



SINCE its introduction in 1987, the Clean Water State Revolving Fund (CWSRF) has established itself as one of the largest and most effective water infrastructure financing programs in the country. Through 2014, our 51 programs provided a combined \$105 billion in funding for critical infrastructure projects nationwide. This achievement is a testament to a financing model that has the ability to provide environmental and economic benefits in communities. The question of “how to pay” for infrastructure remains relevant today. National need for a robust, creative CWSRF is as pressing now as 27 years ago.

Our program exists in a time of change. The American Recovery and Reinvestment Act and subsequent appropriations introduced new requirements such as American Iron and Steel, additional subsidization, the Green Project Reserve, and Davis-Bacon wage requirements. Additionally, the Water Resources Reform and Development Act (WRRDA) passed in June 2014 further expanded program eligibilities and introduced such requirements as fiscal sustainability planning and affordability. While these developments offer significant opportunities, they also pose some questions for our state partners and assistance recipients.

Today's funding climate demands creative approaches to engaging stakeholders. We must create a strategic, long-term marketing vision to ensure that communities, associations and other constituents are not only aware of the availability of assistance, but the tremendous environmental and economic benefits the CWSRF can provide. I'm pleased to rekindle the SRFs Up Newsletter so EPA can contribute to marketing efforts at the national level by highlighting the good work that CWSRFs are engaged in. I know firsthand that our state partners are creative, flexible, dedicated and have an incredible history of accomplishment. This is a recipe for successfully navigating the opportunities ahead. State programs have EPA's sincere thanks for the work they do in representing this unique federal and state partnership.

Andrew Sawyers, Ph.D., Director
EPA Office of Wastewater Management

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State-EPA Marketing Plan

CWSRF programs already engage in an impressive array of marketing initiatives. Over their 27-year history, state CWSRFs have ably demonstrated that effective communication with stakeholders at the local and state levels is vital to not only building and maintaining a successful program, but also overcoming obstacles to continued growth.

A marketing strategy that communicates financial capacity, eligibilities and success stories to a national audience can complement state efforts. To pursue this objective, the State-EPA Workgroup recently rekindled the marketing and communications sub-workgroup. The workgroup has held monthly conference calls leading up to the fall Council of Infrastructure Financing Authorities (CIFA) workshop and State-EPA workgroup meeting. The mission of this sub-workgroup is to identify measures EPA can take to assist states in building sustained demand. Findings and recommendations will be presented to the full State-EPA workgroup and will inform the direction of EPA's future marketing efforts. Please direct questions and potential discussion topics to George Ames at ames.george@epa.gov.

For the remainder of 2015 and beyond, EPA will work internally to maintain existing efforts and explore new opportunities to report on environmental results, recognize innovation and effective program management, and market the CWSRF program on a national scale. The components of the marketing plan include:

EPA CWSRF Website

EPA is in the process of standardizing web content across all of its programs. As part of this effort, we are pleased to introduce a new and improved CWSRF website. The new website describes how the CWSRF program works and provides environmental and financial results, program resources, and local success stories. The new design also emphasizes on the accessibility of information and improved navigability. Visit the new website at <http://www2.epa.gov/cwsrf>.

SRFs Up Newsletter

EPA will distribute SRFs Up in August each year to state partners and other stakeholders. It will feature successful CWSRF projects and initiatives, profile individual CWSRF programs, and provide a news update from EPA and around the country.



Social Media

EPA Headquarters has developed a social media presence for the CWSRF programs on Facebook and Twitter. EPA features newsworthy CWSRF events and success stories on these platforms biweekly. Follow EPA's Water Is Worth It Facebook page at <https://goo.gl/EOSVqi>. Follow the EPA Office of Water's Twitter feed at <https://twitter.com/EPAwater>.

Water Headlines

Water Headlines is the weekly email newsletter of EPA's Office of Water. Once a month it will feature a CWSRF success story highlighting a successful project or state initiative. You can subscribe to Water Headlines at <http://goo.gl/Ar08f3>.

