

Underserved Communities Recording

[00:00:12.48] Welcome, everyone. We just wait a moment while folks are logging on to the Zoom before we get started. Hello and good morning or good afternoon, wherever you are. My name is Darcy Peth with Ross Strategic. We're contractors to EPA supporting today's virtual forum.

[00:00:51.21] Welcome to Financing Nutrient Management Improvements in Underserved Communities. We are glad that you're here. Next slide. We're going to start with a brief overview of the Zoom functions and how you can participate today. The Zoom menu bar should appear on your screen if you move your mouse a little bit.

[00:01:09.42] Please remain muted whenever you're not speaking. You can ask a question by typing it into the Q&A bar, and we will read your question out loud during our designated Q&A periods. In addition to that Q&A box, you can also let us know that you have a question by clicking on the Raise Hand button, and that will let us know that you'd like to come into the conversation to comment out loud.

[00:01:29.85] You can find the Raise Hand button on the Zoom toolbar. If you don't see it there, click on Participants, and hover over your name, or in some versions of Zoom, the Raise Hand option is part of the Reactions button. When we get to a Q&A break in the agenda, we will call on you and unmute you to let you into the conversation aloud.

[00:01:50.49] And if at any point during today's virtual forum you have any tech support needs or anything like that, you can feel free to use either the Q&A or the chat to let us know that. I will now hand it over to Ellen Tarquinio. Next slide, please.

[00:02:07.12] Thanks so much, Darcy. And thank you all for attending, and to the presenters for talking a little bit about your different funding projects. My name is Ellen Tarquinio, and I'm with the EPA Water Finance Center. Before we jump into the great presentations and materials that you'll hear today, I just wanted to, again, thank you for coming.

[00:02:27.15] We're lucky to be able to work with folks like LaVonda and the different presenters from USDA to pull together information about how you can use some of the programs from EPA and USDA to get together, to fund a lot of your infrastructure projects. Well, the focus today is really on nutrients and some of the large nutrient reduction projects related to your infrastructure, like your wastewater utilities, even your drinking water utilities, and some great information will be presented on how this can be done.

[00:02:57.45] A lot of this information can also be applied to your other infrastructure projects, like compliance, upgrades, et cetera. So we really hope at a minimum, you'll be able to walk away from this forum with knowledge about the different programs and the different options that are available from both agencies, and really that these agencies, the funding and the programs can be used together in a really cohesive way to address the issues that you're facing in the communities. So with that, I'll turn it over to LaVonda, who's always great to work with from USDA, and thank you.

[00:03:32.91] Thank you, Ellen. Welcome and greetings from USDA Rural Development. Again, I am LaVonda Pernell from the Rural Development Innovation Center. And it is my pleasure to be here today with some of my colleagues, Dave Flesher, Terry Fearins, and Chris Adamchack from the Raw Utility Service Water and Environmental Programs, and with our federal partners at EPA. For those of you who might not be familiar with rural development, our mission is to assist rural communities in creating prosperity so they are self-sustaining and economically thriving through investments that create ladders of opportunity, build regional resilience, and support the growth of emerging markets.

[00:04:22.01] We have more than 40 loan grant and technical assistance programs that support economic development in rural communities. In fact, rural development can build an entire rural community from the ground up. And as you well know, that starts with our water infrastructure. So through our water and environmental programs, rural communities can obtain the technical assistance and financing necessary to develop and/or upgrade drinking water and waste disposal systems.

[00:04:55.19] And today, my colleagues will share more information on how the water and environmental programs can be of assistance in financing and leveraging resources with our partners for nutrient management improvements. We sincerely appreciate you taking time to engage in this important discussion, and I do hope you take away some useful information today. So thank you, and I will turn it over to Rob Greenwood.

[00:05:31.10] Thanks, Ellen, and thanks, LaVonda. Nice to see you both here this morning and this afternoon. So again, I'm Rob Greenwood from Ross Strategic. I'll be moderating today's session. And again, just another welcome, good morning, and good afternoon to all of you that are participating. And welcome to the virtual forum on financing nutrient management improvements in underserved communities.

[00:05:58.44] Next slide, please. I just wanted to touch on who the team is today backing this webinar up. We got Bonnie Gitlin, who helped organize the forum, Darcy Peth, whom you've already met, also Micaela Unda and Melissa Banales, both of whom are providing tech support today. So that's our team. Next slide, please.

[00:06:24.26] So here's our agenda for today. A couple of things I want to note, which has already become apparent. Both USDA and EPA will be presenting today. In particular, we'll have joint presentations at the 12:10 segment, as well as the 1:50 segments, both of which we'll look to provide more understanding and insight into the funding and financing available for nutrient management, and as Ellen said, for water infrastructure more generally.

[00:06:56.00] We also have a case example that will get presented at 1:20. So we'll look to provide a bit more of a hands-on understanding of how financing has been acquired and deployed. And hopefully, we'll have plenty of time to your questions. We have several Q&A segments.

[00:07:12.73] And towards the end of the webinar, there's really some more just open or flexible time, where we can take additional questions or double back around to questions that we don't

answer during the earlier structured Q&A periods. To reduce background noise, please keep your audio muted at all times. It's already been mentioned by my colleague Darcy.

[00:07:37.54] We'll look to use the Q&A function. So please type in your questions. You can also do raise hand, although overall, it's more efficient for us if you use the Q&A functions. It lets me cue up the questions for our presenters. And just a reminder to our speakers, when you have about two minutes left in your time, I'll come back on video to just give you a reminder that we're running close to the end of your designated period of time.

[00:08:09.16] OK, let's go to our next slide, please. All right, so let's move ahead right away into our first presentation. So in terms of our overall agenda topic here, we have an overview of nutrient financing options. We'll start with USDA financing options first. I like to introduce Dave Flesher. He's a community program specialist in the water environment programs operation branch at USDA. So Dave, over to you.

[00:08:41.85] Thanks, Rob. Appreciate the opportunity to be with you today. And again, welcome everyone that signed on and is taking the time to learn more about funding options, and especially the partnerships. Next slide, please. Go ahead the next slide. As LaVonda mentioned, USDA Rural Development basically is made up of three agencies or as I like to call it, it's sort of like a three-legged school.

[00:09:13.02] For a successful, sustainable rural community, you really need to have a place to live. So we have our rural housing and community facilities with our home ownership , loans multifamily loans, and again, our essential community facility loans and grants. You've got to have a job. We have a rural business and cooperative service.

[00:09:34.77] Their main program is the business and ministry guaranteed loan. And then they have a series of grants that assist communities and others in for economic development. And then we have our rural utility service, which is infrastructure, both our electric program, our telecommunications, and our broadband program, and then our water and environmental program that I work in.

[00:10:00.67] Next slide, please. So our water and environmental program, a lot of people do ask why our focus, as LaVonda mentioned, is rural. In the last 10 years, our program has assisted over 21 million rural residents, and our projects have been-- its over to 2,000 counties that cover all 50 states and three territories. You'll hear with our presentations rural mentioned a lot. And there's a lot of different definitions of rural in USDA.

[00:10:37.60] But for this program, it's 10,000 or less for our direct program. But even with that, our focus is on the smallest communities. If you notice, 83% of our assistance over the last 10 years has been in communities of 5,000 or less. And actually, 43% of it has been in communities of 1,000 or less.

[00:10:59.10] And the projects over the last 10 years has impacted almost 8 million households and businesses with improved water and sewer service. A lot of our communities that we assist

are lower income communities. That 10-year average household income population served is right around 36,000. And that's not individual, that's household in.

[00:11:24.80] And the investment, we're really proud of the fact that we're really good stewards of federal funds. We've invested over \$16 billion across the country. But of that investment, 67% of that investment is loan funds that are paid back. And then 33% of that is grant funds that are basically tax dollars.

[00:11:50.77] On top of that, there's a lot of-- we mentioned a lot today about partnership. And out of our overall investment, almost 24% of our project costs has been leveraged with other non-federal funding sources, so over \$4 billion on top of that 16 plus billion invested. We also do a lot of work with technical assistance.

[00:12:16.84] And Chris is going to touch on some of that later today. But over that 10-year period, it's been over 300 million. And that equates into over a half million technical assistance visits over the last 10 years. Next slide, please. This is an internal dashboard that we have that kind of covers some of the same information.

[00:12:43.28] But a couple of things I wanted to point out was over that 10-year period, we've done over 6,000 projects, 6,219 as of the end of last fiscal year. Of those, over 3,000 over on the other side have had a health or sanitary standard issue. And I mentioned earlier on being a good steward of federal funds, our current portfolio, we have over 7,000 borrowers, over 14,000 loans, and it's over \$13 billion in principal that's owed.

