

Clean Water State Revolving Fund

How it Works & What it Funds

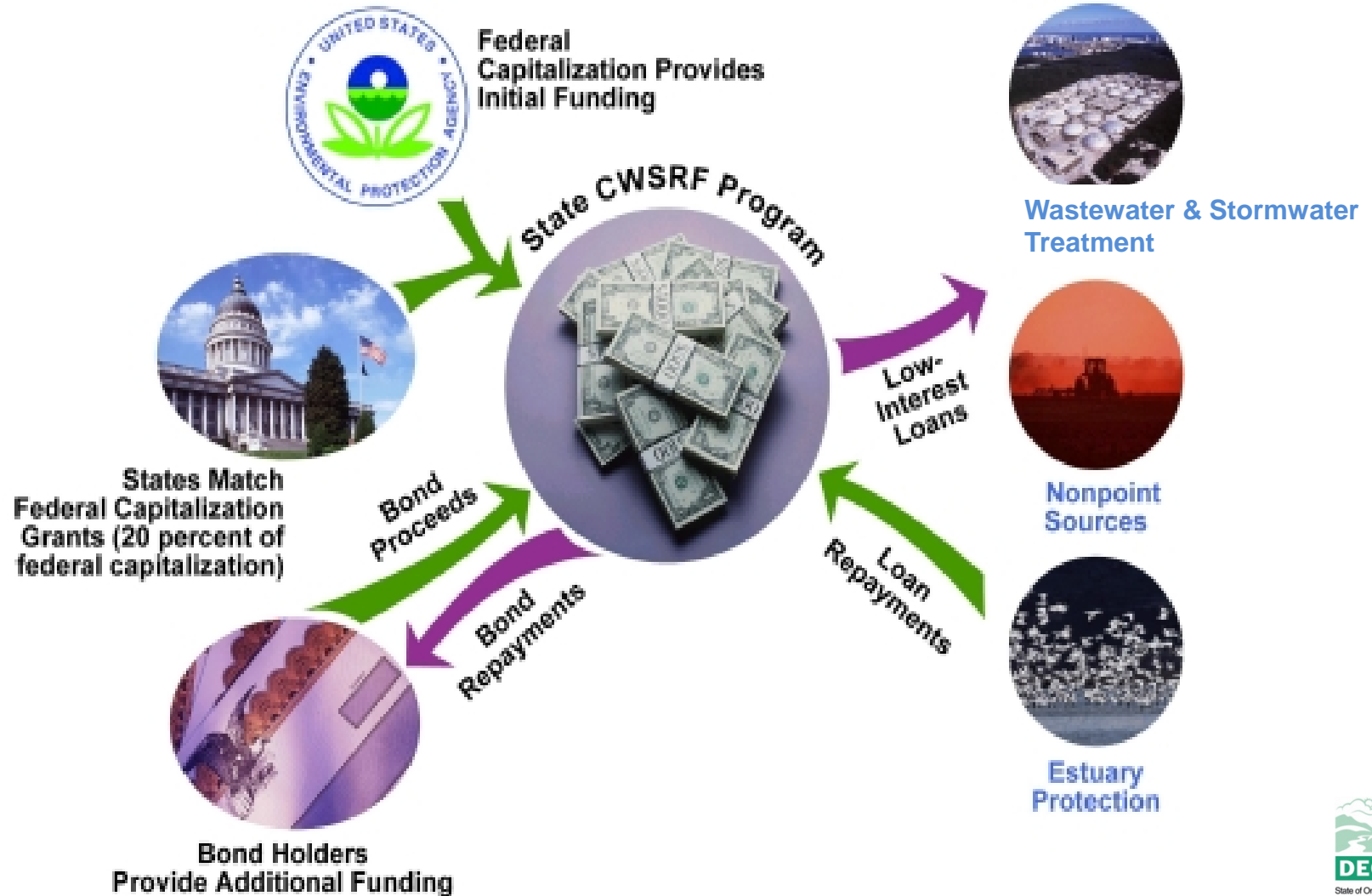
January 13, 2015

ACWA Stormwater Committee

Preview

- What is the CWSRF Program?
- Who is eligible?
- What projects are eligible?
- Subsidies and Incentives
- Challenges to Using SRF Loans

What is the CWSRF Program?



Who is Eligibile?

- Cities
- Counties
- State Agencies
- Federally Recognized Tribes
- Irrigation Districts
- Sanitary Districts
- Special Districts (including ORS190 entities)
- School Districts

What Projects are Eligible?

