



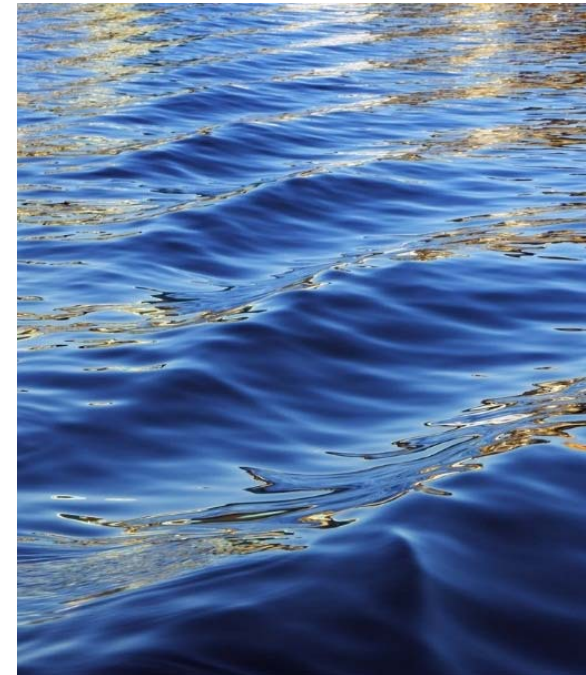
Using CWSRF to Reduce Nutrients from Agriculture:

A National Overview of Challenges and Opportunities

CWSRF-NPS Webinar Series, NEIWPC

- Don Waye (EPA)
- Dwight Wilcox (MN)
- Amanda Reed (KS)

March 29, 2021



What We Will Cover in This Overview



1. How does NPS & Ag fit into CWSRF?
Challenges & Opportunities
2. Overview of CWSRF for Agricultural NPS
3. Spotlight on Iowa's Use of CWSRF for Agriculture
4. Intro to EPA's CWSRF-NPS Program Partnership – Resources & Support

CWSRF has funded NPS since the program was established...

1987 CWA Amendments

- 603(c)(1) Construction of publicly owned treatment works (POTW)
- ★ • **603(c)(2) Implementation of a nonpoint source management program** ★
- 603(c)(3) Implementation of a national estuary program CCMP

In 2014, WRRDA expanded eligibilities and flexibilities that emphasized even more creative uses of CWSRF

<https://www.epa.gov/cwsrf/overview-clean-water-state-revolving-fund-eligibilities>

CWSRF by the Numbers

\$145 billion provided via the 51 CWSRF programs since 1988

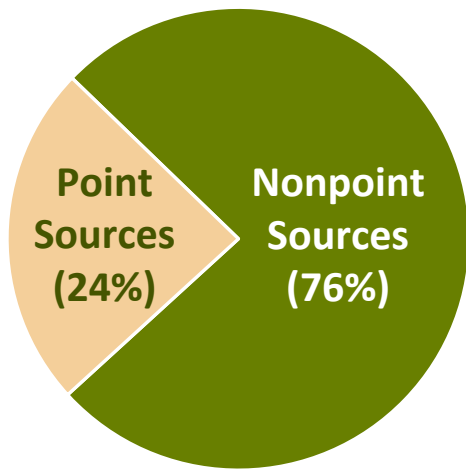
\$7.48 billion provided by the 51 CWSRF programs in FY20

42,800 assistance agreements (a.k.a. "projects") since 1988

1.2% - National average interest rate for CWSRF loan in 2020
(vs. 2.7% prevailing market rate)