CWSRF Recognition Program

In an effort to recognize the outstanding work in the CWSRF community, EPA is considering implementing a new recognition program in federal fiscal year 2016. Participation in the program will be voluntary. Once criteria are developed and nomination procedures are finalized EPA will provide an update to state CWSRF programs.

Projects of Interest

EPA Headquarters is developing detailed case studies that highlight noteworthy CWSRF projects from around the country. EPA will develop these "projects of interest" quarterly and feature them on its CWSRF website and social media.

CWSRF Webinar Series

EPA Headquarters is developing a webinar series highlighting topics of interest to the CWSRF community. EPA will facilitate the webinars, which will feature 2-3 guest speakers from state programs. An initial webinar will be delivered in March 2016. EPA will use feedback to develop future content and schedule future webinars.

CWSRF Annual Report

The Annual Report will feature news and success stories from state programs and highlight financial and environmental benefits data. Look for it in December each year.



CWSRF Success Stories

The CWSRF was designed to allow states the flexibility to fund projects based on their individual water quality priorities. As a result, states fund a wide variety of projects ranging from conventional wastewater treatment to energy and water efficiency. Addressing water-sector challenges also demands unique approaches to incentivizing projects and assisting stakeholders. The following examples demonstrate the CWSRF's ability to address a range of issues in the interest of protecting public health and water quality.

California: Water Recycling

In March 2014 the California State Water Resources Control Board approved low-interest financing terms to incentivize water recycling projects, making \$800 million available at 1 percent interest. Among the projects eligible for funding are recycled water treatment, distribution and storage facilities.

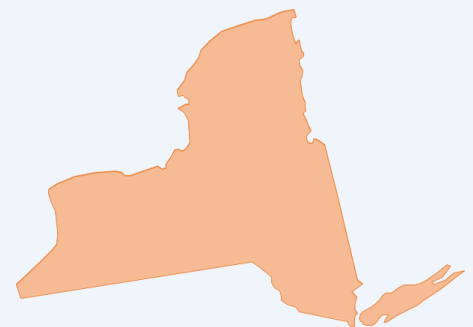
The financing will help California reach its goal of recycling 150,000 acre-feet of water annually, providing much-needed water sources. To date, this funding opportunity has resulted in over \$115 million in executed loan agreements, with an additional 22 applicants in the pipeline.



New York: Wastewater Treatment

In 2014, the New York State Environmental Facilities Corp. (EFC) Board of Directors approved an interest-free loan of \$185 million and a market-rate loan of \$185 million to the New York City Municipal Water Finance Authority for 13 wastewater improvement projects during the next three years. These loans are among \$2.3 billion in total State Revolving Fund assistance in 2014 for water infrastructure projects across New York State.

"The Environmental Facilities Corporation is pleased to assist New York City and 17 other local governments in their efforts to provide safe and reliable clean water systems, improving the environment and water quality, protecting public health, and creating jobs throughout the state," said former EFC President and CEO Matthew J. Driscoll. Loans of this magnitude demonstrate the CWSRF's capacity to address the portfolio of needs in large cities as well as small communities.





Arizona: Solar Energy

To mitigate increasing energy costs, the city of Douglas obtained a \$1.3 million loan from Arizona's Water Infrastructure Finance Authority (WIFA) to design and install a 300-kilowatt solar system at its wastewater treatment plant. The solar array is projected to generate nearly 520,000 kilowatt hours of electricity per year, or 50 percent of the plant's electric requirements.

WIFA was able to reduce the cost of the city's investment with \$400,000 in principal forgiveness. Once installed, Douglas estimates it will save \$32,000 per year in energy costs.



Virginia: Land Conservation

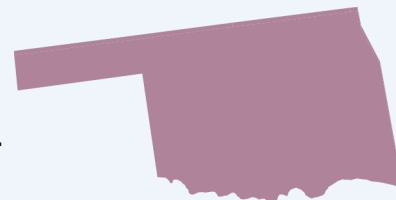
Using a \$9.1 million CWSRF loan, a historic natural land bridge located in Rockbridge County was preserved as part of a larger land conservation project. The CWSRF loan helped close the funding gap for the conservation easement, without which the private property could have been sold for projects without water quality benefits.