- SW flood controls w/ WQ controls
- SW system upgrades w/ WQ controls
- ***SW Planning***
- ***Drinking water protection***
- ***Protection of wetlands/riparian areas/green space***
- River/stream restoration
- Riparian restoration
- Restoring the stream channel-floodplain connection
- Culvert replacement for fish passage
- Connecting septic systems to sewer



Interest Rates & Loan Terms

- Lowest rates for:
 - Small communities (< 10,000)
 - Below Statewide MHI
- Loan terms from 5 – 30 years
- Rates adjusted quarterly



SRF Loan Types

- Planning & Interim Design/Construction Loans
 - *Rate usually around 1% (.91%) (no fee)*
- Design/Construction Loans
 - *.91% to 2.50% - 3.00% (plus fee)*
 - *small community < State MHI (30 yr term) = 1.45%*
- Local Community Loan
 - *1.64% (plus fee)*
- Bond Purchase Option
 - *based on community demographic (plus fee)*
- Sponsorship Option
 - *1% minimum (plus fee)*

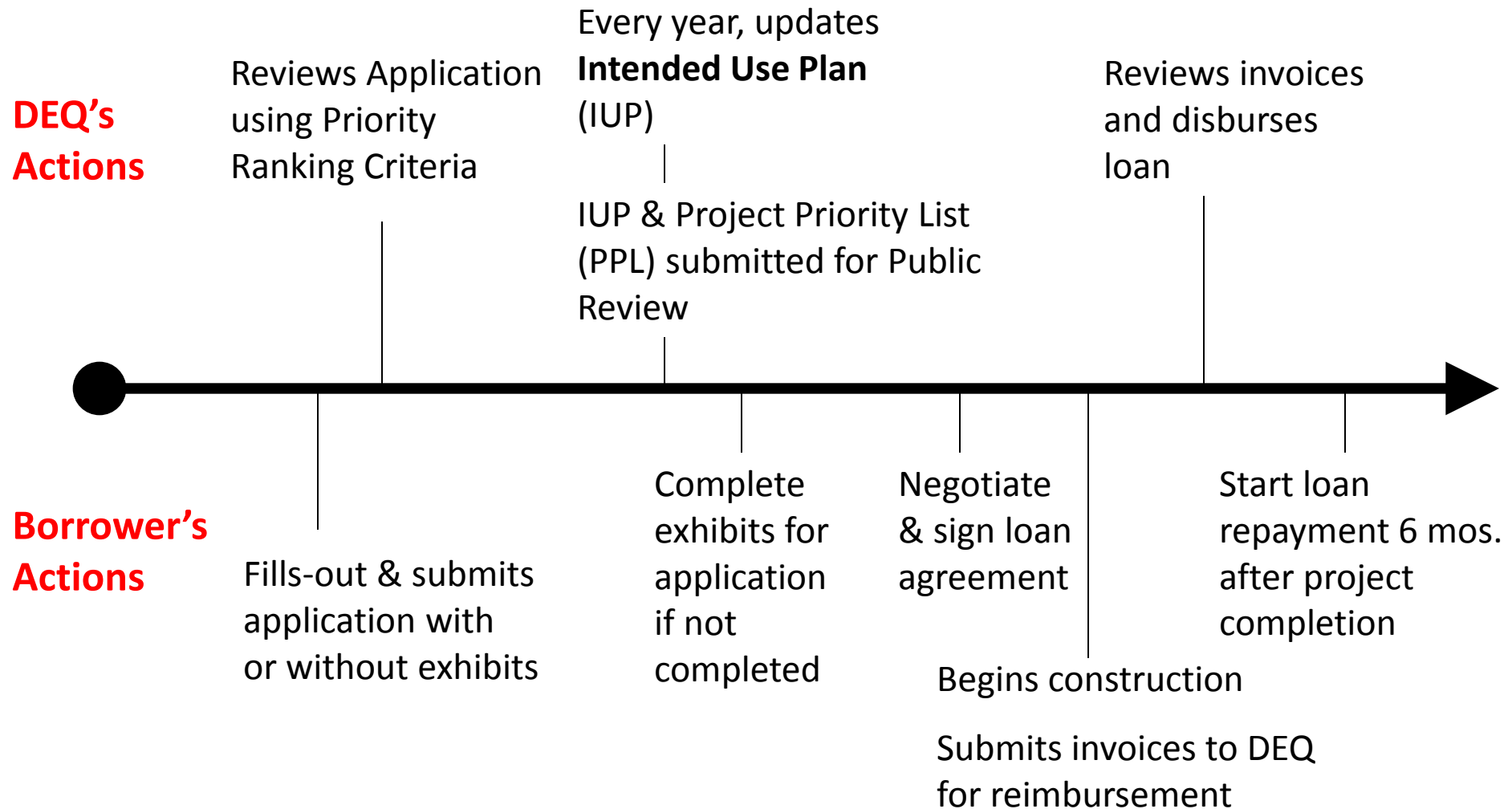


Loan Agreement Terms

- No match
- No pre-payment penalty
- Upon signing, rate locked
 - Rate is fixed for loan life



Application/Loan/SRF Process



Subsidies and Incentives

- Principal Forgiveness (eligibility criteria):
 1. Applicants meeting **affordability criteria**
 2. Applicants implementing
 - ✓ Water efficiency projects
 - ✓ Energy efficiency projects
 - ✓ Stormwater mitigation projects
 - ✓ Sustainable project planning/design/construction
 3. Applicants w/ a ratepayer assistance program
- Max. PF: up to 50% of loan (not to exceed \$500K)
- Sponsorship Option:
 - Interest rate reduction for adding a **NPS** project to an application for a **wastewater facility** project

