

Funding for Nutrient Reduction

Jeff Nejedly

Manager Financial Management Section
Water Quality Program



Overview of Fund Sources

- Water Quality Combined Funding Cycle
 - State Revolving Fund (SRF)
- Public Works Assistance Account
- USDA - Rural Development
- Water Infrastructure Finance and Innovation Act (WIFIA)





Water Quality Combined Funding Cycle

Water Quality Combined Fund Cycle

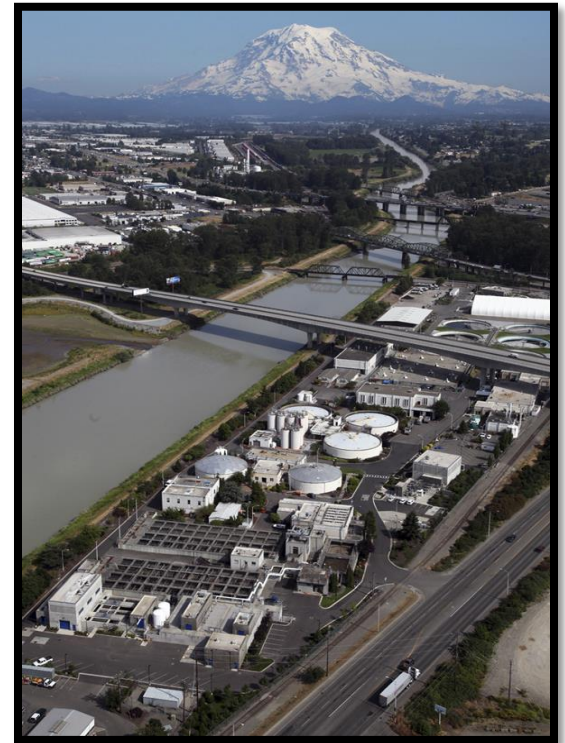
- Fund Sources & Average annual \$ available
 - Clean Water State Revolving Fund (SRF) Loan
 - State and Federal ~ \$120M
 - Centennial Clean Water Program Grant
 - State ~ \$20M
 - Stormwater Financial Assistance Program (SFAP)
 - State ~ \$30M
 - Section 319 Nonpoint Source Grant
 - Federal ~ \$1.5M



Who is Eligible?

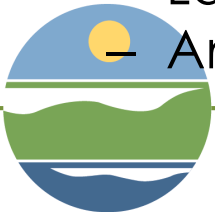
- Local Governments – cities, towns, counties
- Special Purpose Districts
- Federally Recognized Tribes
- Non-profits
 - Section 319 only

*SFAP limited to cities, towns, counties and ports



What's Eligible

- Projects Types: **Wastewater, Stormwater, Nonpoint, On-Site Sewage**
 - Upgrade, repair, replacement, or installation/construction of new nutrient removal processes at POTWs
 - Planning (including feasibility studies & Value Planning/Engineering), Design, and Construction phases
 - Stormwater conveyance, flow control and treatment systems
 - Green infrastructure (e.g., bioswales, infiltration basins)
 - Water Reclamation/Reuse
 - Riparian area and wetland restoration and preservation
 - Agricultural BMPs – Riparian buffers, livestock management
 - Land acquisition
 - And more...



Clean Water State Revolving Fund (SRF)



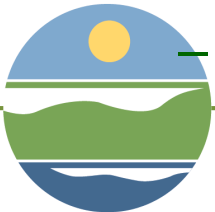
Clean Water
State Revolving Fund

- Established by the Clean Water Act
- Terms: Up to 30 years
 - or useful life of the project, whichever is less
- SFY 2021 Interest Rates (non-hardship)
 - 5 year (1%)
 - 20 year (2%)
 - 30 year (2.7%)
- Repayment starts one year after project completion
- Set Asides:
 - 20% for Nonpoint Source projects
 - 5% for small community preconstruction
 - 75% set aside for wastewater and stormwater facility construction projects
- Annual loan limit: ~\$25M to any single applicant
- Construction Hardship Subsidy – Reduced rates, Forgivable loan and Centennial Grant



