

Funding Nonpoint Source Activities with the Clean Water State Revolving Fund





America's Largest Water Quality Financing Source

Billions Per Year for Water Quality Protection

Clean Water State Revolving Fund (CWSRF) programs have funded over \$40 billion of low-interest loans through 2003—averaging \$4.1 billion over the past five years—for water quality protection projects including wastewater treatment, nonpoint source pollution control, and watershed and estuary management.

Significant Funding for Nonpoint Source Pollution and Estuary Protection

CWSRF programs now provide assistance to over 600 projects each year to control pollution from nonpoint sources and to protect our nation's estuaries. CWSRF projects address agricultural runoff, leaking on-site septic systems, and urban nonpoint source pollution including stormwater runoff and brownfield contamination. These expanding funding areas total more than \$1.7 billion to date.

Low Interest Rates on Flexible Terms

CWSRF loans can have interest rates as low as zero percent and repayment periods up to 20 years. States have designed funding mechanisms to decrease rates and broaden eligibility for nonpoint source projects. Over 14,000 low-interest loans have been made to communities, nonprofit organizations, businesses, farmers, homeowners, and watershed groups. Repayment options can include:

- Utility user fees
- Stormwater management fees
- Dedicated portion of local, county, or state taxes or fees
- Recreational or license fees
- Membership dues paid to nonprofit groups
- Fees paid by developers
- Business revenues
- Fees paid by homeowners

What Is the CWSRF?

Through the Clean Water State Revolving Fund (CWSRF) program, each state and Puerto Rico maintain revolving loan funds to provide independent, permanent sources of low-cost financing for a wide range of water quality infrastructure projects. The federal government provides funds to establish or capitalize the CWSRF programs with twenty percent state matching funds. After more than a decade of operation and over \$40 billion in funded projects, the CWSRF program is viewed as one of the nation's most successful environmental infrastructure funding programs.

Much of the funding provided by the CWSRF program has been used to build needed wastewater treatment and collection facilities. Recognizing that nonpoint source pollution is a serious threat to water quality, state CWSRF administrators have begun to address these areas. Loans to control pollution from nonpoint sources and to protect our nation's estuaries have increased to fund more than \$900 million in projects over the past five years.

This brochure answers the most frequently asked questions about the CWSRF program's ability to fund nonpoint source and estuary protection projects. Examples from across the country demonstrate the program's potential for funding an array of water quality activities.

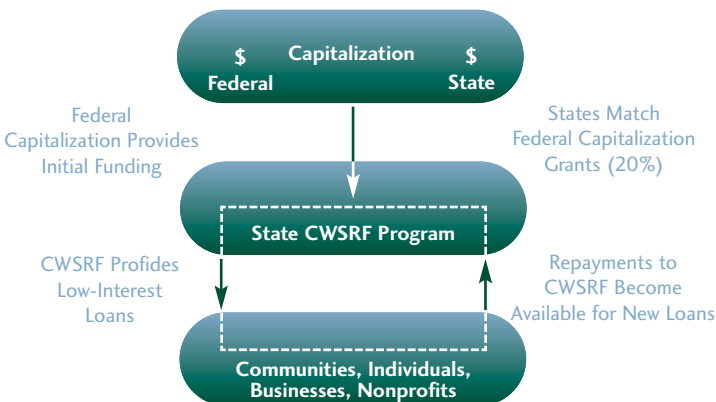
CWSRF and Nonpoint Source Pollution

Many states are successfully using the CWSRF loan program to fund important nonpoint source pollution mitigation projects. The CWSRF program provides very attractive low-interest loans that spread project costs over a repayment period of up to twenty years. Repayments are cycled back into the fund and used to pay for additional clean water projects. CWSRF programs are currently funding projects that address agriculture runoff, leaking on-site septic systems, and urban nonpoint source pollution, including stormwater runoff and brownfield contamination. Funding of nonpoint source and estuary efforts now reaches more than 600 projects annually.

With CWSRF as a valuable tool, state and local governments, local watershed and agricultural organizations,

and many others are working to devise solutions that address nonpoint source pollution. Each state controls its own CWSRF program and can determine project eligibility requirements and set interest rates. Innovative partnership models have made many more nonpoint source projects possible.

CWSRF-A Revolving Fund



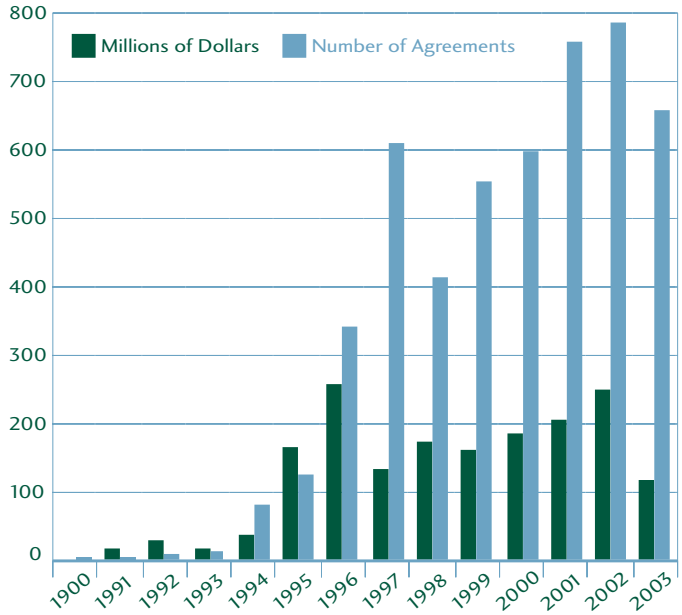
What Is Nonpoint Source Pollution?

