



Ask Me Anything: CWSRF Eligibilities

March 4, 2026



About Us

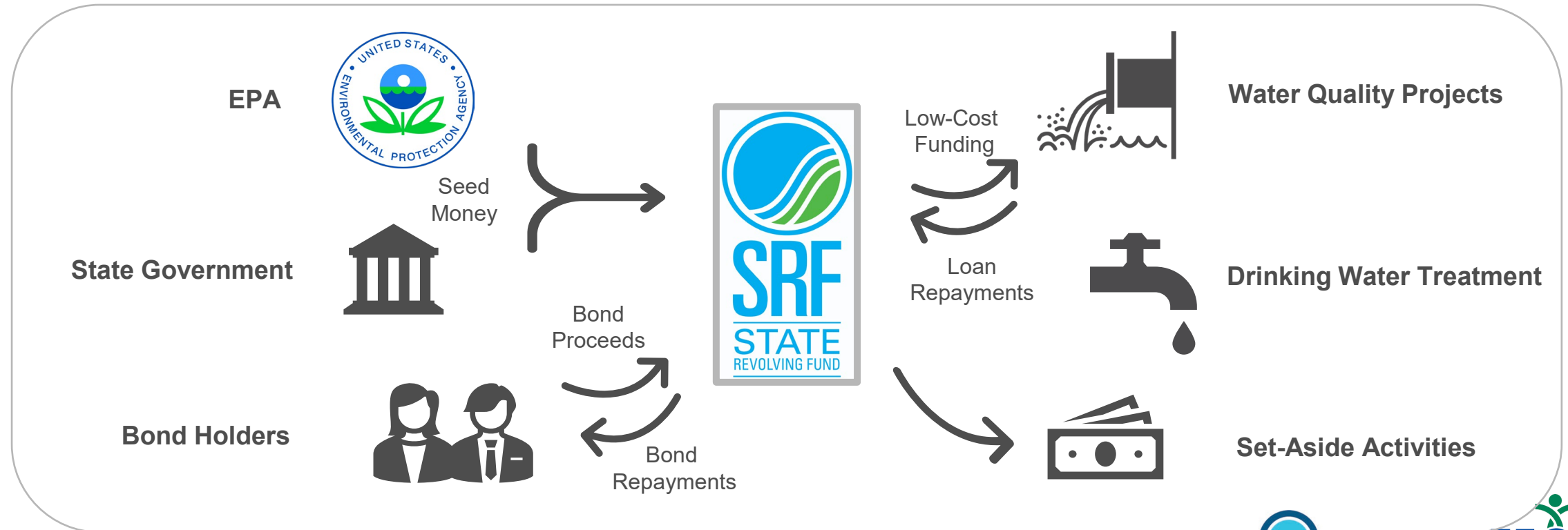
The **Environmental Finance Center Network (EFCN)** is a university- and non-profit-based organization creating innovative solutions to the difficult how-to-pay issues of environmental protection and water infrastructure.

The EFCN works collectively and as individual centers to address these issues across the entire U.S, including the 5 territories and the Navajo Nation. The EFCN aims to assist public and private sectors through training, direct professional assistance, production of durable resources, and innovative policy ideas.



What are the SRFs?

- Low interest revolving loan program with subsidies for targeted projects and communities
- Money comes from EPA/Federal Government, state match, loan repayments, interest, bond proceeds



What is the correct answer to
any SRF question?

Every state is different.
It depends.

Where it all Began

Federal Water Pollution Control Act 1948

- Basis of modern Clean Water Act
- Provided protections for surface water with focus on navigation
- <https://sgp.fas.org/crs/misc/96-647.pdf>

1948

1972

1972 Amendments— Clean Water Act (CWA)

- Regulated discharges of pollutants to water
- Regulated surface water quality standards

1981

1981 Amendments

- Streamlined construction grants

1987

1987 Amendments

- Established the Clean Water State Revolving Fund (CWSRF)
- Replaced construction grants program
- Expanded funding eligibilities

Where it all Began

2000 Amendments

- Grant programs to support monitoring and advisory programs at marine coastal and Great Lakes beaches
- Research and development of recreational criteria

2000

2014

2014 Water Resources Reform and Development Act (WRRDA)

- Treatment works definition
- Cost and Effectiveness, A/E procurement, Fiscal Sustainability Plan
- Expanded eligibilities for projects and borrowers
- Extended loan terms, additional subsidy, affordability criteria
- <https://crsreports.congress.gov/product/pdf/IF/IF11322>

Where it all Began

2018 amendment- American Water Infrastructure Act (AWIA)

- Reauthorize appropriations
- Update eligibilities
- Expand subsidy, loan terms, repayment start
- AIS and Davis Bacon permanent

2018

2021

2026?