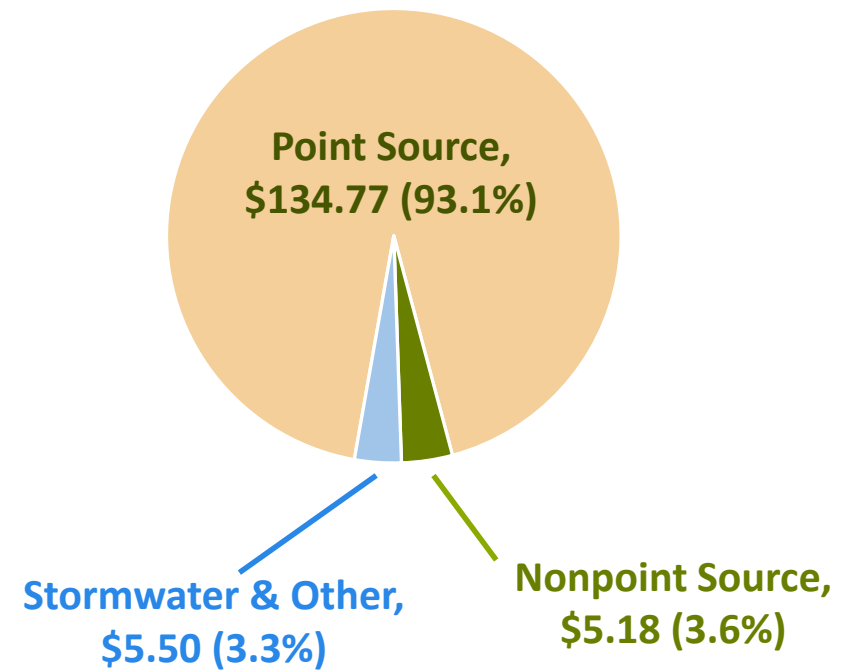
Just **3.6%** of overall funding pie has gone toward NPS

Primary Cause of Impairment for Waterbodies with TMDLs, %



