



DWSRF Opportunities

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Opportunities and Priorities

- Investing in safe drinking water at historic levels
- Reaching every community and supporting disadvantaged communities
- Tackling complex compliance and security challenges
 - Identifying and removing lead service lines
 - Addressing emerging contaminants
 - Cybersecurity
 - Improving climate resilience
- Aligning DWSRF program with needs
- Partnering

Model for Success: DWSRF 1997 to 2020



16,300

Loans Signed



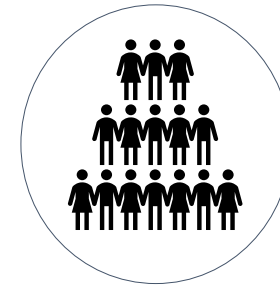
\$39.1 Billion
in Project
Disbursements



\$44.7 Billion
in Projects Funded



\$4 Billion
in Cumulative
Additional Subsidy

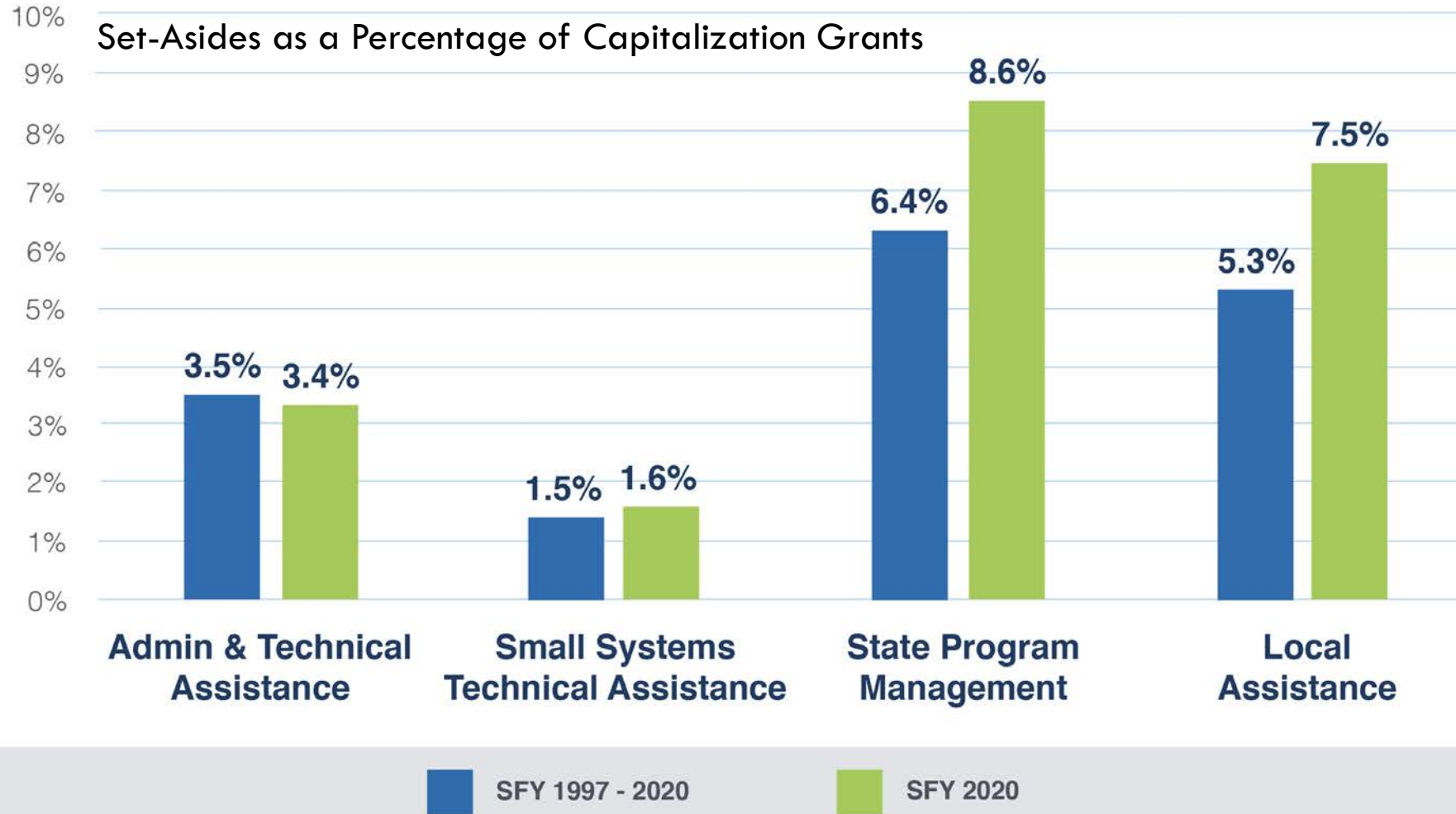


\$3.7 Billion
for Capacity
Building,
Operator
Certification
DWSRF & PWSS
Support

Justice40 Initiative

- Critical part of the Administration's whole-of-government approach to advancing environmental justice.
 - Goal: 40 percent of the overall benefits of certain federal investments flow to disadvantaged communities.
- Two Drinking Water Pilot Programs
 - DWSRF
 - Water Infrastructure Improvements for the Nation Act (WIIN) Reduction in Lead via Drinking Water Exposure Grant
- On-going Justice40 activities
 - Engaging with stakeholders and partners
 - Developing implementation plan to maximize benefits in disadvantaged communities
 - Anticipating further guidance and tools on disadvantaged communities
- State partners are key to implementing and achieving Justice40 goals

Model for Success: Set Asides



Model for Success: DWSRF Affordability Tools

- **At or below market interest rate loans**
 - Terms up to 30 years or the useful life of the project (whichever is less)
 - 40-year loan terms available to state-defined Disadvantaged Communities
- **Buy or refinance local debt**
- **Guarantee or purchase of bond insurance for local debt obligations**
- **Additional subsidization (e.g., loan principal forgiveness)**
 - Disadvantaged community programs



Addressing Water Affordability with the Drinking Water State Revolving Fund

The Drinking Water State Revolving Fund (DWSRF) provides cost-saving opportunities for communities to address water affordability for their drinking water customers.

BACKGROUND

Drinking water affordability refers to a drinking water system's effort to provide reasonably priced water to the community while still receiving revenue needed to maintain water system operations. On average, U.S. households pay less for drinking water than other developed countries as a percentage of household income¹. However, if a water system raises their rates to account for the high cost of building and maintaining infrastructure, households, especially low-income households, may face affordability issues and other associated hardships.

Through the benefits of the DWSRF program, water systems can keep operation and construction costs down and pass the savings onto their customers – potentially alleviating affordability hardships.

While the information provided below is not exhaustive, it will equip decision makers with some

best practices and implementable ideas for how to use the DWSRF program to maintain drinking water affordability for their communities and water systems.

