

Infrastructure Finance Webinar: Opportunities to Advance Water Reuse

June 26 1:00-2:30pm EDT





Overview

- Introduce federal programs that support community and state water management and infrastructure funding needs
- Review key programs available for financing water reuse projects:
 - FEMA – BRIC
 - USDA – Rural Development
 - Reclamation – Title XVI
 - EPA – CWSRF/DWSRF, WIFIA

Speaker Bio



Josh Human

Federal Emergency Management Agency

Building Resilient Infrastructure and Communities (BRIC) and Drought Projects

Infrastructure Finance Webinar: Opportunities to Advance Water Reuse | June 2024



FEMA

Building Resilient Infrastructure and Communities (BRIC) Guiding Principles



Support Community Capability
& Capacity Building



Encourage and Enable
Innovation



Promote Partnerships



Enable Large Infrastructure
Projects



Maintain Flexibility



Provide Consistency



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Who is eligible for funding?



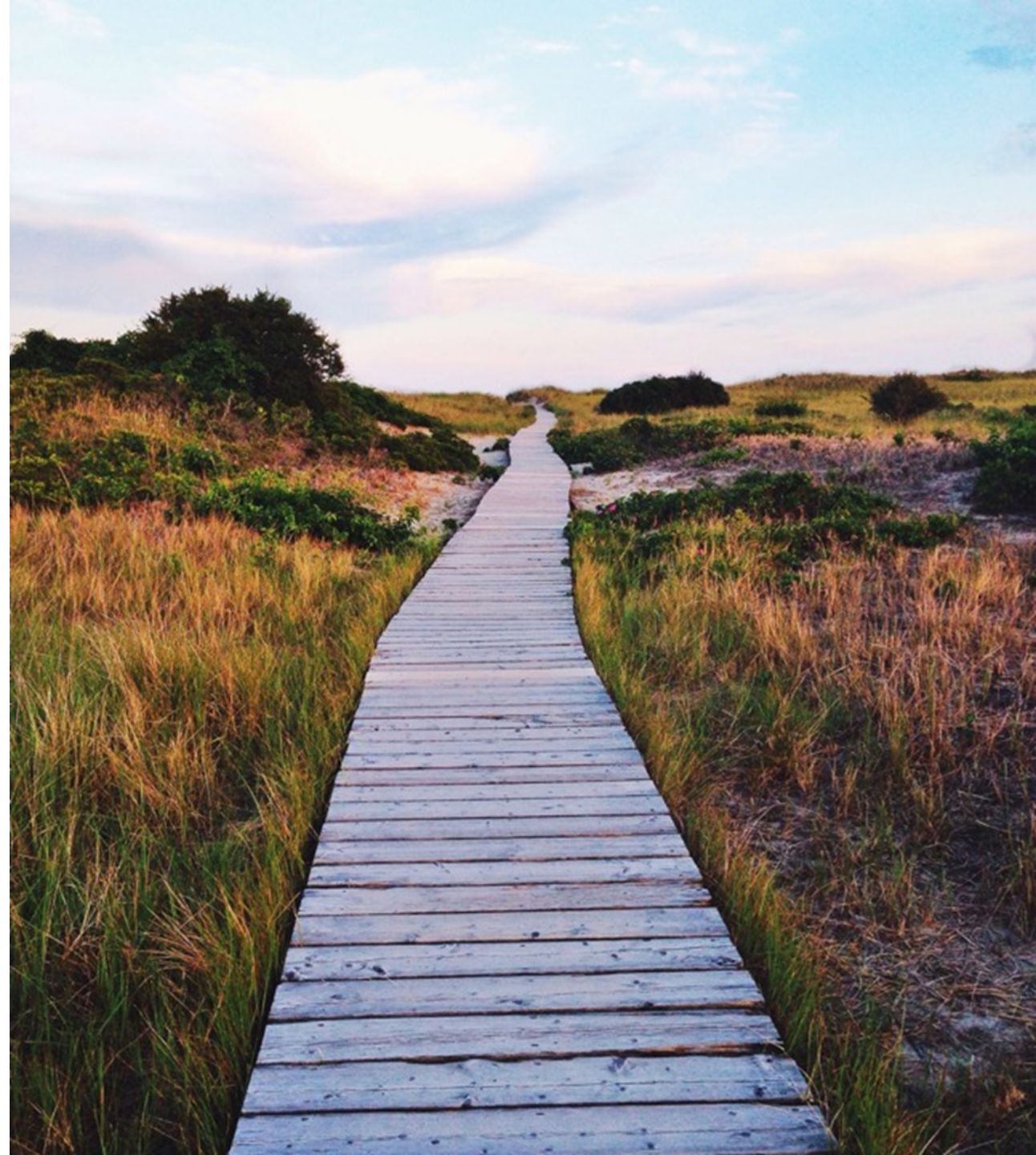
Fiscal Year 2023 Building Resilient Infrastructure and Communities (BRIC) Priorities

- Incentivize natural hazard risk reduction activities that mitigate multi-hazard risks to public infrastructure and disadvantaged communities as referenced in EO 14008.
- Incorporate nature-based solutions. This includes those designed to reduce carbon emissions.
- Enhance climate resilience and adaptation.
- Increase funding to applicants that facilitate the adoption and enforcement of the newest editions of building codes.

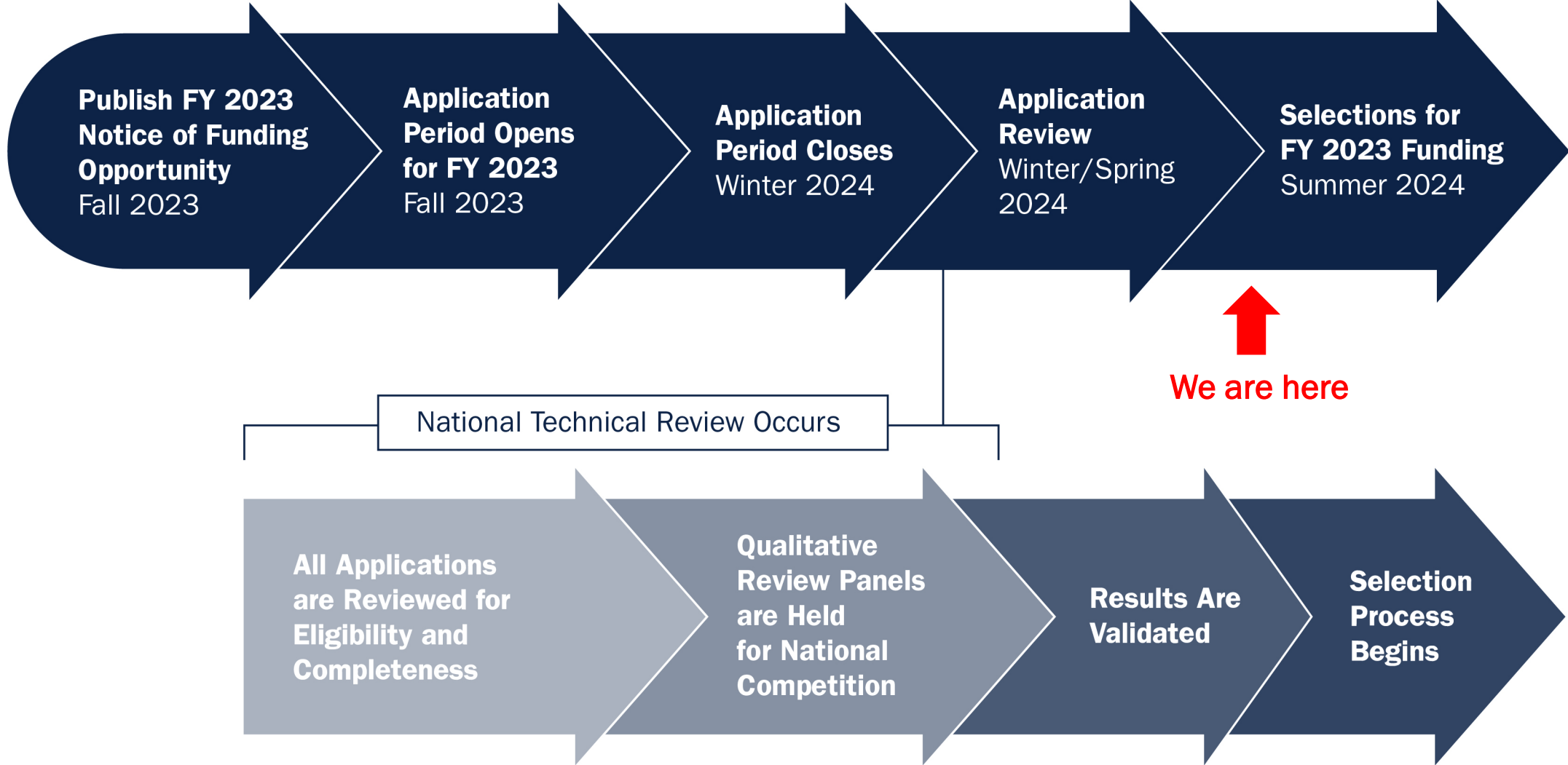
BRIC encourages mitigation projects that meet multiple program priorities



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BRIC FY23 Application Review



BRIC Direct Technical Assistance (BRIC DTA): An Initiative Under the BRIC Program

- Section 203 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act authorizes FEMA to provide *non-financial* technical assistance to complement the BRIC grant program.
- Underserved communities are often disproportionately impacted by disasters.
- Working hand-in-hand, BRIC DTA partners with communities and tribal nations to develop capacity for implementing holistic, equitable, climate adaptation solutions.