2021 amendment– Infrastructure Investment and Jobs Act (IIJA) & Bipartisan Infrastructure Law (BIL)

- New grant programs
- Focus on environmental justice and equity
- Sweeping changes to the program’s implementation
- Technical Assistance set-aside
- BABA
- <https://crsreports.congress.gov/product/pdf/R/R46892>

Loan Rate and Terms

- Terms

- 20- historic max; many states still limit to this lower term
- 30- base; many states still have this limit
- Programmatic financing
- Balloon payments

- Rate

- Must be at or below market rate
- Fees- not required but typical

- Loan term cannot exceed expected useful life of assets funded; may be weighed and averaged

CWSRF Loans

- 30 years
- Or Useful Life (whichever is less)

Purchase Municipal Debt Obligations (CW/DW)

- CWSRF >30 years

CWSRF Additional Subsidy

Every year states can use additional subsidy via grants or loan forgiveness.
“Add sub” may be awarded based on

1

Affordability

2

Stormwater

3

Energy or water
efficiency projects

4

“Sustainable” project planning,
design, and construction - states
define “sustainable”

Amounts of additional subsidy range between 10-40% of federal grant amount

CWSRF Additional Subsidy

SRF Funding Program	Additional Subsidy Percentage	Eligibility for Additional Subsidy
CWSRF BIL General Supplemental	49%	<ul style="list-style-type: none"> Assistance recipients that meet the state's affordability criteria Benefit to individual ratepayers in residential user class Water/energy efficiency, stormwater mitigation or sustainable projects
CWSRF BIL Emerging Contaminants	100%	<ul style="list-style-type: none"> Any eligible project
CWSRF 2022 Appropriation/Continuing Resolution	10%	<ul style="list-style-type: none"> Any eligible borrower
CWSRF Base Program (CWA)	10%-30% (if the appropriation is over \$1B)	<ul style="list-style-type: none"> Assistance recipients that meet the state's affordability criteria Benefit to individual ratepayers in residential user class Water/energy efficiency, stormwater mitigation or sustainable projects



Above percentages DO NOT equal percentages a borrower may receive



Affordability Criteria

- The FWPCA section 603(i)(2)(A) requires that criteria be based on:
 - Income;
 - Unemployment data;
 - Population trend; and
 - Other data determined relevant by the State
- States develop their own criteria: may be in statute, IUP, guidance, policy, etc.
- Existing affordability criteria that meets the requirements established in section 603(i)(2)(A) they may continue to be used. Criteria must have undergone the appropriate public notice and comment process within their respective States.
- ~~EPA Tool: <https://screeningtool.geoplatform.gov/en/#7.01/45.863/-68.016>~~
- Example states
 - NJ: <https://dep.nj.gov/ej/communities/>
 - NY: <https://www.dec.ny.gov/public/911.html>



CWSRF Affordability Criteria: Other Factors Used

% of Population in Poverty in 20XX	All Manufactured Home Communities	% of Population Over 64	% on Social Security
% of Housing Stock Built Before 1939	Environmental Justice Area	Home Sales	% with Cash Public Assistance
% of Population with High School Degree	Residential User Bill Delinquency Rate	% Not in Labor Force	% with SNAP

Eligibility- Section 212 Borrower & Project

Clean Water Act Section 603(c)(1) Eligibility Section 212: Also referred to as “treatment works” or “grey infrastructure” projects. These projects are limited to municipal borrowers only.

- Any new construction, repair, or replacement of publicly owned treatment works (POTW)
- CSO management, sediment controls, point-source stormwater management
- Water conservation, efficiency, or reuse
- Energy conservation needs for POTWs