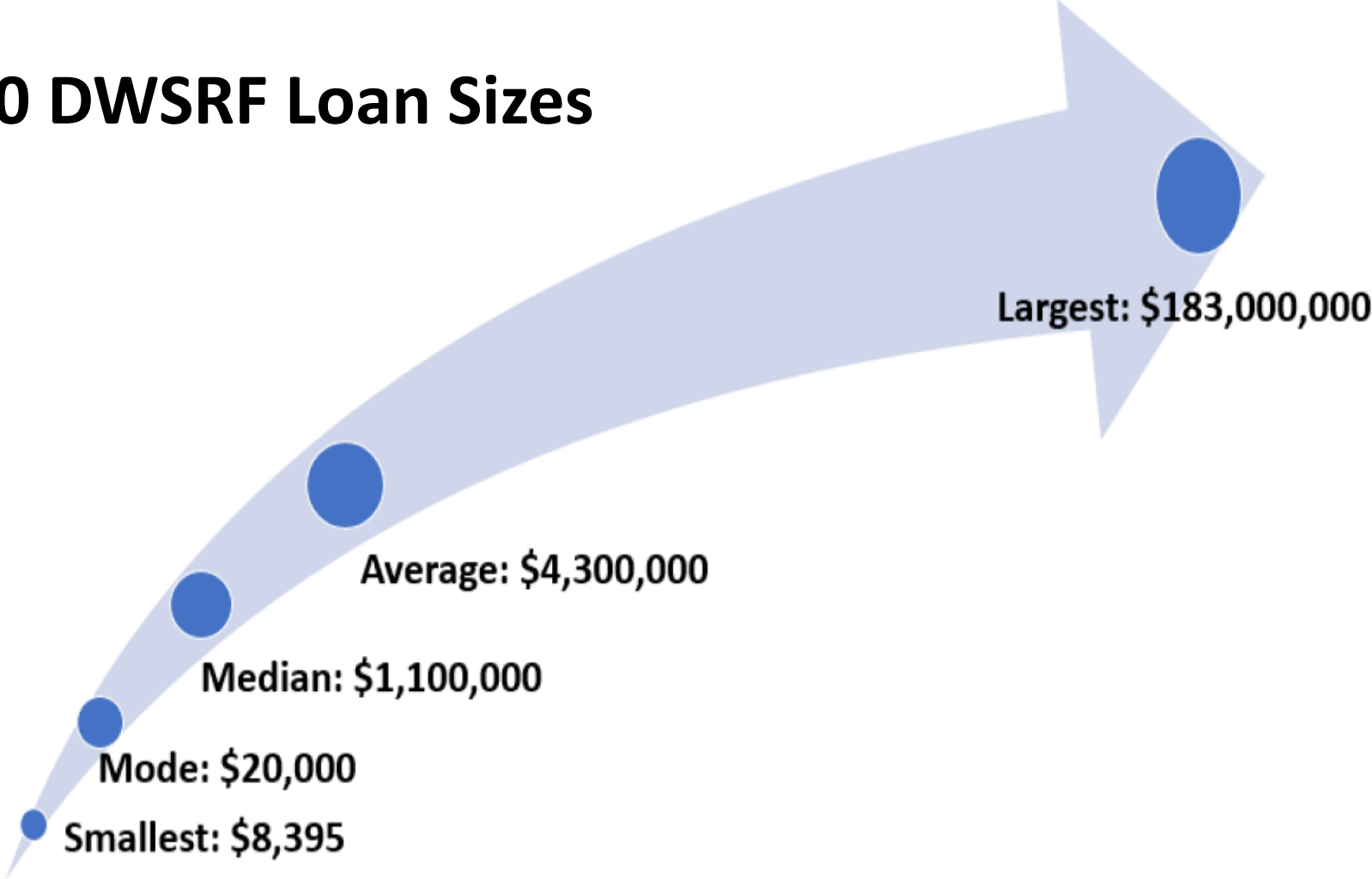


Additional EPA Water Affordability Resources:
<https://www.epa.gov/waterfinancecenter/financial-technical-assistance-and-tools-water-infrastructure#affordability>
<https://www.epa.gov/dwsrf/how-drinking-water-state-revolving-fund-works#tab-3>