Small Community Preconstruction

- For wastewater/stormwater facility projects in small, less affluent communities
 - Comprehensive sewer planning
 - Feasibility studies
 - Site-specific facility planning
 - Value planning & Value engineering
 - Environmental review
 - Pre-design reports & Design plans and specifications
- Criteria for funding:
 - $\leq 25,000$ population
 - $MHI \leq \text{State MHI}$
- Criteria for hardship (50% forgivable loan or grant):
 - $\leq 25,000$ population
 - $MHI \leq 80\% \text{ State MHI}$



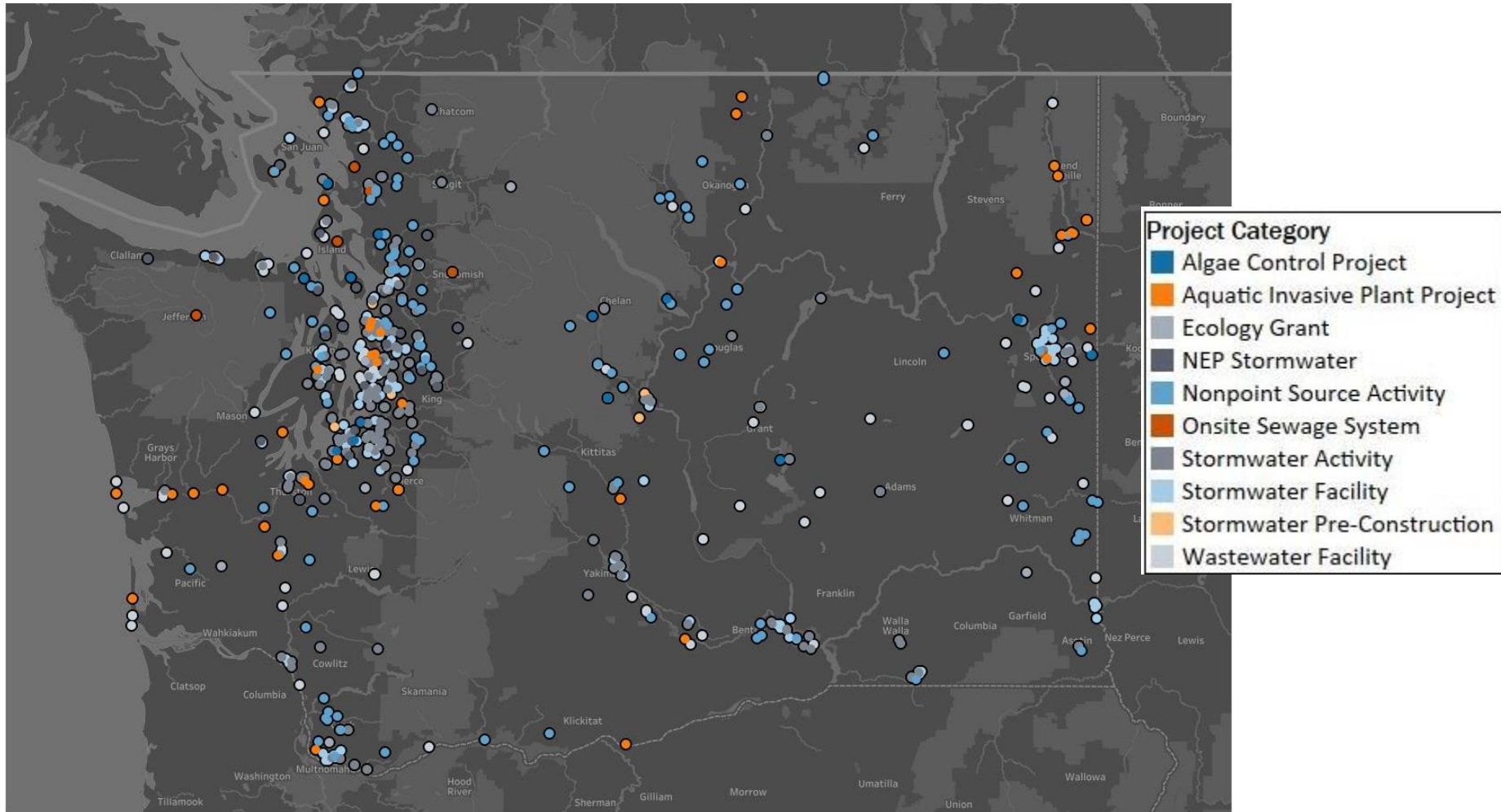