Nonpoint source (NPS) pollution, unlike pollution from industrial facilities and sewage treatment plants, flows into our waterways from many diffuse sources. NPS pollution occurs when rainfall or snowmelt creates runoff that carries natural and human-made pollutants into lakes, rivers, wetlands, coastal waters, and even our underground sources of drinking water. NPS pollutants include:

- Fertilizers, herbicides, and insecticides from agricultural lands and residential areas
- Oil, grease, detergents, and other chemicals from city streets and gas stations
- Sediment from construction sites, crop and forest lands, and eroding streambanks



CWSRF Assistance for Nonpoint Source and Estuary Projects



- Salt from irrigation practices and acid drainage from abandoned mines
- Bacteria and nutrients from livestock and pet wastes and from faulty septic systems
- Toxic chemical deposition from power plants and waste incinerators

Why Fund Nonpoint Source Projects?

Nonpoint source pollution is one of the most serious threats to our nation’s water quality. State and local governments, local watershed and agricultural organizations, and many others are working to devise solutions that address nonpoint source pollution, but their efforts are frequently underfunded. CWSRF helps alleviate the financial hurdles facing nonpoint source projects.

What are the Advantages of CWSRF Loans?

Significant Source of Financing

Since 1988, CWSRF programs have funded over \$40 billion in water quality projects, including \$4.7 billion in 2003. Nonpoint source projects have historically comprised close to four percent of the total CWSRF funds available in a given year. Spending for nonpoint source projects has steadily increased, growing by \$1.5 billion since 1995. In 2002, CWSRF funding for NPS improvements peaked at \$240 million. Many of these projects would not have found other financial support.

Flexibility to the States

The Clean Water Act gives states the opportunity to implement a variety of assistance options in their CWSRF programs, including direct loans, refinancing, purchasing, or guaranteeing local debt and purchasing bond insurance. State administrators can set loan terms, interest rates—from zero percent to market rate—and repayment periods up to twenty years. States have the flexibility to target CWSRF resources to their particular water quality needs, including contaminated runoff from urban and agricultural areas, wetlands restoration, groundwater protection, brownfields remediation, estuary management, and wastewater collection and treatment.

States may also customize loan terms to meet the needs of small and disadvantaged communities. In 2003, 65 percent of all loans (20 percent of funding) were made to communities with populations less than 10,000. In addition, some states offer lower interest rates or greater subsidies for disadvantaged or financially strapped communities.

Favorable Borrowing Terms

CWSRF programs offer attractive, low interest rates to borrowers that may be as low as zero percent. Many states reduce rates for nonpoint source projects. Repayment of a CWSRF loan begins within one year of project completion. The repayment term may be as long as twenty years.

In 2003, the CWSRF interest rate averaged 2.2 percent. A low-interest CWSRF loan can be viewed as being equivalent to a partial grant. For example, when the market rate is 5.0%, a 2.0% CWSRF loan for a \$1 million project is equivalent to a \$240,000 grant plus a \$760,000 market rate loan. The grant amount represents the interest savings due to the lower rate.

Administrative Ease

CWSRF recipients will obtain assistance when applying for loans and throughout project implementation, ensuring a smooth process even for first-time borrowers.

Environmental Results

Limited funding sources often stall important water quality projects. By creatively applying CWSRF funding, many more environmentally beneficial projects can be undertaken.

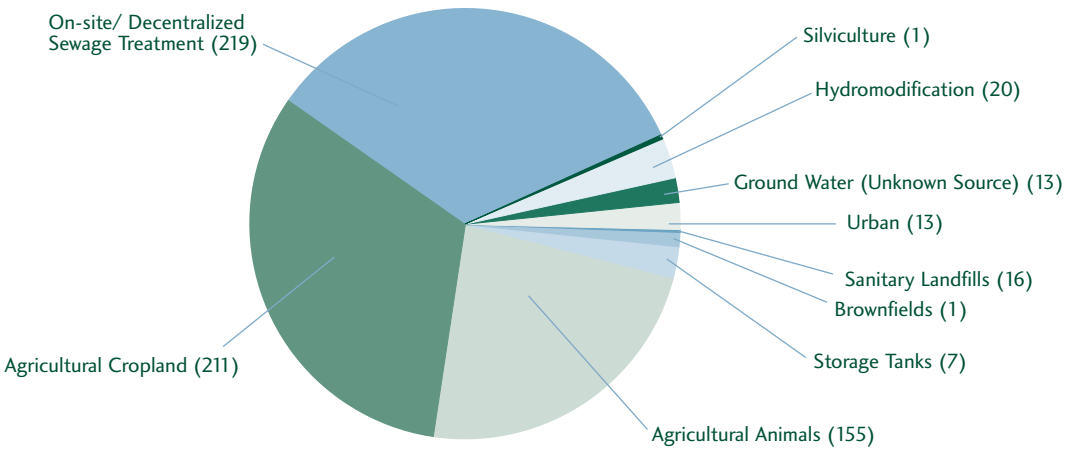


Which Projects are Eligible for CWSRF Funds?