Potential Funding: Diverse HMA Grant Programs

- FEMA administers HMA grant programs that provide funding for hazard mitigation projects, capability- and capacity building, technical assistance, and planning and planning-related activities.
- HMA grant programs that may provide opportunities for funding and assistance to increase drought preparedness and mitigate drought impacts include:



Building Resilience
Infrastructure &
Communities
(BRIC)



Congressionally
directed Pre-Disaster
Mitigation
(PDM)



Flood Mitigation
Assistance
(FMA)



Hazard Mitigation
Grant Program
(HMGP)



Hazard Mitigation
Grant Program
Post Fire
(HMGP Post Fire)



Safeguarding
Tomorrow
Revolving Loan
Fund



Picking a Drought Mitigation Activity: Potential Eligible Projects

- FEMA supports a wide variety of drought hazard mitigation projects to build resilience.
- Here are some of the **HMA eligible project categories**, that may include drought within the project scope, which qualify for HMA assistance:

- ✓ **Nature-Based Solutions**
- ✓ **Early Warning Systems**
- ✓ **Stabilization**
- ✓ **Floodplain and Stream Restoration**
- ✓ **Flood Diversion and Storage**
- ✓ **Aquifer Recharge, Storage and Recovery**

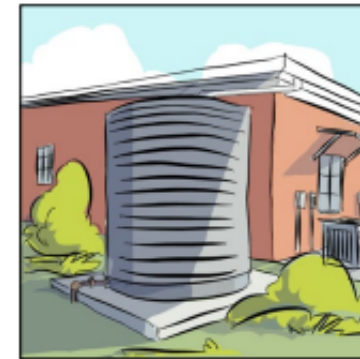


HMA encourages subapplicants to explore innovative new ways to mitigate drought.

Potential Eligible Projects: Nature-Based Solutions



- Communities are using nature-based solutions to mitigate drought impacts and extreme heat, while restoring and enhancing the natural functions of floodplains, stream channels and riparian ecosystems.
- Examples of **nature-based solutions for drought mitigation** may include projects like:
 - Underground water retention for infiltration or water recycling
 - Xeriscaping practices to reduce water demand
 - Water-smart landscapes
 - Stream and wetland restoration
 - Water harvesting



RAINWATER HARVESTING

Rainwater harvesting systems collect and store rainfall for later use. They slow runoff and can reduce the demand for potable water.

Rainwater systems include rain barrels that store tens of gallons and rainwater cisterns that store hundreds or thousands of gallons.

In Tucson, Arizona, almost 45 percent of the city's water is used for outdoor (non-potable) purposes. The City of Tucson's Commercial Rainwater Harvesting Ordinance aims to reduce this demand. It requires commercial property developers to harvest rainwater for at least 50 percent of their landscaping needs.

For more information on Nature-based Solutions see the HMA Program and Policy Guide and FEMA.gov.



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Potential Eligible Projects: Aquifer recharge, storage, and recovery

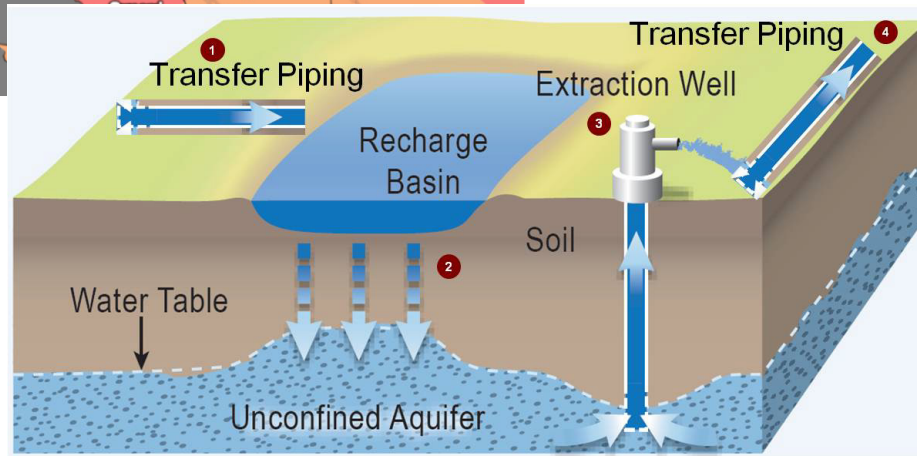
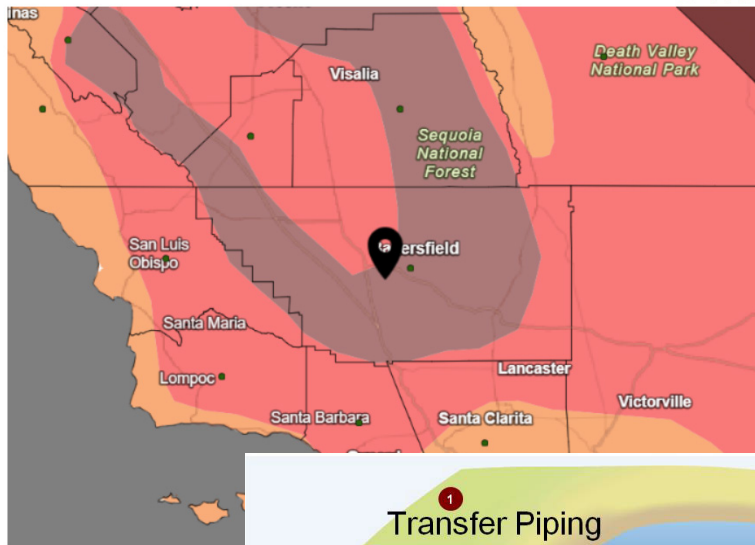


- **Aquifer recharge, storage and recovery** projects serve primarily as drought management tools, but they can also be used to reduce flood risk, mitigate saltwater intrusion and restore over drafted aquifers.

For more information on Aquifer Recharge, Storage and Recovery please see the HMA Program and Policy Guide Part 12.



BRIC FY21: Kern County, California – Enhancing Drought Management with Groundwater Storage



History: Kern County is California’s third-largest county by area and has a population of over 909,000 people who have been impacted by repetitive years of drought.

Project Description: This project will add storage for 30,000 acre-feet of potable water in a naturally occurring aquifer located below ground and will add production wells for water extraction during droughts.

Project Topics and Benefits:

- Drought Mitigation
- Drinking Water Protection
- Nature-Based Solution

**Federal Share
\$39.50 Million**



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Drought Mitigation – Best Practices

- Use drought condition indicators to determine recurrence intervals (RIs)
 - Standard precipitation index (SPI) can be used as a Z-score to determine the probability of specific SPI values, which can be used to develop an RI
- Use location-specific drought condition and water supply data to confirm relationship between drought conditions and reduced supply
 - Statistical analysis of historical drought condition data and water supply data
 - Local water management plans
 - Locally specific groundwater and surface water modeling
- Clearly identify water rights in the subapplication

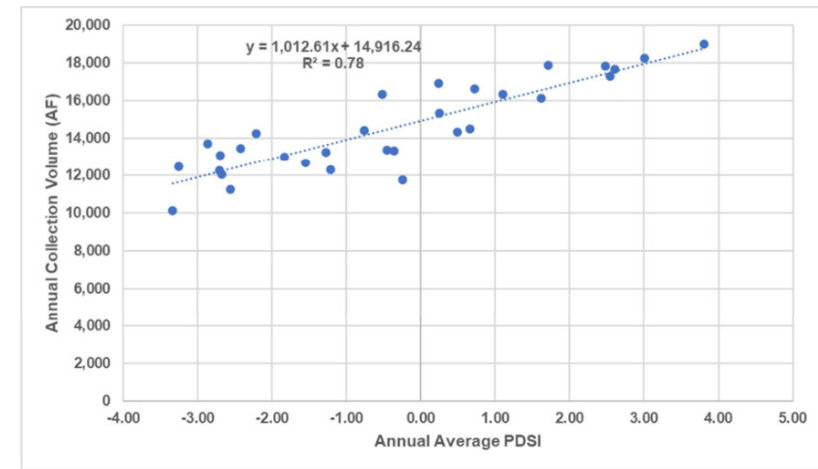


FIGURE 10. ANNUAL SPRING COLLECTION VOLUME VS ANNUAL AVERAGE PDSI

Category	Description	Water Restrictions	WMOP Stage	WMOP Withdrawal Restriction (MGD)
D0	Abnormally Dry	None	Stage 1	1.51
D1	Moderate Drought	Voluntary water conservation begins	Stage 2	1.36
D2	Severe Drought	Water restrictions imposed	Stage 3 & 4	1.28
D3	Extreme Drought	Widespread water shortages or restrictions	Stage 5	1.13
D4	Exceptional Drought	Shortages of water in reservoirs, streams, and wells creating water emergencies	Stage 6	0.68

Drought Mitigation – Common Pitfalls

- Documenting a deficit between supply and demand due to increased demand rather than decreased supply
- Overreliance on projected population growth and projected demand
- Estimating the duration of the drought event should be based on historical or modeled supply data, if available
- NOTE: Subapplications should not use utility loss of function unless the drought event results in a total inability to supply drinking water

Category	Description	Possible Impacts	Palmer Drought Severity Index (PDSI)
D0	Abnormally Dry	<p>Going into drought:</p> <ul style="list-style-type: none"> • short-term dryness slowing planting, growth of crops or pastures <p>Coming out of drought:</p> <ul style="list-style-type: none"> • some lingering water deficits • pastures or crops not fully recovered 	-1.0 to -1.9
D1	Moderate Drought	<ul style="list-style-type: none"> • Some damage to crops, pastures • Streams, reservoirs, or wells low, some water shortages developing or imminent • Voluntary water-use restrictions requested 	-2.0 to -2.9
D2	Severe Drought	<ul style="list-style-type: none"> • Crop or pasture losses likely • Water shortages common • Water restrictions imposed 	-3.0 to -3.9
D3	Extreme Drought	<ul style="list-style-type: none"> • Major crop/pasture losses • Widespread water shortages or restrictions 	-4.0 to -4.9
D4	Exceptional Drought	<ul style="list-style-type: none"> • Exceptional and widespread crop/pasture losses • Shortages of water in reservoirs, streams, and wells creating water emergencies 	-5.0 or less