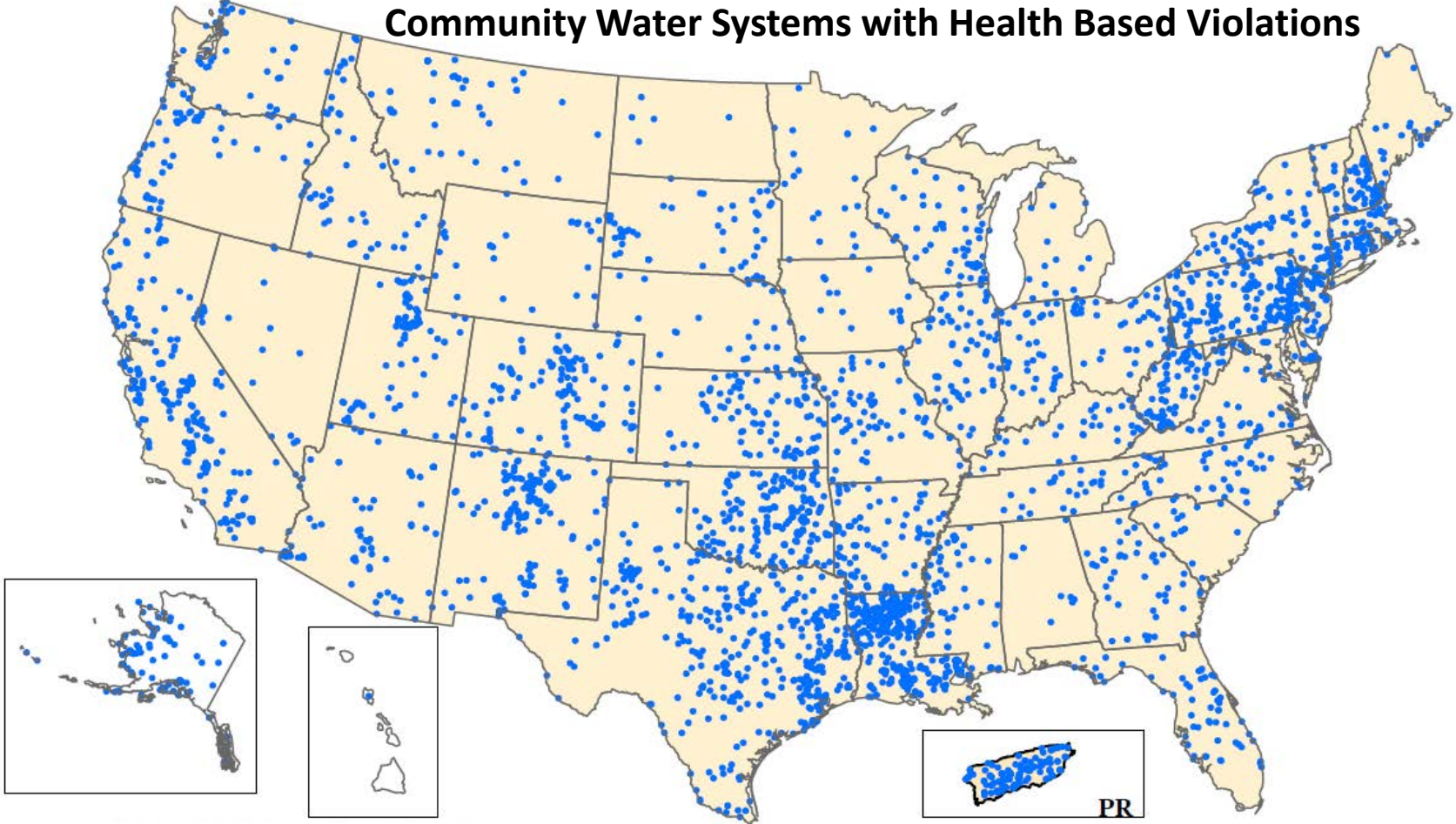
¹https://19january2017snapshot.epa.gov/sustainable-water-infrastructure/pricing-and-affordability-water-services_.html

Model for Success: Loans of Many Sizes

2020 DWSRF Loan Sizes



Model for Success: Identifying Public Health Priorities



Model for Success: Addressing Priority Problems

- Identifying and removing lead service lines
- Addressing emerging and regulated contaminants
 - Manganese
 - Nitrates
 - PFAS
- Cybersecurity
- Climate Resiliency



Model for Success: Partnering for Climate Resiliency

Creating Resilient Water Utilities (CRWU)

EPA's CRWU technical assistance program provides drinking water, wastewater, and stormwater utilities with actionable climate data, risk analysis tools, and mapping services to visualize potential climate related impacts, identify climate-smart adaptation projects to address sea level rise, storm surge, flooding, drought, wildfires, and other climate related impacts, and plan for infrastructure funding needs.



Federal Funding for Water and Wastewater Utilities in National Disasters (Fed FUNDS)

Presents information tailored to water and wastewater utilities on federal disaster and mitigation funding programs from EPA, FEMA, HUD and SBA. Tool that allows a utility to answer questions to find the best federal disaster funding programs to meet its needs.