A broad array of nonpoint source projects can receive CWSRF funds. To be eligible, a project must help implement the state's

Nonpoint Source Management Plan (319 Plan) under the Clean Water Act or be consistent with actions and priorities contained in a National Estuary Program Comprehensive Conservation Management Plan (CCMP).

2003 Nonpoint Source CWSRF Loans



MASSACHUSETTS SEPTIC PROGRAM— COMMUNITY PASS-THROUGH LOANS TO HOMEOWNERS

The Massachusetts Community Septic Management Program has made loans through local municipalities to fund repair and replacement of failing septic systems since 1995. The program has funded more than 3,000 projects across the state with the cooperation of local municipalities and the CWSRF.

Participating communities can borrow hundreds of thousands of dollars from the CWSRF program, but must first develop a septic management plan and an administrative structure for the loan program. Septic management plans identify and prioritize areas with septic systems that require monitoring, maintaining, and upgrading. Massachusetts provides grants of up to \$20,000 to municipalities to support planning activities and program administration.

Qualifying communities receive loans from the CWSRF program for twenty years at zero percent interest. They typically borrow \$200,000. Homeowners receive twenty-year loans from communities at two to five percent interest. Municipalities can use interest accrued on the loans to support the administrative costs of the loan programs. After dispersing CWSRF loan proceeds, a community has one year to begin repayment.

NEW YORK AIRPORT RUNOFF MANAGEMENT PROJECT

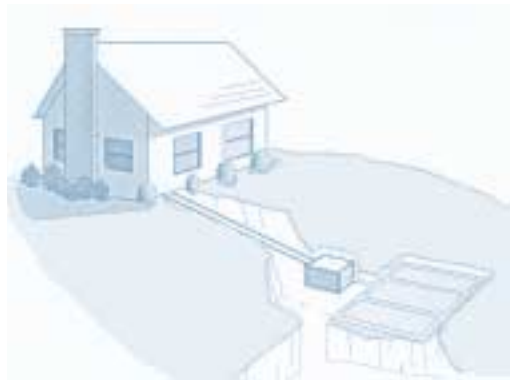
Stormwater runoff and deicing runoff from the Albany airport discharged into local water bodies and threatened drinking water sources for nearby towns. The New York State Environmental Facilities Corporation (NYSEFC) imposed a maximum allowable glycol—the chemical used to deice planes—level of 1 mg/L and used their CWSRF to finance the Deicing Runoff Improvement Project.

During the winter, a new collection system pumps deicing runoff to tanks. Then a high concentration anaerobic waste treatment system reduces pollutant concentration to 0.3mg/L (and produces close to four times the energy that the system consumes). A portion of the treated runoff is recycled into the airfield irrigation system for the summer months. The Albany County Airport Authority pays a lower treatment fee for the remainder, which flows to the county treatment plant.

Project costs totaled \$8.7 million. The New York CWSRF program was able to fund \$3 million of the project interest free for twenty years because the anaerobic treatment component was selected as an Innovative Technology Demonstration Project by NYSEFC. A second CWSRF twenty-year, low interest loan funded \$5.4 million more of the project. To repay the loans, the airport authority issued revenue bonds to NYSEFC.

Each state determines which nonpoint source projects receive funding through its CWSRF program. Contact your state CWSRF administrator for eligibility requirements. To date, 36 states have funded nonpoint source pollution mitigation with CWSRF funds. Projects funded fall into the following categories:

- Decentralized treatment or septic system rehabilitation or replacement
- Stormwater best management practices (BMPs)
- Agriculture and Forestry BMPs
- Conservation easement purchases or land acquisition for riparian protection
- Wetland protection and construction
- Underground storage tank remediation and removal
- Monitoring, capping, and on-site treatment at brownfield sites and sanitary landfills
- Remediation of mining sites



Decentralized Treatment or Septic System Rehabilitation or Replacement

In 2003, about a third of CWSRF nonpoint source funding supported decentralized treatment or septic system projects. Twenty-one states are using CWSRF funds to replace or rehabilitate faulty tanks, or to connect septic users to a municipal or decentralized sewer system.



Stormwater Best Management Practices (BMPs)

Seventeen states use the CWSRF for stormwater BMP projects. Funded projects include treatment options and pollution prevention strategies. Street sweepers remove sediment and chemical residues for treatment, while vegetative plantings stabilize soils and increase infiltration of precipitation. Sediment traps and basins, often combined with catch basin vacuum vehicles, contain and treat runoff much like a natural wetland. CWSRF funds support built stormwater management methods not covered in a phase I or II stormwater permit. Wetland construction, including flood guards around existing wetland areas, can also receive funding. Wetland acquisition and restoration funding is also available in several states.

Agriculture and Forestry BMPs

Fifteen states use the CWSRF for agriculture or forestry BMPs. Projects focus on livestock waste management, erosion control, and chemical use reduction. CWSRF programs often share management responsibilities with the Natural Resource Conservation Service or local soil and water conservation districts. Farm buildings, equipment, or in some cases water rights can be used as collateral.