(Source: EPA, 2011, A National Evaluation of CWA §319 Program)

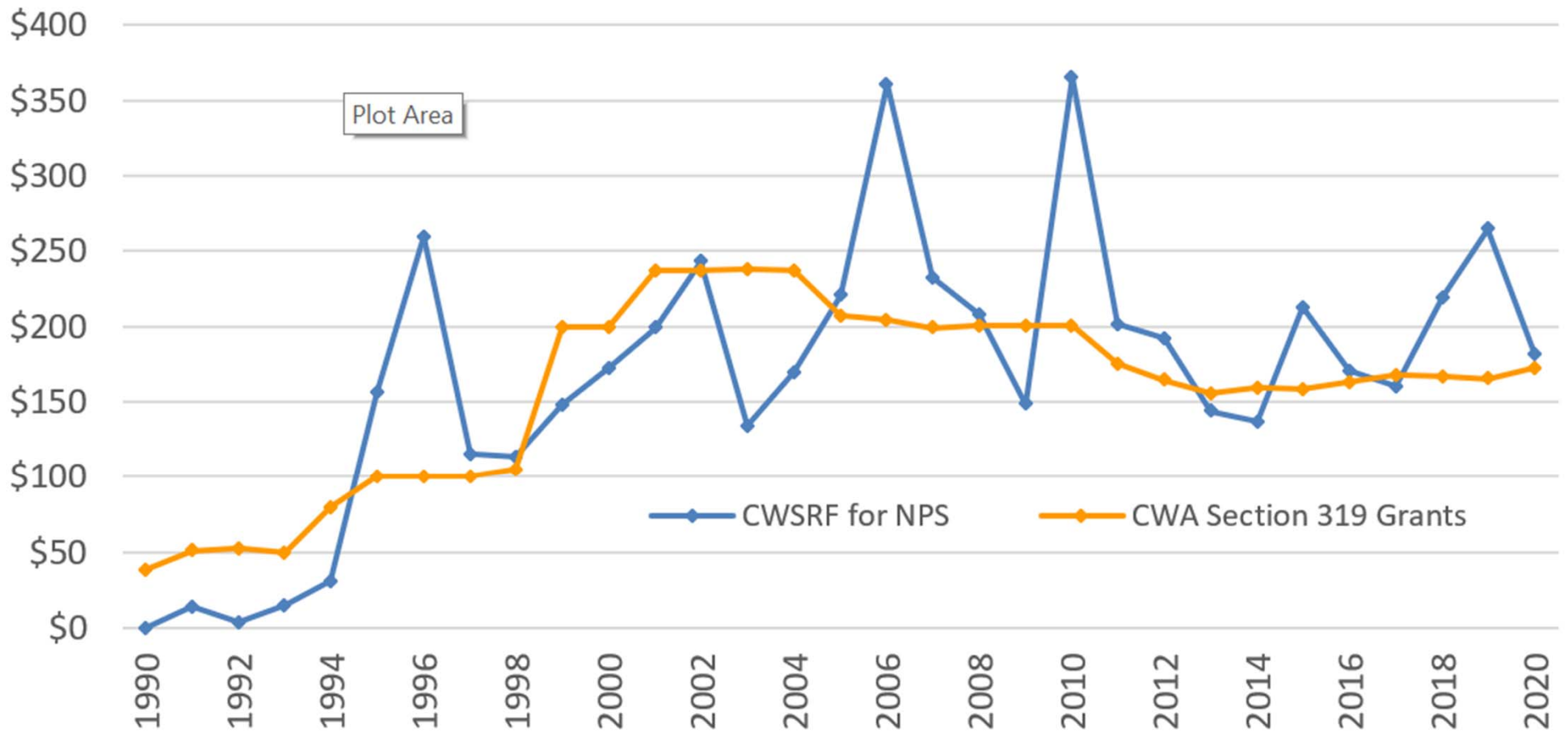
CWSRF Investments through 2020, \$ Billions