Public Ownership

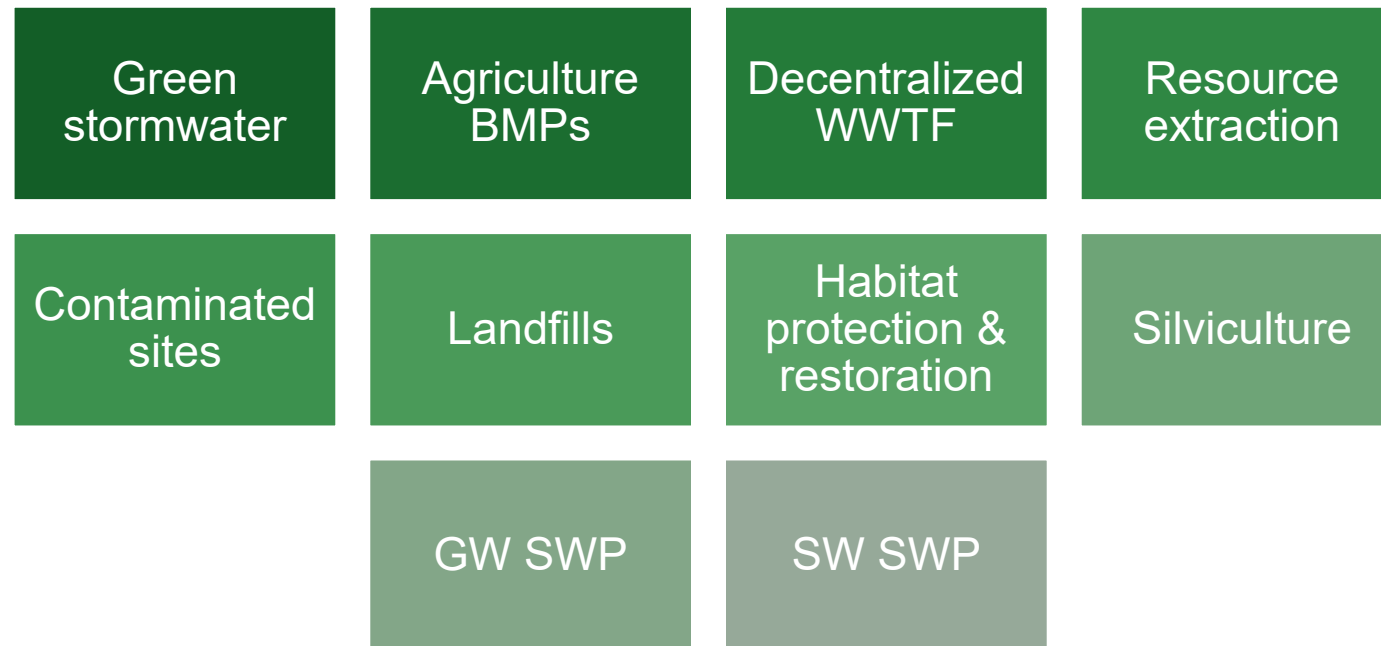
- Publicly Owned Treatment Works (Section 212)
- Land purchase or lease (including easements) for treatment works construction, land used in the treatment process
- Water and Energy Conservation projects for POTW’s prorated share of alternative energy project providing power to a POTW
- Water conservation projects reducing demand for POTW capacity

Public Ownership

- Stormwater projects (permitted & unpermitted)
- Decentralized wastewater treatment systems
- Watershed projects (section 122)
- Recycled water and water reuse projects
- Security initiatives at POTW’s
- Water and energy conservation / efficiency

