

Drinking Water and Wastewater Infrastructure Funding

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Water and Wastewater Funding

- State Revolving Funds
- “BIL” Federal Infrastructure Bill
- H2Ohio



State Revolving Fund (SRF) Programs

Single largest source of public funding for infrastructure

Below-market interest rates and rate discounts

Principal forgiveness loans

Broad eligibility for water and wastewater needs

Co-funding with other sources is common/encouraged

Well-established, large financial capacity annual programs



Program Funding

Water Pollution Control Loan Fund (WPCLF)

- Created by Clean Water Act amendments
- 1st loans awarded in September 1989
- Awarded over \$1 billion in 2023

Annual average = \$750M

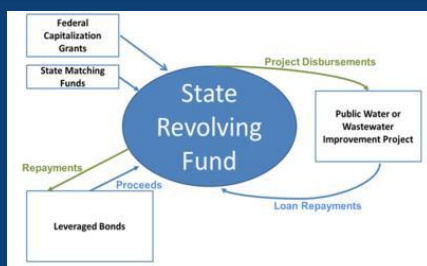
Water Supply Revolving Loan Account (WSRLA)

- Created by Safe Drinking Water Act amendments
- 1st loans awarded in February 1999
- Partnership between Division of Drinking and Ground Waters (DDAGW) and DEFA
- Awarded over \$600 million in SFY23

Annual average = \$350 million



Ohio's Two State Revolving Funds



**Estimate for Ohio's SRFs
Bipartisan Infrastructure Law (BIL) Funds**

Year	Ohio's CW SRF Portion for Base Program	Ohio's CW SRF Portion for Emerging Contaminants	Ohio's DWSRF Portion for Base Program	Ohio's DWSRF Portion for Emerging Contaminants	Ohio's DWSRF Portion for Lead	Estimated Total
2022	\$102 M	\$5 M	\$45 M	\$19 M	\$71 M	\$242 M
2023	\$117 M	\$12 M	\$47 M	\$17 M	\$166 M	\$359 M
2024	\$128 M	\$12 M	\$52 M	\$17 M	\$166 M*	\$374 M
2025	\$138 M	\$12 M	\$56 M	\$17 M	\$166 M	\$389 M
2026	\$138 M	\$12 M	\$56 M	\$17 M	\$166 M	\$389 M
Total*	\$623 M	\$53 M	\$256 M	\$87 M	\$735 M	\$1,753 B

Proportion of Total that can be awarded as PF	\$305 M	\$53 M	\$125 M	\$87 M	\$360 M	\$930M
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SRF Funding Cycles

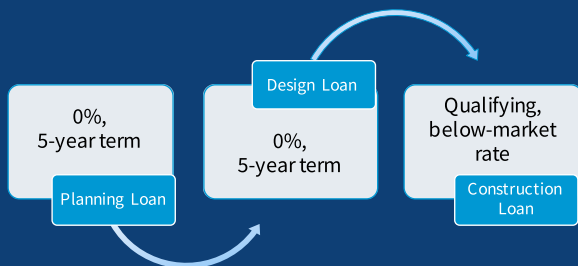
WPCLF – Calendar Year



WSRLA – State Fiscal Year

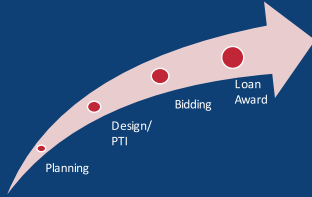


Loan Types – Deferred Repayments



General SRF Process

- Project Planning
- Design
- Permit-to-Install/
Detail Plan Review
- Competitive Bidding
- Loan Awards
 - OWDA Board Meeting



Principal Forgiveness and Discounts

- Principal Forgiveness = grant-like funding
 - For disadvantaged communities and program priorities
 - Ready to proceed for construction
 - Limited availability, dependent on federal grant funding
 - Highly competitive
- Discounts – reduction of interest rate
 - Program Priorities: Regionalization, Water Reuse, Harmful Algal Blooms, Sponsorship Program

Ohio EPA Priorities

- Regionalization
- Emerging Contaminants
- Underserved Areas
- Water Reuse



Principal Forgiveness Eligibility

WSRLA	
System Population	10,000 or less
Documented human health-related factors	Present
Water and sewer rates compared to MHI	≥ 2.5%
Median Household Income (MHI)	≤ \$61,938
Poverty Rate < 200% of Poverty Level	≥ 29.88
Unemployment Rate	≥ 5.26%

WPCLF	
MHI	\$61,938
Poverty Level	29.88
Unemployment	5.26
Percent Population Change	<150%

*Population not a factor for LSL or EC

3/4 Criteria

Funding Requirements

- Davis-Bacon Wage Rates
- American Iron and Steel
- Build America Buy America Act*
- Disadvantaged Business Enterprise
- Equal Employment Opportunity
- Federal Debarment
- Single Audit/SEFA Reporting*