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Speaker Bio



Valdis Krumins
U.S. Department of Agriculture



USDA RD WEP funding for water reuse



Rural Development

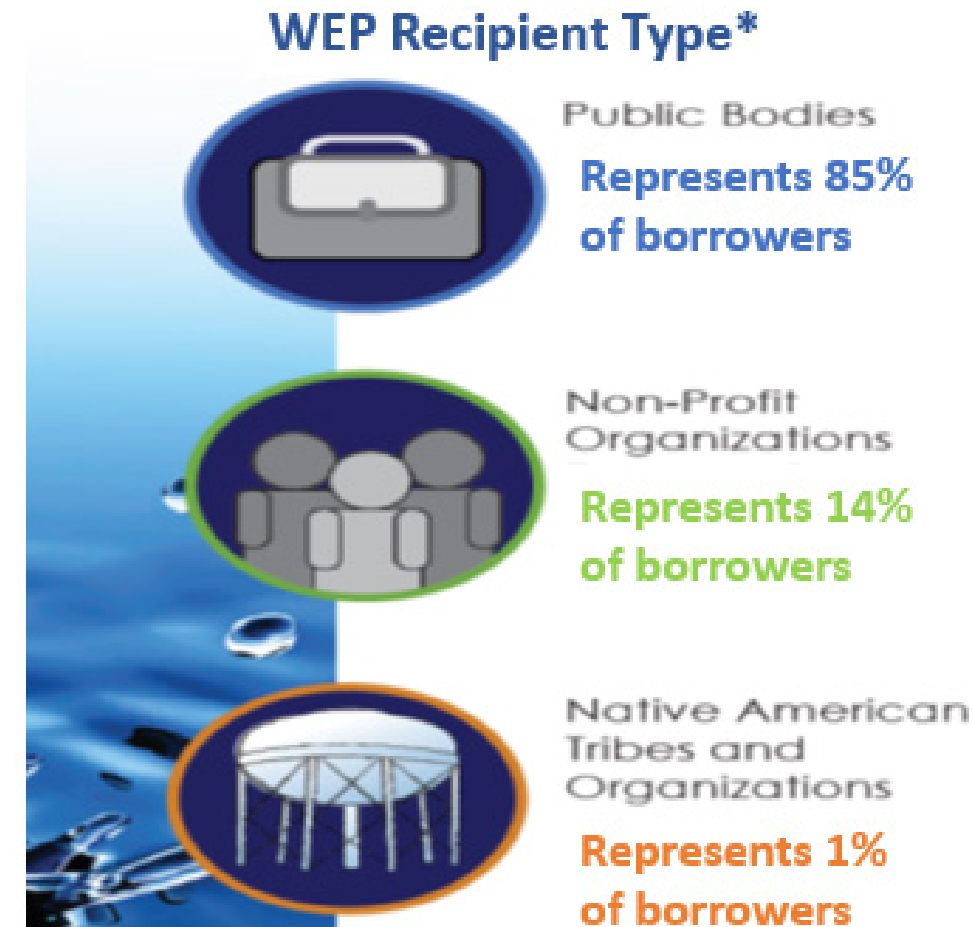
Valdis Kruminis PhD PE ENV SP
Senior Environmental Engineer
Water and Environmental Programs

USDA Rural Utilities Service
Water and Environmental Programs (WEP)
Overview

Water and Environmental Programs (WEP) Program Overview

Water and Waste Disposal Programs

- acquisition, construction or improvement of:
 - Drinking water sourcing, treatment, storage and distribution
 - Sewer collection, transmission, treatment and disposal
 - Solid waste collection, disposal and closure
 - Storm water collection, conveyance and disposal
- 47 State Offices and hundreds of field offices throughout rural America.



WEP Water and Waste Disposal Programs' Impact

FY 2014 – FY 2023

Construction projects

- \$17.7B (66% loan; 34% grant) to build new or improved infrastructure
- 1,998 counties, in all 50 states and 6 territories
- 20.3M rural residents (7.5M households and businesses)
- Median community size ~1,300
- Average annual household income of population served = \$36,933

Technical Assistance

- 515,316 technical assistance visits (\$356M)

Water and Waste Disposal Programs

- Direct Loan and Grant Program
 - Public Bodies
 - Not for Profits
 - Tribes
 - City, town, or unincorporated area <10,000 pop.
- Guaranteed Loans (<50,000 pop.)
- CY22 disaster grants (<35,000 pop.)
- ECWAG (grants for drinking water emergencies)
- 306C (grants for colonias and tribes)
- SEARCH, PPG funds for project planning (PERs)



Water and Waste Disposal Direct Program

Direct Loan Interest Rates and Terms

- Interest rates adjusted quarterly
- Term up to 40 years
- No fees or any other charges
- Grant used to maintain reasonable user rates compared to similar systems.

Underwriting and Affordability			
Rates April 1, – June 30, 2024	Health or sanitary problem	Service Area MHI	Maximum Percent Grant
Poverty Rate 2.125%	Required	Less than poverty line or 80% of SNMHI	75%
Intermediate Rate 2.75%	Not Required	Less than 100% of SNMHI	45%
Market Rate 3.5%	Not Required	Exceeds SNMHI	0

Administration and Agency Priorities

Executive Order 14008: Tackling the Climate Crisis at Home and Abroad

- ...action to build **resilience against the impacts of climate change**, bolster adaptation, **and increase resilience** across all operations, programs, assets, and mission responsibilities with a focus on the most pressing climate vulnerabilities.

RD Key Priorities

- Assisting rural communities recover economically through more and better market opportunities and through improved infrastructure;
- Ensuring all rural residents have equitable access to RD programs and benefits from RD funded projects; and
- Reducing climate pollution and **increasing resilience to the impacts of climate change** through economic support to rural communities.

WEP-funded water reuse projects to date

What does WEP count as reuse?

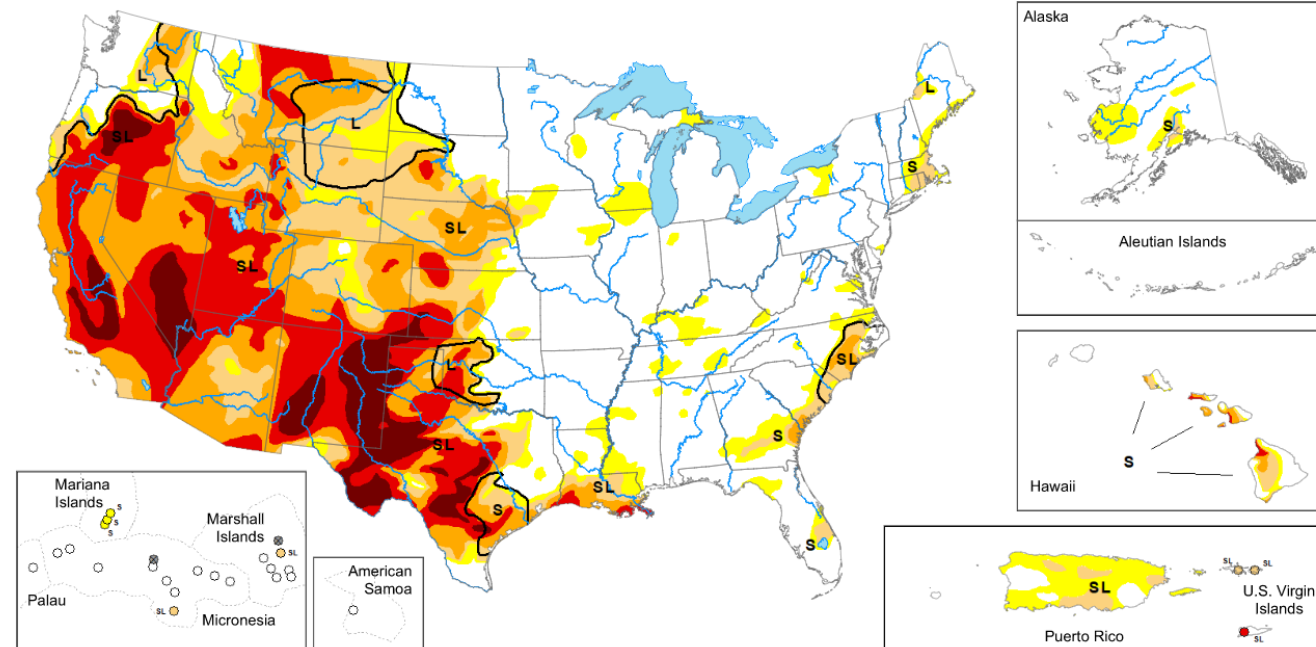
- Intended to increase community's water supply or resilience to drought by reusing water.