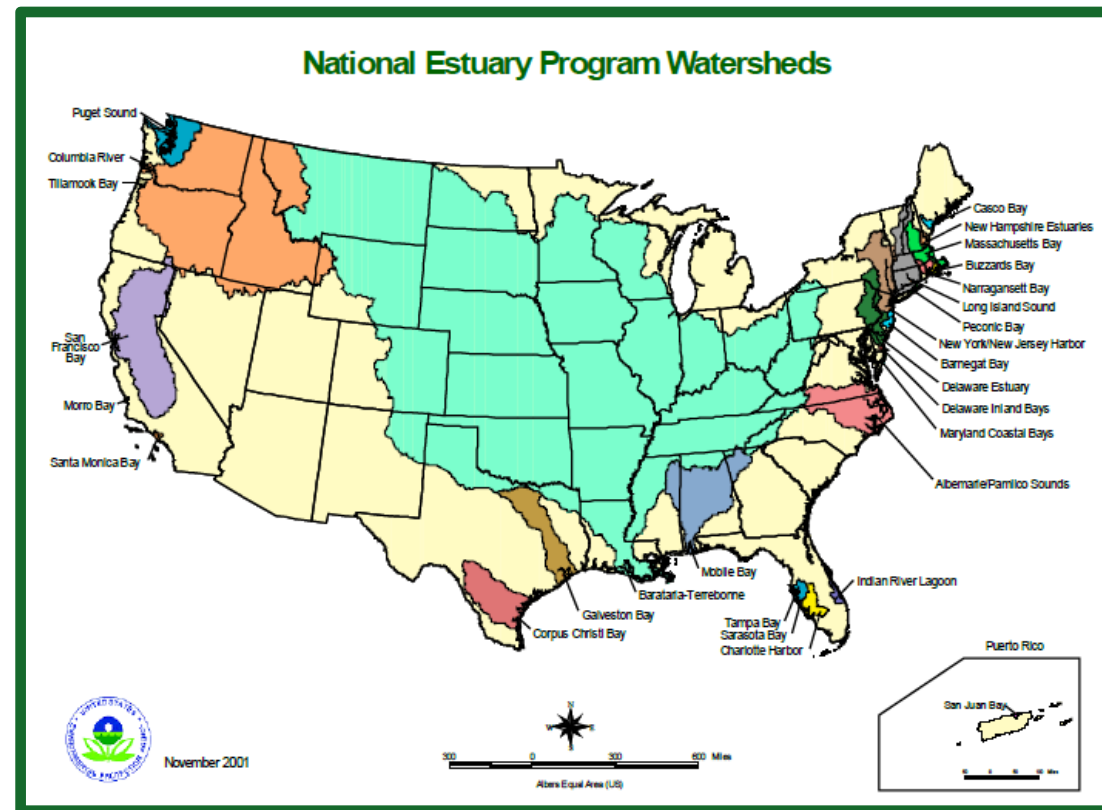
Eligibility- Section 319 Borrower & Project

Clean Water Act 603(c)(2) Eligibility Section 319: These projects are also known as “nonpoint source” projects or “green/natural infrastructure”. Further, CWSRF eligible projects can fall under the following categories. Borrowers can be any borrower, including non-profit organizations or for-profit entities. However, most states still restrict borrowing to municipalities.



Eligibility- Section 320 Borrower & Project

Clean Water Act 603(c)(3) Eligibility Section 320: These projects include the development and implementation of an estuary Comprehensive Conservation and Management Plan (CCMP). Borrowers can be any borrower, including non-profit organizations or for-profit entities. However, most states still restrict borrowing to municipalities.



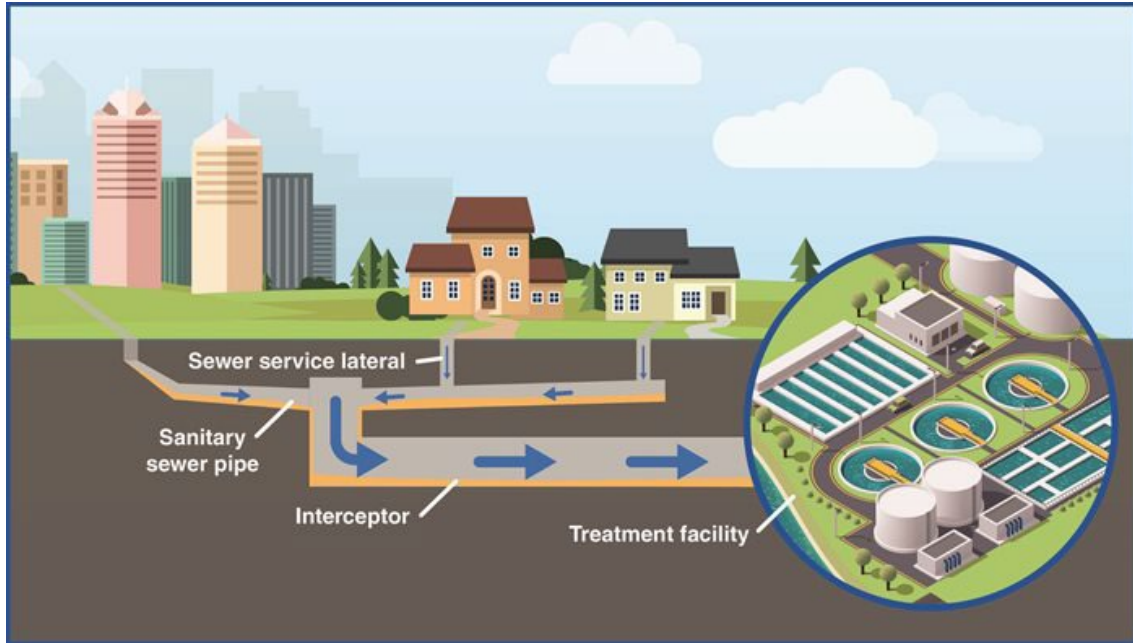
Ineligibility

- Federally-owned POTWs
 - Military bases
 - Prisons
- Privately-owned POTWs (CWSRF “212 projects”)
- Any project that is not allowed at the state level