Sponsorship Option Incentive

- Reduces the combined project's interest rate:
 - Such that:

$$\text{Payment (Combined Project)} = \text{Payment (WW Construction Only Project)}$$

- Sponsored project done at no/reduced cost
 - Rate reduced to a 1% minimum

Sponsored Project Eligibility

- NPS Project has to be in State NPS Plan
- Has to be a ***voluntary*** action
 - Can't use it to meet a NPDES MS4 Permit condition
 - Can't be in your TMDL Implementation Plan
- Get ideas “on the table” for discussion!
 - *Under some circumstances, stormwater projects can be eligible NPS projects!*
 - Can these help w/ SW Management?
 - Land acquisition for drinking water protection
 - Land acquisition for wetland/riparian/green space
 - » Need to see if these would qualify as voluntary

Who is Using It?

Coos Bay (\$2.2 million) - 2014

- SWM planning/ordinance, culvert replacement, stream restoration, floodplain restoration, bank stabilization, SW green infrastructure retrofits, pet waste education/outreach

Dallas (\$1.7 million) - 2014

- Land purchase for drinking water source protection

Brookings (\$845,000) - 2014

- SWM Planning, bioswale/constructed wetland, urban retrofit WQ control, water conservation plan update

Dundee (\$350,000) - 2015

- 3 regional bioretention basins with underdrains

Newport (\$4.1 million) - 2015

- SW system upgrades, bioretention facility, fish passage design

SRF Challenges



- Federal funds come with “strings”:
 - These are found in the application exhibits!
 - Federal executive orders, laws
 - Called federal crosscutters
 - For construction loans, include:
 - ✓ NEPA-like process (Environmental Determination)
 - ✓ Wetland protection
 - ✓ ESA consultation
 - ✓ Cost & Effectiveness Analysis (2014 CWA amendments)
 - ✓ Fiscal sustainability plan (2014 CWA amendments)
- Keep in mind, non-federal grants can trigger strings
 - Example, project triggers a Corps permit

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SRF's Guide for Stormwater Planning Documents

January 13, 2015

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Preview

- Origins of the SRF Guide
- Guide's Target Audience & Purpose
- Planning Documents Covered in Guide

Origins of this Guide

- Need for a guide stems from TA to Brownsville
 - Brownsville's TMDL IP management measure:
 - Develop SW Management BMPs for bacteria
 - Oregon has no statewide SW manual
 - City requested guidance on developing BMPs
- Approach to Brownsville's guidance:
 - Assess what's other states are doing
 - Look for nationwide trends in SW management
 - Look for research on bacteria controls
 - What's working among bacteria controls:
 - ✓ SW volume reduction (nonstructural controls)
 - ✓ SW infiltration (green infrastructure/bioretenion)
 - Minimize size/number of engineered controls

Origins of this Guide

- Brownsville Guidance catalyst for SRF Guide:
 - Stormwater management approach used is the same
 - Expanded on guidance for SW Management Planning
 - Added guidance for:
 - Pre-design reports – required in SRF rules
 - Stormwater master planning – eligible SRF project
 - Maintained consistency with:
 - CZMA/TMDL Post-construction Guidance
 - MS4 permit requirements
 - ESA requirements
 - Section 401 WQ Certification Requirements
- Loan program's past focus was on wastewater
 - Now, marketing SRF loans for stormwater work
 - Monroe, Coos Bay, Brookings and Dundee
 - SRF lacks support documents WW financing uses
 - SRF needs SW support documents
 - SRF Guide helps support this need

Target Audience & Purpose

- Primary target audience:
 - Small communities w/out SW requirements
 - But, any planning loan applicant can use it
- Purpose – provide criteria for SRF-financed:
 - Pre-design reports (required in rule)
 - For SRF-financed construction projects
 - SRF has WW facility planning guidelines
 - ✓ SRF Guide serves this purpose for SW planning documents
 - Other SRF-financed planning projects
 - Planning defined broadly in SRF rules

SRF's Planning Definition

OAR 340-054-0005

“Planning” means monitoring, data collection and measurement, evaluation, analysis, security evaluations, report preparation, environmental review, public education and review process and any other activity leading to a written plan for providing a wastewater or stormwater facility, nonpoint source control or estuary management project intended to remediate an existing or anticipated water pollution problem, but does not include the preparation of detailed bid documents for construction.

Planning Covered in Guide

- SW management planning (Chapters 1- 4)
 - Post-construction SW mgt. program planning
 - ✓ Includes ordinance development
 - IDDE program planning
- Stormwater master planning (Chapter 5)
 - Plan must include WQ control projects in CIP
 - ✓ Follow DLCDC rules for a public facilities plan
 - Could include IDDE program planning
- Pre-design Report (Chapter 6)
 - Based on USDA RD's Technical Bulletin
 - ✓ Used in Multi-agency WW Facility Planning Guidelines
- Planning for Public Participation/Education (Chapter 7)
 - For any of the plans noted above

Comments or Questions

- Guide currently out for external review

