

Making Better Wastewater Infrastructure Investments

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Why Does Wastewater Infrastructure Matter?

- The type of wastewater infrastructure available shapes development patterns
- Centralized wastewater treatment and collection is expensive to build, maintain, and operate



Clean Water State Revolving Fund (CWSRF)

- Established 1988
- Provides communities with low-cost funds for wastewater infrastructure, nonpoint source pollution control, and estuary projects
- Federal government appropriates funds to EPA for formula-based distribution to states
- For every \$1 provided by federal government, state SRF programs contribute \$0.20
- Over \$89.5 billion in assistance provided since 1988

Other Public Wastewater Infrastructure Spending: New York

	Time Period	Amount
Clean Water State Revolving Fund	2011	\$227,170,000 (federal contribution only)
Rural Utilities Service of U. S. Department of Agriculture	2006-2010 average	\$20,334,168
Community Development Block Grant Program	2001-2010 average	\$8,583,964
Public Works and Economic Development Program of the U.S. Economic Development Administration	2005-2010 average	\$366,667
The Appalachian Regional Commission	2010	\$0
Water Quality Improvement Project Program of New York	2010	\$20,777,598



State Revolving Fund Pilot Program

- Project of the Partnership for Sustainable Communities
- Collaboration between EPA's Office of Water and Office of Sustainable Communities
- Worked with New York, Maryland, California to explore potential modifications to their state SRF programs that could encourage more sustainable water infrastructure investments
- Intended to provide models for other states
- Considered intended use plans, project priority systems, borrower application processes, and other funding guidelines.

CWSRF Spending on New Wastewater Infrastructure

2006-2010

State	Percentage
Vermont	3.01%
Oklahoma	3.41%
Virginia	4.27%
New York	4.58%
California	5.24%
Hawaii	5.30%
Connecticut	5.31%
Washington	6.51%
Maryland	6.71%
New Hampshire	7.90%

State	Percentage
North Dakota	50.78%
Puerto Rico	48.57%
Arizona	45.44%
Georgia	40.34%
Delaware	39.41%
Mississippi	36.87%
Arkansas	35.89%
Idaho	35.30%
Nevada	32.74%
West Virginia	29.57%



New York

- Initial goals
 - Direct funding to repair/replace existing infrastructure
 - Improve outreach and technical assistance regarding smart growth
 - Encourage projects consistent with community planning goals
- September 2010: **Smart Growth Public Infrastructure Act** requires most state agencies to determine that funded projects are consistent with smart growth criteria
 - Repair/replacement not subject to review under Act
 - Applicant must demonstrate that projects
 - Use or improve existing infrastructure
 - Serve a municipal center
 - Involve community-based planning and collaboration
 - Do not compromise needs of future generations



Maryland

- Overhauled CWSRF Priority Ranking System
- Threshold criteria
 - Project and service area must be in a Priority Funding Area
 - Project must be consistent with local land use plans
- New sustainability criteria
 - Points for serving existing sustainable communities
 - Points for sustainable utility practices incorporated by the project
- Possible next steps
 - Evaluate and refine sustainability criteria
 - Improve coordinated infrastructure planning
 - Improve evaluation of long-term needs
 - Improve decentralized system management



California

- Many complementary efforts
 - Strategic Growth Council
 - State Planning Priorities
 - Water Plan
 - Regional Blueprint Planning Process
- Little competition for CWSRF loans – focus on attracting more applicants with sustainable projects
 - Streamline and tailor application process
 - Develop structure and process for community onsite systems



Other Best Practices

- **Pennsylvania:** points for infill projects
- **New Jersey:** points and reduced interest rate for smart growth projects
- **Iowa:** 0% planning and design loans
- **Texas:** requires robust alternatives analysis
- **Indiana:** sustainable design checklist
- **Ohio/Oregon:** interest rate break to undertake separate nonpoint source or conservation project
- **Connecticut:** points for proactive upgrades
- **Minnesota:** decentralized systems must create dedicated source of revenue for debt service and O&M
- **Maine:** 5% principal forgiveness if asset management plan established



But Federal Spending is Still a Small Part of the Picture

- Most wastewater infrastructure is funded by cities, towns, and other municipalities.
- According to a 2005 National Association of Clean Water Agencies survey of utilities, capital improvements funded by
 - 49% municipal bonds and other types of debt
 - 16% CWSRF loans
 - 16% from user charges
 - 19% from other sources.



Lessons for any Wastewater Infrastructure Investment

- Focus on repairs and upgrades to existing infrastructure
- Adopt internal and cross-sector planning processes
 - Alternatives analysis including decentralized and green infrastructure solutions
 - Coordination with other infrastructure spending
- Preserve open space
- Ensure adequate revenues to finance, operate, maintain, and replace essential infrastructure assets
- Ensure adequate technical, managerial, and financial capacity of utilities



More Information

New York

<http://www.nysefc.org/AboutUs/SRFSustainabilityInitiative.aspx>

<http://www.nysefc.org/CleanWaterStateRevolvingFund/SmartGrowth.aspx>

Maryland

[http://www.mde.state.md.us/programs/Water/QualityFinancing/Documents/
www.mde.state.md.us/CW%20DW%20draft%20IPPS/2010%20CW
%20IPPS_Final.pdf](http://www.mde.state.md.us/programs/Water/QualityFinancing/Documents/www.mde.state.md.us/CW%20DW%20draft%20IPPS/2010%20CW%20IPPS_Final.pdf)

California

http://www.swrcb.ca.gov/water_issues/programs/grants_loans/srf/

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