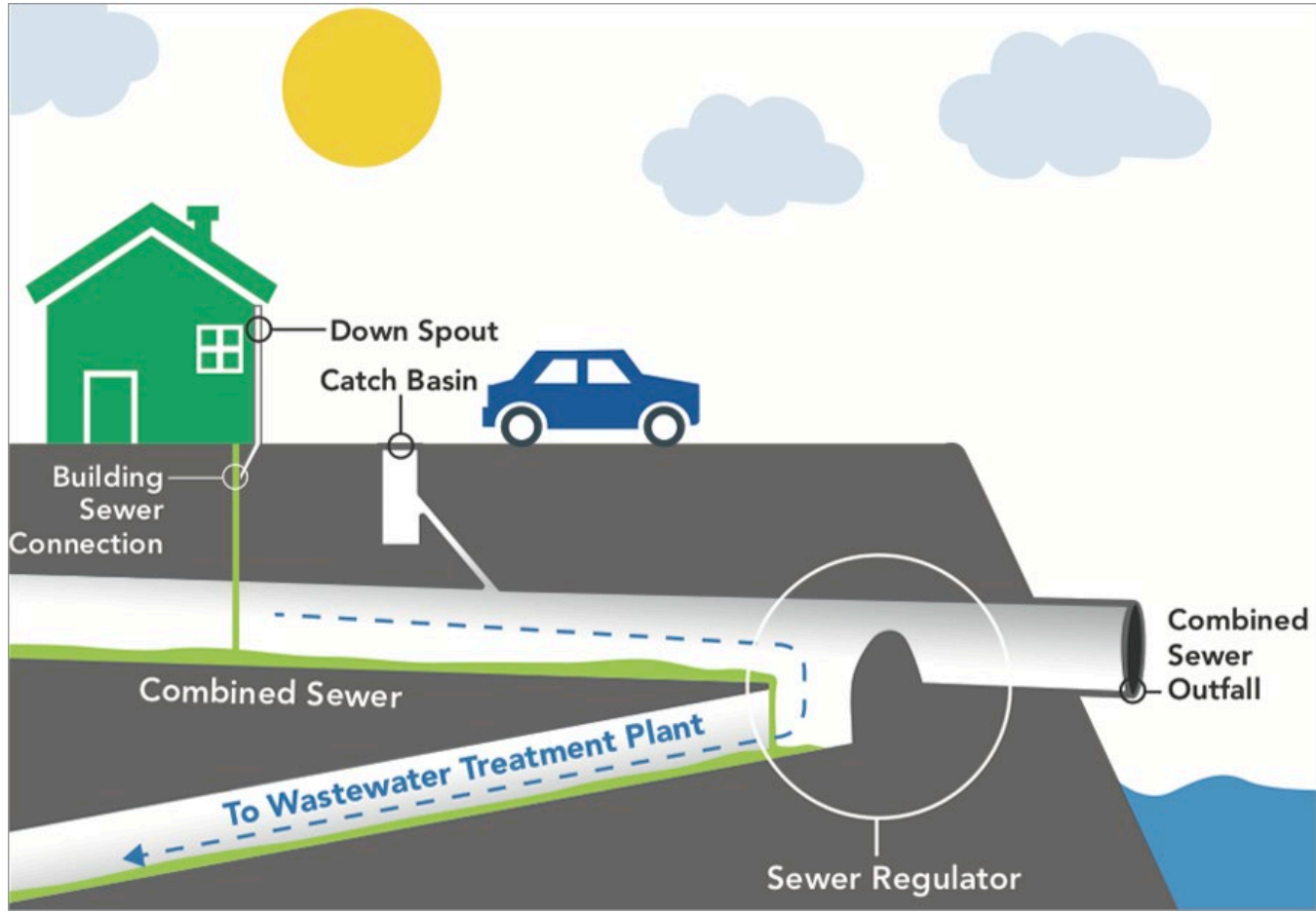
Section 212

WWTF? POTW?



- Most WWTFs were constructed ~40 years ago
- The nation's more than 16,000 wastewater treatment plants are functioning, on average, at 81% of their design capacities, while 15% have reached or exceeded it.
- CWSRF loans are only for public borrowers!!! Why?