[00:13:21.46] But our delinquency rate currently is less than one half of 1%, so 0.49%. And so we really pride ourselves on doing our due diligence as we work with applicants that we put together funding packages that are realistic and sustainable for those communities over the long term. Next slide, please.

[00:13:46.64] This next is the same dashboard, but it's just looking at what we did last year, a little over \$2 billion in assistance. We assisted over 4.6 million rural residents, did a little over 700 projects. And last year, over 400 had that health or sanitary standard or concern. Our median household incomes crept up a little bit over the 10-year average but not a lot.

[00:14:15.44] And one thing I did want to point out is if you look at the average cost of our water projects last year and our sewer project, this is the average current monthly cost. And so we're in the upper 50s per month for water and also for sewer assistance. And again, our leverage last year was over \$400 million.

[00:14:41.82] It's down a little from the 10-year average of almost 24%, but we're still almost at 20% leverage. So again, in addition to that \$2 billion, there's a lot of additional dollars going into improvements in rural communities throughout America. Next slide, please. So again, our water and waste disposal program, as LaVonda mentioned, the goal of it is to provide funding for clean and reliable drinking water systems.

[00:15:18.08] We don't have anything specific for nutrient. But again, a lot of our projects do have a nutrient angle to them or part of that's what's driving the project. On the Drinking Water side, our funds can be used to finance acquisition, construction, or improvement of any drinking water source, treatment, storage or distribution.

[00:15:43.34] On the sewer side, we can do collection transmission, treatment, and disposal. We can also use these funds for solid waste collection, disposal, and closure. And then we can also do stormwater collection, transmission, and disposal. Next slide, please.

[00:16:03.25] Our funding also covers soft costs. And those can be anything from planning costs, engineering costs, environmental and legal fees. Sometimes, there's land acquisition, or water or land rights that are needed, or equipment. And really, any other cost that is necessary for the completion of that project can be used.

[00:16:28.47] We do have a few restrictions on some things. We limit it to-- our loan funds can also be used for interim interest. In some cases, we can do start up operations, and maintenance, and purchase facilities. And then in some situations, when we're trying to come up with a real sustainable user rate that the residents can afford, we can refinance non-agency debt in some cases when it's a non or a secondary part of the loan. Next slide, please.

[00:17:06.12] So our applicants are-- public bodies make up around 80% of our borrowers and applicants. Not-for-profit organizations represent about 18% of our borrowers. And then we also work a lot with Indian tribes and, again, federally recognized tribes or state reservations. And they make up around 2% of our borrowers.

[00:17:30.35] For our direct program, the definition of rural-- and again, you'll hear that. There's many different definitions of rural. But for this program, it is defined as any town, city, or unincorporated area, 10,000 or less based on the last decennial census. And we are still using the 2010 census.

[00:17:53.00] This fiscal year, we do expect that next year for fiscal year '23, we will update and convert to the 2020 census. Also, I wanted to point out that no matter where the facility is located, our funds can be used if that facility is benefiting rural users. So some cases, you may have a treatment plan or something that's in non-negligible area. But if a portion of that serves eligible residents, we can pay for a part of that. Next slide, please.

[00:18:32.37] Our loan program has a three-tier interest rate structure. Currently, our interest rates are between 1 and 1/4 and 2 and an 1/8 percent interest. Our terms are normally up to 40 years or the maximum per state law. And that's it on our fees. There's no other charges.

[00:18:54.22] The tier that a community will qualify for is based on the service area median household income as compared to-- as what we call the state non-metropolitan median household income. And that is established for each state. And again, if that service area median household income is above that state non-metro median, then we'd be looking at our market interest rate.

[00:19:24.35] If it's less than that, then a community can qualify for intermediate rate, which is currently 1.75%. But if that service area is less than 80% of that, plus if that project is alleviating a health or sanitary standard issue or problem, then the community can qualify for that 1.25 or the poverty interest rate. Next slide, please.

[00:19:50.36] Our grant eligibility also uses that same median household income baseline and that, again, if it's above that median, state non-metro median household income, a community or a system would not be grant eligible. But if it's under that, it can qualify for up to 45% grant. If it's less than 80% of that, plus, just like the interest rate, if the project is alleviating a health or sanitary standard issue or problem, then they can potentially qualify for up to 75% grant.

[00:20:30.21] The challenge of that, though, is that when we get our funding the last several many years, typically, our funding is roughly 80% loan and 20% grant. And so even though a community may qualify for 45% grant or 75% grant, we don't have enough funding to be able to fully fund those. And so one of the things we look at is we try to use our grants to keep user rates at a reasonable level.

[00:21:02.71] And to do that, we also look at what are similar systems paying. And so we do try to use that precious resource, those grant funds as judiciously as possible and spread those funds out and help as many communities as we can. Next slide, please. We also have a guaranteed program.

[00:21:26.35] And with our guaranteed program, a private lender is putting in the funding, and then we are guaranteeing or issuing an insurance policy, if you will, to that lender to lower their risk. The eligible area or the definition of rural for this program is different. It's actually for populations of 50,000 residents or less based on that last decennial census, and it also can't be in an urbanized area that's contiguous to that service area.

[00:21:58.91] For this fiscal year, our maximum or our loan guarantee percent is 80%. So if a bank made a \$10 million loan and we guaranteed it, then the bank's exposure, so to speak, would only be 2 million. We would guarantee 80% of that. The terms and the interest rates are negotiated between the lender and the applicant.

[00:22:27.33] And we do review it, and those interest rates can be variable or fixed. We just do have a few fewer restrictions on that. Next slide, please. We also have several set asides, grant set-asides. And Chris is going to talk about some of them later. But I did want to highlight a couple of them today in my presentation. So next slide, please.

[00:22:59.72] So we do have our Emergency and Imminent Community Water Assistance Grants or what we call ECWAGs. And we get about \$35 million a year in funding for these. And basically, what this is for is if there's an emergency or an event, such as drought flood, forest fires, it can be the freezes down in the South last year, the program also allows for PFAS and PFOS mediation.

[00:23:31.43] And if the event causes say a water transmission line issue, we can provide up to 150,000 of funding to help repair that and basically get that potable water back. If it's a source

issue, we can actually go up to \$1 million per project. And that could include anything from a source, or intake, or a treatment facility, or say a storage. A lot of times, the storage tank is considered a part of that source.

[00:24:07.19] And again, this is a pretty popular program, and we do try to focus on processing them as quickly as possible. It can actually do the repairs, or fund the immediate repairs, or sometimes we use some of the funds to reimburse a community that, say had to do a meet immediate repair, and then we would come back and reimburse them for that cost. Next slide, please.

[00:24:39.31] Another set-aside program we have is for a Colonia or Colonias, and then also for our Native American federally-recognized tribes. And it's basically to provide low-income communities that face significant health risks with access. A lot of times, these projects have a very-- they're very rural in nature. They have a very high cost per EDU or per resident.

[00:25:05.58] And so these set-aside funds, they can be partnered with other funding. But what it does help is it helps, again, keep those user rates at a reasonable level. And again, they can be used for the same purposes as our other program, the basic drinking water, water and waste disposal, and storm drainage.

[00:25:28.26] And this can be-- it's 100% grant. But again, we do frequently leverage or partner with other funders to complete these improvements. Last fiscal year, we had around \$50 million in funding for these two programs. Next slide, please. Another set aside that we have is our search grant program or special evaluation and assistance for communities and household grants.

[00:26:01.30] If a community is less than 80% of that state non-metropolitan median household income and if they're small, they have to have a population of 2,500 or less. And what these funds can be used for is to help with a planning study. A lot of times with our projects, you need to have a preliminary engineering report and an environmental report, really in order to move forward with a project.

[00:26:25.40] And this can help fund that. And often, these are also partnered with our federal partners to come up with enough money to complete that planning study. And this program is limited to 30,000 per request. Next slide, please. Partnered with that is we have our pre-development planning grant. It has the same criteria on income, but we can assist communities up to 10,000.

[00:26:57.77] And this one also has a cap of 30,000, but it is limited to 75% of the eligible pre-development planning costs. Next slide, please. Our priorities this fiscal year, we do give priority points. If a community is having to recover from the impacts of COVID, particularly, disadvantaged communities, we also are wanting to ensure that all rural residents have equitable access to our programs.

[00:27:31.57] And then also, if there is a climate pollution or increasing resilience as a result of the project, we can also give them priority. Next slide, please. How do you apply? We do have

our RD apply online application. It's a lot like TurboTax. It was launched in 2015, and we've processed over 3,000 requests in this program. Next slide, please.

[00:28:00.21] It is convenient. It allows the community to work with their consulting engineer and others to process the application. It's accessible. And again, it's all online. Next slide, please it's secure. We use a level two eAuthentiacion process to make sure that folks, again, only those folks that need to have access do. Next slide, please.