\$145.5 billion provided via the 51 CWSRF programs since 1988

NPS Funding by Program Since 1990

(Annual, in Millions of \$)

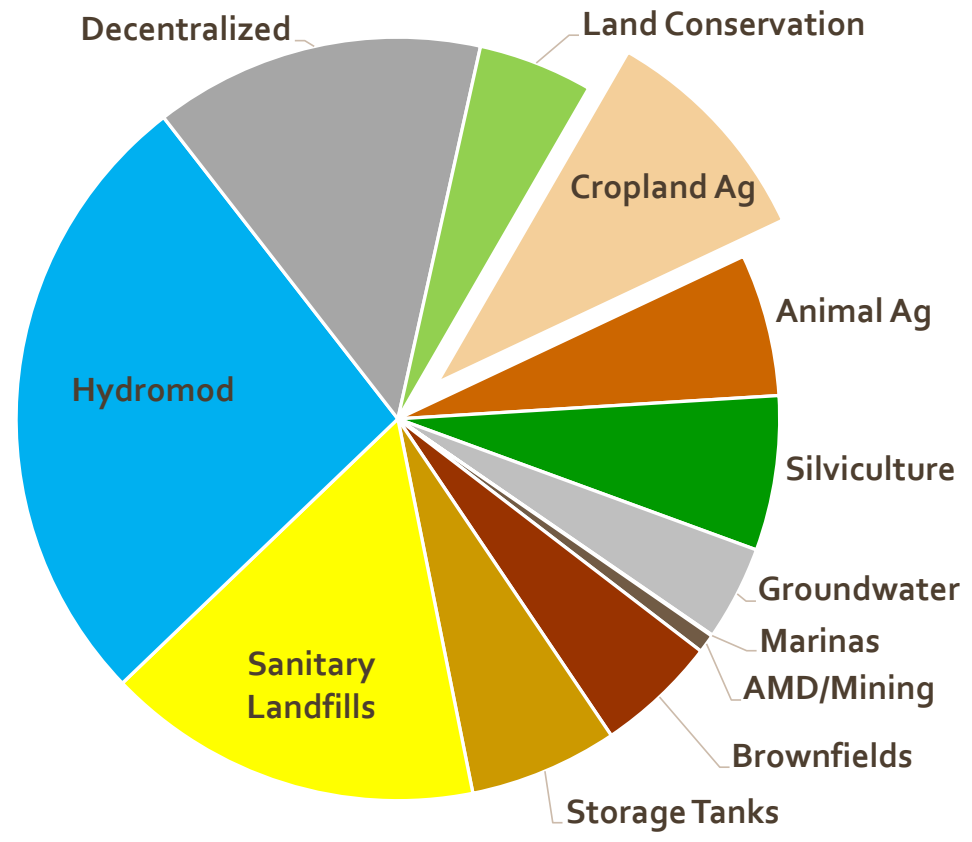
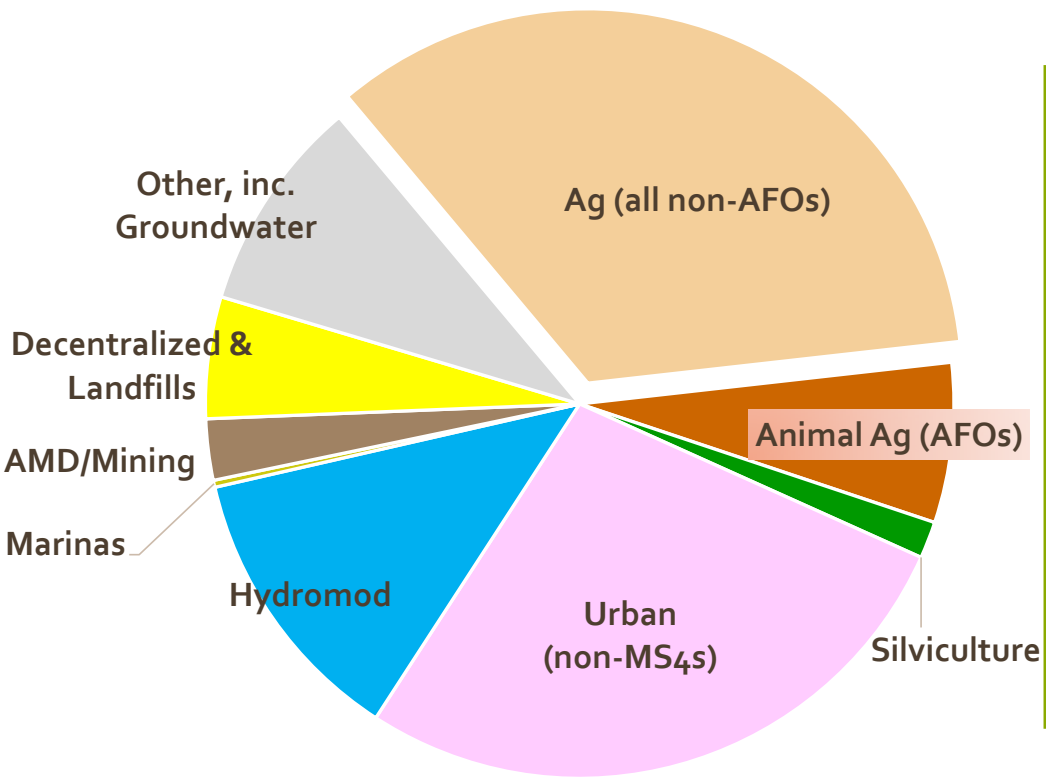


