



Member Briefing: EPA's Strategies for Ensuring Equitable Access to SRFs

June 15, 2022
10am PT / 1pm ET



Music: www.bensound.com

WATERNOW ALLIANCE

Housekeeping and How to Ask Your Questions



Today's Speakers

JOSHUA AMARIS

State Revolving Fund
Program Manager

Environmental
Protection Agency

HOWARD RUBIN

Senior Financial Analyst

Environmental
Protection Agency

JAMIE PIZIALI

Municipal Ombudsman

Environmental
Protection Agency

Agenda



- About WaterNow
- Implementing the Bipartisan Infrastructure Law and Justice40 & SRFs
- Meet EPA's Municipal Ombudsman
- Panel Discussion: BIL Priorities, Resources & Next Steps
- Audience Q&A

PLEASE COMPLETE OUR WEBINAR EVALUATION!



WHO ARE WE?



A forum and network of local water leaders advancing sustainable, affordable, equitable and climate resilient water strategies

WHAT DO WE MEAN BY SUSTAINABLE?

Providing safe, healthy, and affordable water services for people while preserving the integrity of water resources and the environment for future generations.



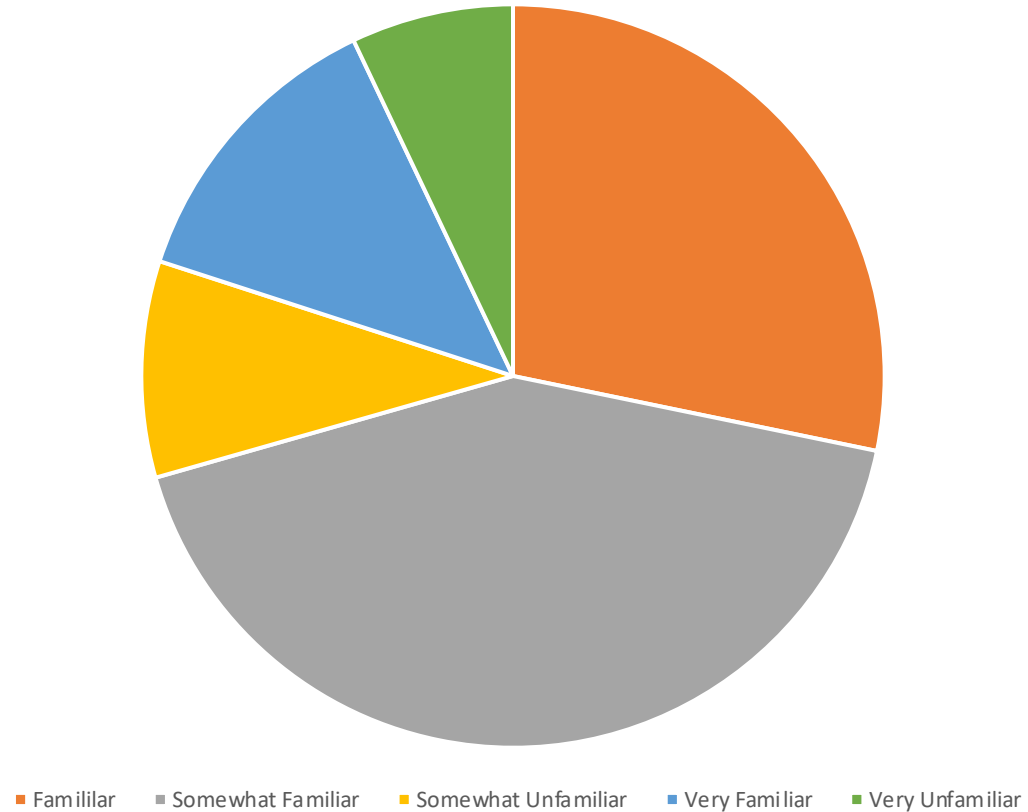
WHAT DO WE MEAN BY EQUITABLE?



Water equity means universal access to secure, affordable, safe, and healthy drinking water, and wastewater and stormwater management services. Equitable water infrastructure investment should support the long-term sustainability of our waterways, water systems, and utilities.