[00:28:30.25] And again, it allows the applicant to assign roles to various people. I wanted to point out on this from our funding stamp funders or funding partners is there's a viewer option as well. And we've actually had some states where the SRF staff at the state level have obtained their level to two eAuth access.

[00:28:52.98] And when a community is applying to us, they give our other funders access, and then they can access that application information. And the other funder can download that information and then use it as a part of their application. So it's really an efficient way to process an application. Next slide, please.

[00:29:19.32] And again, we just wanted to emphasize, the goal of the program is to work together. The need is great, and it really does take all of our funding partners to help as many residents as we can. Next slide, please. Here's my contact information, our link to our WEP programs. And Chris is going to mention this a little later, but this program is administered through our state offices and our hundreds of field offices located throughout the country. And with that, I'll turn it back over to Rob. Thank you.

[00:29:54.85] Dave, could you just hang for a minute. Two questions came in while you were speaking. I'd like to just knock those out right now rather than wait, if that's OK.

[00:30:04.39] Sure.

[00:30:05.20] OK, great. So first question, as loans are repaid to those with payment funds get put back into the program for additional capital to be used for the program?

[00:30:17.44] Unlike the SRF, our funds come from the treasury. And so our funds actually go back to the US Treasury, and then our program, we get an appropriation every year. One interesting statistic, though, to keep in mind is our grant dollars or tax dollars. However, our loan program currently has what's called a negative subsidy rate.

[00:30:41.89] So in essence, it makes the government just a little bit of money, not a lot. But this fiscal year-- or excuse me, last fiscal year, I believe we did around \$1.2 billion in loans. There was no tax dollars that supported that. Those loan funds, based on the very low delinquency rate and the repayments, paid for itself, and there was no additional text to support that \$1.2 billion in loans.

[00:31:12.85] Great. Thanks. And then just one other question, how do you decide what, quote, "keeping rates at a reasonable level," unquote, means? What is reasonable?

[00:31:27.29] It depends. One of the factors we look at is we do try to compare, if you will, apples to apples. If you have a community that has a groundwater source as compared to communities that are dealing with a surface water treatment plant, typically, their costs are going to be a little bit higher. We also look at the median household income of the community.

[00:31:51.27] And a couple of the materiality standards we use as we look at our percentage of that community or that service area is median household income. We typically will not put grant funds in on our regular program. And last, their monthly residential user rate is above 1 and 1/2 percent of their median household income.

[00:32:17.62] And so those are some of the factors that we try to do to-- and I guess, my former role was as a program director at a state level. And my goal always was, and I think it's pretty consistent, is that if everybody that received our funding, huddled up, and got together, and shared notes, we'd want everybody to go away that feeling like they all got a fair shake. And really, that's our goal, to try to be good stewards of those federal funds and really put them where they make the most difference and where folks really need them.

[00:32:53.87] Great. Dave, thanks very much. Another question came in, but I'm going to hold on that question until the formal Q&A period. I want to move on to the EPA presentations at this point. So Dave, thanks very much. I did want to mention that both slides in recording will be available on the EPA website within a few weeks.

[00:33:16.61] We've had some questions come in about that. So again, just look for that in a couple of weeks. And the question that just came in, just hold, and we'll pick that up in the next Q&A period. So next slide, please. And next slide.

[00:33:36.70] So we're going to go ahead and move on here under our overview of nutrient finance options to EPA financing options. Let me introduce our first speaker, Dallas Shattuck. She's with the Drinking Water State Revolving Fund. So Dallas, I'll turn things over to you.

[00:33:55.85] Great. Thank you, Rob. Hi, everyone. Again, my name is Dallas Shattuck. I work on the Drinking Water SRF Program here at EPA. I'm going to do a quick overview to get us started of the SRF programs, how they're structured, how they function. And then I'm going to do a couple of slides on the Drinking Water SRF specifically, some of our unique program aspects and some ways that our program can be used for nutrient management-related activities. Next slide, please.

[00:34:28.56] So what are the SRFs? They are federal, state partnerships that were designed to create permanent sources of drinking water and wastewater infrastructure financing. They do combine federal and state funds to provide low-cost financing for water systems across the country.

[00:34:49.02] Our program is unique. They are state implemented and operated. So each of the 50 states in Puerto Rico have their own Drinking Water and Clean Water SRF program. So there are 102 SRF programs across the country. EPA provides grant terms and conditions, like

overarching guidance and national program oversight. But the states are implementing these programs.

[00:35:16.69] So they are all unique and have different flexibilities based on the state's needs. They can provide a variety of assistance options, like loans, refinancing, loan guarantees, and there are opportunities for technical assistance also. And the SRFs do have available special financing options in terms and interest rates for disadvantaged communities and underserved communities to help address affordability concerns.

[00:35:48.27] And I'll talk about those in a little more detail here in a couple of slides. Next slide, please. So this is the basic framework of how the SRFs work. So every year, we get money from Congress. It flows to EPA. We're kind of like a pass through. We get the money, we divide it up amongst the 102 programs, and then it goes to the states.

[00:36:12.99] They provide a 20% match on the grants from EPA, and then it goes into their state SRF revolving loan fund. States do have the option to keep some of that money or set it aside, we call them the set-asides, to use for non-infrastructure types of activities, like planning and design, technical assistance, helping with applications, capacity development. There are a lot of types of activities that set-asides can be used for, and I will talk about that also.

[00:36:46.39] So states will decide what they want to do with the set-asides, how much they want to take. And then the remainder of that funding goes into that infrastructure loan fund, which then they use to provide low interest loans and other types of assistance to water systems for their construction projects. So they will complete those projects. And then after construction's completed, they will start repaying those loans and any interest on those, and then those repayments and interest earnings flow back into the fund to then be given out as a loan or assistance to another community for another project.

[00:37:25.15] So that's where that revolving nature comes into play here. I'm not going to really touch on leveraging, except to say that it is an option. Some states have a lot of demand. So they will go to the bond market and leverage their SRF program, and it's just a way for them to be able to get more money so they can provide more assistance to more communities across their state. Next slide, please.

[00:37:51.84] So there are a lot of benefits to using the SRF. We are a low-cost financing option. It changes every year. But typically, the SRF interest rates are half the market interest rate, which means lower interest rate communities are saving thousands, even hundreds of thousands of dollars on that loan. The SRFs also have requirements to provide portions of that-- we call it a capitalization grant, that money from EPA.

[00:38:22.62] It's called additional subsidy. It's grant-like dollars. It's free money to communities for their infrastructure projects. And especially on the Drinking Water side, there is a requirement that some of that additional subsidy has to go to a state-defined disadvantaged community however they define that. So there are opportunities for those grant-like dollars for communities where a loan might be a concern.

[00:38:51.18] The SRFs have extended loan term options. We can do 30 years or for the Drinking Water SRF if the community is defined as a disadvantaged community, under the state's definition, they are eligible for up to 40 years for their loan term, and then repayments begin one year to 18 months for the Drinking Water program after construction's completed.

[00:39:15.96] The SRF is really a great financing option, because we can fund communities of all sizes, very small, small, medium, large communities, different socioeconomic statuses. We have done and can do projects in rural, urban, suburban areas. And again, just to reiterate, communities of all socioeconomic statuses. And I think that's where the technical assistance comes into play. If there's a community that might need more help in applying for the SRF and meeting some of those requirements, technical assistance is available to help those communities.

[00:39:56.94] We can do a wide range of project dollars. Some people think that we either do big projects or only small projects. We can do the gamut of things. On the Drinking Water side, we've had loans for under \$20,000 for planning and design. I think some even under 10,000, and then loans bigger than \$100 million.

[00:40:18.87] So we can do a wide range of loan amounts. Again, availability of technical assistance for communities to help with these SRF projects and getting prepared for SRF assistance, or if an infrastructure project isn't really what they need, they just need something that's more non-infrastructure, like operator certification or doing asset management, the SRF also has those options to provide non-infrastructure assistance. And funding, we do a lot of co-financing with a lot of our federal partners.

[00:40:56.73] We see a lot of projects co-funded with WIFIA, which is another EPA program that's like a large water infrastructure program, they do big projects. Michael is going to talk about the sewer overflow and stormwater grant program. We can do financing, co-financing with that. We do a lot of co-financing with USDA.

[00:41:16.41] And the HUDS community development block grant program and FEMA in addition to co-financing with other state and local entities. Next slide, please. So that was a pretty high level overview of just the SRF structure in general and how they operate. I'm going to do a little bit now specifically focusing on the Drinking Water SRF.

