

# Ask me Anything: CWSRF Eligibility 3.4.2026

## Quick recap

Ashley conducted a training session on Clean Water State Revolving Loan Fund (CWSRF) eligibilities, providing an overview of the program's history, structure, and various eligibility criteria. She explained how CWSRF funding works, including the role of additional subsidies and affordability criteria, and discussed the different types of projects that can be funded. Ashley also covered specific eligibility scenarios and examples to illustrate how the rules apply in practice. The session included a review of federal requirements and cross-cutting issues that affect CWSRF projects. Ashley announced upcoming training opportunities, including an in-person financial management training in Portland, Maine, and encouraged participants to register for future sessions.

## Summary

### CWSRF Training: Fund Eligibilities Overview

Ashley led a training session on CWSRF (Clean Water State Revolving Loan Fund) eligibilities, explaining that there are 102 SRF programs across the United States and territories, with each program being implemented differently. She outlined the basic structure of SRFs, including how federal funds are matched by state funds at a 20% rate, and described set-aside activities and leveraging through bond proceeds for well-utilized programs. Ashley noted that while she doesn't record the sessions, AI-generated summaries and slides are posted to the EFCN website approximately two weeks after each training.

### Clean Water SRF Evolution Overview

Ashley provided an overview of the Clean Water SRF's history, explaining how it evolved from the Federal Water Pollution Control Act of 1948 into the current Clean Water Act of 1972. She highlighted key milestones including the establishment of the federal grant program in 1972, the creation of the Clean Water SRF in 1987, and significant amendments in 2000, 2014 and 2021. Ashley noted that the 2014 amendments, known as WRRDA, were particularly important as they changed eligibilities, introduced additional requirements, and affected loan terms and subsidies.

### SRF Program Evolution and Updates

Ashley discussed the evolution of SRF programs, highlighting key milestones including the memorialization of American Iron and Steel and Davis-Bacon policies, and the significant

funding influx from the IJJA/BIL. She explained the changes to CWSRF loan terms, noting that while the maximum term increased from 20 to 30 years, states update its program to extended terms, and the actual term is determined by the weighted average expected useful life of funded assets. Ashley also covered SRF interest rates, explaining that they must be at or below market rates and often include additional fees, with specific details typically found in a state's intended use plan (IUP).

## CWSRF Subsidy Categories Overview

Ashley explained the categories of additional subsidies available under the Clean Water SRF (CWSRF) program, including stormwater projects, energy or water efficiency projects, renewable energy installations, and sustainable projects as defined by the state. She noted that the current significant federal funding will end in federal fiscal year 2026, after which the programs will return to regular funding levels. Ashley also described two specific additional grant programs under CWSRF and IJJA/BIL: the General Supplemental grant, which requires 49% additional subsidy, and the Emerging Contaminants grant, which provides 100% additional subsidy for projects addressing emerging contaminants.

## Clean Water Act Subsidy Requirements

Ashley explained the different floors and ceilings for additional subsidy in the 2022 appropriation and Clean Water Act, noting that 10% of the capitalization grant must be provided as additional subsidy, in addition to a floor of 10% and ceiling of 30% under the Clean Water Act. She mentioned that some states interpret the additional subsidy requirements differently, potentially providing a floor of 20% and ceiling of 40% to one category of additional subsidy, typically Affordability. Ashley also highlighted the differences between affordability criteria in the drinking water and clean water SRF programs, emphasizing that the clean water side has specific requirements based on income, unemployment, population trends, and 'other' categories a state may choose to use, with some states, like Pennsylvania, having very complex criteria.

## State CWSRF Affordability Criteria Variability

Ashley discussed the variability in how states develop and implement affordability criteria for Clean Water State Revolving Fund (CWSRF) programs. She explained that while states must have affordability criteria, they are not required to use them for distributing additional subsidies or ranking projects, unlike the disadvantaged community definition used in drinking water SRF programs.