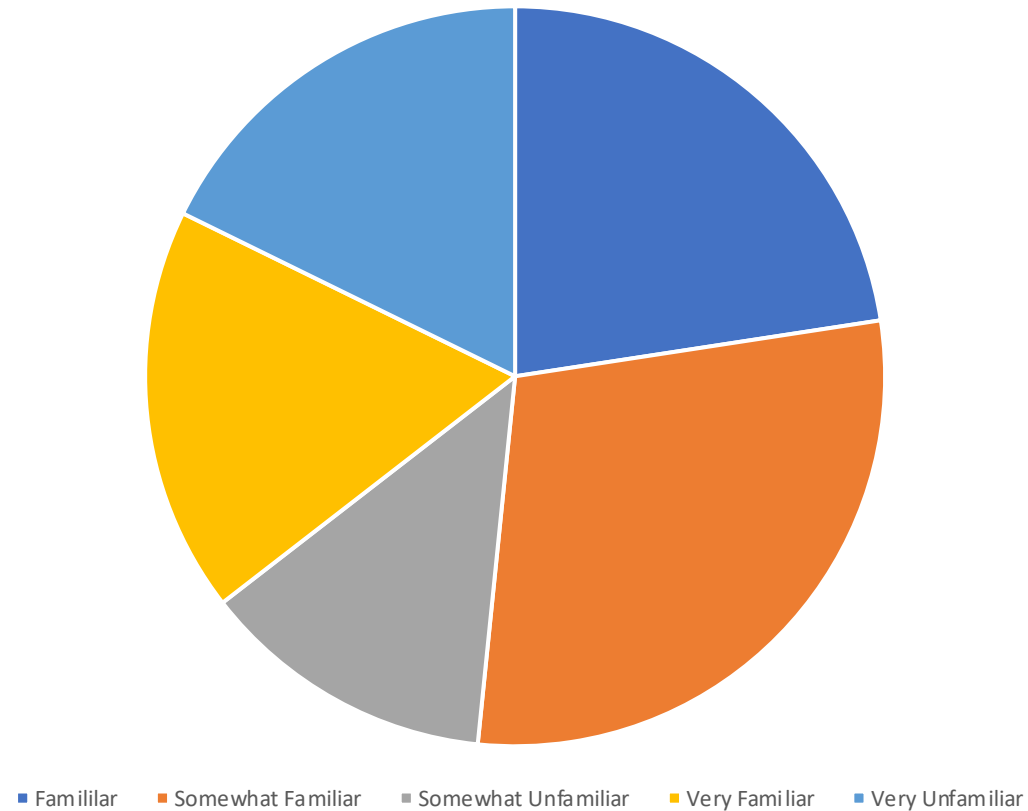
WE ASKED AND YOU ANSWERED

How familiar are you with the IIA / BIL?



