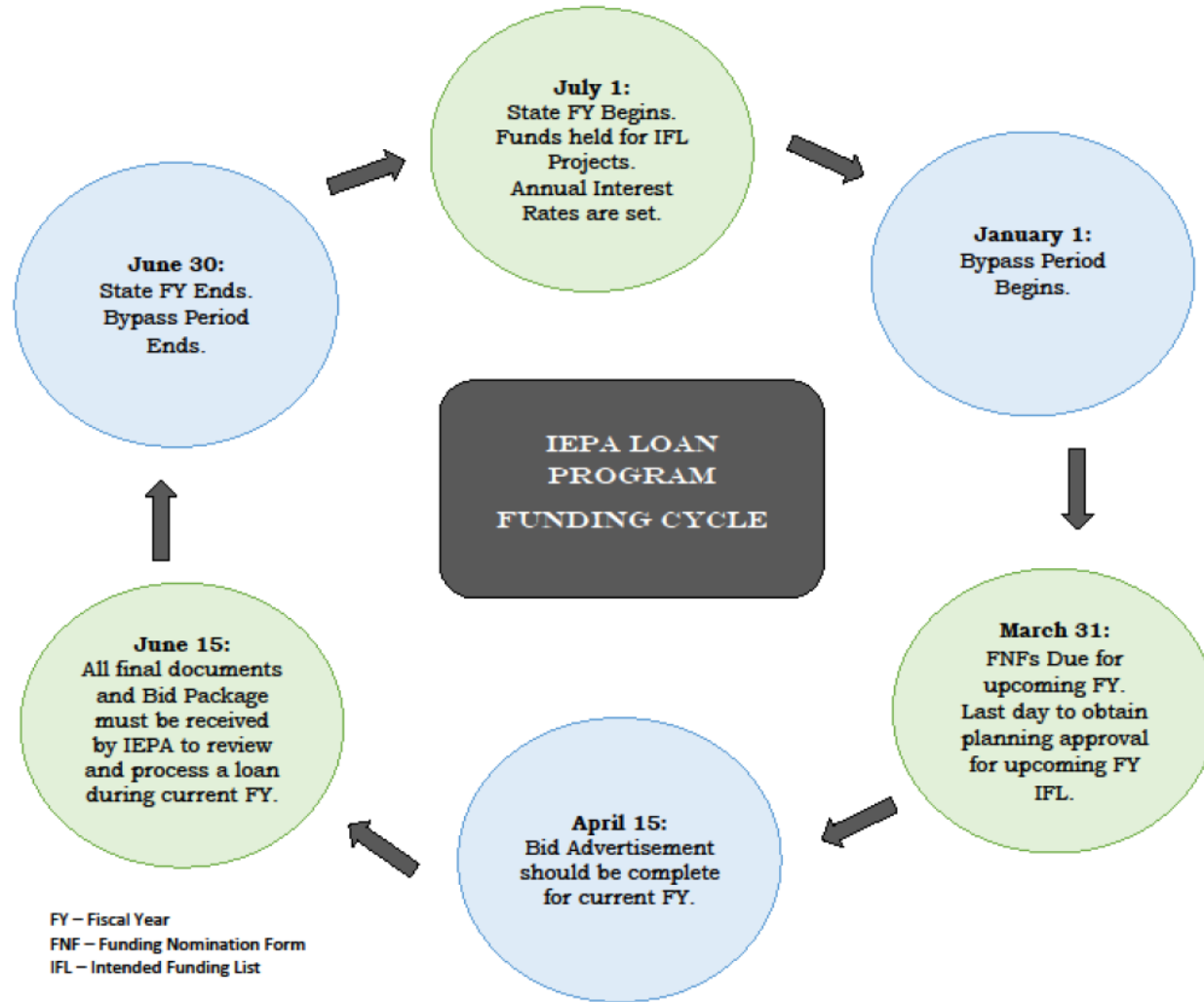
Check your state's website for requirements to prepare for submission

- Forms
- Checklists
- Financial audits
- Financial projections
- Project plan
- Plans and specifications
- Useful life calculations

<https://epa.illinois.gov/topics/grants-loans/state-revolving-fund/guidance.html>

<https://epa.illinois.gov/topics/grants-loans/state-revolving-fund/state-revolving-fund-forms.html>

SRF TIMELINE (ILLINOIS)



- March 31st deadline to submit
- Intended Use Plan

<https://epa.illinois.gov/topics/grants-loans/state-revolving-fund/postings.html>

<https://epa.illinois.gov/content/dam/soi/en/web/epa/topics/grants-loans/state-revolving-fund/guidance/documents/funding-cycle-and-availability-explanation-10-1-2019.pdf>

CONSIDERATIONS FOR FUNDING

- Principle forgiveness on loans
 - Eligible?
- Repayment options
 - Term less than design life
 - Utility fee increases, new taxes may lack support
- Public and elected officials support

LESSONS LEARNED

BARRIERS TO SRF

SRF loans are not always achieved

- More applicants than funding
- Scored low
- Financial audit lacking
- Noncompliance, violations
- Debt ratio too high
- Application process - plan and document preparation can be time-consuming and/or expensive

CHALLENGES

- Needs change or increase during discovery / scoping phase
- Staff capacity, staff turnover, and competing priorities
- Vague and/or long list of potential projects
- Capital Improvement Plans (CIP), asset management, and/or financial audits incomplete, outdated, or lacking
- Most communities have not established stormwater utility fees (payback)
- Projects are in planning phase rather than shovel-ready, i.e. not ready to apply for SRF loans



LESSONS LEARNED

- **Capital Improvement Planning updated**
 - Asset management
 - Group smaller projects together for funding purposes
 - Budget for matching funds if applying for grants
 - Consider multiple funding streams
- **Funding Resources**
 - SRF and other loans (WIFIA)
 - Municipal bonds
 - Grants (319, nonpoint source)
 - General funds
 - New taxes (Special Service Areas, Special Assessment Districts)
 - New or increased utility user fees

QUESTIONS?

KMURPHY@DELTA-INSTITUTE.ORG