Minnesota's Agricultural Best Management Practices Loan Program, with 4,500 pollution reduction project loans totaling \$51 million since 1994, illustrates eligibility and partnership structure. Almost every county is a pass-through partner in the AgBMP program. Local Comprehensive Water Plans guide a funding process that has successfully paired a simple application process with a three percent interest rate. Manure basins and spreaders are eligible, as are water diversions to avoid feedlots. Conservation tillage equipment leaves crop residues covering 15 to 30 percent of the ground after seeding to prevent



ARKANSAS AGRICULTURE WATER QUALITY LOAN PARTNERSHIP

The Arkansas Soil and Water Conservation Commission (ASWCC) has employed the Arkansas Revolving Loan Fund primarily to mitigate point source pollution. In an effort to address non-point source pollution, the state focused on the Beaver Reservoir and Illinois River watersheds, two of the top three on the state priority list. Northwest Arkansas covers more than two million acres, contains more than 7,000 farms, and is one of the fastest growing metropolitan areas in the U.S. ASWCC determined that approximately 80 percent of the pollutant loading originated from nonpoint sources.

Aiming for rapid implementation of an NPS program, ASWCC looked to state and local organizations that already had relationships with local landowners. A partnership with the Natural Resources Conservation Service emerged. NRCS works with local conservation districts to help landowners develop conservation plans and implement Best Management Practices (BMPs). NRCS also administers the Environmental Quality Incentives Program (EQIP), a grant program that helps farmers implement BMPs. Conservation districts were receiving numerous applications for a limited amount of EQIP funding. The Arkansas Revolving Loan Fund provided funding to cover the demand.

Arkansas signed agreements with seven banks in the four-county area. These banks have made over \$500,000 in loans to local farmers to implement BMPs such as stacking sheds, fencing, compost sheds, and trenching.

WISCONSIN MAKES CWSRF LOANS TO BROWNFIELDS

The Wisconsin legislature allocated twenty million dollars of its CWSRF funds to municipal projects that address water quality impacts of brownfield sites. Using CWSRF loans with interest rates that are 55 percent of the municipal bond market rate, Wisconsin has funded two brownfield cleanup projects for \$1.9 million.

One successful project was the City of Plymouth landfill closure. Plymouth used this site for the disposal of construction debris, commercial waste, and industrial waste from 1955 through 1990. A \$1.3 million CWSRF loan supported investigation and remediation of the site. The city capped and covered the landfill and installed groundwater monitoring equipment. The twenty-year loan has a zero percent interest rate.

soil loss. Sediment control basins, terraces, diversions, buffer and filter strips, rip-rapping, cattle exclusions, windbreaks, and gully repair stabilize stream banks. Other qualifying projects may include well sealing, chemical and petroleum storage containment structures, chemical spray equipment, irrigation systems, and education programs.

Brownfields and UST Remediation

Many states are considering the use of CWSRF loans to fund brownfield remediation and underground storage tank (UST) removal. Brownfield projects eligible for the CWSRF include site assessments, UST removal and disposal, contaminated soil or sediment removal and disposal, capping wells or soil, remediation of stormwater runoff (including wetland construction), and monitoring groundwater and surface water for contaminants. Although real estate and construction firms are often reluctant to pay for brownfield remediation, tax revenues from site redevelopment may indirectly fund loan repayments.



Land Acquisition and Conservation Easements

CWSRF programs in several states support purchase of land or conservation easements to preserve riparian ecosystems and to protect waterways from nonpoint source pollution. Runoff from farms and from residential and commercial development carries warm water, sediment, organic matter, bacteria, and chemical residues into waterbodies. Without riparian habitat to buffer these pollutants, water quality can quickly degrade. Conservation easements are deed restrictions that can limit development or clearing of part or all of a property. CWSRF programs make loans to municipalities, parks authorities, or land trusts to purchase easements on riparian lands or wetlands. A water utility may also buy development rights as part of a source water protection (SWP) program for public water supply. These loan recipients work with landowners to establish clear, enforceable restrictions and a monitoring procedure. Property owners are compensated for their land rights and receive property and estate tax breaks because they have reduced the commercial value of their land. The same parties can also borrow CWSRF monies to fund direct purchase of wetlands, riparian corridors, or groundwater recharge lands. Land acquisition is simple when compared to deed restrictions, but easements allow conservation of additional riparian habitat because they can effectively protect waterways while preserving existing land uses.

CALIFORNIA LAND ACQUISITION WITH THE CWSRF

California has used over \$112 million of the state's CWSRF funds, combined with grant funding, to acquire over 29,000 acres of land for protection of sensitive species and preservation of unique habitats.

Residential housing development in many areas of California has raised water quality concerns among citizens and local planners. Grading and conversion of natural vegetation to impervious soils increases sediment and polluted runoff to already stressed streams and rivers. CWSRF land acquisitions have addressed nonpoint source pollution by precluding urban/suburban development, protecting and enhancing estuary resources, and protecting and restoring unique habitats for endangered and other listed species.