[00:41:45.73] So eligible borrowers, for the Drinking Water SRF are publicly-owned and privately-owned community water systems and non-profit, non-community water systems, like schools and churches, places like that. I will note, there's the asterisk-- if you ever have questions about if your community or your entity is eligible, we're always going to recommend that you reach out to your state Drinking Water SRF or Clean Water SRF contact. Because there are some states who have certain other restrictions, like there are states who don't fund private systems.

[00:42:21.94] So we have web addresses later on in the slides that provide the state contact information for you. Next slide, please. These are the broad categories of project eligibility under the loan fund. So we can do treatment, transmission and distribution, storage, source, consolidation, and creation of new systems in certain cases. And I think most applicable to today would be treatment, source, and consolidation. Next slide, please.

[00:43:02.91] So I mentioned the set-asides a little earlier. So I guess I'll start off and say the first bullet was correct when we made these slides last week. This used to be just a Drinking Water SRF unique feature. But with the passing of the bipartisan infrastructure law a few days ago, it looks like that there will be set-aside opportunities under the Clean Water program also, so there will be more to come on that. It's an exciting opportunity.

[00:43:32.37] So we'll see how that plays out, still only been a few days. So for the Drinking Water set-asides, states have the ability to keep back or set aside up to 31% of that grant from EPA to use for those non infrastructure types of activities. And you can see in the table below that there are four different types of set asides. And so you can see the percentage, like that's how much they can use for specific activity.

[00:44:04.98] So they can take 2% to use of that cap grant to use for technical assistance to small systems, which is 10,000 or less population. So I'm not going to go into a lot of detail on each of these, but they're used for planning and design, helping systems with the application process, environmental review, helping with other requirements of the loan, administering the Drinking Water SRF program, source water protection, capacity development, operator certification, source water protection, wellhead protection.

[00:44:43.19] There are a wide variety of activities eligible under the set-asides. They are optional. States don't have to take any of the set-asides. All states do take some portion, but most of them don't take the full amount. It's really up to them. They do have to balance the use of the set-asides with putting money in their loan fund.

[00:45:06.68] Every dollar that comes out of the set-aside-- that goes to the set-asides is \$1, not in the loan fund that's going to revolve. In general, there are a few exceptions, but the eligibilities of the set-asides are different than the loans. These are really meant to be for non-infrastructure types of activities. Next slide, please. Almost done.

[00:45:28.10] My last two slides are just some specific examples of projects that are nutrient related that could be eligible under the DWSRF. So under the loan fund, it's things like treatment technology, like for your nitrogen, algal blooms. You could build a new treatment facility or expand an existing facility.

[00:45:48.95] So you have the capacity to add new treatment technology, finding a new drinking water source, whether that's drilling a well, or consolidation, or a partnership with a neighboring water system, project, planning, and design, and doing pilot testing for different treatment alternatives. And those have little stars by them, because they are exceptions to the rule that they can be eligible under the loan fund and the set-asides. So that leads me to my last slide.

[00:46:22.82] I'm not going to go through all of these. And these are just a few examples of things. A lot of these are source water protection focused. I do just want to point out a couple that we can do under the set-asides, like special testing, like if you're looking for a new water source, you can test the water. It just can't be routine testing as part of your compliance requirements.

[00:46:46.25] We can pay for legal fees. Source water assessments and protection plans, where this comes into play, a lot of communities can do the prep work with the set-asides and then go to our financing partners, the Clean Water program, USDA, the 3:19 program, to actually implement those source water projects, sealing, abandoned groundwater wells, and other best management practices. Next slide, please. And I'm not going to go over this. This is just a list of where you can find some of our fact sheets and eligibility handbook that relate to source water protection, and harmful algal blooms, and nitrates. So with that, I will turn it over to Alison.

[00:47:35.71] Thank you, Dallas. So I'm Alison Souders. I work for the Clean Water State Revolving Fund at EPA headquarters in Washington DC, counterpart to Dallas and the Drinking Water State Revolving Fund. So I'll just go over some of the basics of the Clean Water SRF and what these programs can be used for nutrient reduction, nutrient pollution reduction activities. So the CWSRF has a variety of eligible entities.

[00:48:09.59] So the Clean Water State Revolving Fund has been around since 1988, and we've provided over \$145.4 billion to water quality improvement projects. The loans have gone out to-- and other types of assistance have gone out to municipalities and our municipal interstate or state agencies. Clean Water SRF programs, again, are administered and managed separately in each state, like Dallas mentioned.

[00:48:35.78] Sometimes, it results in different eligible assistance recipients or projects depending on the state. And like I noted here, for instance, some states do not fund private systems, individuals, or non-profits. It's also the case for project categories. There are 12 statutory eligible project categories that are part of the Clean Water State Revolving Fund.

[00:48:56.08] The funds are mostly known for financing centralized wastewater treatment. Repairs and upgrades, though, since exception, non-point source pollution reduction has been eligible, including items listed in the state's 319 non-point source management plan and the other project categories listed here. Last for this slide, CWSRF staff assistants can't be provided for operation and maintenance or routine ambient water quality monitoring.

[00:49:28.08] Again, the list of eligible entities and project categories is different for each state. So we have a full listing in the resources at the end, and you can contact your state for more specifics. Next slide, please. So I'll focus a little bit on what type of projects states have used for nutrient reduction. Eligible projects include new nutrient removal processes at POTWs, so centralized wastewater treatment.

[00:49:57.99] But we can also-- CWSRFs can also finance stormwater conveyance and treatment systems, green infrastructure, development of watershed-based plans, agricultural best management practices, and more. However, there are several obstacles that states have faced in financing these non-point source and nutrient pollution reduction projects. Probably, the biggest obstacle we see for a lot of borrowers is that the requirement that SRF borrowers identify a dedicated repayment source, which does not need to come from the project itself before the loan is approved.

[00:50:39.33] So finding a source of repayment for nutrient pollution reduction projects is often challenging, because they don't necessarily produce revenue, like treatment plants, you can use their user rates to repay our loans. So next slide goes over some of the options that states have employed to finance nutrient reduction. So they have considerable flexibility in setting the conditions for loan assistance.

[00:51:07.80] Like Dallas mentioned, for instance, we can offer tailored loan conditions, some states offer extended term financing above 30 years. Many state programs work with borrowers to structure payments. CWSRF interest rates and more attractive rates can be electively targeted. Dallas mentioned our loan forgiveness options called additional subsidy.

[00:51:32.34] A certain percentage of our annual funds go out in the form of loan forgiveness, negative interest rates, and grants, effectively creating a grant-like piece of the loan. To date, since 1988, approximately \$5.5 billion has been disbursed as additional subsidization. There are flexible repayment options.

[00:51:58.53] As I mentioned, you have to identify a repayment source when you're coming in for a loan, which can be challenging. But it doesn't need to be the project itself. So we've seen borrowers come in and pledge water quality, and carbon credits, and offsets, stormwater district fees, farming revenues, and other forms of repayment.

[00:52:19.77] And the repayment does not start until one year after project completion, which is often attractive. And innovative financing mechanisms, each state, again, has their own requirements for the program. So if there are obstacles, a lot of states get around these with innovative financing mechanisms, like sponsorship lending and link deposits that work with other organizations or structure the financing to work specifically for these non-profits or other groups coming in for these types of projects.

[00:52:54.49] And in the big box here, part of the partnerships that we're talking about today, most CWSRF funds that are loaned out and repaid, AKA recycled funds in the state, can be used as a state match for federal grants and more. So we have some examples coming up actually on the next slide, where it wasn't actually grant match, but the CWSRF was co-financed with a \$1.6 million rural development grant from the USDA in Indiana.

[00:53:31.53] In this town in Romney, 75% of the homes were discharging sewage to local dishes and streams due to failing septic systems. So to address this affordability concerns, the state decided to issue their \$2 million CWSRF loan as forgivable to help the community out. Next slide is just another example in New Hampshire.

[00:54:00.31] This was a centralized wastewater treatment project that upgraded the plant to be able to meet new nitrogen effluent limits to improve water quality in the Great Bay watersheds. They received-- a ton of new market receives significant cost savings by financing through the SRF and the USDA rural development. So as you can see here, \$1.7 million of the CWSRF loan was forgivable co-funded with the grant.

[00:54:33.96] So that has really helped the communities to be able to repay their loans. Next slide. One of the last examples. So this is an actual-- this is an individual project. But our Minnesota CWSRF program has an Ag BMP loan program that provides financing to individual farmers through local governments to implement the local environmental plan, provides low interest loans through local governments and financial institutions that provides familiarity for the farmers who might not know who the SRF is for that state.

[00:55:15.41] So they partner with the local governments to get the loans to farmers and get repayment and structure the loans. So the program has received more than 60 million from the SRF since 1995. And over 3,000 projects have been completed, totaling 43 million loans.