Examples of end uses:

- Irrigation of a marketable agricultural product
- Offsite landscape irrigation
- Constructed wetlands for habitat creation and/or recreation
- Intentional aquifer recharge
- Intentional stream flow enhancement
- Direct or indirect potable reuse

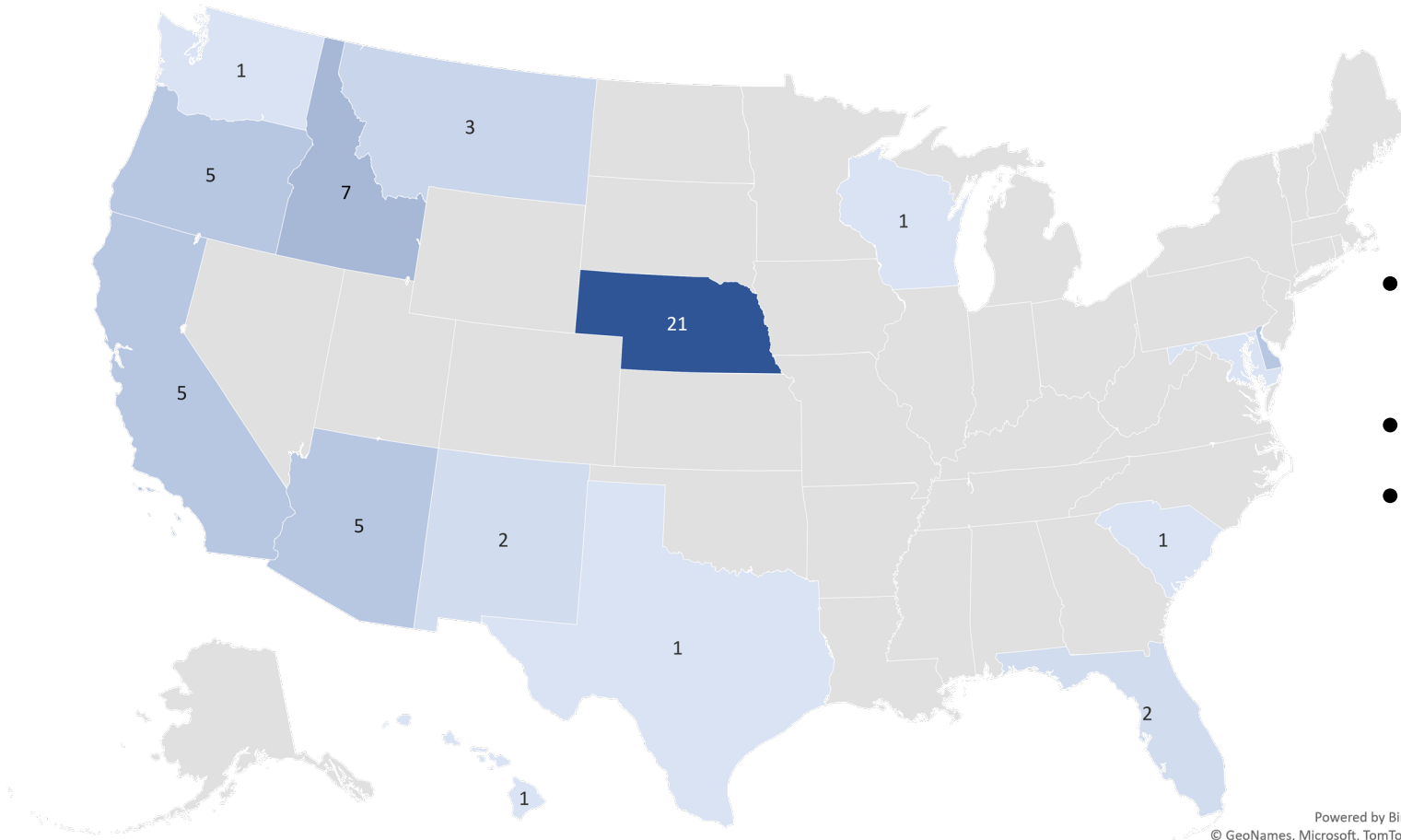
Consider water reuse as an alternative in planning phase

- Alternatives analysis required in the Preliminary Engineering Report
- Consider reuse if the project is for increased supply
- Long-term drought
- Climate resilience
- Nutrient management



WEP Water Reuse Projects

WEP water reuse projects
ca. 2015 - 2024



- We started tracking reuse recently - this is approximate
- WEP funds ~450 projects / year
- About 1% have reuse

WEP Water Reuse Example Project

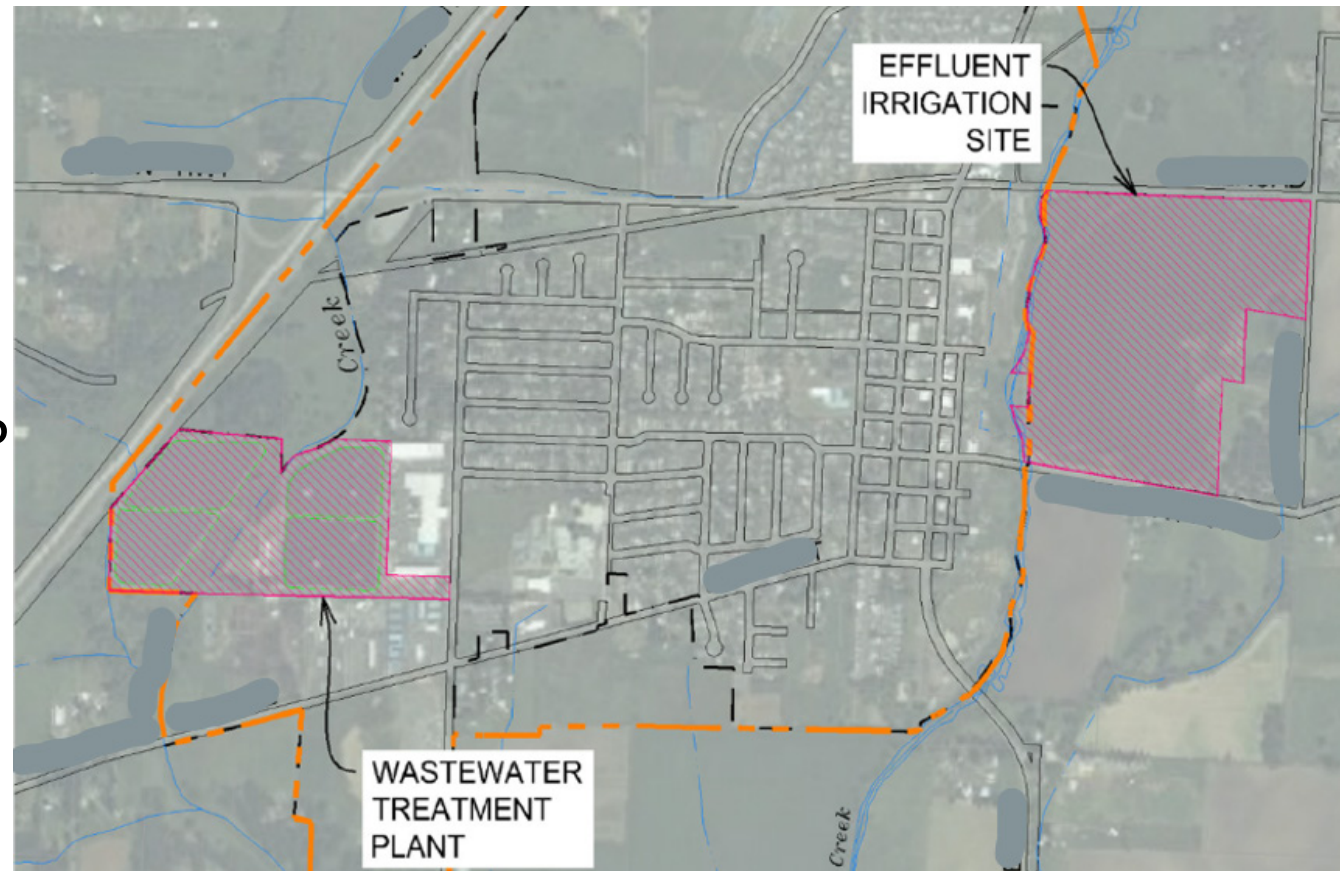
- Rural community in Oregon
- 9,300 population
- MHI 29% below state nonmetro MHI
- 2.3 MGD lagoon treatment
- \$4M loan and \$1M grant from USDA WEP
- \$7.1M from state and other sources

- 120 acres of wetlands added
- Increased storage and polishing
- Wildlife benefits
- 5 miles of hiking trails
- Local school involvement
- Information kiosks on watershed topics

