

# Infrastructure Funding – Nuts and Bolts

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# Infrastructure Funding – Nuts and Bolts

*Did you know about all these funding opportunities?*

## State Programs

- Ohio EPA - Drinking Water SRF
- Ohio EPA – Clean Water SRF
- Ohio Public Works Commission
- H2Ohio Initiative
- Ohio Water Development Authority
- Community Development Block Grants

## Federal Programs

- American Rescue Plan Act
- USDA – Rural Development
- Appalachian Regional Commission
- U.S. Army Corps of Engineers
- U.S. Environmental Protection Agency

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## *What are these State Revolving Fund (SRF) Programs?*

### **Clean Water State Revolving Fund (Water Pollution Control Loan Fund)**

- Created in 1989
- Below-market interest rate loans for wastewater infrastructure
- 2,800 projects/\$10.7 Billion awarded
- Sustainable annual capacity of \$700 million/year

### **Drinking Water State Revolving Fund (Drinking Water Assistance Fund)**

- Created in 1998
- Below-market interest rate loans for drinking water infrastructure
- 950 projects/\$2.1 Billion awarded
- Sustainable annual capacity of \$175 million/year

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## *What's eligible through the SRF Programs?*

### Water Pollution Control Loan Fund

- Most capital improvements related to wastewater collection and treatment (new, rehabilitation or replacement).
- Stormwater projects with a water quality benefit.
- Nonpoint source pollution control projects (ex. Home sewage)
- Much more...eligibilities have been expanding, not contracting.

### Drinking Water Assistance Fund

- Most capital improvements for drinking water treatment, distribution and storage (new, rehabilitation or replacement).
- Regionalizing/Consolidating systems
- Asset Management planning
- Lead Service Line (LSL) replacement
- Much more...

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## *What's NOT eligible through the SRF Programs?*

### Water Pollution Control Loan Fund

- Street restoration beyond that necessary for project.
- Ordinary operating expenses
- Personal injury compensation
- Refinancing debt for projects with long-term financing
- Loans to private entities for public wastewater treatment

### Drinking Water Assistance Fund

- Construction of dams, reservoirs.
- Projects needed primarily for fire protection.
- Projects primarily for future growth.
- Applicants that lack technical, managerial, financial capacity.
- Projects that are not cost-effective
- Refinancing debt previously incurred.

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## *So who's an eligible applicant in the SRF Programs?*

### Water Pollution Control Loan Fund

- Publicly-owned Treatment Works (POTWs)
  - Municipal corporations, other political subdivisions, and state agencies.
- Nonpoint Source Pollution (NPS) projects
  - Municipal corporations, other political subdivisions
  - Not-for-profits and private organizations

### Drinking Water Assistance Fund

- Safe Drinking Water Act:
  - Community Water Systems
  - Non-profit, Non-community Public Water Systems

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## *What does SRF eligibility have to do with ARPA?*

- ARPA was passed in March 2021
- The Act and U.S. Treasury guidance aligned ARPA water and wastewater eligibility with the pre-existing SRF programs.
- U.S. Treasury guidance and FAQs specifically refers to two SRF eligibility documents, *which are very helpful*.
- Who can help determine if something is ARPA eligible?
- Who ultimately decides on eligibility?

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## *Funding opportunities through ARPA*

- ARPA allocations were made to State, County, Metro-Cities, and Non-entitlement communities
- Opportunities for local governments can use their allocations for water and wastewater projects
- Opportunities for local governments to apply for the \$250 million that Ohio is making available through HB 168.
- Water and Wastewater Infrastructure Grant Program, administered through Ohio Department of Development.
- [www.investinginohiosfuture.ohio.gov](http://www.investinginohiosfuture.ohio.gov)



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## *What are some of the common ARPA FAQs?*

- Question/language regarding “...satisfaction of any obligation arising under or pursuant to a settlement agreement, judgment, consent decree...”
- Can funds be used for planning or design?
- Can Local ARPA funds be used as match for State ARPA funds?
- Can I use an Ohio EPA SRF loan in conjunction with my ARPA funds?
- Can ARPA funds be used to retire existing debt?

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## *Funding opportunities through ARPA – Strategies to Consider*

- Co-funding opportunities with other programs
- Transfer possibilities/opportunities
- Project “sharing”
- Regionalization/Consolidation
- Project phasing
- Get all the information on the table: projects, priorities, funding sources/timelines, implementation schedules

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## *Strategies to Consider – Ohio EPA Areas of Emphasis*

- Regionalization of water and wastewater systems
  - Infrastructure is highly regulated, and becoming complex to operate
  - Costs to users are rising dramatically, driving fresh look at cost-effectiveness
  - SRF programs require serious analysis of regionalization options
- Focus Areas: Disadvantaged communities & areas without drinking water and wastewater services
- Replacement of Lead Service Lines (LSLs)
- Asset Management

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