[00:55:37.39] So this slide really just shows how effective that program has been, and there are other states that have similar programs that utilize the innovative financing mechanisms of the CWSRF to be able to reach a broader audience. And the next slide. This is an example of the CWSRF and the WSRF coming together to finance a source water protection project in Washington.

[00:56:09.52] As Dallas mentioned, DWSRF has the set-asides that can provide grants for source water protection. So Skagit, public utility district in Washington received a WSRF grant to do the property value appraisal to bring that information to local governments to then go in for a CWSRF loan to purchase the land of which 50% of that loan is forgivable, helping to alleviate some of the burden from the community.

[00:56:40.75] And then the last-- oops, last slide that I have here is just our resources slide, like Dallas provided. If anyone has any questions or you forget what exactly you're looking for, we have a CWSRF at epa.gov email. We're happy to answer any questions. So I think next up is my coworker Michael Goralczyk, who is working on our sewer overflow grant program. Thank you.

[00:57:10.97] Oh, and this is really important, actually, sorry. These are the two links to the links to each state website. So if you have specific questions about your state, I would go to that website and contact someone there. Or if you have more general questions, we're available, of course. Thank you.

[00:57:32.73] OK, thank you, Alison. Hello, everyone. My name is Michael Goralczyk, and I also work in the Clean Water State Revolving Fund. But also, I'm helping out on a new grant program that the agency has received. So starting last year, we have a new grant program called the Sewer Overflow and Stormwater Reuse Municipal Grant Program.

[00:57:53.82] And this program is very similar in all its requirements and eligibilities to the Clean Water SRF, except it's a specific grant program for stormwater and overflow projects. So the projects go out as grants and not loans, which can be very helpful to a lot of disadvantaged communities or communities in need. Next slide, please.

[00:58:21.57] So what does this grant do? So similar to the SRF, every state and DC-- the states and the US territories in DC will get an allocation of annual appropriation to use that money for

these projects. So it's a state-run program, and states get to choose which municipalities they would like these projects to go to.

[00:58:48.05] And this work can be done on combined sewer overflows projects, sanitary sewer overflows, or stormwater projects, and including subsurface drainage work. So this is specifically for wet weather events items that are most likely generated by overflows, which as we know, nutrients is something that's carried through rain events and overflows. So this project or these programs can be very specific in helping out nutrient development and management.

[00:59:23.43] Now, in order to receive these funds, the community that the state chooses should be considered a disadvantaged community. They have a long-term CSO plan in place. They have an eligible project on their SRF IUP, their Clean Water IUP, or Intended Use Plan. Or if you're in Alaska, you can be an Alaska Native Village.

[00:59:47.51] So there are some designated community types that these projects are designed for. And like many grant programs, this program has a 20% cost share requirement, meaning for the state to receive these funds, they have to put up 20% towards a project costs that go out, and 20% of each state's allocation for this grant has to go to green project reserve projects.

[01:00:14.00] So that's either green infrastructure, water, or energy efficiency projects, or innovative use work. Next slide, please. Now, in the context for nutrient management, these projects can really help out in two ways, and that's gray infrastructure projects and green infrastructure projects.

[01:00:36.40] So now, we'll go over some of the traditional gray infrastructure projects that these funds can assist in going to. So these projects are available for but not limited to sediment control and elements that can really help out blocking nutrients from getting into the waterways or systems that they're not designed to. And this can be very helpful in rural communities or disadvantaged communities that have a lot of runoff and a lot of nutrient exposure and runoff.

[01:01:09.56] So it can be a big advantage for supporting areas. Next slide, please. And then green infrastructure. So here, we have a higher element of projects that can really help nutrient loading and control. And if you remember from before, 20% of the projects of a state's grant has to go to green reserve projects, which can include projects such as green infrastructure.

[01:01:43.37] And we have a whole slew of different projects that are considered green infrastructure. So some of such can be wetland, riparian and shoreline creation or restoration, which can help block nutrient runoff into waterways. So a very popular mechanism for controlling that.

[01:02:03.24] And then here, you can see, there's a whole other list of some possible green infrastructure items that can also be used. Next slide, please. Now, co-funding. So this is a webinar for how co-funding in these projects can work together. So OSG funds can work really well with other programs.

[01:02:27.74] Since this is a grant program, this can help the affordability on other funding sources. So for example, if a community has CWSRF loan, they could potentially pair an OSG grant along with that loan on the same project which can assist in the affordability since that was grant dollars can drive down the full price of the project.

[01:02:56.60] And OSG funds are designed well to be co-funded with other projects. Other projects funding could come from rural development or many other financing programs. So definitely advantage for adding on potentially an OSG grant to an existing project and supporting that affordability.

[01:03:19.19] Now, for interested communities who would like to get an OSG grant, they would have to go to their state who has taken a grant, because it's essentially the state's discretion on which projects get funded. And then as of right now, we have a handful of states that have taken their grant and are in application to take their OSG grant from EPA.

[01:03:42.00] And we anticipate this year more and more grants will be given to states, and states will be able to issue these funds to the projects that they're choosing. So if you're interested in learning more about OSG funds, the best place to contact is your state's main water financing source, which may or may not be their SRF programs. But that would be the first place to start.

[01:04:07.53] For any other questions, you can contact the OSG contact site. And if you go to next slide, please. That should be the contact info. So that's all we have now in this new grant program. We're excited to get rolling and get more projects out there and supporting nutrient management. Thank you.

[01:04:29.02] Great, Michael. Thanks very much. We've had a good list of questions come in during the presentations. Here's what I'd like to do is take our break, our 10-minute break right now, and then we'll have Dave, Dallas, Alison, and Michael come back. We'll run through the questions, and then we'll move on to the presentation by Terry. So we'll take a 10-minute break right now.

[01:04:57.49] So it's 1:07 Eastern. So if everyone can be back and ready to go at 1:17 Eastern, again, we'll go ahead and do 10 or 15 minutes of Q&A, and then move into the next presentation. All right, so take our break, see you in just a few minutes. Thank you.

[01:05:21.99] Great. Welcome back, everybody. And we'll just give it just a few more seconds before we get started. Michael, welcome back. Let's go to get started with the Q&A. Here's what I'm going to do is run Q&A for 10 minutes.

[01:05:52.59] I'd ask everyone to keep your answers succinct. There's 10 questions queued up. I don't think we can get through all 10 in 10 minutes, but I want to make sure we also keep moving into our next presentation. We do have a fair amount of time at the end. So I will double back around to questions that we don't get to during this first session.

[01:06:15.28] So again, those of you that have asked questions, just hold tight through the next presentations, and we'll double back around in these questions. So first question that I have is,

SRF pairing with other federal programs, can that alleviate any local match requirements within the other programs entirely?

[01:06:41.28] So my understanding here is the question is can funding from one federal program be used to match for another federal program, if I'm reading it correctly? But I'll read this one more time. SRF pairing with other federal programs, can that alleviate any local match requirements within the other programs entirely?

[01:07:07.74] Michael, if you're OK, I can just go ahead and take this one. So for the SRF, the 20% state match requirement cannot come from another federal funding source. And I see that question also below. So the Clean Water SRF can't provide the match for Drinking Water in USDA, also would it be a viable match for that 20% state match. I don't know if there's anything else, Michael, you want to add.

[01:07:40.50] No, just echo that. Yeah, most federal grant programs operate in that same way that in order to accept the federal grant, the government wants some buy-in from the local community. So matching a federal grant with a federal grant wouldn't mix well in that category. So in most cases, that's not possible.

[01:08:02.01] So I want to sidenote, SRF repayment money can be used to match another federal grant as long as the other federal program allows it. I'll put a fact sheet that we have an example of that in the chat. It was a USDA grant in Florida.

[01:08:21.27] Yeah, and I think that's something I want to add as far as-- because again, those EPAC monies, the grant monies, our loan program often can be used for match but not for a capitalization grant. As a part of a project, often, our loan funds can be used. And then our grant limitations could be-- if there are other funding, like our 45% and 75% max, those other funds could come from other federal funds in our program. So I do think there's a difference between the capitalization grants as opposed to funding a specific project.

[01:09:11.31] Great. Thanks to you all. And Alison, thanks for sending that reference in the chat. OK, let's get-- we'll try to get a few more questions here. So the next one is the longer question that came in. Maybe David, you can start. But I'll read it out.

[01:09:33.75] Based on the applicants listed, this was the applicants listed during your presentation, David, these wet funds are not directly available to households on individual wells or septic. That will not be part of a utility. Is that correct? Regarding the SRF, do any states make available funds directly to low income households for individual on-site well or septic non-utility when septic fails or wells have quantity or quality problems. I saw that it appears that those entities would not be an eligible applicant based on the slide provided. So David, why don't you go first, and then we'll jump over to the EPA folks.