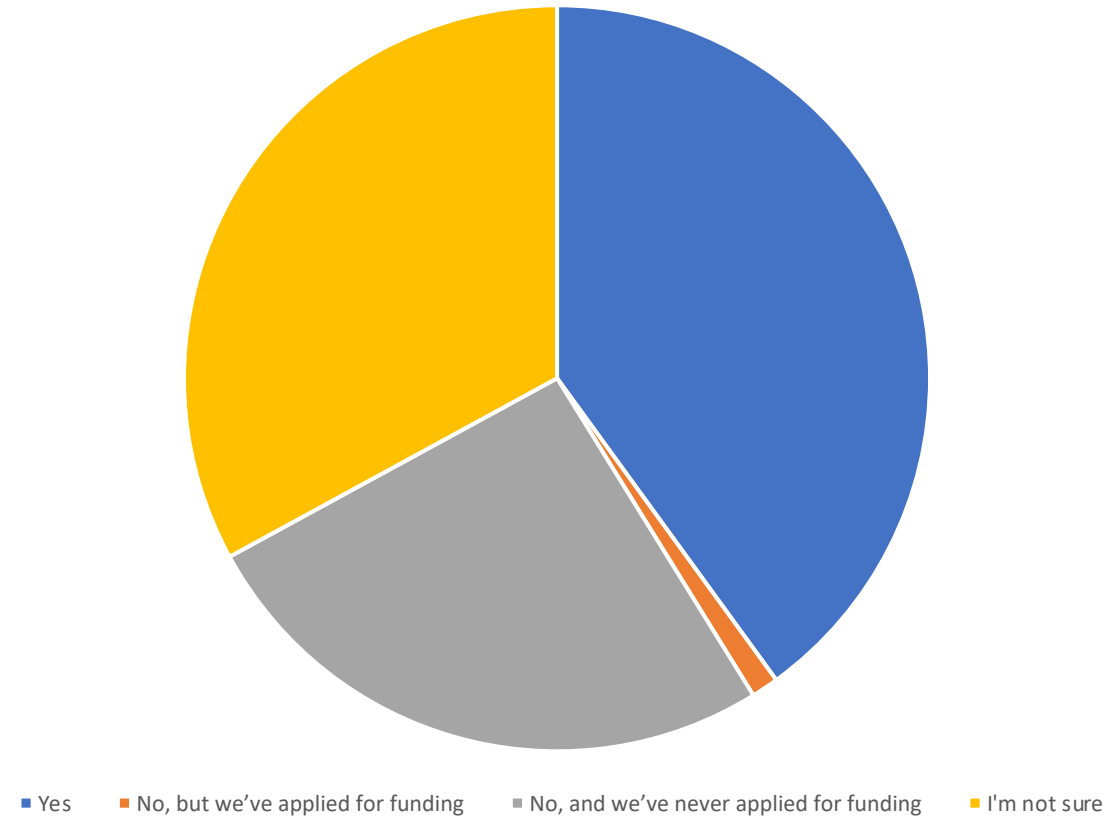
WE ASKED AND YOU ANSWERED

How familiar are you with the Justice40 Initiative?



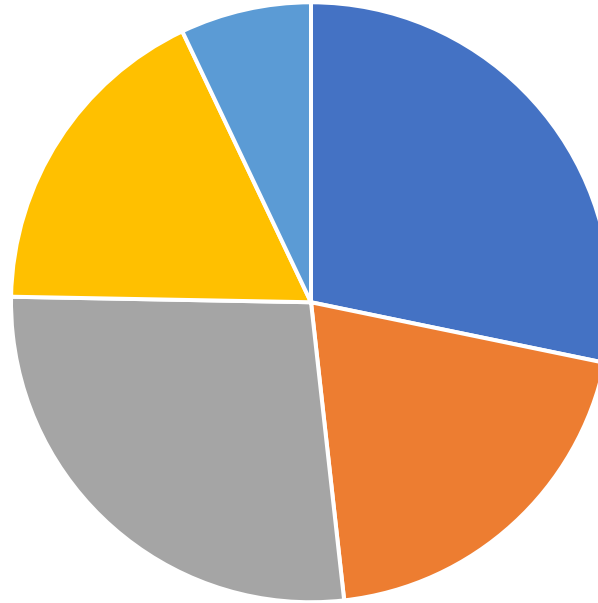
WE ASKED AND YOU ANSWERED

Have you received funding from your state's State Revolving Fund in the past?



WE ASKED AND YOU ANSWERED

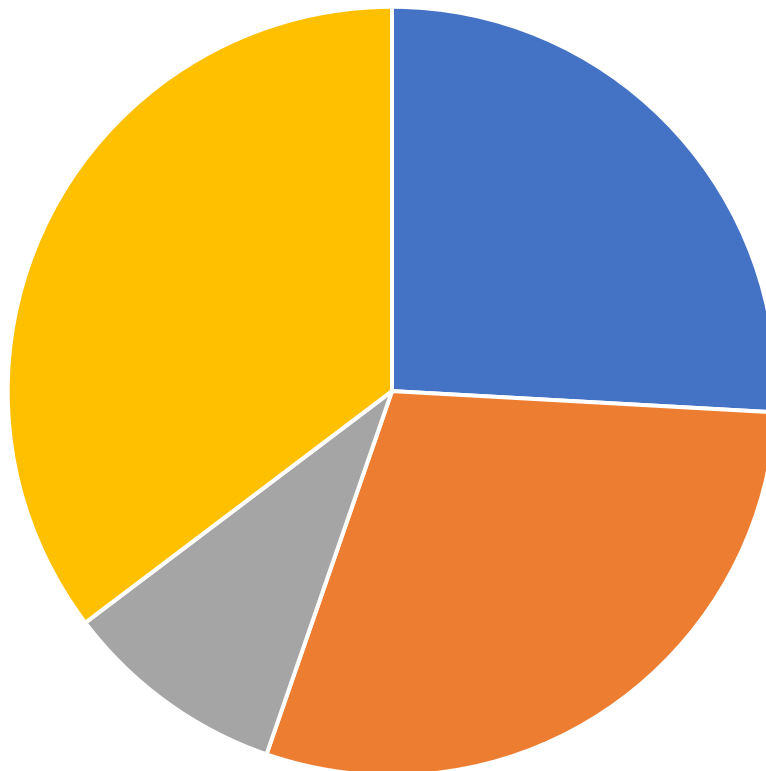
Do you plan to apply for funding from your state's State Revolving Fund in the next 1-5 years?



