

ENVIRONMENTAL FINANCE CENTER: TECHNICAL ASSISTANCE FOR MUNICIPAL WATER INFRASTRUCTURE

Environmental Finance Centers Support Water Infrastructure Development

Delta Institute leads an Environmental Finance Center (EFC) for US EPA Region 5 (Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin). As an EFC, we provide no-cost technical assistance centered around funding for water infrastructure projects that achieve the goals of either the **Clean Water Act** (regulates wastewater and stormwater) or the **Safe Drinking Water Act** (regulates potable water). EFCs support local governments, states, Tribal governments, and non-governmental organizations.

The EFC's technical assistance services include planning and assessment, project development, funding and financing, program management support, and other direct water-focused technical assistance. These services directly engage with communities and result in specific actions to help communities access State Revolving Funds (SRF).

You may learn more about our work by visiting: <https://delta-institute.org/epa-region-5-water-infrastructure/>

State Revolving Fund Overview

SRFs are the primary federal funding mechanisms for water infrastructure projects. SRFs operate as low-interest loan programs but also offer additional subsidies for certain project types. There are two SRF programs: the Clean Water State Revolving Fund (CWSRF) for stormwater and wastewater projects and the Drinking Water State Revolving Fund (DWSRF) for potable water projects. Congress appropriates funding to the two SRF programs annually, and the US EPA is responsible for allocating that appropriation as a capitalization grant to each state.

While EPA oversees the state programs, each state

SRF APPLICATION PROCESS

While each state has a unique application process that communities must follow to receive an SRF loan or additional subsidization, the SRF application process typically includes:

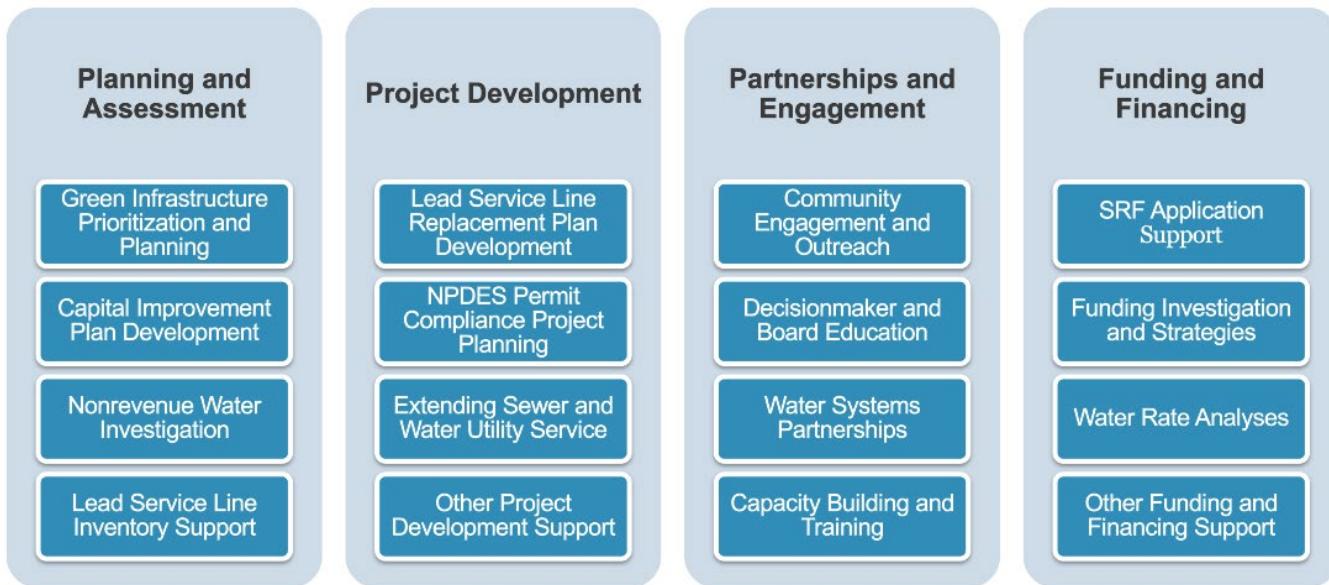
- 1) The community submits a pre-application using state-specific templates and a preliminary engineering report.
- 2) The state agency scores and ranks projects. Scoring criteria vary and include metrics like compliance, water quality impacts, infrastructure improvements, and affordability. Agencies receive more funding requests than available funding, so only the highest-ranked projects receive funding.
- 3) If conditionally approved for funding, the community submits a full application.
- 4) The state performs environmental, financial, and technical reviews.
- 5) If the reviews are favorable, the community solicits bids for their project and begins construction.
- 6) Upon loan approval, the community requests SRF disbursements to pay for construction.
- 7) One year after project completion, the community begins loan repayments.

administers its own CWSRF and DWSRF. In addition to the annual capitalization grants, states fund their CWSRF and DWSRF programs through loan repayments, state matching funds, and bond sales. State legislatures and agencies design the SRF application process, decide how to select and prioritize which projects receive funding, determine SRF loan interest rates, distribute SRF funding to municipalities and utilities, and receive loan repayments from those communities.

Core Activities that Delta Institute Undertakes to Support Municipalities

Although the CWSRF and DWSRF programs have provided over \$200 billion for drinking water, wastewater, and stormwater projects since the programs started, some communities have historically had limited or no access to funding. Delta's EFC seeks to prioritize communities that have not received loans.

Working with these communities, Delta Institute provides our partner communities with a suite of customized, tailored services that typically includes the below:



Contact us to discuss your project!

If you have questions or would like to learn more about our EFC, SRF programs, and barriers to accessing SRF funding, please contact us!

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Visit the Delta Institute EFC website by scanning this QR code or by visiting us at
<https://delta-institute.org/efc>