The private property, valued at approximately \$21 million, will now be preserved as part of Virginia's state parks system. Natural Bridge and the surrounding property are located in the James River watershed, which feeds into the Chesapeake Bay. Establishment of the conservation easement will help prevent nutrient pollution from reaching the Bay.

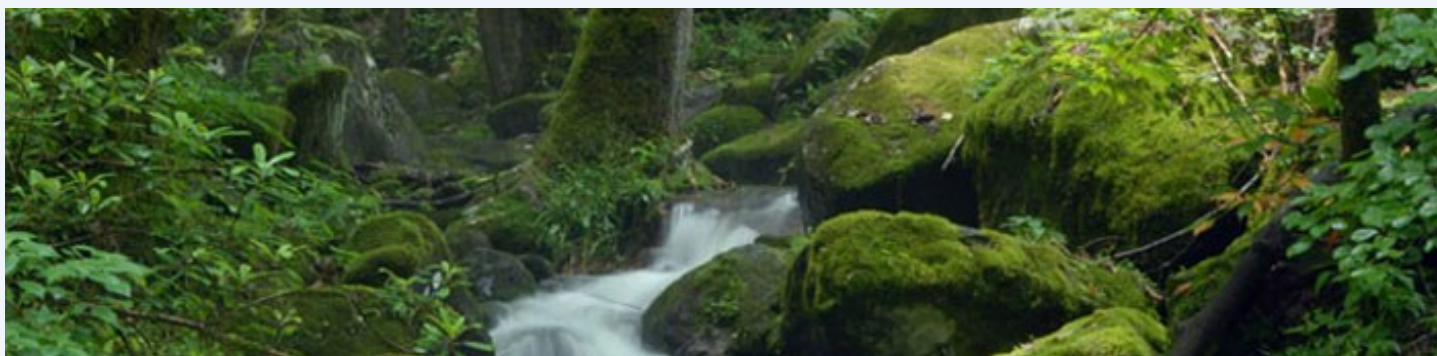


Oklahoma: Infrastructure Planning Guide

In 2014, the Oklahoma Water Resources Board (OWRB) finalized its Wastewater Infrastructure Planning Guide. This easy-to-use document helps potential assistance recipients develop detailed strategies to meet wastewater infrastructure goals. The guide walks users through the process of inventorying existing infrastructure assets and determining upgrade, repair and replacement needs. This baseline assessment is mutually beneficial for both communities and OWRB. It not only helps communities manage their infrastructure planning process, but also identifies a future pipeline of needs that could be addressed with OWRB funding.



Once a community uses the guide to identify projects, it can work with OWRB to select an infrastructure solution and assistance package that best meets its needs. Engagement between the assistance recipient and funding agency allows both parties to explore the full range of project alternatives, including measures that promote efficiency and long-term sustainability.



Maryland: Wind Energy

Crisfield, Maryland's wastewater treatment plant now has a 300-foot wind turbine thanks to a \$3.6 million CWSRF loan from the Maryland Department of the Environment (MDE). Wastewater treatment operations account for more than half of the city's electric bill.



It's estimated that wind power will provide up to \$200,000 in savings per year, with excess power to be sold back to the utility supplier. With MDE providing an additional \$3.1 million in additional subsidy to the low-income community, Crisfield's investment in clean energy will pay for itself quickly and provide long-term environmental and economic benefits. Additionally, the switch to wind power is estimated to reduce greenhouse gas emissions by 765 metric tons per year.