CSOs



- Combined Sewer Overflows
- Very expensive, disruptive projects
- Can be significant source of nutrients or e. Coli in public waterways

WWTFs + ~~Climate Mitigation~~ Resilience

- Sea walls
- Levies/dykes/berms
- Relocation/elevation of assets or facilities above current/projected flood stage
- Installation of flood attenuation, diversion or retention
- Installation of wind resistant features
- Saltwater resistant equipment
- Portable pumps
- Floodwater Pumping systems
- Physical hardening of electrical systems/equipment
- Dry floodproofing of structures
- Elevates walls/caps for treatment tanks
- Redundant equipment/components
- Overflow tanks/tunnels
- Regionalization/interconnections



Remember: SRF can pay for ~~climate risk~~ resilience planning for WWTFs—just don't call up asking for money for flooding!

Energy + Water Conservation

Water Efficiency	Energy Efficiency	On-Site Renewable Energy
<ul style="list-style-type: none"> Water meters 	<ul style="list-style-type: none"> Energy efficient equipment and components, including: 	<ul style="list-style-type: none"> Wind and solar
<ul style="list-style-type: none"> Plumbing fixture retrofits or replacement 	<ul style="list-style-type: none"> Lighting 	<ul style="list-style-type: none"> Methane capture and energy conversion equipment
<ul style="list-style-type: none"> Water efficient irrigation equipment 	<ul style="list-style-type: none"> HVAC 	<ul style="list-style-type: none"> Biosolids drying/dewatering and energy conversion equip.
<ul style="list-style-type: none"> Education programs 	<ul style="list-style-type: none"> Process equipment 	<ul style="list-style-type: none"> Co-digestion
<ul style="list-style-type: none"> Incentive programs (ex. Rebates of installing rain barrels or permeable surfaces) 	<ul style="list-style-type: none"> Electronic systems 	<ul style="list-style-type: none"> Combines heat and power (CHP) systems
		<ul style="list-style-type: none"> Hydroelectric systems that harness WW flows to, from, or within a treatment works

- The biggest expense for most WWTFs is energy! Energy and water audits are also eligible costs.
- Energy efficiency projects are mostly for public borrowers, with few exceptions; water efficiency varies depending on type of project.

Conserving Energy via Water Efficiency



Projects that reduce the volume of water being pumped and treated may result in reduced energy usage. Examples include:

- Inflow and Infiltration (I/I) correction
- Downspout disconnection
- Water conservation activities
- Water meters
- Plumbing fixture retrofit and replacement
- Water efficient appliances



Treatment Works Definition

- Section 212= Traditional CWSRF “pipes and pumps” projects—these projects have the majority of federal requirements
- WRRDA 2014 gave states the ability to define which projects are considered treatment works vs nonpoint source (212 vs 319).
- Non-treatment works projects do not have to comply with →



Section 319

Green Stormwater

Potential repayment sources include:

- Stormwater utility fees
- Fees paid by developers
- Recreational fees (fishing licenses, park entrance fees)
- Dedicated local, county, or state taxes or fees
- Donations or dues made to nonprofit organizations
- Wastewater user charges
- Business revenues

\$38M in CWSRF invested in 2021

The most flexible eligibility in the CWSRF tool kit—any borrower, huge variety of projects

Stormwater or flood water?

Green Infrastructure

- Green roofs, streets, and walls
- Rainwater harvesting collection, storage, management, distribution
- Real-time rainwater harvest control systems
- Constructed wetlands
- Bioretention/bioswales (rain gardens)
- Permeable pavement
- Wetland/riparian/shoreline creation, protection and restoration
- Urban tree canopy restoration/creation
- Replacement of grey with green infrastructure

Green Stormwater Co-Benefits

Air Quality-reduced particulates	Habitat and Wildlife
Reduced air temperatures	Green Jobs
Reduced power plant emissions from A/C	Increased Property Values
Remove Air Pollutants	Cheaper than grey infrastructure
Heat Island Mitigation	Reduced Noise Pollution
Climate Resiliency	Access to Recreation/green space



Communities of color are three times as likely to live in nature-deprived areas as white Americans.