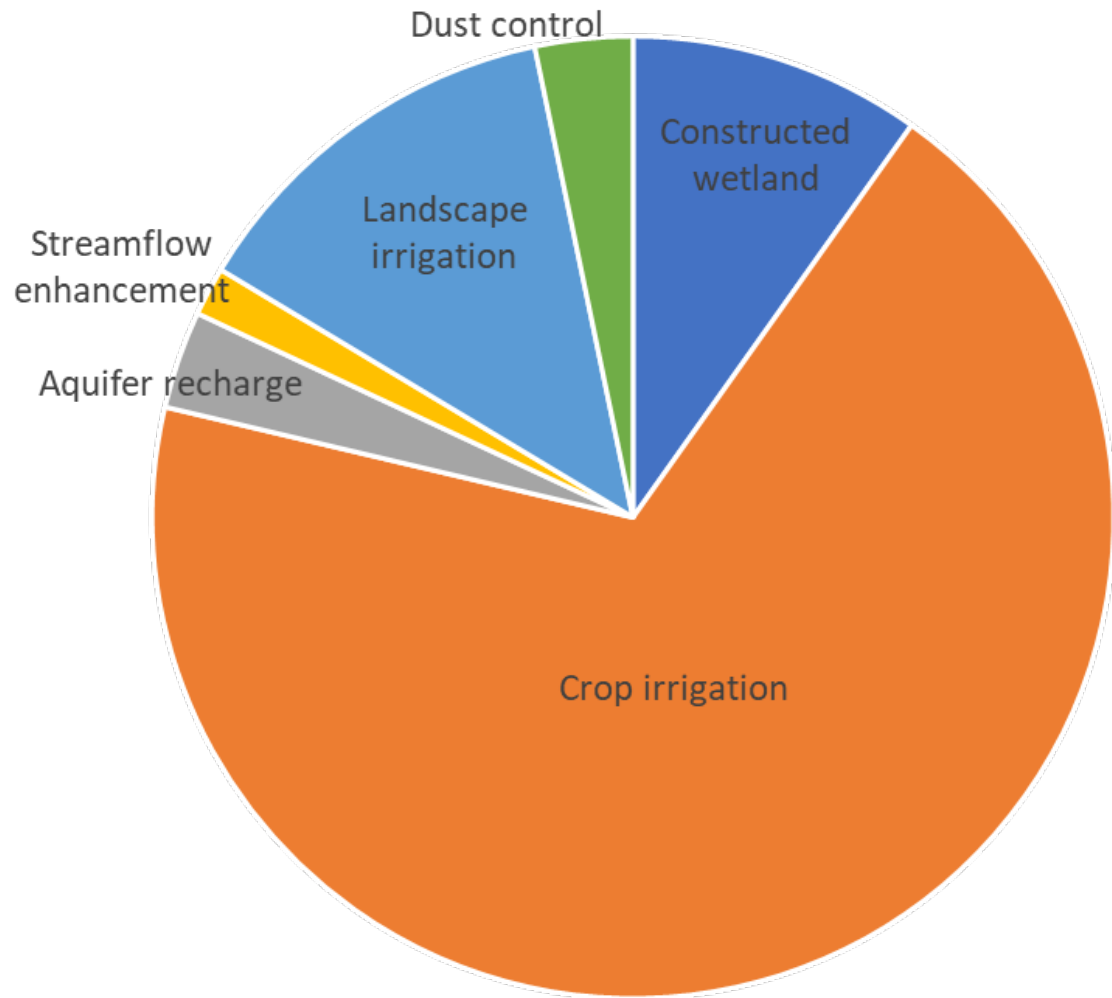


WEP Water Reuse Example Project

- Rural community in Oregon
- 3,600 population
- MHI 25% below state nonmetro MHI
- 1.6 MGD SBR
- Currently in design
- \$9M loan and \$6M grant from USDA WEP
- \$13.5M from state and other sources
- Irrigation (alfalfa) during growing season
- Discharge to creek in winter



WEP Water Reuse projects





Rural Development

Speaker Bio



Maribeth Menendez
U.S. Bureau of Reclamation



— BUREAU OF —
RECLAMATION

Reclamation Funding Opportunities for Water Recycling & Desalination Construction

Maribeth Menendez - Water Resources and Planning Office

Infrastructure Financing for Water Reuse Webinar

June 26, 2024

WaterSMART Program Overview

- WaterSMART Program is an umbrella program composed of multiple Federal financial assistance grant opportunities
- Increases water supply reliability through infrastructure investments
- Supports water conservation and water management improvements to help meet competing demands for water
- Leverages Federal and non-Federal funding
- Relies on collaboration with stakeholders to develop local solutions to water supply issues



Title XVI

Water Reclamation and Reuse Projects

Eligibility

- Projects that reclaim and reuse municipal, industrial, and agricultural wastewater; or impaired ground and surface waters
- Entities must be located in the 17 Western States, Hawaii, American Samoa, Guam, the Northern Mariana Islands, or the Virgin Islands

Grant Funding

- 75% non-Federal cost share required
- Up to \$30 million in Federal funding per project

**\$550 million in Bipartisan Infrastructure Law funding over five years*

**Currently open on grants.gov. Next application submission deadline is September 30, 2024*



Desalination Construction Projects

Eligibility

- Ocean or brackish water desalination projects that meet the requirements of Section 4009(a) of the WIIN Act amendments to the Desalination Act
- Entities must be located in the 17 Western States

Grant Funding

- 75% non-Federal cost share required
- Up to \$30 million in Federal funding per project

**\$250 million in Bipartisan Infrastructure Law funding over five years*

**Currently open on grants.gov. Next application submission deadline is September 30, 2024*



Large-Scale Water Recycling

Eligibility

- Projects that reclaim and reuse municipal, industrial, and agricultural wastewater; or impaired ground and surface waters
- Total project cost of \$500 million or more
- States, Indian Tribes, municipalities, irrigation districts, wastewater districts, or other organizations with water or power delivery authority
- Entities must be located in the 17 Western States

Grant Funding

- 75% non-Federal cost share required

**\$450 million in Bipartisan Infrastructure Law funding over five years*

**Currently open on grants.gov. Next application submission deadline is November 26, 2024*



Water Recycling and Desalination Planning:

- Funding available for potential new Title XVI projects, Desalination Construction projects, and Large-Scale Water Recycling projects
- Eligible Applicants:
 - Local water agencies that are sponsors of water recycling or desalination projects
 - Entities must be located in the 17 Western States, Hawaii, American Samoa, Guam, the Northern Mariana Islands, or the Virgin Islands
- Eligible Project Activities:
 - Development of new water recycling and desalination feasibility studies
 - Preparation of preliminary project cost estimates
 - Design activities
 - Environmental and cultural resource compliance activities

**Expected in December 2024 with applications due March 2025*



— BUREAU OF —
RECLAMATION

Notice of Funding Opportunity No. R23AS00076

WaterSMART: Water Recycling and Desalination Planning



U.S. Department of the Interior

December



Examples of Projects

The **Metropolitan Water District of Southern California** was selected to receive **\$99 million** in **Large-Scale Water Recycling** funding for the planning and design of the Pure Water Southern California facility, which is expected to deliver 118,590 acre-feet of recycled water annually through treatment and beneficial reuse of unused effluent and allow Metropolitan to reduce its reliance on imported water.

The **City of Boise** was selected to receive **\$1 million** under the **Water Recycling and Desalination Planning** funding opportunity for the planning and preliminary design City of Boise Recycled Water Program. The planning activities will inform site selection and project development for a recycled water facility, a groundwater recharge facility, and related recycled water conveyance infrastructure.

The **South Coast Water District** has been selected to receive a total of **\$27 million** in **Desalination Construction** funding to construct an ocean water desalination facility to create a drought resistant and reliable source of potable drinking water for the region, reduce dependence on imported water, and provide for an emergency water supply.



How to Become Eligible:

A completed feasibility study must be submitted and found to meet all requirements of Reclamation's Directives and Standards

[WTR 11-01 Title XVI Water Reclamation and Reuse Program and Desalination Construction Program Feasibility Study Review Process](#)

Report Contents:

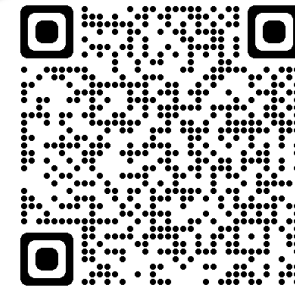
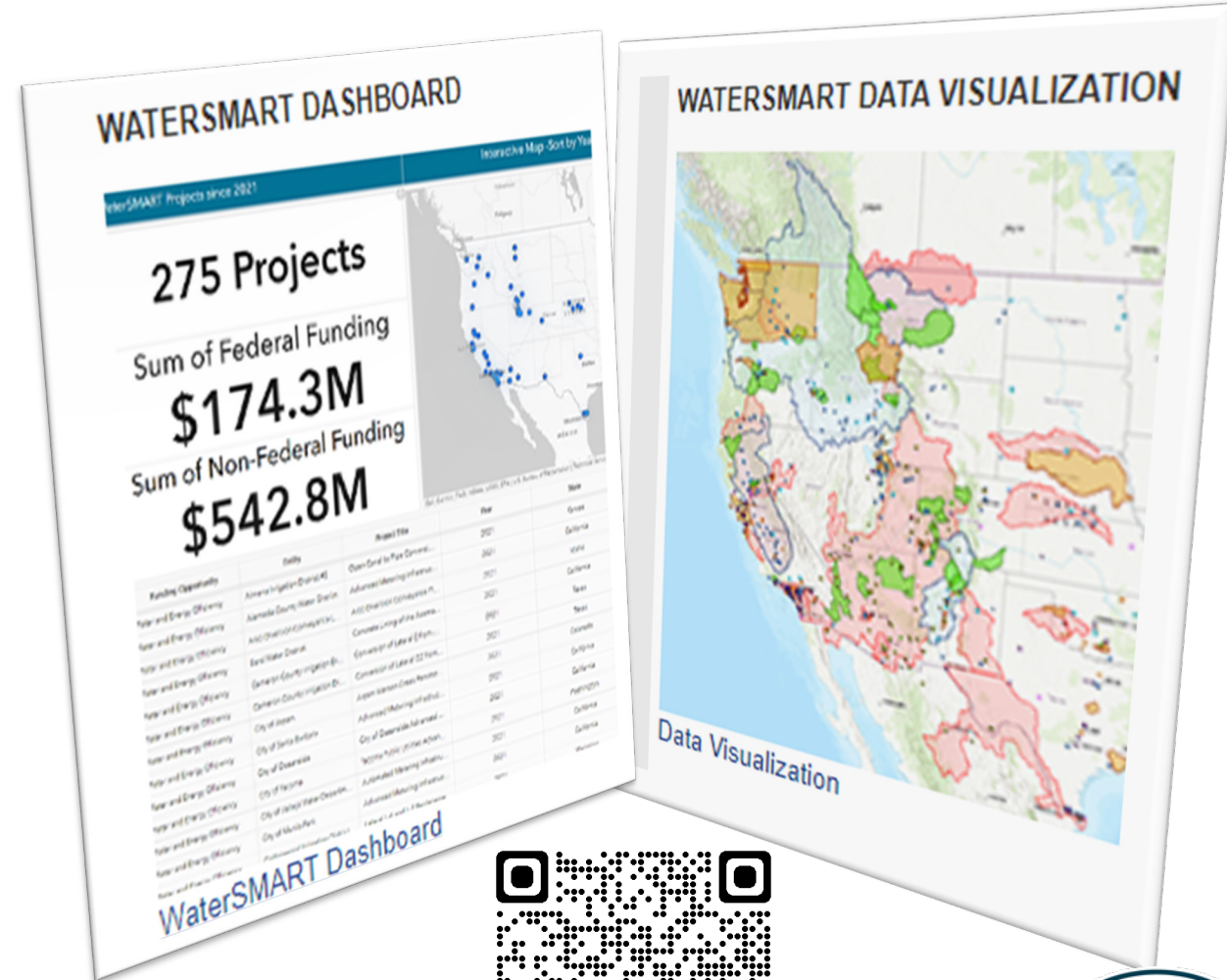
- Introductory Information
- Statement of Problems and Needs
- Water Reclamation, Recycling or Desalination Opportunities
- Description of Alternatives
- Economic Analysis
- Selection of the Proposed Project
- Environmental Consideration and Potential Effects
- Legal and Institutional Requirements
- Financial Capability of Sponsor
- Research Needs

