Funding for Nutrient Reduction

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Water Quality Program

ECOLOG
State of Washington
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)

- 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:
  - ≤25,000 population
  - MHI ≤ State MHI

- Criteria for hardship (50% forgivable loan or grant):
  - ≤25,000 population
  - MHI ≤ 80% 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

[Map showing funded projects with project categories listed on the right-hand side]
Public Works Assistance Account
Public Works Assistance Account

• The Public Works Board (Board) is authorized by state statute (RCW 43.155)
  – It 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
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
• 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
• $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
- WIFIA, https://www.epa.gov/wifia
Ecology Contacts

• Shelly McMurry, SRF Coordinator, 360-407-7132 or Shelly.Mcmurry@ecy.wa.gov
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Questions and discussion