- Yes, and I have a specific project in mind
- Yes, but only if we can receive a grant instead of a loan
- I'm thinking about it, but don't yet have a project ready for the financing stage
- No
- I'm not sure

WE ASKED AND YOU ANSWERED

Is your community currently using localized, distributed infrastructure solutions to address water supply, water quality, stormwater, or wastewater challenges?



■ Yes, we've invested extensively in a localized infrastructure program ■ We have a few programs ■ No, we haven't invested in these programs ■ I'm not sure

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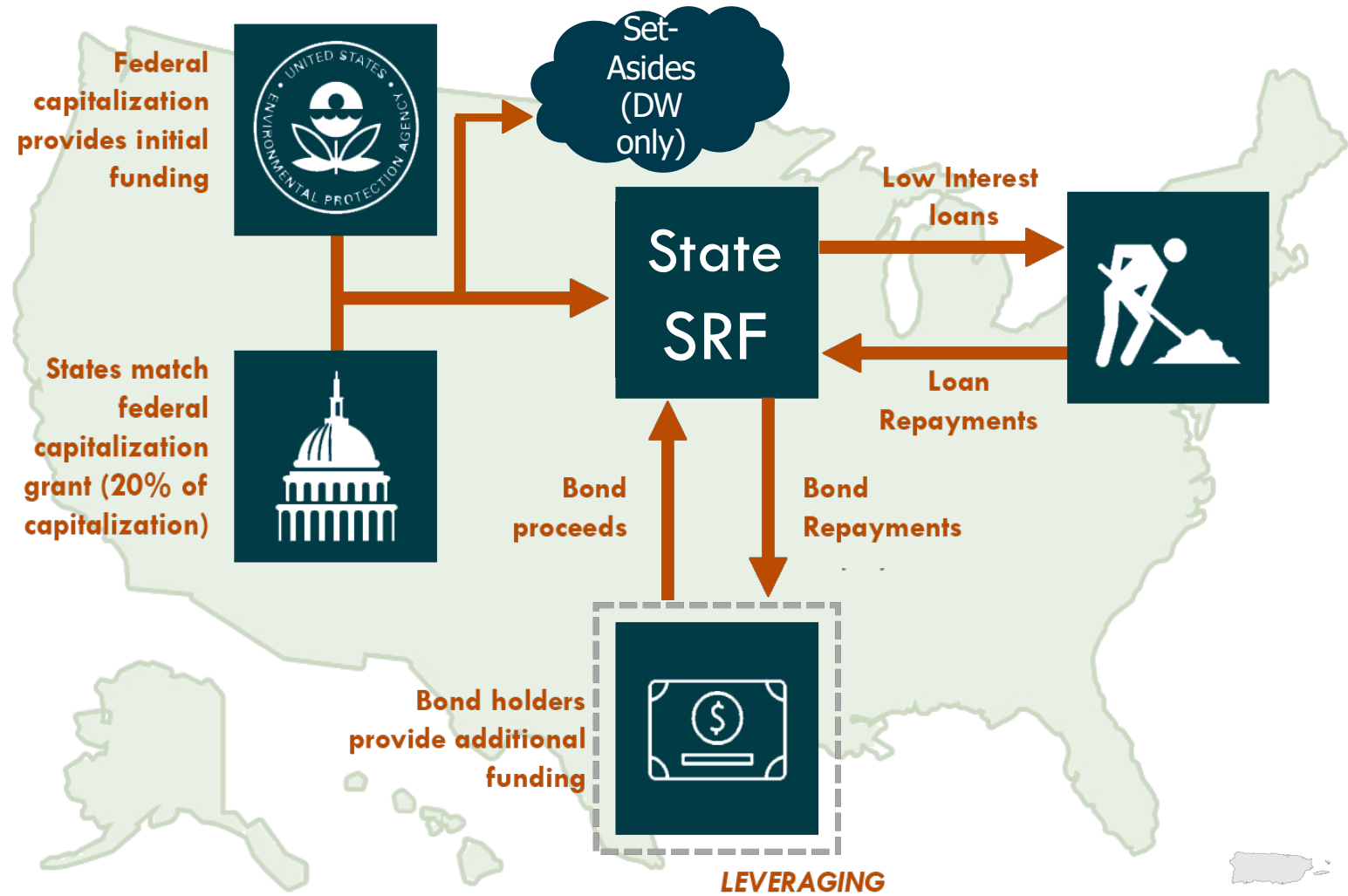
Howard Rubin: DWSRF