[01:10:12.84] OK. Yes, that is correct. We can occasionally, on a case by case basis, use some of our regular funds to put in service lines in special circumstances. But we also have, through our housing program, one of the legs of the stool. We do have a 504 housing program that's available to very low income homeowners that can be used to address those needs, plus we also have, and

Chris is going to mention this later, we do have a set-aside program that is our rural decentralized water system grants, which are grants that we make to a qualified non-profit, and then that nonprofit can make some of those individual loans.

[01:11:00.92] Great, David. Thanks. And then regarding SRF?

[01:11:05.52] I can--

[01:11:06.54] OK, Alison.

[01:11:07.11] I can start.

[01:11:08.01] Go ahead.

[01:11:09.00] And then Dallas can go for DWSRF. So on CWSRF side, it's kind of the same. So maybe the slide was a little bit confusing. Individuals are eligible, and septic replacement and repair is also eligible. There's only one state though that does actually lend directly to individuals for septics, and that's Delaware.

[01:11:33.30] A lot of times, it's a capacity issue, because each loan is still a loan in the same amount of upfront work, depending on if it's an individual for a few thousand or much larger. So how the states have kind of worked to make it a little easier to reach individuals for septics is to create programs where they work through a non-profit or like the housing agency in the state and loan out money to them that they then give out to the community. So for septics, you would look at state websites, specifically, to see which each one is doing with that.

[01:12:11.63] And for Drinking Water, pretty much the same. For the loan fund, a homeowner would not be eligible for a. Loan we do see water systems get loans so they can extend service to communities on private wells. If they realize their private wells are contaminated, there's also some opportunities for outreach and education on private wells for private well owners.

[01:12:41.91] If there's a tie-in to the drinking water systems, learning proper testing and maintenance and operation for the private well could reduce contamination for the drinking water source for the public water system. So if there's that tie-in, there's some opportunities for education under the set-asides. And also, strangely, talking about septics, on the drinking water side, under the set-asides, there is the possibility of being able to use some of the set-asides to abandon failing septic systems as long as if they're posing a risk to a drinking water source. So if there's a drinking water tie-in, there is the possibility for abandoning failing septic systems under the set-asides.

[01:13:33.65] Great, Alison, thanks. I'm going to try to take at least one more question here. So the question, can you use DWSRF or phosphorus wastewater treatment? So Dallas, I'll put that to you.

[01:13:52.10] Yeah, I'm going to assume that means installing treatment at the wastewater plant. So I would say no. But I could throw it to Alison and Michael. That sounds perfect for the Clean Water SRF program.

[01:14:09.91] It was phosphorus reduction?

[01:14:12.67] Wastewater treatment.

[01:14:14.47] Phosphorus wastewater treatment, yeah.

[01:14:16.37] Um-hmm. We do-- I mean, yeah, that happens in a lot of states, they do upgrades. I believe the New Hampshire project that I did was upgrading to be able to reduce nitrogen. But you could do the same sort of upgrades for phosphorus as centralized wastewater treatments with the CW.

[01:14:37.52] Great, thank you. All right, let's take one more question. So this one is about green infrastructure. Can Dallas or Alice comment on funding green infrastructure as part of a gray infrastructure project?

[01:14:55.40] Yeah, I can go first, because my answer is probably going to be shorter. Green infrastructure under the Drinking Water SRF is a little more limited. It has to be done by the public water system at their facility. So if that's part of a larger gray infrastructure project, that's good.

[01:15:18.51] If it's just green infrastructure improvements, like at their water treatment plant, those would also be eligible. But under the Drinking Water SRF, the projects do have to be ranked, and they're scored, and they're funded in priority order. So if it's just for green infrastructure improvements, it might not score high as-- it might not score high enough for funding right off the bat if there are projects that are addressing like contamination, and consolidation, and public health issues. Those would have to be funded first.

[01:15:54.52] Great, thanks. Alison, go ahead. On the Clean Water side, we see a lot more of kind of trying to blend the projects together. Some states have what they call sponsorship lending, where a treatment plant will take on a loan, and the SRF program will kind of work with them to adjust the interest rate so that they can tack on.

[01:16:15.91] It's usually-- in the states, we see it source water protection or land conservation projects that since they reduce the interest for the larger centralized wastewater treatment, the delta of that they would have paid in the interest then goes to a non-profit or a local watershed group that does a non-point source or nutrient reduction project that wouldn't normally have the repayment stream to be able to pay back. It differs state by state, because some states or treatment plants have restrictions where the money can be spent based on their charters.

[01:16:52.90] So sponsorship lending, some treatment plants will do some of it on site, and we're also kind of looking at how treatment plants can work with upstream communities to maybe do BMPs there to affect the treatment at the plant. So I'm going to put another document in the chat

that has a lot of the different innovative financing mechanisms that states have used to kind of combine the projects or get a GI project to happen as the result of kind of innovative financing with a treatment plan project. So I'm happy to talk about that if anyone has questions, or I'll put my email too.

[01:17:37.68] Great. Alison, thanks. So David, Michael, Dallas, Alison, thanks very much. Don't go away, please. There are other questions to be answered. But I'd like to move on to the next presentation first, and then, again, we have another 15-minute Q&A period. I'll likely double back around. So thanks very much.

[01:18:01.27] Let's go ahead and move on to our next presentation. This is leveraging resources for financing nutrient removal. How does that work? Our presenter is Terry Fearins, USDA Delaware and Maryland community programs director. So Terry, I know you're going to say off video, but it looks like you're unmute. I'll turn things over to you.

[01:18:29.93] Great. Thank you, Rob. Next slide. And next slide. So as Rob mentioned, I'm Terry Fearins, and I'm working with Delaware and Maryland at our state office as the community program director. And with that, we provide our water and environmental program financing and funding for both states, as well as community facilities.

[01:18:57.92] And so when I was asked to pull together a potential project for discussion with regards to financing nutrient removal, specifically leveraging resources, one of the projects that immediately came to mind was our Greensboro Regional Wastewater Treatment Plant. So to start with that project is really to get a sense of what is it meant by one of our primary resources in the state of Maryland and touching into Delaware as our Chesapeake Bay.

[01:19:25.79] And early on, there was the Chesapeake Bay tributary strategies that was developed to support seven watershed jurisdictions in Delaware, Maryland, Pennsylvania, and New York, Virginia, West Virginia, and DC. And with the strategy, they outlined a river basin specific implementation activities to reduce nutrient and sediment pollutant loads from point and non-point sources, sufficient to achieve what was set at that time 2003 nitrogen, phosphorus, and sediment cap loads. With that, one of the strategies that the state of Maryland took on was to target its large wastewater treatment plants.

[01:20:05.27] They were focusing on facilities that were operating at a design capacity of 500,000 and above. Since then, they moved into targeting minor flow systems. And that brings us to our next project. Next slide, please. The Greensboro Regional Wastewater Treatment System came about to support not only Greensboro but at least one other communities, and hopefully additional communities in Caroline County, Maryland.

[01:20:38.53] And as you can see from the map that's shown there, Caroline County is right on the edge of Delaware, and it is not directly accessible by to the Bay itself. But the Choptank River, which is a tributary to the Bay does run through the town of Greensboro and is adjacent to their existing wastewater treatment plant. Next slide.

[01:21:07.89] So the Greensboro regional wastewater treatment system came about as a result of a multi-year study and planning efforts. It's owned and operated by the town of Greensboro. It's designed to serve presently Greensboro and the town of Goldsboro, and it is proposed to serve Henderson and Marydel.

[01:21:29.66] And when you look at the plaque that's provided here, it does show you sort of the connectivity between the location of where the town of Greensboro is and then where the community of Goldsboro is. And Goldsboro is small. Their population is about 246 based on 2010 census. Greensboro has just under 2,000 at that point in time.

[01:21:53.40] And it's just about maybe three to four miles between the two areas and being able to provide collection and conveyance to support the town of Goldsboro. Next, please. The project itself originated around in about 1975. The town of Goldsboro had 24 failing septic systems, and they were identified by the state of Maryland as a priority that they wanted to have the septic systems remediated, looking at a centralized system.

[01:22:33.14] Because the lots are very narrow, and it impacted both growth and expansion of the individual property owners and their capacity to maintain those septic systems. The town of Henderson, Marydel and Templeville also had experience, but not to the extent of Goldsboro, a level of either marginal or failing septic systems. And this brought about the North County Water and Sewer Service District.

[01:22:58.91] And through a series of reporting that they looked at, this included a standalone system which would just serve the four communities and part of the county. And they also looked at individual systems on a much smaller scale specific to the individual communities. And it wasn't until about 2010, the town of Greensboro came into the discussion.