The Nature Conservancy and other nonprofit environmental groups in California have played a vital role in securing CWSRF funding for land acquisition and have provided repayment sources for the loans. Groups such as TNC and the Audubon Society dedicate a portion of their membership fees to loan repayment. Some groups have also conducted community fundraising drives and dedicated grant money for loan repayment. CWSRF has funded eight key land acquisition projects in California:

- Howard Ranch Acquisition, Sacramento County – 13,000 acres, \$8 million of \$14.3 million
- Bahia Acquisition, Marin County, CA – 654 acres, \$800,000 of \$5.3 million
- Ramona Grasslands, San Diego County – 8,000 acres, \$15 million
- Lakeside Land County Parcel, San Diego County – 4.1 acres, \$1.2 million
- East Elliot Acquisition, San Diego City – 2,120 acres, \$46.2 million
- Napa River/Napa Creek Flood Protection & Estuary Restoration Project – 720 acres, \$34 million of \$200 million
- Sacramento Prairie Valley Vernal Pool – 2,500 acres, \$1.5 million
- Cuyamaca Watershed Protection Project, San Diego County – 2,117 acres, \$5.3 million

Acid Mine Drainage Treatment and Runoff Control

As groundwater and surface runoff flows through mines and tailings piles, it reacts with minerals to form sulfuric acid, which then leaches toxic metals into local streams, lakes, and aquifers. Over 9,000 miles of U.S. streams are polluted by acid mine drainage (AMD). More than 1.1 million acres of abandoned coal mine lands and hundreds of hard rock mining sites have left dangerous embankments, retaining walls, and surface



impoundments. Mining companies have often gone out of business, leaving no responsible party to manage toxic, highly acidic waste ponds. In some locations, streams run through old mines, exacerbating the problem. EPA, USGS, and other federal agencies are working with West Virginia and Pennsylvania to develop an interstate abatement approach. Pennsylvania is the first state to fund AMD cleanup projects with its CWSRF program.

PREVENTING ACID MINE DRAINAGE OVERFLOW IN PENNSYLVANIA

The abandoned Shannonpin Mine Pool in Greene County, Pennsylvania contains billions of gallons of highly acidic mine wastewater. Each year it comes closer to overflowing into Dunkard Creek, a major tributary of the Monongahela River, and causing serious environmental damage. The threat to drinking water supplies, swimming, boating, and fishing has led to a state consent decree with Dana Mining, Inc. and the loan recipient, AMD Reclamation, Inc.

The Pennsylvania Infrastructure Investment Authority (PENNVEST) has stepped in with a \$4.3 million dollar CWSRF loan to build a five million gallon per day acid mine drainage treatment facility and an 11,000-foot outfall sewer. Combined with \$2.8 million in grant funding from the Departments of Environmental Protection and Community and Economic Development, the money will allow dewatering and treatment of the acidic mine water. In low-income Dunkard Township, this also results in 30 jobs preserved and 50 jobs created by Dana Mining and 20-30 construction jobs and a few permanent new jobs by AMD Reclamation, Inc. The \$7.1 million in financing will result in an initial \$6 million investment in renewed mining operations by Dana.

How Does the CWSRF Borrowing Process Work?

Communities make up a large portion of the CWSRF borrowers, but nonprofit organizations, businesses, farmers, homeowners, and watershed groups are eligible in many states.

Those interested should contact their state CWSRF program to determine whether funding is available for a potential project. (See contact information starting on page 18.) Prospective borrowers may find specialized programs (e.g., linked-deposit loans) in place to make CWSRF funding more accessible. In states that provide direct lending for NPS pollution control and estuary protection projects, borrowers will follow a process similar to that used by municipalities for larger wastewater system projects. States often provide hands-on technical support to small borrowers to make the application process more user friendly.

CWSRF programs follow an annual funding cycle. Each year interested parties with new projects submit basic project information to the CWSRF for inclusion in the state's annual Intended Use Plan. Selected projects then submit application materials to the state. Approved funding is immediately available to pay for costs as the project proceeds. Loan repayment begins within one year of project completion.



Which Repayment Sources are Used for Nonpoint Source Loans?

The loan repayment source may reflect the type of project undertaken (stormwater fees for stormwater projects) or may be a non-specific source such as local property tax revenues. Repayment options have included:

- Wastewater system user charges
- Stormwater management fees
- Dedicated portion of local, county, or state taxes or fees
- Recreational or license fees
- Membership dues paid to nonprofit groups
- Fees paid by developers
- Business revenues
- Fees paid by homeowners

OHIO'S WATER RESOURCE RESTORATION SPONSOR PROGRAM

Ohio established the Water Resource Restoration Sponsor Program (WRRSP) in 2000, as a component of its CWSRF, the Ohio Water Pollution Control Loan Fund (WPCLF). State administrators realized that for WRRSP to be an effective tool for water quality improvements, it had to address nonpoint sources of impairment in addition to providing loans to improve municipal wastewater treatment systems.

The major recipients of WPCLF financing are municipal wastewater treatment systems. If Ohio EPA could induce these borrowers to increase the size of their loans to fund habitat restoration and protection, it would harness their revenue to improve not only municipal wastewater treatment facilities, but also to address NPS water pollution in Ohio.

The key to establishing the WRRSP was to structure combination loans such that the municipal wastewater treatment system would see no increase in cost from the sponsorship. Using its authority to lower interest rates from the market rate to zero percent, Ohio EPA was able to restructure the original wastewater treatment improvement loan so that the loan recipient, though sponsoring an additional project to address water resource habitat issues, actually saves money on what it would have cost to repay the original loan for the wastewater facilities alone.

Example: \$1 million for a wastewater treatment project and \$393,442 for a restoration project

1. If this community did not participate in the WRRSP program, the \$1,000,000 wastewater treatment project would receive a 3.8% loan. The total loan repayment amount would be \$1,436,707 over the course of the repayment term.
2. If the community undertakes both projects, \$1,000,000 for the wastewater treatment project and \$393,442 for the restoration project, the CWSRF could reduce the interest rate to 0.3% so the community would suffer no hardship and still repay only \$1,436,707 over the course of the loan repayment term.
3. However, the CWSRF provides additional incentive by reducing the community's interest rate from 0.3% to 0.2%.
4. The community completes a wastewater treatment project, supports a watershed restoration project, and saves \$14,514.