[WTR TRMR-128: Additional requirements for Large-Scale Water Recycling](#)



WaterSMART Program Resources

- WaterSMART Program Website: <https://www.usbr.gov/watersmart>
 - Previously funded applications for all programs
 - Interactive Data Visualization Tool
 - WaterSMART dashboard
 - Funding opportunity calendar
 - WaterSMART mailing list
 - Recent announcements



WATERSMART

WaterSMART

Contacts

Water and Energy Efficiency Grants

Water Marketing Strategy Grants

Small-Scale Water Efficiency Projects

Environmental Water Resources Projects

Title XVI

Desalination

Basin Studies

Baseline Assessments and Pilots

Reservoir Operation Pilots

Applied Science Grants

Cooperative Watershed Management Program

WaterSMART

The American West faces serious water challenges. Wide-spread drought, increased populations, aging infrastructure, and environmental requirements all strain existing water and hydropower resources. Adequate and safe water supplies are fundamental to the health, economy, and security of the country. Through WaterSMART, Reclamation will continue to work cooperatively with states, tribes, and local entities as they plan for and implement actions to increase water supply through investments to modernize existing infrastructure and avoid potential water conflicts.

Join the WaterSMART Mailing List

You may complete this [form](#) to receive WaterSMART program notification from the Bureau of Reclamation.

WaterSMART Project Selections Overview

Since January 2021, Reclamation has selected 255 projects to be funded with \$93 million in WaterSMART funding, in conjunction with \$314.3 million in non-Federal funding, across the western states.



OPEN FUNDING OPPORTUNITIES

None at this time

FUNDING OPPORTUNITY CALENDAR



Click [here](#) to view a detailed status of all current and upcoming WaterSMART funding opportunities.



Reclamation partnered with grants.gov to bring you [this webinar](#) to help familiarize yourself with the site and to provide an overview of how to submit a grant application. [View the Powerpoint](#)



Thank you!

Maribeth Menendez
Program Coordinator
Title XVI Water Recycling
mmenendez@usbr.gov



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RECLAMATION

Speaker Bios



Michael Deane



Kiri Anderer



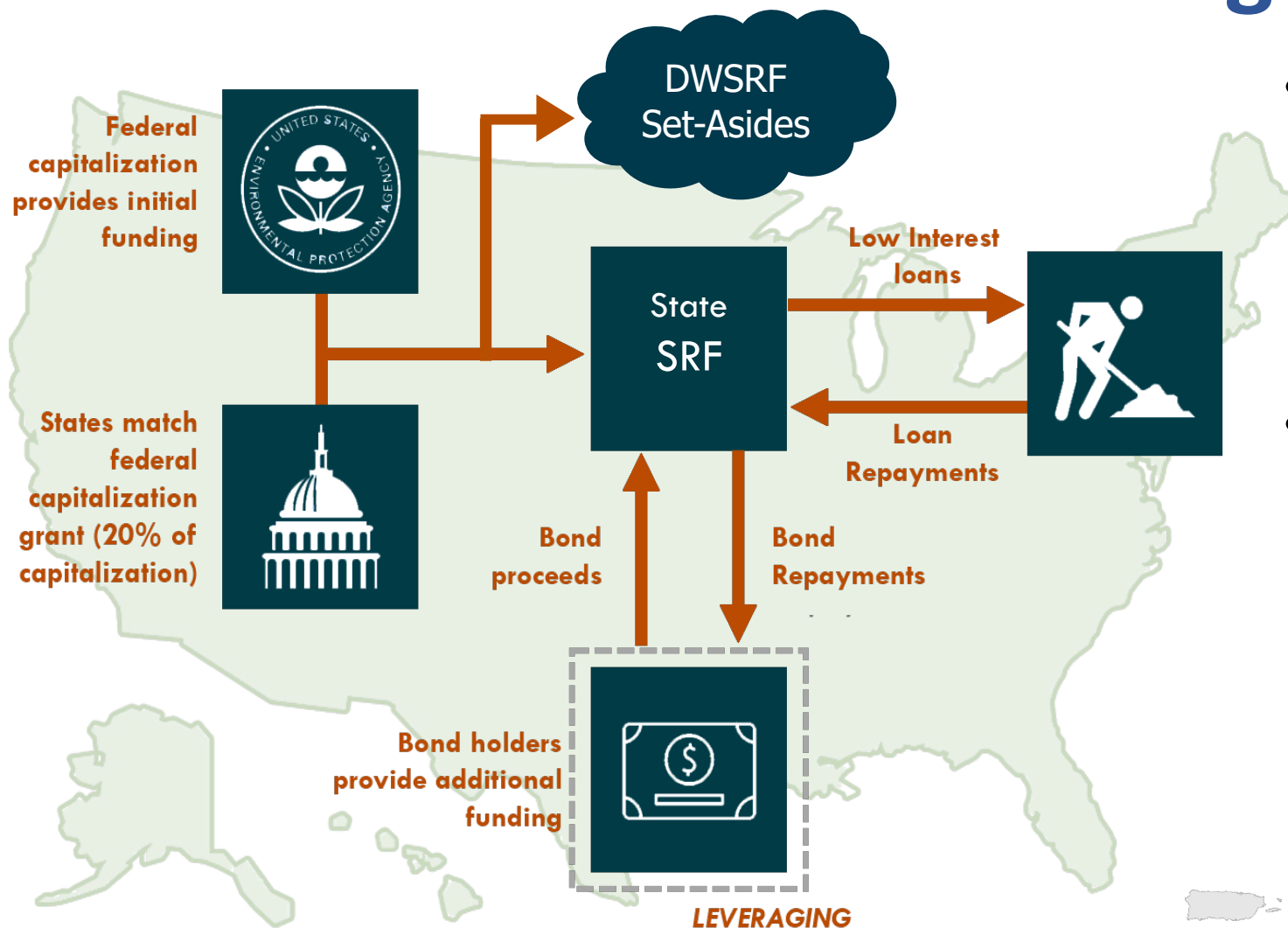
Dallas Shattuck

U.S. Environmental Protection Agency



Clean Water and Drinking Water State Revolving Fund

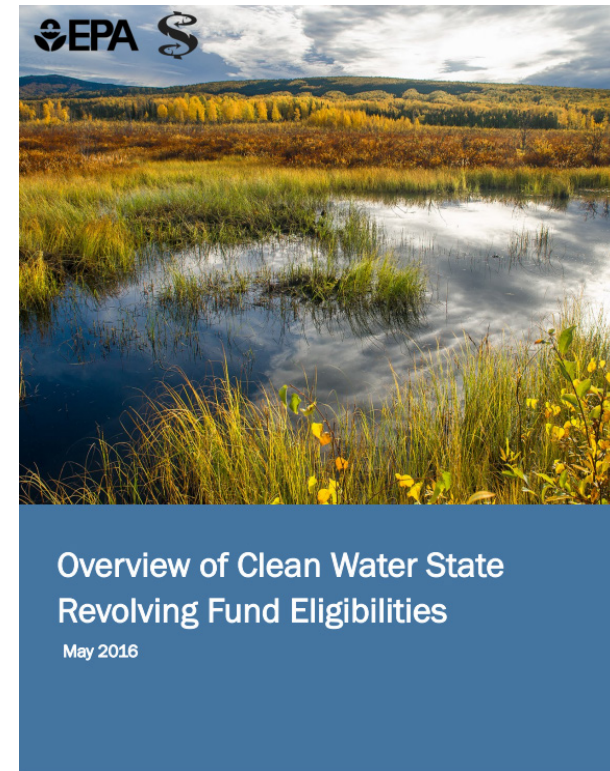
State Revolving Fund



- 51 state-level “infrastructure banks” make loans for water projects
 - Assistance recipients apply for funding with their respective state SRF program
- States craft their SRF program to meet the needs of their state
 - Each of the 51 programs are unique
 - They operate within the federal framework but may target funding more narrowly

Who is Eligible to Use the CWSRF?

- 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.*

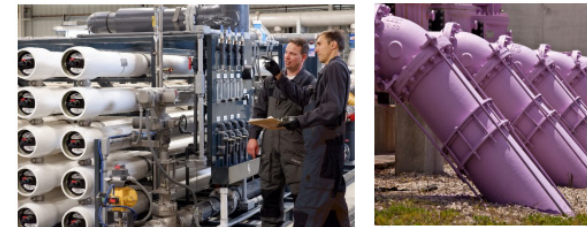
What Type of Projects Can Be Funded by the CWSRF?