Challenges for Using CWSRF for NPS Needs

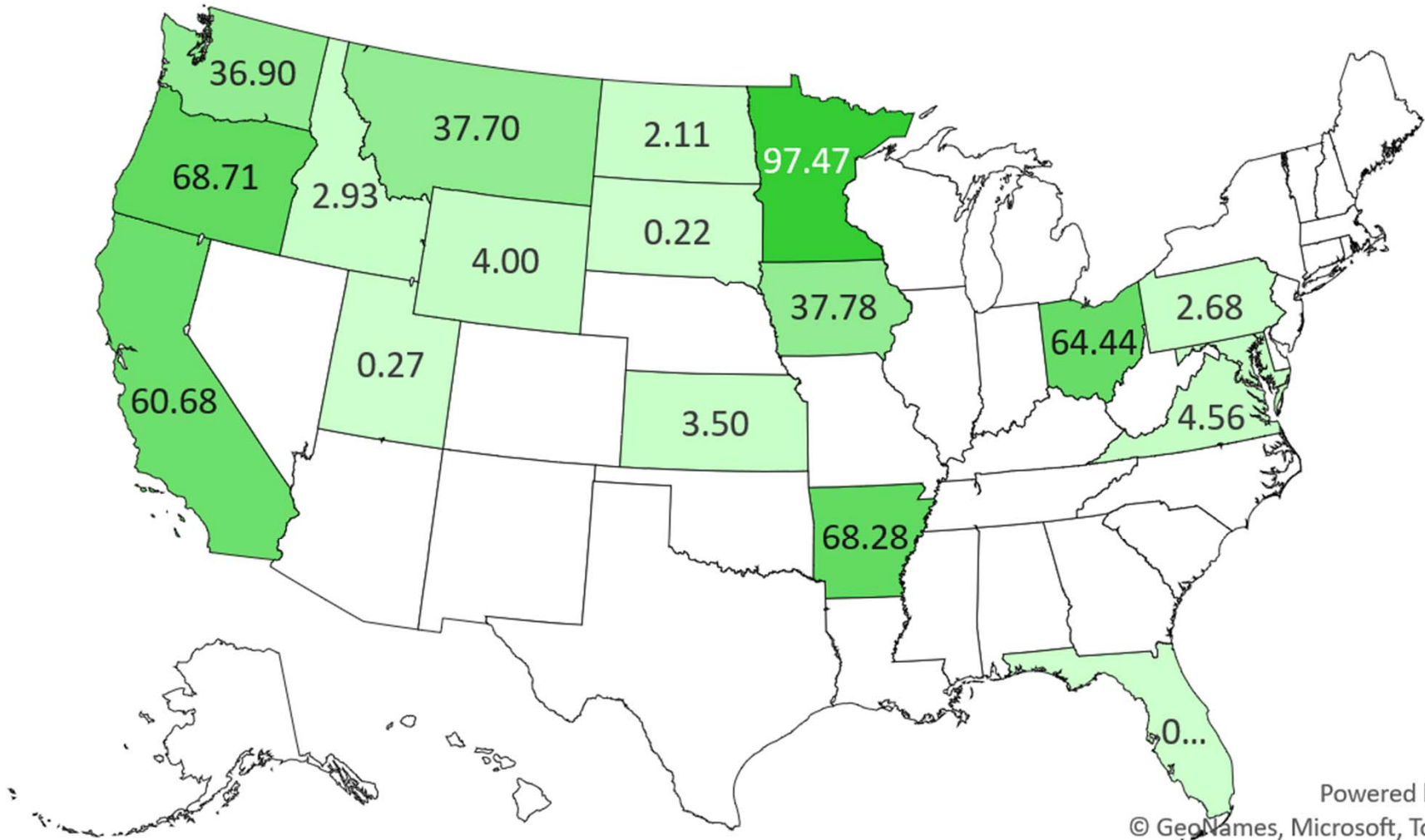
- Identifying a repayment source
- State-imposed restrictions on lending to NGOs and Community Development Financial Institutions (CDFIs)
- Higher administrative burdens associated with smaller loan sizes and greater # of projects (think “Ag BMPs vs POTW upgrades”)
- Capacity constraints at state CWSRF agencies to explore new directions
- Competes with ongoing need to address point sources, which have ready repayment sources