SFY21 Funding Cycle Key Dates



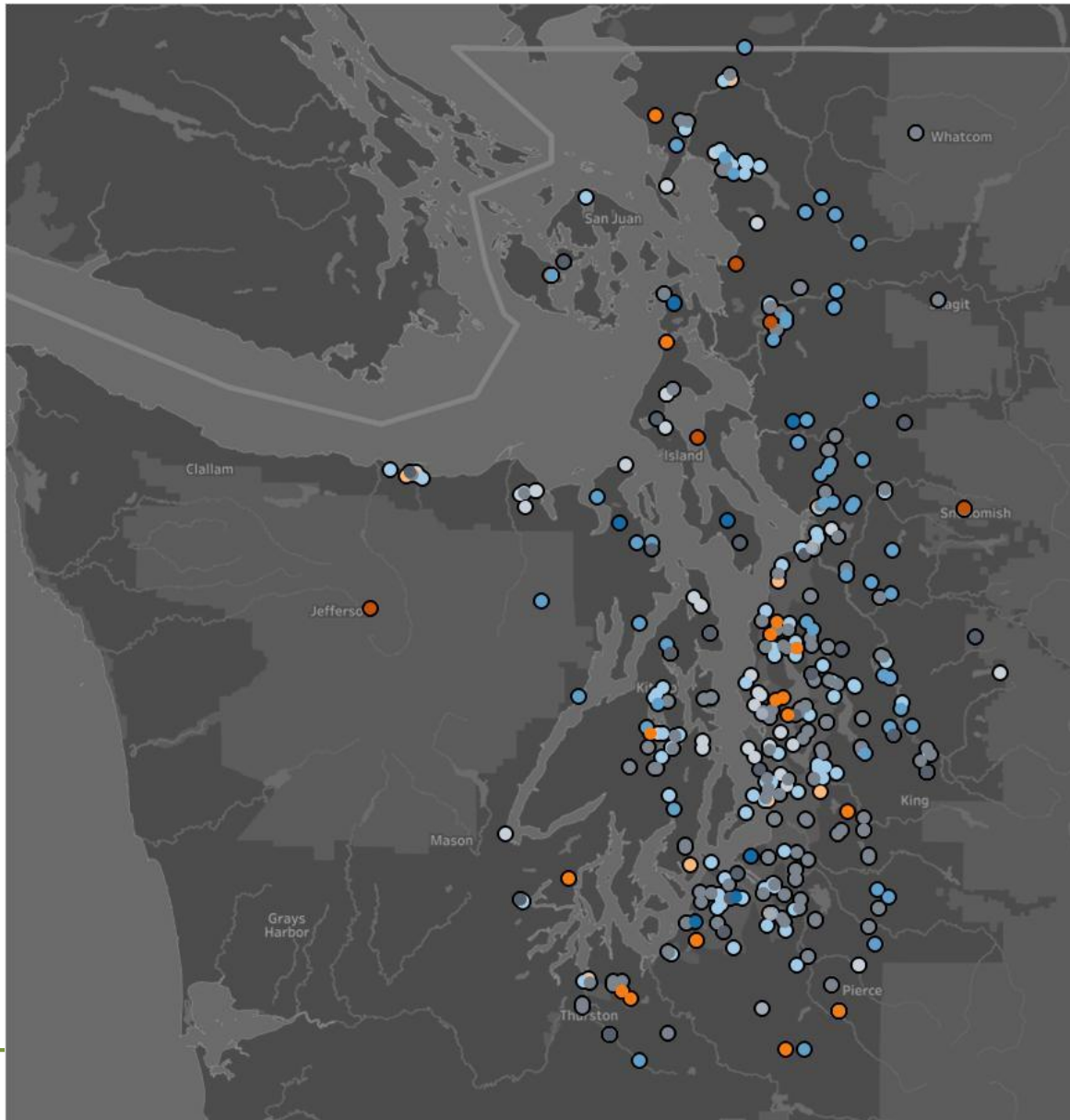
- Upcoming applicant training workshops 9:00am – 1:00pm on:
 - August 13: in Spokane at the Spokane Convention Center.
 - August 14: in Ellensburg at Central Washington University.
 - August 15: in Lynnwood at the Lynnwood Convention Center.
 - August 16: in Lacey at Saint Martin’s University.
- August 13, 2019: Application open in EAGL
- October 15, 2019: applications due—by 5:00pm
- January 2020: Draft List and public comment period
- July, 2020: Final List published, formal offers