What Lending Options are Available?

States use a variety of lending methods to reach different potential borrowers. Direct lending is just one of the options. Many states use conduit lending (loans passed through state agencies, municipalities, or local banks) to reach more borrowers. These lending methods are often called pass-through or linked deposit lending.

Pass-Through Lending

In a pass-through loan, a CWSRF program makes a loan to another government agency or to a municipality that then passes the money to private borrowers as loans for nonpoint source pollution projects. The town, county, or state agency reviews the project and the finances of each borrower.

Pass-through loan programs benefit CWSRF programs, pass-through partners (towns, counties, and state agencies), and borrowers. CWSRF programs can place risk and management responsibilities with local program partners who identify and fund high priority projects. Towns, counties, and state agencies receive funding for their nonpoint source priorities. Borrowers gain from lower interest rates. In addition, local government agencies may have greater flexibility to provide loans to applicants with relatively weak credit if the borrower's nonpoint source project is a high priority for the state or local government agency.

Linked Deposit Lending

In a linked deposit loan approach, a state works with local private lending institutions to fund nonpoint source pollution control. The state agrees to accept a reduced rate of return on an investment (e.g., a certificate of deposit) and the lending institution agrees to provide a loan to a borrower at a similarly reduced interest rate. For example, if the typical earnings rate for a certificate of deposit (CD) is five percent, a state might agree to purchase a CD that earns two percent interest, and in exchange, the lending institution agrees to provide a loan to a borrower at an interest rate that is three percentage points lower than the market rate for the borrower. In this program, the CWSRF investment (deposit) is linked to a low-interest loan, thereby earning the description "linked deposit loan."

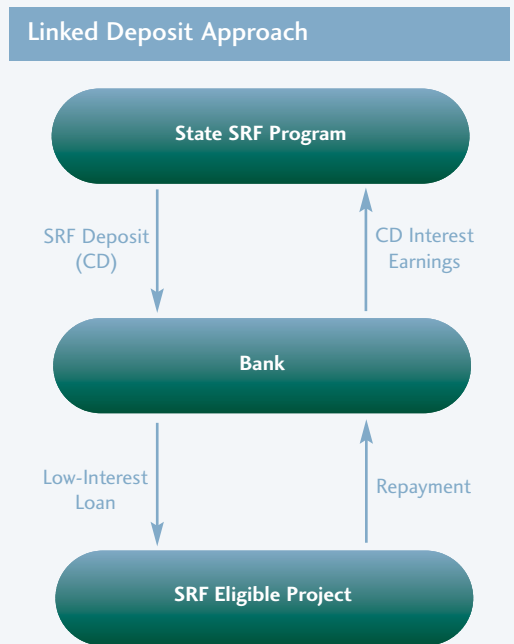
Linked deposit loan programs provide benefits for CWSRF programs, local financial institutions, and borrowers. CWSRF programs can support high priority nonpoint source projects and place risk and management responsibilities with local lenders. Financial institutions earn profits from the linked deposit agreements and offer an additional service for their customers. Borrowers save money with low-interest loans and can comfortably work with their local bank or credit union.

OHIO CWSRF LINKED DEPOSIT LOANS – OVER 300 PROJECTS SINCE 1993

Ohio has used a linked-deposit loan program since 1993 to fund projects that support county watershed management plans. This program has funded more than 300 projects, including the repair of onsite wastewater treatment systems and the implementation of best management practices for agriculture, forestry, stormwater, and land development. Each county’s program is developed with two concurrent steps: the county soil and water conservation district develops a watershed management plan, and the CWSRF program and local financial institutions enter into agreements describing requirements and procedures for linked deposit loans.

Watershed management plans identify and prioritize pollution sources, suggest mitigation actions, identify funding sources, and establish an implementation schedule for water quality improvements. Ohio EPA and public review lead to approval of the county soil and water district’s plan. The CWSRF program and the soil and water conservation district then sign a memorandum of understanding that describes how these two entities will coordinate their implementation of the management plan. As development and review of a watershed management plan proceeds, soil and conservation districts identify local banks that would like to participate in a linked deposit program.

Any borrower with a project that helps to implement the watershed management plan is eligible for a linked deposit loan. Participating banks review borrowers’ credit using their own credit standards. If a bank approves a linked deposit loan, the CWSRF program purchases a CD of equal value from the bank. The CWSRF program accepts a CD interest rate that is five percentage points lower than the rate of a U.S. Treasury Note or Bond with the same term. The bank reduces the borrower’s loan interest rate by five percentage points. The bank makes semiannual payments of principal and interest to repay the CWSRF for its investment in the CD, even if the borrower defaults on the linked deposit loan.



What Kinds of Projects Have Been Funded in My State?

To date, 36 states have funded nonpoint source projects with CWSRF loans. Several more states will fund projects in the near future. Project types undertaken in each of these states are listed on the following pages, along with state contacts for more information.