CWA §319 Project Funding by NPS Category, 2008 - 2020

CWSRF Project Funding by NPS Category, 2008 - 2020

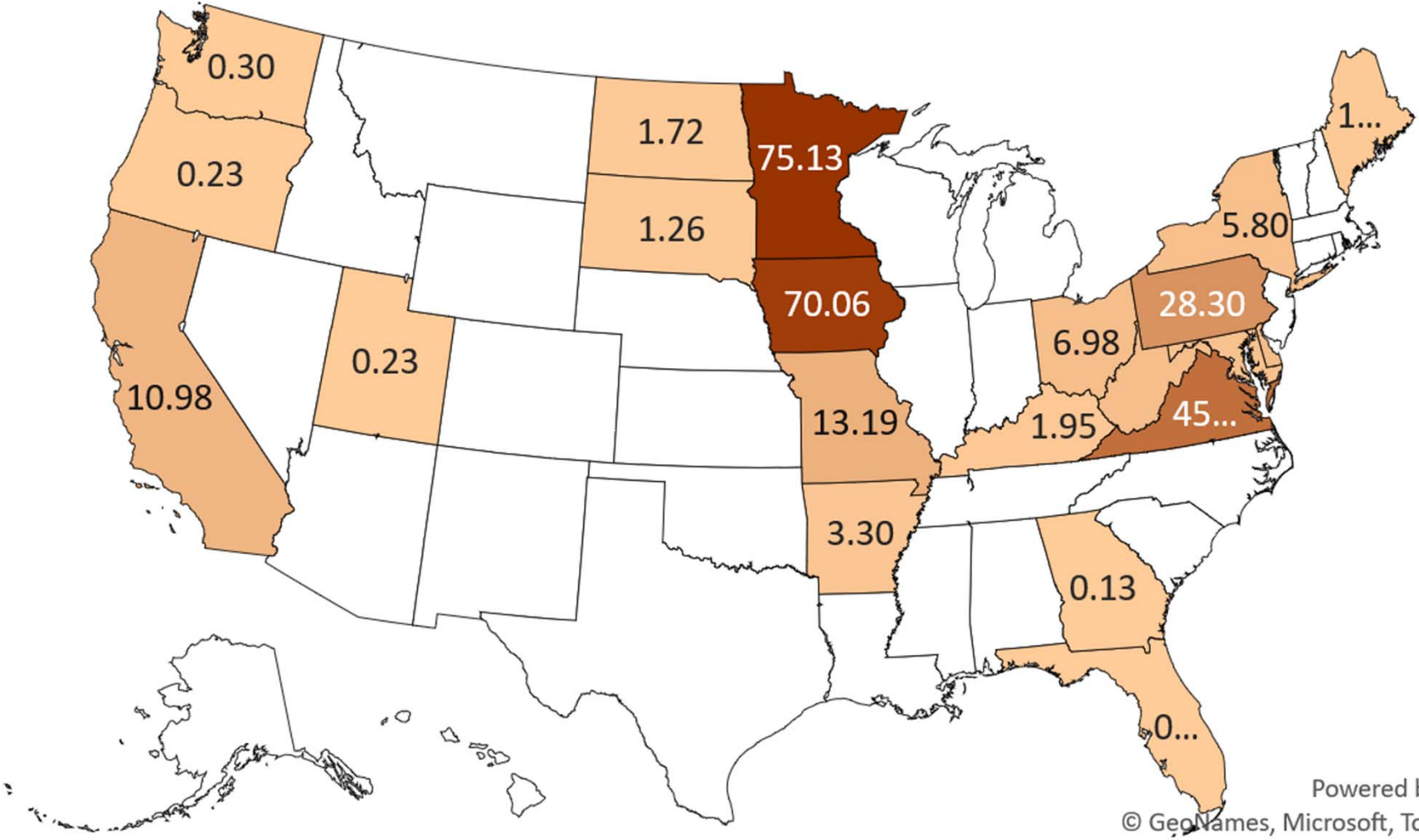


CWSRF Funding - Cropland Ag BMPs Through FY20, \$M



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CWSRF Funding - Animal Ag BMPs Through FY20, \$M



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Spotlight on Iowa's Use of CWSRF for NPS