[01:23:26.48] It was a larger facility, they had a larger user base in which to add to a more financially feasible mechanism to address the failing septic systems that existed in this four smaller communities. Templeville has a population of 138, Marydel, 141, and Henderson is 146. So all about the same size, and their median household income ranged anywhere from 52% to 70% based on the state NHI.

[01:23:57.02] So this was a lower income area. And as David mentioned in his presentation, this would be representative of rural communities. Next slide. So as the project progressed, the Maryland Department of environment, through restrictions of funding with their SRF program, limited the total number of \$1.5 million that they could put into a project.

[01:24:26.97] So due to funding constraints, the scope of the project was pulled back to no longer at this point include Henderson, Marydel, and Templeville but focus on the town of Greensboro and the town of Goldsboro, because Goldsboro was under a consent order. And this picture here represents Hurricane Irene in August of 2011, where the Greensboro wastewater treatment plant became flooded.

[01:24:53.73] So this then escalated the need for the town itself to look at what are the alternatives for addressing their wastewater flow than just looking at becoming a regional facility

using their existing plant. Next slide, please. So the town went and purchased a 20-acre parcel of land. The red area shows where their plant is, and then the yellow area would show where the new wastewater treatment plant would be located at across the highway and down a bit.

[01:25:30.78] Still off of the Choptank River, so it would maintain the same point source discharge for the project. But the property was above the 500-year flood elevation. Next slide. So the Greensboro Regional Wastewater Treatment System currently serves, as mentioned, the town of Greensboro and Goldsboro and consists of a collection system with pumping station force mains and treatment at the Greensboro Wastewater Treatment Plant.

[01:25:59.44] The Greensboro flow is now served at an enhanced nutrient removal level for their effluent meeting the tributary strategies established by the state and with a design capacity of 332,000 gallons per day. The plant itself was constructed in 2016, and it's just located North side of the town. A new pumping station as part of this project was constructed at the former wastewater treatment plant site and a new force mains, which allowed the collection and then conveyance of the existing system that's serving presently the town of Greensboro.

[01:26:38.23] Then a new collection system pumping station force main were constructed to serve the town of Goldsboro to convey the flow to the Greensboro Wastewater Treatment Plant. Next slide, please. So looking at how we leveraged funding and what took place with the scope of the project, USDA provided funding for engineering, legal, the wastewater treatment plant, the Greensboro Pumping Station, Greensboro Force Main, and also the collection system in the public areas for Goldsboro, which include the pumping station and the individual grinder pumps.

[01:27:14.03] We supported being able to make the individual connections in the private properties, as well as relocation of wells that had to be removed outside of the individual septic system or the sewage connections. That in-lot Goldsboro improvements was also funded with Maryland Department of Environment, MDE through two programs, one, their SRF, and then also using funds from their Bay restoration supported the wastewater treatment plant, and then also the Goldsboro Force Main.

[01:27:48.23] Community development block grant was funded over a series of years that came in to help support the acquisition of the land, also provided engineering and legal fees, as well as the pumping station and the public spaces of putting together a collection system in the town of Goldsboro. Next slide. Total project cost for this entire project that was just laid out was just about \$19 million.

[01:28:17.08] And through Maryland Department of Environment, they have the Bay-- they used to refer to it as the Biological Nutrient Removal Program, which is BNR. And then they also-- it was the Enhanced Nutrient Removal funds, which was ENR. And each one had a percentage of what they could fund with regards to upgrade of a wastewater treatment plant depending on whether the design components were specific to BNR levels and what was specific to ENR levels.

[01:28:51.40] Since then, they've moved away from having a biological nutrient removal funding program and focus now on their Bay Restoration Fund, which is bringing wastewater treatment

plants to enhance nutrient removal. They also had the state revolving loan fund through a loan forgiveness program, which brought in \$1.5 million USDA. Our loan portion was 4.3, grant 2.7.

[01:29:17.98] And community development block grant brought in \$2.2 million. Now, their funding level cap is 800,000. So it did take at least three years to accumulate that level of funding. But early on into the discussion that we had with USDA at the table, with the County at the table, with the individual communities at the table, and MDE, and CDBG staffing, MDE was the lead, and they helped to map out a financing program to help develop how is this going to be funded, when it would be funded, and kept everybody moving towards full funding for the project so that it could progress. Next project. Excuse me, next slide.

[01:30:07.16] So there were five contracts for this project. First one was the wastewater treatment plant, then the Greensboro Pumping Station, the Goldsboro Force Main, the Goldsboro improvements that were in the public spaces, which included a pumping station, and then the Goldsboro lot improvements through their grinder pumps. And we just wrapped up the final project closeout for RWS-5. Next slide.

[01:30:37.14] And with this project, I pulled this in, because I did want to mention, there was an archaeological issue. When you look at the waterways in Maryland and also into Delaware, concerns about artifacts are prominent in evaluation by State Historic Preservation Office. So as part of the environmental reviewing process, this was identified that there was land that was within close enough proximity to design of the wastewater treatment plant that there were concerns that there would be an adverse finding.

[01:31:07.71] So the engineer and the town, which is a primary-- the town of Greensboro made the decision to go ahead and move the layout of the project to avoid any areas that could potentially end up with a finding or a significant impact specific to impacting historic preservation through archaeological findings. Next slide. The next step after this project was recently, we just started receiving the preliminary engineering report and environmental reporting for a search grant that we funded in 2016 to take the project now to serve Goldsboro, Henderson, and Templeville.

[01:31:54.24] Both are in their final stages and would include increasing the cost to-- or not costs but to expand the plant up to 432,000 gallons. One of the things I did want to mention, though, which I found was interesting, because I was the specialists that worked on this project. I came to the USDA about 2010. So I was in it more as it was going through underwriting, not necessarily the history up to that point.

[01:32:26.37] But when I listened to our previous program director reference about 15 years in the making, it was 15 years in the making, but the construction to connect the force main from the wastewater treatment plant to the town of Goldsboro was done in a month. So I thought that was kind of interesting that all of that, and it was done-- it was a directional drilling process. I thought that was a significant accomplishment to support the timeliness of the project. Next, please.

[01:32:59.32] I've indicated my contact information if you want to reach out to me anything about this project or if you have interest in projects in Delaware, Maryland. And then I'll quickly go through the next series of slides. So next, I did identify some of our potential funding partners. Next slide.

[01:33:20.09] Most of you may already be aware that the American Rescue Plan funding is out there. We use it as an initial discussion with our potential applicants on are they able to bring some of those resources into their funding for infrastructure. Next slide. Water and sewer is eligible for use along with broadband infrastructure. Next slide.

[01:33:43.30] And I pulled out this just shows the amount of dollars that are put in to the state of Maryland, both from a county and municipality. Some of these are really good numbers if they are not already identified for specific COVID-related or broadband initiatives, which is a high priority for the state in a lot of these jurisdictions. But it does give resources to help support infrastructure needs for water and sewer. Next slide.

[01:34:07.53] Maryland Department of Environment, you heard a lot of discussion earlier from the SRF and the EPA team. And so this is information for the water quality financing administration. Next slide. Maryland, I'm not sure if it's unique, but the Bay Restoration Fund, as a Maryland resident, I pay \$60 a year, collected \$15 a quarter. That goes to build this fund.

[01:34:32.04] And with this fund, our grant monies that are big are then given back to the minor flow systems to help upgrade their wastewater treatment plants and address effluent issues. Next slide. This is their targeted minor wastewater treatment plant program for Maryland. And we use it as outreach to these jurisdictions to help support the financing as they are looking to upgrade their wastewater treatment plants as part of this tributary strategy. Next slide.

[01:35:05.44] For more information, this just gives you the state of Maryland, Jeff Fretwell. Next slide. And one of my favorite programs, love to spend community development block grant monies. They can bring in resources that are from a larger grant, as was mentioned earlier. USDA is not-- we're a lender. Primarily, we do have grants that support.

[01:35:27.70] But being able to bring in other resources to help keep a project financially feasible and as was questioned about rates being reasonable, these are all really good resources. Next one. Next slide, please, sorry. This just gave an information on who's eligible to apply. Their public bodies are the only ones that can apply for small cities community development block grant.

[01:35:49.41] If you're an entitlement county, you're not-- or an entitlement jurisdiction, you wouldn't use small cities. But a county can apply, or a public body can apply for funds. Next slide. And who would not be eligible, I just mentioned about those that are already entitled. But in our state, they give us a list of who meet.

[01:36:15.99] There's a national objective requirement for use of community development block grant. So if a jurisdiction in which the utility is sole source, sole use not going out and outside

that incorporated limits. And if their median household income is above 51%, then they're are eligible for community development block grant funds.

[01:36:36.57] And so that's another tool that we bring with us to have conversations, to make sure that they are aware of that as a resource. Next slide. This just gives the state of Maryland-- they have about \$6.5 million to spend for community developed block grant programs for Maryland. For USDA, I have about \$3 million. All right, next slide. And that's Cindy Stone's contact information. And that wraps me up. Rob?