Josh Amaris: CWSRF

The State Revolving Funds (SRFs)

- Federal/state partnerships designed to create, in each state, a perpetual source of financing for drinking water and wastewater infrastructure
- Mission: reduce the cost of critical public health and environmental infrastructure
- Combines federal and state funds to provide low-cost financing to water and wastewater systems
- State implemented and operated
 - EPA provides grant terms and conditions, guidance, and program oversight
- Flexibility in assistance provided
 - Type of assistance: loans, refinancing, loan guarantees, technical assistance
 - Set-asides (DWSRF): provide non-infrastructure support to states and drinking water systems
 - Examples: technical assistance, planning and design, lead service line inventories
- Availability of special financing terms to disadvantaged communities to help address equity and affordability
 - This feature has evolved over the years

SRF Flow of Funds



BIL Funding

SRF Funding Program	Total Funding	State Match	Additional Subsidy	Eligible for Additional Subsidy
Clean Water SRF Supplemental	\$11,713,000,000	10% in 2022 & 2023 20% in 2024 - 2026	49%	Assistance recipients that meet the state's affordability criteria or project types as described in section 603(i) of the CWA.
Drinking Water SRF Supplemental	\$11,713,000,000	10% in 2022 & 2023 20% in 2024 - 2026	49%	Disadvantaged Communities
Clean Water Emerging Contaminants	\$1,000,000,000	0%	100%	No restriction
Drinking Water Emerging Contaminants	\$4,000,000,000	0%	100%	25% for Disadvantaged Communities or Public Water Systems Serving Fewer Than 25,000 Persons
Drinking Water Lead	\$15,000,000,000	0%	49%	Disadvantaged Communities

CWSRF- Eligible Entities

- Municipalities, intermunicipal, interstate, or State agencies.
- Nonprofit entities*
- Private, for-profit entities*
- Watershed groups*
- Community groups*
- Homeowners Associations*
- Individuals*

**Some states do not fund private systems/private entities.*

CWSRF- Eligible Project Categories

- Centralized Wastewater Treatment – POTWs
- Climate Resiliency and Hazard Mitigation
- Energy Conservation and Water Conservation
- Water Reuse
- Decentralized Wastewater Treatment
- Stormwater Management
- Planning/Assessments
- Agricultural Best Management Practices
- Habitat and Ecosystem Restoration and Source Water Protection
- Surface Water Quality
- Groundwater Quality
- Resource Extraction Water Quality
- Landfill Water Quality
- Contaminated Site Remediation

DWSRF- Eligible Entities

- Public or private* community water systems
 - A system serving at least 15 service connections used by year-round residents, or regularly serves at least 25 year-round residents
- Nonprofit non-community water systems
 - Including schools, publicly-owned campgrounds, parks, churches

**Some states do not fund private systems/private entities.*

DWSRF- Eligible Project Categories

- Treatment
- Transmission & Distribution
- Storage
- Source
- Consolidation
- Creation of New Systems
- Planning & Design



The SRFs and Equity

- Both SRFs have affordability as a goal and purpose of the programs
- Below-Market Rate Interest Loans are Inherently “Subsidized”
- Both SRFs have statutorily provided “additional subsidy” that states can provide to disadvantaged or hardship communities
- Both SRFs are Justice40 Pilot programs
- States lead implementation of the SRF programs, and many have regulations and policies that determine key drivers for implementation in that state.
- Opportunities exist for EPA to move the needle on equity under the SRFs but collaboration across all states will be key to EPA’s strategy.