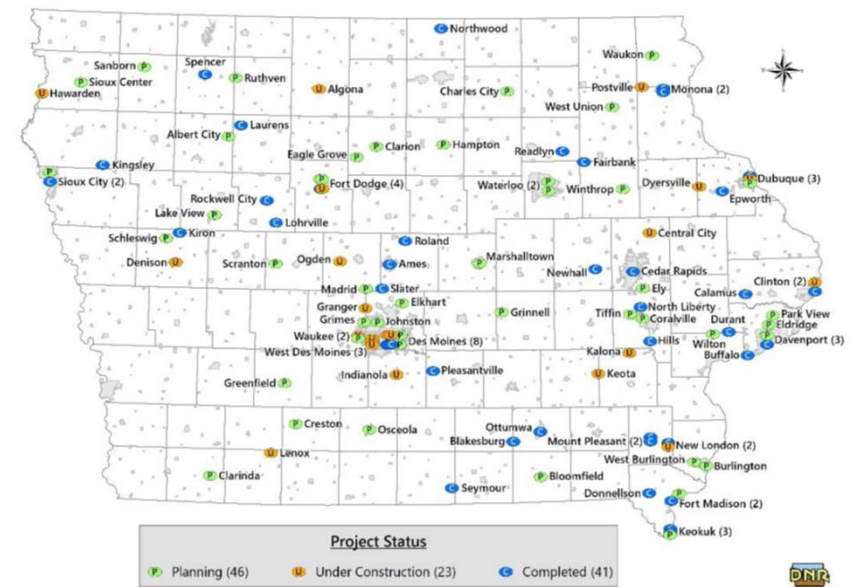
During SFY 2020, over \$17 million was loaned to address nonpoint source pollution. Iowa relies on a variety of programs and funding mechanisms to deliver nonpoint source results, including:

A sponsorship lending program to maximize additional opportunities for NPS funding. In FY20 Iowa sponsored 14 projects at \$8.1M

A direct loan program for general NPS projects including for land acquisition/conservation

A linked deposit financing mechanism for 4 NPS subprograms, totaling \$3.7M across 175 projects

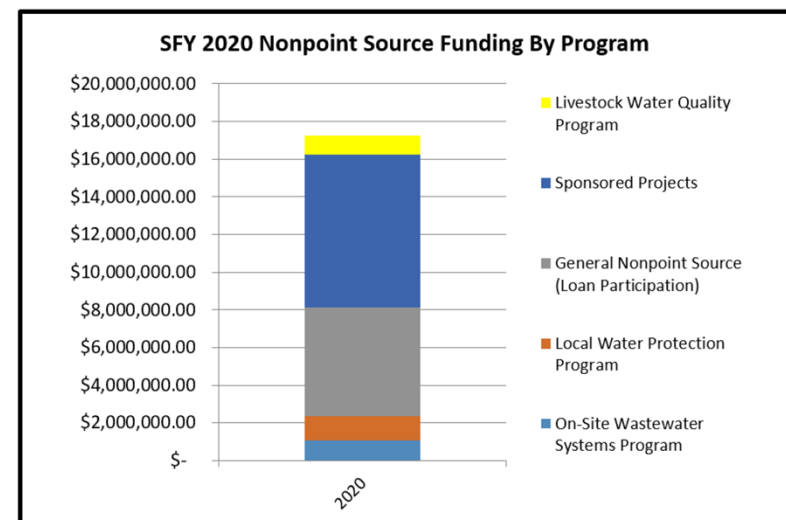
WATER RESOURCE RESTORATION SPONSORED PROJECTS, SFY2020



Iowa's Water Quality (NPS) Linked Deposit Loan Fund (and Breaking News on Nutrient Credits)

Iowa created several NPS set-aside sub-programs within its CWSRF program:

- Local Water Protection (Agricultural E&S Control) – 70 projects at \$1.6M in FY20
- Livestock WQ Facilities (Non-CAFO manure management) – 17 projects at nearly \$1.0M in FY20



Iowa's Newest Twist: Iowa CWSRF is working with Quantified Ventures and the Iowa Soybean Association as an investor for a "pay for success" project where landowners are paid for no till and cover crop practices that generate carbon and nutrient credits which can be sold. The partnership established a Soil and Water Outcomes Fund. The partners sign up ag operators to get the practices verified and then sells the credits to utilities & others.

Coming Soon!


- EPA's CWSRF & NPS Programs are partnering to produce a Best Practices Guide for using CWSRF to address NPS needs
- A key best practice is for state CWSRF programs and state NPS programs to meet/discuss how to align program goals and leverage efforts

And stay tuned for more technical assistance opportunities!

3 completed so far: VT, KS & AZ

3 more underway: MD, AK, NC



DRAFT



United States Environmental Protection Agency

CWSRF Best Practices Guide for Financing Nonpoint Source Solutions

Building Successful Project Funding Partnerships



Clean Water State Revolving Fund

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