State	Agency Contact	Phone Number
ALASKA	Alaska Department of Environmental Conservation www.state.ak.us/local/akpages/ENV.CONSERV/waterhome.htm	907-465-5010
Types of Projects: Landfill capping and closure • New landfills and leachate treatment facilities • Monitoring existing landfills		
ARIZONA	Arizona Water Infrastructure Finance Authority www.wifa.state.az.us/main.html	602-364-1310
Types of Projects: Elimination of septic systems (extension of sewer lines)		
ARKANSAS	Arkansas Development Finance Authority www.state.ar.us/adfa/programs/wwrl.html	501-682-5925
Types of Projects: Agriculture BMPs (Linked deposit) • Land acquisition for source water protection		
CALIFORNIA	State Water Resources Control Board www.swrcb.ca.gov/funding/index.html	916-341-5250
Types of Projects: Reduction of Ag subsurface drainage - conversion to sprinkler/gated pipe irrigation (Conservation district leases equipment to farmers) • Wetland enhancement/stormwater management • Construction of stormwater retention/detention facilities and stormwater quality control basins • Removal of polluted sediment from river by suction dredge • Subsurface drainage recycling project aimed at transferring high-salt subsurface water to a storage facility and mixing these waters with fresh water to recycle for irrigation • Demonstration & education project for sustainable vineyard • Concrete lining for irrigation canals • Dairy farm BMPs • Silviculture BMPs (linked deposit) • Protection of rare vernal pool habitat • Stormwater BMPs for homeowners (Tahoe linked deposit) • Septic tank rehabilitation & replacement (linked deposit) • Purchase of land for floodplain management		
COLORADO	Colorado Water Resources and Power Development Authority www.cwrpda.com	303-830-1550
Types of Projects: Stormwater and sediment management		
DELAWARE	Delaware Department of Natural Resources & Environmental Control www.dnrec.state.de.us/water2000/sections/fab/FABloans.htm	302-739-4860
Types of Projects: Poultry Ag BMPs • Dairy BMPs • Septic tank rehabilitation & replacement • Removal of leaking UST, remediation of contaminated sites and groundwater, and installation of leak detection systems on new tanks		
FLORIDA	Florida Department of Environmental Protection www.dep.state.fl.us/water/wff/cwsrf/	850-245-8358
Types of Projects: Stormwater management • Agricultural BMPs		
GEORGIA	Georgia Environmental Facilities Authority www.ganet.org/gefa/state_revolving.html	404-656-3824
Types of Projects: Stormwater management		
HAWAII	Hawaii Department of Health www.state.hi.us/doh/eh/www/index.html#Construction	808-586-4294
Types of Projects: Stormwater management • Septic system upgrades		

State	Agency Contact	Phone Number
IDAHO	Idaho Department of Environmental Quality www.deq.state.id.us/water/water1.htm#loan_program	208-373-0400
Types of Projects: Animal and agriculture BMPs (Sub-revolving fund through the Soil Conservation Commission) • Study of septic alternatives		
IOWA	Iowa Department of Natural Resources www.state.ia.us/government/dnr/organiza/epd/wastewtr/srloan.htm	515-281-5918
Types of Projects: Septic system rehabilitation and replacement (linked deposit)		
MAINE	Maine Department of Environmental Protection www.state.me.us/dep/blwq/grants.htm	207-287-3901
Types of Projects: Failed septic system replacement • Landfill capping and closure • Nutrient management program for manure storage facilities		
MARYLAND	Maryland Water Quality Financing Administration www.mde.state.md.us/wqfa/index.html	410-631-3119
Types of Projects: Landfill capping and closure • Leachate treatment facilities at new landfills • Stormwater BMPs including pond restoration (Linked deposit) • Septic tank rehabilitation & replacement (Linked deposit) • UST remediation (Linked deposit) • Ag BMPs (Linked deposit) • Shoreline and stream bank restoration • Land acquisition for sourcewater protection		
MASSACHUSETTS	Massachusetts Department of Environmental Protection www.state.ma.us/dep/brp/mf/srf.htm	617-292-5500
Types of Projects: Septic tank repair and replacement (local Govt. pass-through) • Landfill capping and closure • Stormwater management • Land acquisition for riparian protection		
MINNESOTA	Minnesota Pollution Control Agency www.pca.state.mn.us/water/revolvingfund.html	651-296-6300
Types of Projects: Animal Ag waste management (local govt. pass-through) • Conservation tillage equipment (local govt. pass-through) • Structural erosion control projects (local govt. pass-through) • Septic system rehabilitation & replacement (local govt. pass-through) • Abandoned well sealing (local govt. pass-through) • Street sweepers, catch basin vacuum vehicles, sediment traps and basins		
MISSOURI	Missouri Department of Natural Resources www.dnr.state.mo.us/financialopp/water_quality.htm	573-751-3443
Types of Projects: Animal waste management (state govt. pass-through) • Septic system removal		
MONTANA	Montana Department of Environmental Quality www.deq.state.mt.us/ppa/nonpoint/NonpointSourceProgram.asp	406-444-5324
Types of Projects: Cropland BMPs (state govt. pass-through) • Stormwater management • Landfill closure		
NEBRASKA	Nebraska Department of Environmental Quality www.deq.state.ne.us/WasteWat.nsf/Pages/CA#Sec1	402-471-2186
Types of Projects: Remediation of leaking UST (state govt. pass-through) • Silt basin for Omaha		