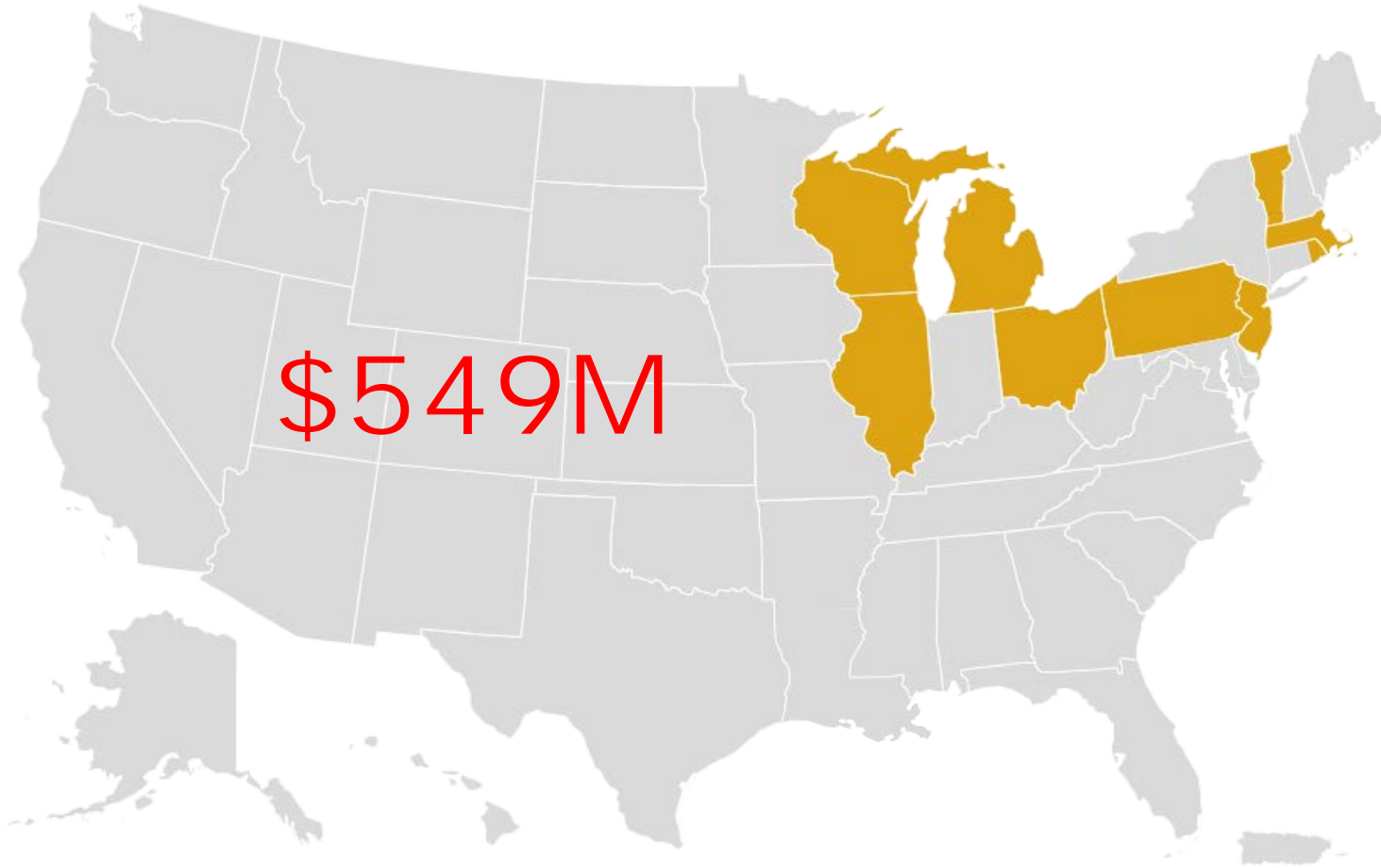
Model for Success: Identifying Needs



7th Drinking Water Needs Survey Schedule

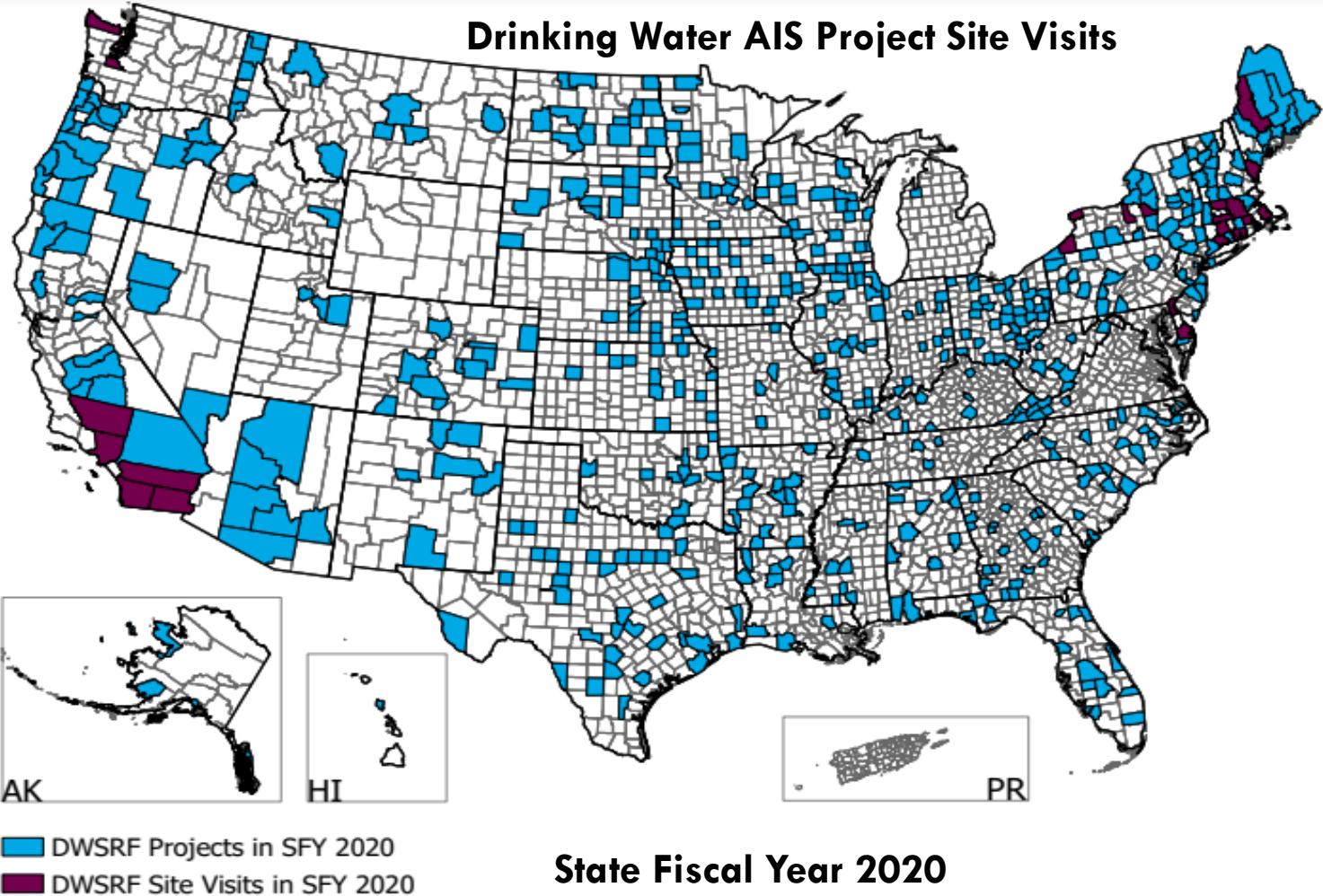
Milestone	Date
All questionnaires submitted	December 10, 2021
Last modifications to questionnaires	February 28, 2022
Data analysis and draft Report to Congress	January 1, 2022 – October 1, 2022
OMB review of the Report to Congress	Oct. 1, 2022 – January 1, 2023
Report to Congress	February 2023

Model for Success: Targeting Needs



**WIFTA
Transfer
Funds for
Lead**

Model for Success: Creating Programs



2014



2021

Model for Success: Partnering to Leverage Resources

Excellence in Innovative Financing: 2020 Aquarius Award

STATE: South Carolina

RECIPIENT: City of Florence

PROJECT: Timmonsville Drinking Water System Improvements and Consolidation

FUNDS: \$7.2 million

SUMMARY: The City of Florence consolidation with the nearby Town of Timmonsville. Received funding from the South Carolina DWSRF program, the City's revenues, the US Department of Housing and Urban Development's Community Development Block Grant (CDBG) program, the Economic Development Administration, USDA-RD, the South Carolina Rural Infrastructure Bank, and the State Transportation Infrastructure Bank.



Model for Success: EPA-State SRF Partnership

- Opportunity to build on the successes of the DWSRF program
- Joint federal-state responsibility to reach all communities with all available financial resources to fund the broad spectrum of eligible DWSRF projects
- EPA Commitments
 - Clear and timely guidance
 - Implementation and data tools and resources
 - Engagement and assistance