EPA Headquarters Updates and Upcoming Events

NIMS-CBR Merger

The National Information Management System (NIMS) and the Clean Water Benefits Reporting System (CBR) are the primary data systems EPA uses to track environmental and financial data across the 51 CWSRF programs. Historically, these two systems operated separately. NIMS aggregated data at the national level, whereas CBR collected data at the loan level. In July 2015, EPA merged the two systems. During future NIMS data collection cycles, states can utilize a reporting feature that will aggregate loan-level data in CBR and populate corresponding fields in NIMS. There are a modest number of fields that are unique to NIMS that states will still need to fill out once per year. However, this merger should significantly decrease the reporting burden for state programs.

You can send questions related to the merger to Matt King at king.matt@epa.gov or Mark Mylin at mylin.mark@epa.gov.

CWSRF Eligibilities Compendium

EPA Headquarters is developing a CWSRF Eligibilities Compendium to capture the spectrum of projects eligible for funding. While the majority of CWSRF funding traditionally goes toward replacement, repair and upgrade projects at publicly owned treatment works, the universe of what can be funded is much broader. WRRDA's passage in June 2014 expanded the already impressive array of project eligibilities within the CWSRF program, providing states with additional flexibility to target resources to their particular water quality priorities. Send questions about the compendium to Kelly Tucker at tucker.kelly@epa.gov.



The Water Infrastructure and Resiliency Finance Center

EPA's Water Infrastructure and Resiliency Finance Center was announced on January 16, 2015 as part of the Build America Investment Initiative – a government-wide effort to increase infrastructure investment and promote economic growth.

This center of financial expertise is a resource to communities who are exploring options for financing resilient drinking water, wastewater, and stormwater infrastructure. The Center is working to:

- **Promote innovative financing approaches.** The Center encourages the effective use of federal funds by building on the successful State Revolving Funds (SRFs) and working with our other federal partners. The Center will also work with other stakeholders, where appropriate, to build partnerships to increase water infrastructure investment.
- **Support and expand capacity building efforts through collaborative technical assistance.** The Center works with states, communities, universities, non-profits and others stakeholders to help utilities and communities explore financing options for their local needs.

Visit the WIRFC website at <http://www2.epa.gov/waterfinancecenter>

Water Infrastructure Finance and Innovation Act

Signed into law in June 2014 as part of the Water Resources Reform and Development Act (WRRDA), the Water Infrastructure Finance and Innovation Act (WIFIA) authorized a new pilot financing mechanism for water-related infrastructure of national or regional significance.

The WIFIA pilot will provide direct federal assistance for water infrastructure projects with a minimum cost of \$20 million. Since the pilot can only provide 49 percent of the total project cost, WIFIA-funded projects may be eligible for CWSRF co-funding.

EPA hosted listening sessions across the country to provide an overview of the statute, assistance options and terms, and ideas for implementing the program. Participants discussed project ideas and potential selection criteria; opportunities, challenges and questions about implementation; and future stakeholder engagement.

In addition, on April 1, 2015, EPA held an informational webinar. Topics included WIFIA eligibilities, project types, credit-worthiness and subsidy levels. EPA will continue to accept feedback and address questions and concerns as WIFIA implementation moves forward. If you have questions or comments related to WIFIA you may contact the WIFIA team at wifia@epa.gov.



WRRDA Implementation Training

WRRDA included new legislative amendments to the CWSRF program affecting eligibilities and programmatic requirements. During 2015, EPA Headquarters conducted WRRDA implementation training in nine of the 10 EPA regional offices. Each training session explored how states are implementing new project eligibilities and requirements such as fiscal sustainability planning and affordability. Attendance was high, providing states with the opportunity to share information, discuss challenges and highlight successful implementation approaches.

EPA is extremely grateful for state participation and feedback and are encouraged by the creativity and hard work states have displayed thus far. For additional comments on the training or follow-up questions, contact Sheila Platt at platt.sheila@epa.gov.

Feedback

We would like to involve state SRFs and others in developing future SRFs Up content. We are always willing to feature guest articles on topics of interest to the SRF community. If you have ideas for articles you would like to see in future newsletters, please let us know by contacting Matt King at king.matt@epa.gov.

United States Environmental Protection Agency
Office of Wastewater Management
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Washington, DC 20460
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