Agriculture BMPs

Cropland Activities

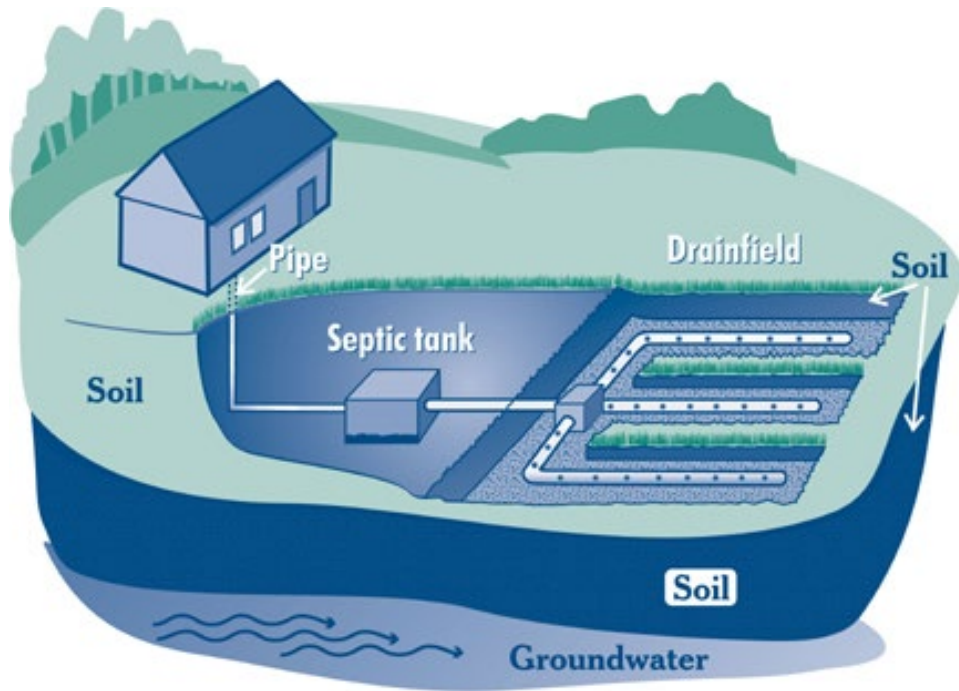
- Manure injection equipment
- Manure spreaders
- Water efficient irrigation
- Conservation tillage equipment
- Windbreaks
- Sediment control basins
- Terraces
- Diversions
- Buffer and filter strips
- Rip-rapping
- Streambank stabilization
- Chemical use reduction (ex. chemical storage containment)

AFO Activities

- Livestock/milk house waste management systems
- Manure containment structures
- Vessel composters
- Manure injection equipment
- Well sealing
- Water diversions to avoid feedlots
- Fencing/alternative water supply for animals to keep out of water bodies



Decentralized Wastewater



1 in 5

Estimated number of households on septic systems

11 out of 51

Number of states that have used CWSRF for septic projects as of 2020

Contaminated Sites, Landfills, etc.

- Resource extraction: mining, quarrying, hydraulic fracturing, and oil/gas operations—projects that remediate or prevent contamination
 - Acid mine drainage
 - Clean up from fracking wastewater
 - Prevent aquifer contamination
- Contaminated Sites: Brownfield, Superfund, Storage tanks
- Landfills: Closure and landfill leachate and treatment



Before image of the Genetta Park area. Source: 2D Studio LLC



Genetta Stream prior to the final phase. Source: 2D Studio LLC

Habitat Protection & Restoration

Shoreline Activities

- Re-establish riparian vegetation
- Wetlands development or restoration
- Swales
- Filter strips
- Barrier beach and dune systems

Instream Activities

- Re-establish aquatic vegetation
- Restoring oyster/mussel beds
- Establish artificial reefs
- Fisheries and shellfish restocking or restoration
- Fish ladders
- Removal of contaminated sediment
- Water control structures for flow regime and salinity
- Dam removal
- Culvert removal

Invasive Species Control

- Equipment to remove or prevent invasive species spread



Why Don't More States Fund 319 Projects?

- Many programs only fund 'traditional' projects
- Most states can not fund non-profits/private borrowers directly
- Bias towards point source and perceived lack of demand
- Lack of understanding of value by borrowers
- 'It's the way it's always been done'
- Capacity challenges at the state level to do project development
- **No traditional repayment stream**



Eligibility Scenarios



Eligibility Scenario

A small brewery started in someone's garage several years ago. It was very successful and has expanded to its own operation and has become a core part of economic development for the community as it draws in several thousand tourists per year. The brewery currently discharges its waste to the municipal WWTF which is causing very high and unpredictable slugs of nutrient in the plant, placing a strain on the facility. The municipality wants to require the brewery owner to install a pretreatment device that will lessen the impact to the WWTF. The municipality is even willing to take on the loan for the brewery since their state does not directly lend to private entities.