*Federal funded projects



Water Pollution Control Loan Fund (WPCLF)

- Projects with a water quality benefit
- Publicly-owned treatment works
- System improvements, water efficiency, energy efficiency/resiliency, security
- Regionalization
- Household sewage treatment systems
- Stormwater projects
- Technical assistance



WPCLF PF Funding Program Year 2024

Principal Forgiveness up to \$70M

- Regionalization
- Disadvantaged Community
- Household Sewage Treatment Systems
- Backup Power/Generator Purchase

Emerging Contaminant PF up to \$12M

- Planning, design, and construction activities

\$4 million maximum per project - one award per entity per year

Wastewater Emerging Contaminants Projects

- ~\$12 million principal forgiveness per year 2022-2026
- Focus on PFAS projects
- Potential for planning/design funding
- Examples
 - Analytical Equipment
 - Sewershed Studies
 - Pretreatment

\$12M
100% Principal Forgiveness

* Federal Funding



WPCLF – Water Resource Restoration Sponsor Program

- Sponsored by WPCLF loans - portion of interest generated is used for protection and restoration of high-quality streams and wetlands
- \$15M annually
- Very competitive!



Compliance Assistance Unit

Hands-on Assistance

- Small wastewater treatment facilities
- Triage and trouble-shoot
- Identify cost-effective solutions for compliance
- Onsite training

<https://youtu.be/BGR&CPRIIyE>



Water Supply Revolving Loan Account (WSRLA)

- Public Water System Improvements
- Lead Service Lines
- Emerging Contaminants
- Technical Assistance



WSRLA Funding - Program Year 2025

Discounted Interest Rates

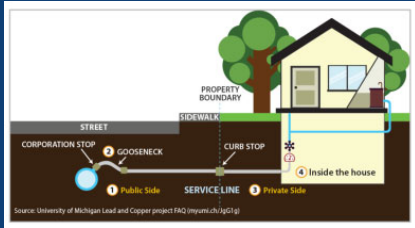
- Regionalization
- Lead Service Line Replacement
- Emerging Contaminant Project
- Planning and Design
- Harmful Algal Bloom (HAB)

Principal Forgiveness*

- Regionalization
- Disadvantaged Communities
- Lead Service Line Replacement
- Emerging Contaminants

*Subject to availability of funds

Lead Service Line Funding



\$166 million in funding available for LSL replacement

WSRLA Program LSL Funding Options

Planning and Design

- Inventory and mapping
- Identification as part of design
- All planning and design loans are 0% for 5-year term
 - Roll into construction
 - 53% Principal Forgiveness for design LSL project

WSRLA Program LSL Funding Options

Construction Financing

- 0% loans available
- For disadvantaged communities:
 - 53% of LSL costs as principal forgiveness, remainder at 0% interest financing
 - No population threshold for LSL disadvantaged community criteria



*Both private and public side replacement!

LSL Technical Assistance

- Eligible activities
 - Historical Document Review
 - On-site Identification
 - Inventory Development
 - Replacement Plan Development
- PWS submits request form with project information
- Ohio EPA prioritizes projects and directs contractors



Drinking Water Emerging Contaminants Projects

- ~\$17 million principal forgiveness per year 2022-2026
- Targeted at unregulated contaminants on U.S. EPA Contaminant Candidate Lists (CCL)
- Focus on PFAS projects
 - Better Source Water
 - Enhanced Treatment
 - Regionalization
- Potential for planning/design funding
- WIIN – Emerging Contaminants Grant
 - ~\$23 million/year
 - "small or disadvantaged"

\$17 M

25% - Disadvantaged Community or PWS <25,000

75% - Any SRF-eligible PWS



\$27.5 million/year for Ohio EPA in SFY 2024-2025 biennium. Ohio EPA focus areas:

- HSTS Repair and Replacement
- LSL Replacement
- **Water/Wastewater Infrastructure**
- Technology Assessment
- Water Quality Modeling
- **Chloride Reduction**
- **Water Quality Monitoring**
- **Dam Removal**



H2Ohio

- >\$50 million over five years
- 52 infrastructure projects
- >100 projects for lead identification or removal
- 23 health districts supported

H2Ohio

- LSL Mapping
- Drinking Water Distribution Equipment

H2Ohio Statewide Projects

H2Ohio

Water Quality Projects

Heister Marsh

George Dam

Dr. David Minko

Participate and Stay Engaged

- Comments and questions to: infrastructurefunding@epa.ohio.gov
- Materials posted on Ohio EPA website
- Follow DEFA newsletters
- Follow Ohio EPA on social media
- Follow SRF program announcements



Thank You

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