Water Quality Program Funded Projects FY2015-2019



Puget Sound Funded Projects



- Project Category**
- Algae Control Project
 - Aquatic Invasive Plant Project
 - Ecology Grant
 - NEP Stormwater
 - Nonpoint Source Activity
 - Onsite Sewage System
 - Stormwater Activity
 - Stormwater Facility
 - Stormwater Pre-Construction
 - Wastewater Facility





Public Works Assistance Account

Public Works Assistance Account

- The Public Works Board (Board) is authorized by state statute ([RCW 43.155](#))
 - Its provides loan money to repair, replace, or create infrastructure
- 2019-21 Capital Budget included \$95M for construction projects
- 2019 funding application process is complete and awards were announced yesterday
- Added resources may be available next year depending on supplemental appropriation process



Public Works Assistance Account

- Who is eligible?
 - Cities
 - Counties
 - Special Purpose Districts
 - Quasi-Municipal Organizations
- Eligible projects?
 - Domestic Water
 - Roads/Streets
 - Bridges
 - Solid Waste/Recycling
 - **Sanitary Sewer**
 - **Stormwater**



Public Works Assistance Account

- Preconstruction loans
 - Funding is subject to Governor and Legislative appropriation
 - Maximum loan amount \$1 million per jurisdiction per biennium.
 - 5-year loan term
 - Interest rates vary
 - Application cycle opens once every two months until appropriated funds are exhausted.
 - Pre-construction work must be completed within 2 years.
- Construction loans
 - The maximum amount of funding that the board may provide for any jurisdiction is \$10M per biennium
 - Loan terms: 20 years with rates set at 50% of average bond market rate

Questions? Connie Rivera, 360-725-3088 Connie.Rivera@commerce.wa.gov





USDA Rural Development

USDA RD

- Who is eligible?
 - Cities or towns with fewer than 10,000 population
 - Counties, special purpose districts, non-profit corporations and tribes
- Eligible projects?
 - Pre-construction and construction associated with building, repairing, or improving facilities that address
 - **Stormwater and Wastewater**
 - Drinking water and Solid Waste
- Applications accepted anytime year round
- Interest rates change quarterly
- Loan terms up to 40 years depending on the life of the project
- Grant funds available based on community hardship

Questions? Janice Roderick, 360-704-7739,
Janice.Roderick@wa.usda.gov





WIFIA

WIFIA

P R O G R A M

- 2014 Congress passed Water Resources Reform and Development Act (WRRDA) establishing the program
- Provides federal loans to creditworthy water and wastewater projects of regional and national significance
- Congress appropriated \$140M over the last three years (\$4-5 billion in loans)
- Administered by EPA HQ
- Funding requirements similar to CWSRF



WIFIA

PROGRAM

- \$20M minimum project size for large communities
- \$5M minimum project size for small communities (population of 25,000 or less)
- WIFIA can fund 49% of eligible project costs
- 5 year repayment deferral after substantial project completion
- Interest rate will be equal to or greater than the U.S. Treasury rate



SWIFIA

- Newly Established in America's Water Infrastructure Act of 2018
- Streamlines access to federal loan financing through the WIFIA program specifically for State Revolving Funds (SRFs)
- Ecology is:
 - Providing feedback on developing program through a national workgroup
 - Holding discussions with State Treasurers office on process and other opportunities



Resources

- Ecology Water Quality Combined website, <https://ecology.wa.gov/About-us/How-we-operate/Grants-loans/Find-a-grant-or-loan/Water-Quality-Combined-Funding-Program>
- EAGL Public Map, <https://ecology.wa.gov/About-us/How-we-operate/Grants-loans/EAGL-map>
- Public Works Assistance Account, <https://www.commerce.wa.gov/building-infrastructure/pwb-financing/>
- USDA RD, <https://www.rd.usda.gov/programs-services/community-facilities-direct-loan-grant-program>
- WIFIA, <https://www.epa.gov/wifia>



Ecology Contacts

- Shelly McMurry, SRF Coordinator, 360-407-7132 or Shelly.Mcmurry@ecy.wa.gov
- David Dunn, Engineer, 360-407-6503 or David.Dunn@ecy.wa.gov
- Jeff Nejedly, Section Manager, 360-407-6572 or Jeffrey.Nejedly@ecy.wa.gov





Questions and discussion