Is this project CWSRF eligible? Quick hint: pretreatment is considered centralized wastewater treatment.



Eligibility Scenario

A municipality is converting an underutilized parking lot into a natural turf soccer field. Runoff from the field and stands will be directed to four bio-basins and infiltrated. Any overflow from the basins will be directed into the municipal stormwater drainage system. Components of the project include:

- Construction of the bio-basins
- Lighting for the field
- A lawn tractor dedicated to the facility
- Security fencing around the bio-basins

Which of these components are CWSRF loan eligible?



Eligibility Scenario

The municipality's WWTF is under construction using a CWSRF loan. However, a sewer line collapsed on the other side of town. The contractor is taken off the WWTF project to repair the collapse.

Is this repair eligible under the current CWSRF loan? Why?



Eligibility Scenario

A municipality seeks to replace an undersized culvert that is restricting flow such that a downstream wetland is having negative water quality and quantity issues.

Is this CWSRF loan eligible? Why?



Eligibility Scenario

A municipality wants to purchase land that surrounds their municipal drinking water wells. This land is completely unrelated to their WWTF.

Is this CWSRF loan eligible?



Eligibility Scenario

A municipality wants to eliminate downspouts that are connected to combined sewer system to reduce CSO events. The solution is to install new pervious pavement in alleys, create green space and direct the downspouts to those areas which will allow for infiltration. Additionally, the municipality will work with a nonprofit to install playground equipment, creating outdoor space in an under-resourced community.

Which parts of this project are loan eligible?

- The pervious pavement
- The planting of green space
- Downspout disconnection
- Playground equipment



Eligibility Scenario

A community has an abandoned uncapped and unlined landfill and has been ordered by the state to properly close it. Because it is unlined, there is concern groundwater in the area could become contaminated. The community has plans to properly close the abandoned landfill, build a new lined landfill with a proper leachate collection system on the adjacent property, and use the site as a transfer station.

Is this project CWSRF loan eligible? Why?



Eligibility Scenario

A state transportation agency is doing a bridge replacement project that has to undergo an environmental review. Part of this review required the State to create an oyster relocation project, removal of endangered falcon nests, and restoration of marshland. This project is adjacent to a national designated estuary and these project components are consistent with the estuary's Conservation and Comprehensive Management Plan (CCMP).

Is this project CWSRF loan eligible?



Eligibility Scenario

A manufactured home community (MHC), which is privately owned, has a failed decentralized wastewater treatment system. The community's PER has laid out two options: the first option is to replace the existing leach field with an advanced treatment system; the second is to connect to the municipal collection system a quarter mile away from the MHC.

Which option is CWSRF eligible? Why?



What is the correct answer to
any SRF question?

Every state is different.
It depends.

In-Person Training

**Looking for in-depth Financial Management training?
Located in New England?**

- May 28-29, 2026, in Portland Maine
- Free to attend. You pay for travel, meals and lodging
- Approved for TCH in ME

<https://efcnetwork.org/event/me-training-financial-management-for-water-and-wastewater-utilities/>

Upcoming Trainings

What is an IUP, Arkansas?

March 12, 2026 / 12:00-2:30 pm ET

What are the Important SRF Documents?

March 16, 2026 / 2:00-4:00 pm ET

How do I Prepare for a Financial Review?

April 1, 2026 / 11:00-1:00 pm ET

Single Audit Prep and Compliance

April 13, 2026 / 2:00-4:00 pm ET

Guest Speaker:
Bob Fitch, QV

This is **NOT** an Ask Me Anything session. To register, go to: <https://efcnetwork.org/event/ask-online-training-what-is-an-iup-how-intended-use-plans-can-serve-as-secret-decoders-for-the-state-revolving-loan-funds-srfs/>

Updated
link!!!

For more information and to register visit:

<https://efcnetwork.org/event/virtual-office-hours-ask-me-anything-srf-technical-assistance-open-discussion-2/>

Quantified Ventures

<https://www.quantifiedventures.com/our-team>



Ashley Lucht

- *Community Finance Team*
- Former Director of Capital Planning at the Vermont Municipal Bond Bank
- Former DWSRF Project Manager for the State of Vermont
- Lucht@quantifiedventures.com