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

Eligible CWSRF Water Reuse Projects

- Habitat and Ecosystem Restoration and Source Water Protection
- Surface Water Quality
- Groundwater and Surface Water Quality/Protection
- Resource Extraction Water Quality
- Contaminated Site Remediation

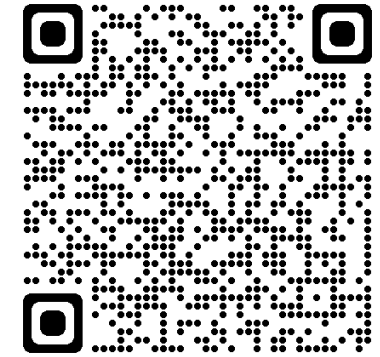
INTEGRATING WATER REUSE INTO THE
CLEAN WATER STATE REVOLVING FUND



APRIL 2021

City of Tucson, AZ

Reclaimed Water CWSRF Case Study



Background

- The City of Tucson Water Department (Tucson Water) delivers 13 to 18 million gallons per day of Class A reclaimed water to over 1,000 customers for irrigation and other non-potable reuse activities
- Reclaimed water that is not sent directly into the reclaimed water distribution system is used for aquifer recharge and later extracted for reuse
- Sampling has determined the presence PFAS and 1,4-dioxane in the reclaimed water received and recycled water sent to customers

City of Tucson, AZ

Reclaimed Water CWSRF Case Study



Proposed Project

- UV and hydrogen peroxide followed by Granular Activated Carbon (GAC) treatment for extracted groundwater and treated effluent prior to being sent into the reclaimed water distribution system for reuse by customers

Eligibility

- Eligible under CWSRF? Yes, reusing wastewater [603(C)(9) of CWA]
- Emerging contaminants present? Yes, detected in previous monitoring
- Capital project identified? Yes, treatment to remove both PFAS and 1,4-dioxane

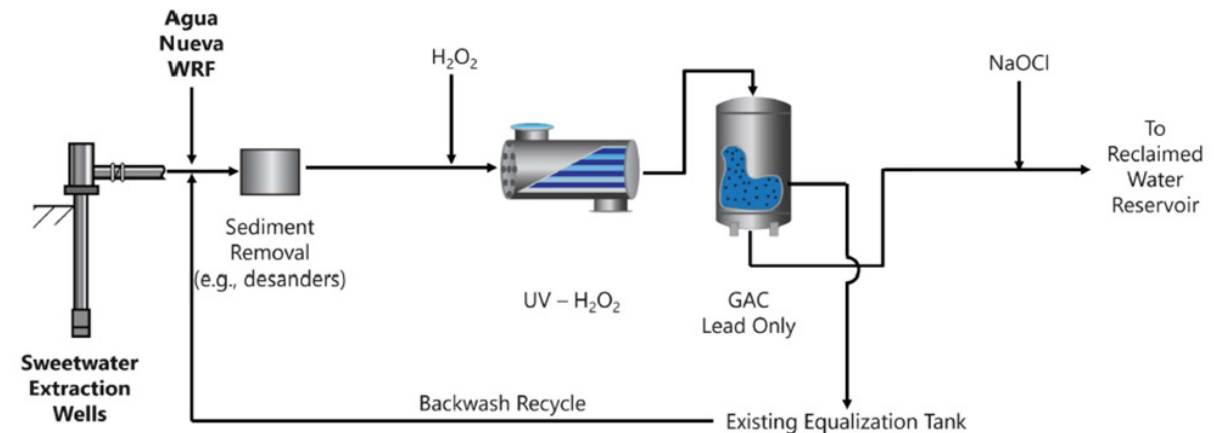


Figure B.2 UV AOP and GAC Pressure Contactor Process Flow Diagram

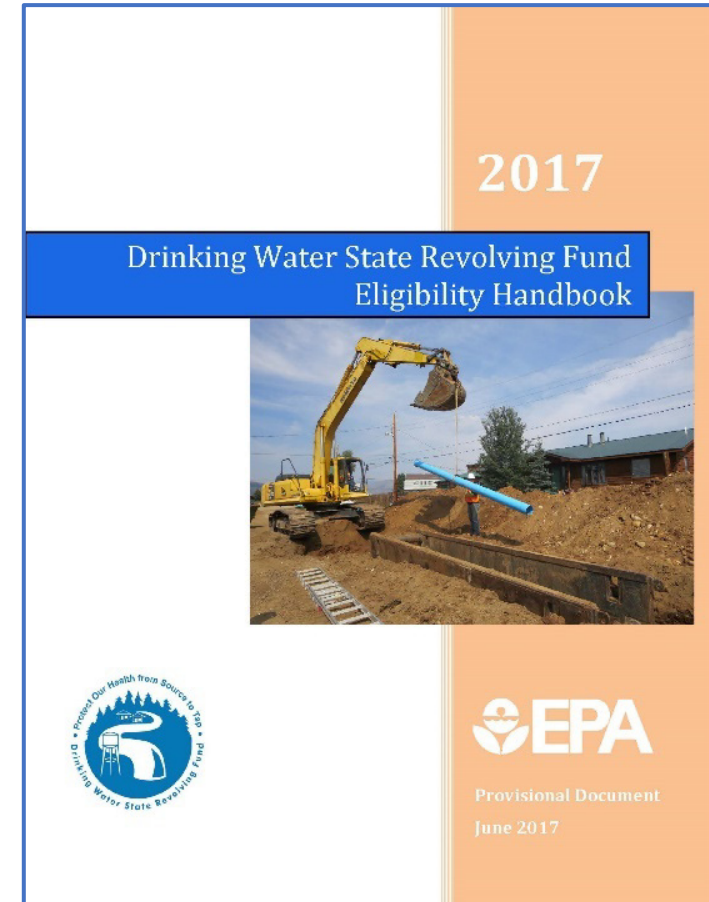
Who is Eligible to Use the DWSRF?

- 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.*

What Type of Projects Can Be Funded by the DWSRF?

- Source
- Treatment
- Transmission and distribution
- Storage
- Consolidation
- Creation of new systems
- Planning and design




DWSRF Set-Asides

- States can take up to ~ 31% of their capitalization grant for non-infrastructure activities

Purpose	Set-Aside Amount (up to)
Administration of DWSRF and Technical Assistance to Water Systems	<i>Greatest of: 4%, \$400k, or 1/5th of a Percent of Fund Valuation</i>
Technical Assistance to Small Water Systems (<10,000 population)	2%
State Program Management <ul style="list-style-type: none"> • Administer Public Water System Supervision and Source Water Protection Programs • Implement Capacity Development Strategy and Operator Certification Program 	10%
Local Assistance to Public Water Systems for Source Water Protection and Capacity Development <ul style="list-style-type: none"> • Loan to acquire land/conservation easement for Source Water Protection • Loan to implement voluntary Source Water Protection measures • Provide assistance to public water systems for Capacity Development Strategy • Establish/implement Wellhead Protection Program and Source Water Protection 	15%

Eligible DWSRF Water Reuse Projects

- Non-potable reclaimed water distribution system components
- Aquifer storage and recovery (ASR)
- Treatment upgrades to improve quality of wastewater effluent
- Infiltration basins or spreading grounds to facilitate soil aquifer treatment in groundwater recharge



Addressing Water Reuse with the Drinking Water State Revolving Fund

Communities can use the Drinking Water State Revolving Fund (DWSRF) for water reuse projects that will augment their source water capacity or reduce their potable water demand.

BACKGROUND

Water reuse is a practice that reclaims water from a variety of wastewater and stormwater sources then treats and uses it for other beneficial purposes. Also known as water recycling or water reclamation, it can provide alternatives to existing water supplies and be used to enhance water security, sustainability, and resilience.

Water reuse can be defined as planned or unplanned. Unplanned or "de facto" water reuse occurs when a source of water is composed of previously used water. For example, some communities draw their water supplies from rivers that receive treated wastewater discharges from other communities upstream.

Planned water reuse refers to water systems designed

water reuse. Some states have established programs to specifically address reuse, while others are in the process of establishing water reuse programs or they address such issues on a case-by-case basis. EPA, states, tribes, and local governments implement programs under the [Safe Drinking Water Act](#) (SDWA) and the [Clean Water Act](#) (CWA) to protect the quality of drinking water source waters, community drinking water, and waterbodies like rivers and lakes. Together, the SDWA and the CWA provide a foundation from which states can enable, regulate, and oversee water reuse as they deem appropriate. To establish a framework and maximize the potential of water reuse, in February 2020 EPA released the National Water Reuse Action Plan to better integrate federal policy and

SRF Benefits

- **Very low-cost financing**
 - Interest is typically charged at half the market rate, saving communities hundreds of thousands of dollars
 - Potential availability of “**additional subsidy**,” which are *grant-like funds*
- **Extended loan terms**
 - Can go up to 30 years (or 40 years for DWSRF)
 - Repayments begin up to 12 months (or 18 months for DWSRF) after construction completion
- **Serves diversity of communities of all sizes and socioeconomic status**
- **Wide range of project dollar sizes**
- **Availability of technical assistance**
- **Funding can be paired with other sources, including WIFIA, USDA-Rural Development, FEMA and more...**

How Do Borrowers Apply for SRF funding?

- Develop plans and identify needs.
 - Develop a capital improvement plan.
 - State SRFs may provide planning and development assistance.
- Engage with state SRF program.
 - Each state has a process and timeline for applications.
 - Discuss funding options (SRF base, SRF BIL, state funding, etc.)
- Projects added to state's Intended Use Plan (IUP)
 - Each state develops an IUP annually
 - Includes a list of all projects that applied for funding that year and projects the CWSRFs anticipated funding
 - Contains the program goals and operations

SRF Resources

- **CWSRF website:** <https://www.epa.gov/cwsrf>
 - **State contacts:** <https://www.epa.gov/cwsrf/state-cwsrf-program-contacts>
 - **Reuse fact sheet:** https://www.epa.gov/sites/default/files/2021-04/documents/cwsrf_water_reuse_best_practices.pdf
- **DWSRF website:** <https://www.epa.gov/dwsrf>
 - **State contacts:** <https://www.epa.gov/dwsrf/state-dwsrf-website-and-contacts>
 - **Reuse fact sheet:** https://www.epa.gov/sites/default/files/2020-12/documents/addressing_water_reuse_with_the_dwsrf.pdf



HOW WIFIA FINANCING HELPS COMMUNITIES IMPLEMENT WATER REUSE PROJECTS

JUNE 2024



MISSION STATEMENT

The Water Infrastructure Finance and Innovation Act (WIFIA) program accelerates investment in our nation's water and wastewater infrastructure by providing long-term, low-cost, supplemental credit assistance under customized terms to creditworthy water and wastewater projects of national and regional significance.