## CWSRF Loan Eligibility Overview

Ashley explained the eligibility criteria for Clean Water State Revolving Fund (CWSRF) loans, focusing on Section 212 projects related to publicly owned treatment works and infrastructure owned by municipalities and other types of political jurisdictions. She discussed how WRRDA expanded use of the CWSRF to include Section 319 eligible projects such as water quality projects with a non-point source nexus, allowing various entities to borrow, and mentioned Section 320's connection to estuaries and watersheds identified in Comprehensive Conservation and Management Plans. Ashley also addressed project ineligibilities, including federal ownership restrictions and private treatment works, and provided examples of eligible projects like combined sewer overflow improvements and resilience planning. When asked about technical assistance equivalents on the clean water side, Ashley explained that up to 2% of each grant can be used for direct technical assistance to communities under 10,000, and additional subsidies could support sustainable efforts like asset management plans.

## CWSRF Subsidy Eligibility Criteria

Ashley explained the eligibility criteria for additional subsidies under the CWSRF program, noting that a 10% floor and ceiling can be provided to any borrower, and the additional 10-30% must be directed toward affordability, water and energy efficiency, stormwater, or sustainable projects. Of note, however, is that most programs combine these two floors and ceilings and apply 20% to 40% to projects/borrowers that meet Affordability Criteria. She clarified that certain federal cross-cutter requirements, such as American Iron and Steel and Davis-Bacon, only apply to treatment works projects, not all projects. The discussion then moved to non-point source projects eligible under Section 319, including agricultural BMPs, decentralized wastewater treatment facilities, and contaminated landfill sites, with examples from Wyoming and Iowa highlighting different state approaches to funding these types of projects.

## State Variations in CWSRF Funding

Ashley discussed variations in how different states interpret and fund Clean Water State Revolving Fund (CWSRF) projects, particularly highlighting how Wyoming funds landfill cleanup while other states don't consider it eligible due to treatment works restrictions. She explained that many states don't fund 319 projects due to technical challenges, concerns about opening up SRF, and lack of traditional repayment streams for green or nature-based infrastructure projects. Through several examples, Ashley demonstrated CWSRF eligibility criteria, explaining that pretreatment at private facilities is not eligible under Section 212, while bio-basins and related security features for a soccer field project are eligible, and repairs to a collapsed sewer line require new environmental reporting.

## Project Funding and Training Updates

Ashley discussed various scenarios of project eligibility under different funding programs, emphasizing that eligibility can vary by state and federal guidelines. She highlighted upcoming training opportunities, including an in-person financial management training in Portland, Maine, and encouraged participants to register. Ashley also mentioned upcoming "Ask Me Anything" sessions and a guest speaker event featuring Bob Fitch, a former Vermont SRF financial manager and CPA, who will conduct single audit prep and compliance training.

*Disclaimer: this summary was generated using AI but was reviewed and edited by a Human.*

## From the Chat

C: [in response to WRRDA] Ohhh, so this isn't the same WRDA that funds US Army Corps. That helps!

Q: Can you elaborate a little on examples of the "Base Program" subsidy, 3rd bullet of eligibility?

*A: There are four 'buckets' where additional subsidy can fall:*

- *Stormwater—project address stormwater, either point- or non-point source*
- *Affordability—the project/applicant meets the program's Affordability Criteria definition*
- *Energy or water efficiency—project that improves water or energy efficiency, including renewable energy. Caveat: the renewable energy project must directly benefit the WWTF*
- *'Sustainable' project planning, design, and construction—states define what this means*

Q: What about cameras? [are they eligible]

*A: Yes, as long as the cameras will be used at an asset that is owned and operated by the wastewater utility.*

C: This is new for me here in Kentucky for KRWA and I'll be attending more of your sessions!

C: How to register for the in-person financial management training in Portland, ME

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

C: How to register for Ask me Anything sessions, and find links to summaries from past sessions

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