Dr. Andrew Sawyers
2020 CIFA SRF Workshop
National Outlook on Water Infrastructure

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CWSRF National Outlook: 2020

• Building a Legacy of Success

• Looking Ahead: CWSRF Facilitating Community Revitalization
  • Investing in Communities
  • Leveraging Economic Investment
  • Fostering Resiliency
2020: National CWSRF Accomplishments

• Over 1,600 low interest loans

• Nearly $7.5 billion for water quality infrastructure
  • Increase of $1.2 billion over 2019

• 3-year average annual CWSRF funding over $6.8 billion

• The national average CWSRF interest rate for 2020 was 1.2% compared to a market interest rate of 2.7%
Investing in Communities: Making Water Infrastructure Affordable

- $44.2 billion in cumulative interest cost savings
- $350 million additional subsidy in 2020
  - $280 million average annual additional subsidy over past 3 years
- $1.1 billion used to assist disadvantaged communities in 2020

https://efc.sog.unc.edu/resource/what-value-srf-loan-subsidized-loan-calculator#panel-1
Debt service can now be paid annually from only two month's worth of energy savings, ensuring the small rural community's rates are controlled and affordable for the future.

(In 2020, CWSRF programs invested $385.3 million in projects promoting water and energy conservation.)
CWSRF: An Economic Engine for Community Investment & Revitalization

• **Leveraging** - Since 1988, the CWSRF has leveraged an additional $48.7 billion in the tax-exempt bond market to invest in water quality infrastructure
  - This bond funding along with revolving loan repayments has multiplied the federal investment of $47 billion by a factor of 3 to make an impact of more than $145 billion at the community level across the nation

• **Catalyzing** - CWSRF financing flexibility and tailored loan conditions help projects get off the ground that otherwise may not have been possible

• **Partnering** - CWSRF financing achieves even more savings and scale by providing co-funding with other programs such as USDA, CDBG, and WIFIA
SWIFT Program (Sustainable Water Initiative for Tomorrow) is the first major water reuse initiative on the east coast.

- $225 WIFIA loan - Virginia CWSRF will provide the 51% match
- VA DEQ has already provided a $100 million CWSRF loan in August 2020 as well as 3-4 earlier loans in SFY 2020 related to the same SWIFT project

CWSRF facilitates multiple benefits: technological innovation, resiliency

https://www.epa.gov/wifia/virginia-beach-sustainable-water-initiative-tomorrow
Partnerships for Resilient Utilities and Communities

Arizona Forest Thinning and Restoration Program

Partnership between the City of Flagstaff and EPA CWSRF & 319 Programs, Arizona CWSRF, US Forest Service

- Forest thinning to prevent negative impacts of wildfires
  - Savings - “an ounce of prevention is worth a pound of cure”
  - CWSRF helped AZ WIFA create a tool to estimate benefits associated with forest thinning, providing a business case for such projects
- EPA is partnering with USDA Forest Service to expand the use of CWSRF in forest management for water quality improvement and source water protection
- Triple-bottom line tool developed could be adapted to other states
  - Project delivers source water protection, recreational value and jobs, critical habitat protection, property protection and economic activity

Full report available on SharePoint or email CWSRF@epa.gov.
Catalyzing Efforts on a Watershed Scale

Addressing Nonpoint Source and Nutrient Pollution

- Watershed Finance Partnerships
- Water Quality Trading
- Nutrient Reduction
Partnerships for Clean Water

• EPA HQ CWSRF team is collaborating with multiple EPA program offices to further program expansion and innovation

  • CWSRF Best Practices Guide for Financing Nonpoint Source (NPS) Solutions: Building Successful Project Funding Partnerships
  • Financing Decentralized Wastewater Treatment Systems: Pathways to Success with the Clean Water State Revolving Fund Program
  • NPS and Decentralized pilot projects
  • Source Water Protection
Looking ahead: the CWSRF of the Future

• Tackling affordability issues
• Providing multiple benefits
• Revitalizing our communities
• Supporting resilient communities
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