State	Agency Contact	Phone Number
NEVADA	Nevada Division of Environmental Protection http://ndep.state.nv.us/bwpc/srlf01.htm	775-687-4670
Types of Projects: Purchased water rights to augment river flows to restore water quality and preserve and protect endangered species • Septic elimination		
NEW HAMPSHIRE	New Hampshire Department of Environmental Services www.des.state.nh.us/www/srf.htm	603-271-3503
Types of Projects: Landfill capping and closure		
NEW JERSEY	New Jersey Department of Environmental Protection www.state.nj.us/dep/grantandloanprograms/er_eifp.htm	609-984-0058
Types of Projects: Stormwater management including salt storage facilities • Stream bank stabilization and restoration • Equipment: street sweepers, outfall netting, and aquatic weed harvesters • Landfill closures • Brownfield remediation • Land acquisition		
NEW MEXICO	New Mexico Environment Department www.nmenv.state.nm.us/cpb/cwsrf.html	505-827-2855
Types of Projects: Decentralized wastewater treatment • Stormwater management • Brownfield remediation (Pending)		
NEW YORK	New York State Environmental Facilities Corporation www.nysefc.org/srf/SRFhome.htm	518-402-6924
Types of Projects: Landfill capping, closure, and monitoring • New landfill and leachate facilities • Land acquisition to protect water quality • Brownfield remediation • Stormwater management		
NORTH DAKOTA	North Dakota Department of Health www.health.state.nd.us/ndhd/envirom/mf/index.htm	701-328-5211
Types of Projects: Landfill capping and closure • New landfills and leachate treatment facilities • Agricultural BMPs (Irrigation)		
OHIO	Ohio Environmental Protection Agency www.epa.state.oh.us/defa/wpclf2.html	614-644-2832
Types of Projects: Animal/Cropland Ag BMPs (linked deposit) • Development of BMPs • Brownfield remediation • Remediation of leaking UST • Landfill capping and closure • New landfills and leachate treatment facilities		
OREGON	Oregon Department of Environmental Quality www.deq.state.or.us/wq/wqgrant/wqgrant.htm	503-229-6412
Types of Projects: Stormwater management • Septic system repair & replacement (local govt. pass-through) • Wetland restoration		
PENNSYLVANIA	Pennsylvania Infrastructure Investment Authority (PENNVEST) www.pennvest.state.pa.us/pennvest/cwp/browse.asp?A=4	717-783-6798
Types of Projects: Septic system rehabilitation & replacement • Acid mine drainage treatment and stormwater management • New collection systems • Forest & land acquisition (Pending)		

State	Agency Contact	Phone Number
RHODE ISLAND	Rhode Island Clean Water Finance Agency www.ricwf.state.ri.us/programs.html	401-453-4430
Types of Projects: Stormwater management • Land acquisition • Landfill capping and closure • New landfills and leachate treatment facilities • Septic rehabilitation and replacement (state govt. pass-through)		
SOUTH DAKOTA	South Dakota Department of Environment & Natural Resources www.state.sd.us/denr/DFTA/WWFunding/wwfprg.htm	605-773-4216
Types of Projects: Landfill capping and closure • New landfills and leachate treatment facilities		
TEXAS	Texas Water Development Board www.twdb.state.tx.us/assistance/assistance_main.htm	512-463-7779
Types of Projects: Stormwater BMPs • Constructed wetlands for wastewater mgmt. • Septic system rehabilitation and replacement • New collection systems		
UTAH	Utah Department of Environmental Quality www.deq.state.ut.us/EQWQ/Con_Asst/Con_asst.htm	801-538-6146
Types of Projects: Animal Ag BMPs • Failing septic system replacement (Pending) • Stormwater BMPs		
VIRGINIA	Virginia Resources Authority www.vra.state.va.us/project/wastewater.html	804-644-3100
Types of Projects: Septic system rehabilitation & replacement (local govt. pass-through) • Animal/Cropland Ag BMPs (w/ Farm Credit) • Land purchases and conservation easements • Brownfields (Pending)		
WASHINGTON	Washington Department of Ecology www.ecy.wa.gov/programs/wq/funding/index.html	360-407-6566
Types of Projects: Septic system repair & replacement (local govt. pass-through) • Stormwater BMPs Dairy Ag BMPs (local and state govt. pass-through) • Wetland restoration and protection • Riparian corridor revegetation		
WEST VIRGINIA	West Virginia Department of Environmental Protection www.dep.state.wv.us/item.cfm?ssid=11&ssid=220	304-558-0637
Types of Projects: Poultry Ag BMPs (Linked deposit) • Septic tank rehabilitation & replacement		
WISCONSIN	Wisconsin Department of Natural Resources www.dnr.state.wi.us/org/caer/cfa/EL/elindex.html	608-266-2621
Types of Projects: Brownfield remediation • Landfill capping and closure		
WYOMING	Wyoming Department of Environmental Quality http://deq.state.wy.us/wqd/revolvingfunds.asp	307-777-7075
Types of Projects: Remediation of leaking UST • Stormwater BMPs • New landfill water quality components • Failing Septic system replacement (local govt. pass-through)		



For more information about the Clean Water State Revolving Fund, please contact:

Clean Water State Revolving Fund Branch
U.S. Environmental Protection Agency
1201 Constitution Avenue, NW (Mailcode 4204M)
Washington, DC 20004

Phone: (202) 564-0752 **Fax:** (202) 501-2403

Internet: www.epa.gov/owm/cwfinance/cwsrf