FINANCING AVAILABLE

Each year, Congress appropriates funds to WIFIA to provide about \$6 billion in financing

- This allows the WIFIA program to have money available on an ongoing basis



FINANCING WATER REUSE PROJECTS

- **18** closed WIFIA loans for water reuse projects
- Nearly **\$3 billion** in WIFIA financing to support over **\$6 billion** in water reuse projects
- Loans range from **\$25 million** to **\$614 million**
- **150 MGD** water recycled, recharged, or redirected



PROGRAM FEATURES



Minimum project size for large communities



Minimum project size for small communities (population of 25,000 or less)



Maximum portion of eligible project costs that WIFIA can fund



Maximum final maturity date from substantial completion



Maximum time that repayment may be deferred after substantial completion of the project



Interest rate will be equal to or greater than the U.S. Treasury rate of a similar maturity



Broad eligibility allows for wide variety of borrowers and projects, plus special program for SRF borrowers (SWIFIA)



NEPA, Davis-Bacon, American Iron and Steel, Build America, Buy America, and all federal cross-cutter provisions apply

LOAN FEATURES AND BENEFITS

FAVORABLE RATES	<ul style="list-style-type: none">• Fixed interest rate locked in at closing• Interest does not accrue until loan is drawn• Borrower credit does not impact interest rate
GENEROUS TERMS	<ul style="list-style-type: none">• No penalty for prepayment• Sculpted repayment schedule to grow payments over time• WIFIA can take a subordinate lien position
FLEXIBLE FINANCING	<ul style="list-style-type: none">• Loan closing in as little as 4 months, or faster for repeat borrowers• Bespoke loan agreements that can fit into each borrower's existing indenture structure or be stand-alone issuances• Pairs well with other forms of funding and financing
BUNDLING FEATURES	<ul style="list-style-type: none">• Financing available for a combination of projects under one loan• Upfront commitment available for multiple projects taking place over time via a Master Agreement
LOAN MANAGEMENT	<ul style="list-style-type: none">• Ability to request monthly disbursements• Disbursements processed within 15 days of request• Dedicated loan management team responsive to borrower needs

PROJECT SELECTION

WIFIA Letters of Interest (LOI) may be submitted at any time!

- Rolling selection provides:
 - ✓ Year-round access to WIFIA funding
 - ✓ Accelerated selection decisions allows for real-time financial decision-making by prospective borrowers
 - ✓ WIFIA LOI submission can be timed with cycles of other funding sources
 - ✓ WIFIA can provide technical assistance to prospective borrowers that need feedback on LOI package

Submission of an LOI is easy via EPA's SharePoint site!

- To request access, simply contact WIFIA@EPA.GOV



FY2023 SELECTION PRIORITIES

WIFIA selection will continue to emphasize EPA top priorities for water infrastructure investment

- Supporting economically stressed communities
- Protecting water infrastructure against the impacts of climate change
- Reducing exposure to lead and addressing emerging contaminants
- Mitigating impacts of drought
- Implementing new or innovative approaches including cybersecurity, green infrastructure, and/or development of alternate sources of drinking water and alternate water supplies through aquifer recharge, water recycling, or desalination

Detailed information on scoring criteria and process can be found in the [WIFIA Program Handbook](#).



ORANGE COUNTY WATER DISTRICT, CA

GROUNDWATER REPLENISHMENT SYSTEM FINAL EXPANSION



\$135M WIFIA loan helps finance \$282M infrastructure investment and creates 700 jobs

- Provides an additional 31,000 acre-feet per year drought-proof water supply at a lower cost than imported water
- Reduces approximately 40 MGD of secondary effluent from being discharged into the ocean
- Increases the replenishment of the groundwater basin and drought resilience
- Original loan executed in 2018 saves OCWD up to \$16 million
 - Re-execution of the WIFIA loan in 2020 saves OCWD an additional \$75 million



HAMPTON ROADS SANITATION DISTRICT, VA

SUSTAINABLE WATER INITIATIVE FOR TOMORROW (SWIFT)

\$700M in WIFIA loans helps finance \$2.1B infrastructure investment and creates over 5,000 jobs

- 2 loans - 2020 and 2021
- Includes 20 projects across the service area to upgrade existing treatment works and build wells to inject highly treated water into Potomac Aquifer
- Restores water supply, prevents saltwater intrusion, and mitigates land subsidence
- Reduces surface water discharge of treated effluent by 100 MGD
- Master agreement that will commit over \$1B in WIFIA financing to Hampton Roads Sanitation District



MEETING WITH WIFIA PROGRAM STAFF

EPA is happy to meet with all prospective borrowers interested in discussing the program prior to submission of a letter of interest

- Send requests to wifia@epa.gov
- Meetings may be virtual or in-person



RESOURCES

General Information

<https://www.epa.gov/wifia/about-wifia>

- What is WIFIA?
- What is SWIFIA?
- WIFIA Benefits
- Laws and Regulations

Application Materials

<https://www.epa.gov/wifia/wifia-application-materials>

- Letter of Interest form
- Letter of Interest checklist
- Sample Letter of Interest
- Sample financial pro forma

Program Resources

<https://www.epa.gov/wifia/wifia-program-resources>

- Template Term Sheet
- Federal Compliance Requirements
- Program Handbook
- FAQs

Learn More

<https://www.epa.gov/wifia/learn-more-about-wifia>

- Annual Report
- Videos
- Presentations and Factsheets



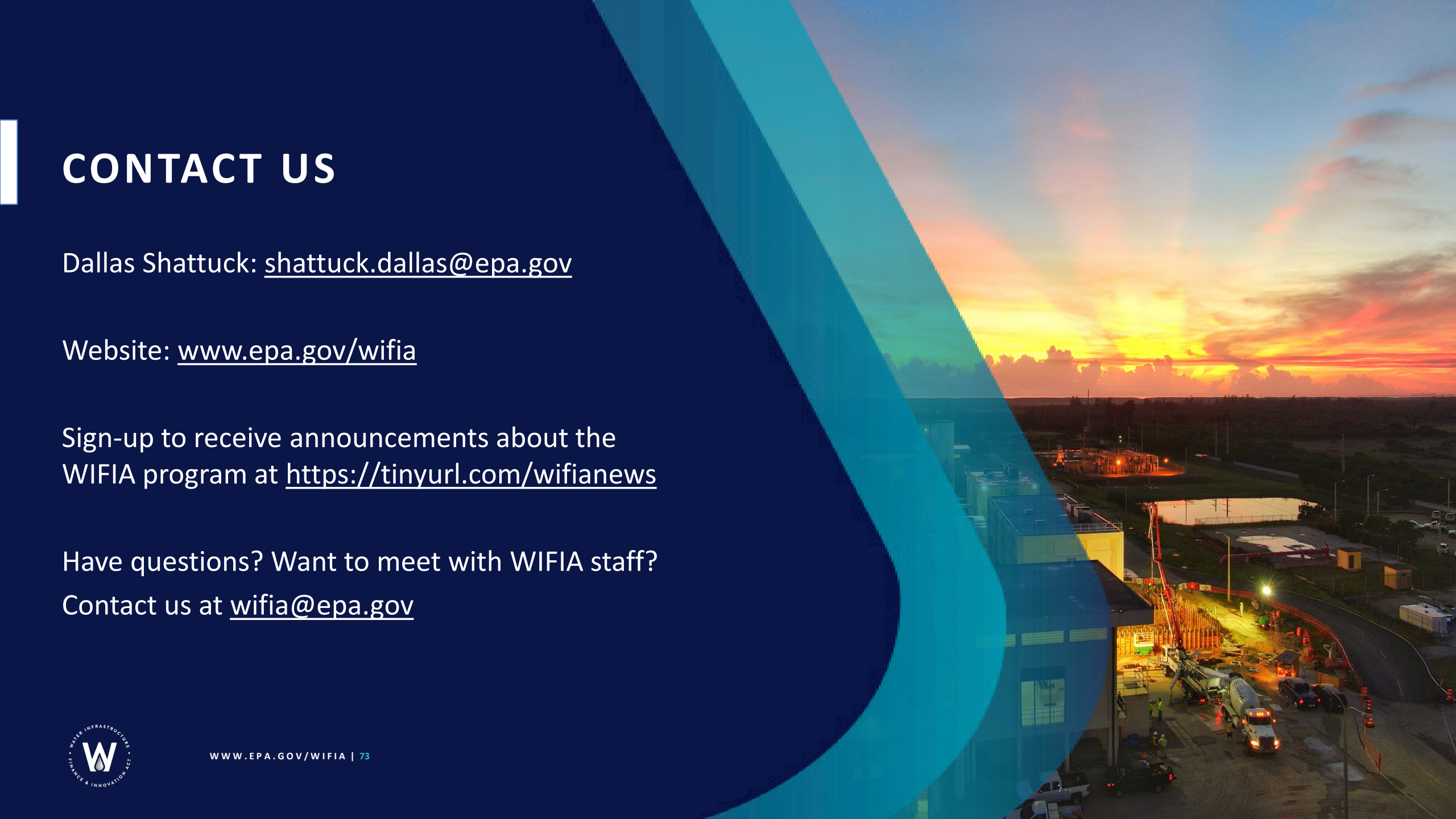
CONTACT US

Dallas Shattuck: shattuck.dallas@epa.gov

Website: www.epa.gov/wifia

Sign-up to receive announcements about the WIFIA program at <https://tinyurl.com/wifianews>

Have questions? Want to meet with WIFIA staff?
Contact us at wifia@epa.gov



Thank you!