“Additional Subsidy” Goes Beyond Low Interest Rates

- States must provide certain amounts of their federal capitalization grants as “additional subsidy”
 - Options: principal forgiveness, loans with negative interest rates, or grants
 - FY 2021:
 - CWSRF: between 10-40% (or \$156M - \$623M) of their capitalization grants
 - DWSRF: between 20-49% (or \$220M - \$539M) of their capitalization grants
- *Example:*
 - \$100 loan at 1% interest for 20 years (including \$20 of principal forgiveness)
 - \$80 in principal must be repaid
 - \$20 in principal does not need to be repaid
 - Interest is typically charged on outstanding principal amount

Ensuring Equitable Access

- **Build capacity within disadvantaged communities** to better compete and access water infrastructure funding.
- **Leverage existing program authorities** to proactively steer more resources to disadvantaged communities.
- **Partner with states, associations, and environmental finance centers** to increase the flow of federal investments to disadvantaged communities.
- **Develop tools** to share information, improve transparency and accountability, and amplify best practices that maximize direct benefits to disadvantaged communities.
- **Improve public education and outreach to disadvantaged communities** on the availability of funding opportunities and the tools and resources to support accessing these dollars.

Municipal Ombudsman

- **Independent, Impartial, and Confidential** resource to assist communities navigating the Clean Water Act
- Works at **all levels** of the Agency
- Provide information on:
 - Federal funding opportunities
 - Technical assistance
 - Flexibility available under the Clean Water Act
 - Integrated planning



Environmental Topics ▾

Laws & Regulations ▾

Report a Violation ▾

About EPA ▾

Related Topics: [Congressional and Intergovernmental Relations](#)[CONTACT US](#)

Municipal Ombudsman

The Municipal Ombudsman serves 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.

Consistent with the [Water Infrastructure Improvement Act](#), the Municipal Ombudsman will coordinate with the appropriate EPA offices to assist communities in navigating EPA resources. Specific resources include:

- [Federal assistance opportunities](#)
- Technical assistance
- Flexibility available under the Clean Water Act, and
- Information on [integrated planning](#) and example [municipal integrated plans](#).

Contact:

Jamie Piziali, Municipal Ombudsman

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Phone: 202-564-1709

Frequently Asked Questions about the Municipal Ombudsman

- [What is an Ombudsman?](#)
- [What does the Municipal Ombudsman do?](#)
- [What does the Municipal Ombudsman not do?](#)

What's New?

- New Report: [Water Utilities as Anchor Institutions](#)
- [Report to Congress on Integrated Plans and Municipality Profiles](#)
- [Technical Assistance for CWA Integrated Planning for Stormwater and Wastewater](#)
- [EPA Cybersecurity Assessments and Technical Assistance for Water and Wastewater Utilities](#) [EXIT](#)
- [Climate Adaption Action Plan Released](#)
- [FY 2022 Brownfields Assessment, Drinking Water Fund, and Clean...](#)

U.S. Environmental Protection Agency



Jamie Piziali

Municipal Ombudsman

Office of the Municipal Ombudsman

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202-564-1709

- To join weekly list of federal clean water resources with a municipal focus, send email to municipalombudsman@epa.gov with “subscribe” in the subject line

www.epa.gov/ocir/municipal-ombudsman

The background of the slide is a dense, overlapping collage of colorful sticky notes in shades of blue, purple, green, and yellow. Each sticky note features a large, dark blue question mark, creating a visual theme of inquiry and uncertainty.

PANEL DISCUSSION: BIL PRIORITIES, RESOURCES & NEXT STEPS

WATERNOW ALLIANCE



EXPANDING FRONTLINE COMMUNITIES' ACCESS TO FEDERAL FUNDING

July 13, 2022

10:00 am

REGISTER NOW

Location: | Online Webinar

**MARK YOUR
CALENDARS**



waternow.org/event/expanding-frontline-communities-access-to-federal-funding/



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