Using CWSRF to Reduce Nutrients from Agriculture:
A National Overview of Challenges and Opportunities

CWSRF-NPS Webinar Series, NEIWPCC
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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](https://www.epa.gov/cwsrf/overview-clean-water-state-revolving-fund-eligibilities)
CWSRF by the Numbers

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

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

$42,800 \text{ assistance agreements (a.k.a. “projects”) since 1988}$

$1.2\%$ - 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, %

- Point Sources (24%)
- Nonpoint Sources (76%)

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

CWSRF Investments through 2020, $ Billions

- Point Source, $134.77 (93.1%)
- Stormwater & Other, $5.50 (3.3%)
- Nonpoint Source, $5.18 (3.6%)

$145.5 billion provided via the 51 CWSRF programs since 1988
NPS Funding by Program Since 1990
(Annual, in Millions of $)

- CWSRF for NPS
- CWA Section 319 Grants

Plot Area


Funding: $0, $50, $100, $150, $200, $250, $300, $350, $400
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
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
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