[01:37:09.80] Great. Terry, thanks very much. Greatly appreciated. Here's what I'd like to do is move on to our final set of presentations, and then we'll have about 20 minutes, hoping at least 20 minutes, maybe 25 minutes to do wrap up Q&A. I've got eight questions that I'm tracking that are in the queue, and we'll look to get to all of those.

[01:37:38.84] So Terry, thanks very much. If you're able to stick around, that'd be terrifically helpful. And I'm going to turn things over and move to our final discussions today or presentations today. We're starting with Chris Adamchack from USDA. Who can help is the title of this. So Chris, I'll turn things over to you.

[01:38:08.28] Thank you, Rob. Good afternoon or good morning dependent upon where you are. And thank you for taking the time today to attend today's event. Rob, can you bring up the first slide in my presentation? Perfect. My name is Chris Adamchack, community program specialist in USDA's Water and Environmental Programs Portfolio Management Branch in the National Office.

[01:38:34.26] Today, I'm going to briefly review the available resources water development has to offer. Now, the links that I'm going to be expanding further upon today and some of the resources I'm going to be expanding on a little bit further today are all going to be available through the resources document that will be provided through this forum. Next slide, please.

[01:38:59.05] They discussed some already these numbers, already WEP numbers earlier in the forum, but I want to highlight these again to show the reach of our direct program over the years or at least from fiscal years 2012 to 2020. Now, note the projects on this map are only projects financed with the direct-- with WEPs, direct loan and grant program.

[01:39:22.35] And if you added the projects from the smaller specialized programs that WEP offers, in addition to the technical assistance grant programs that WEP administers each year, the reach of where we touch throughout the country and territories is even greater than this. And again, these are all communities that were servicing or providing services to with populations of 10,000 or less. And in a number of occasions, the communities are much smaller than 10,000 populations.

[01:39:54.87] So we're really touching and assisting the smallest communities out there in our country. Our program receives, every year, a little bit about 2,000-- excuse me, \$2 billion in appropriations for all of our WEP programs. And as Dave mentioned earlier, our direct portfolio has over \$13 billion in active-- existing inactive loans.

[01:40:21.93] Our programs are all very active throughout the country, as you can see by the map. And this will segue into the next slide, which where I'll talk about how to get further information on the programs and then how to contact us. Next slide, please.

[01:40:39.99] I wonder if now I want to further expand on the wings Dave had up earlier. The first link is to the main water and environmental programs web page and contains links to all the WEP programs discussed by Dave and Terry in addition to other programs WEP has to offer. Now, I'm also going to-- I'm going to quickly expand on two technical assistance programs that are directly offered through WEP.

[01:41:09.24] The first is the Technical Assistance and Training Grant Program, otherwise known as TAT. And this program helps qualify private nonprofits, provide technical assistance and training to identify and evaluate solutions to water and waste problems. In addition, they can assist communities in preparing applications for water, and waste disposal loan grants.

[01:41:38.10] Additionally, they could help associations improve the operation and maintenance for water and waste facilities and eligible rural areas. And if you haven't heard from any of us in our previous presentations, eligible rural communities for our programs are communities with a population of 10,000 or less. Eligible applicants for the TAT program are nonprofits that have the proven ability, background, experience, and capacity to provide technical assistance or training on a national, regional, and state basis.

[01:42:11.60] For the TAT program, we are currently in the open application period. So if you're interested in this program, I encourage you to click on the technical assistance and training grant link on the web page. And through this link, you can find contact information for the program manager. His name is Lori Davis.

[01:42:33.02] You could also provide-- you could also find the application guide which further discusses the program, what's eligible, what's not eligible, and what not. You could also find the links to our direct to the regulations for the program, and also a link to the funding opportunity announcement for this program. The second technical assistance program that I want to touch on is the solid waste management grant program.

[01:42:59.60] And this program, we do aims to reduce or eliminate pollution of water resources by providing funding to organizations that provide technical assistance or training to improve the planning and management of solid waste sites. Eligible applicants for this include public bodies, non-profits, federally recognized tribes, and universities. Like the TAT program, the solid waste management grant program is currently in the open application period, and the application period closes on 12/31.

[01:43:35.84] And further information on this specific program can again be found via the WEP home page. And through this, again, you could provide-- find further information through an application guide, what's eligible and what's not eligible, the grant manager, which happens to be me, Chris Adamchak, links to the funding opportunity announcement, you can also find the funding opportunity announcements for the solid waste management program and the TAT program through grants.gov and additional information on this program.

[01:44:14.00] The second link is to our state offices. As Dave mentioned earlier, we have 47 state offices throughout the United States, and US territories, and hundreds of field offices throughout rural America. If you go on to your respective state's website, you can find information on the state office staff and the local office which services your respective area.

[01:44:38.59] And please note, if you're looking for-- if you're looking to contact the state office and don't see Water and Environmental Programs or WEP on the state's web page under contact information, this just means the programs are administered through the community facilities staff, and that's who you'll want to contact for further information on WEP programs in the respective state. Now, our local offices service anywhere from a handful of counties to over 10 counties depending upon the local office. In an overwhelming majority of the states, WEP programs are administered through the local office.

[01:45:17.57] So contacting your local office would be the best first point of contact if you need further information on the WEP programs. Additionally, since we did have a question on this earlier in the chat, I did want to mention programs we have, which could potentially assist with individual homeowners water and sewer needs. First is the decentralized water system program.

[01:45:42.30] This is a grant program where non-profits or tribes apply directly to WEP for grant funding to create a revolving loan fund, and these funds are loaned out to individual homeowners to increase access to clean and reliable water or septic system needs for households in eligible rural areas. For further information on entities operating this program in your respective state, please reach out to the WEP staff, state office staff in your respective state. We also have a program that's administered through our single family housing program division.

[01:46:24.33] This program is called the 504 loan and grant program. And this could potentially assist with water and sewer needs for individuals in rural areas. And I know the single family housing is different from-- is a different division from the WEP division, but individual homeowners who apply in this program are still need to be in communities with populations of 10,000 or less.

[01:46:51.06] Now, for this specific program, the 504 loan and grant program, you'll want to reach out to your local office, which covers your county, for further assistance or further information on the 504 program. Next slide, please. And then I'm going to wrap up-- and finally, I'm going to wrap up with additional resources outside of rural development from technical assistance providers.

[01:47:17.03] And these include the National Rural Water Association and the rural community assistance partnership. First, the National Rural Water Association operates a circuit rider program. Circuit riders provide hands-on water system assistance, and these are provided by circuit riders who are experienced water system specialists. While the circuit rider program is funded through WEP, a community or organization doesn't need to be an-- or excuse me, a WEP borrower to receive assistance.

[01:47:52.39] If a community or organization is eligible to receive a web loan or grant, then they're eligible to receive-- the entire water system is eligible to receive assistance through the

circuit rider program. If you'd like to if you'd like to receive further information on the water system services that are provided or find your local contact for the circuit rider or riders that handle your respective state, please visit the National Rural Water Association website, and the link is available on this page, on the page I'm showing now, or on the resources document that will be provided.

[01:48:33.17] Additionally, the Rural Community Assistance Partnership, otherwise known as RCAP, also has several technical assistance programs available to assist. And a number of these programs rural development provides funding for. And these are programs which can assist with water and wastewater systems, solid waste management systems, and other types of needs for rural communities.

[01:49:00.87] I encourage you, again, to visit our TAP's website on the services they provide and contact information for your respective area. Next slide, please. And I thank you for your time today. And I thank you for your attendance at this forum. And please, don't hesitate to reach out to me or to any of the Rural Development state or local offices we have throughout the country and US territories. Thank you.

[01:49:27.36] Hey, Chris. Thanks very much. Alen, just a moment before I turn things over to you. I just wanted to acknowledge that a couple of additional questions have come in, and there's one for Terry. So Terry, once we move to our next Q&A, I'm going to go to that question first for you, and then we'll double back around to questions that had come in earlier on earlier presentations. So Alen, welcome back, and I'll turn it over to you.

[01:49:56.47] Great, thank you so much. And I'm just going to follow up a little bit about what Chris was getting to of some of the technical assistance, some of the help throughout applying for these different funds. Throughout this forum, you guys have been presenting with a lot of information about different loans, and grants, and different programs of the different federal agencies. And it can be overwhelming.

[01:50:16.93] It's overwhelming for us here that work at the federal agency. So no doubt it is overwhelming for you if you're looking at how to fund different projects. So hopefully, we'll go through a little bit about, again, following up on what Chris said about that technical assistance, about the help that's available to help you navigate through what are your best options, what is the best approach for you, and how you can actually get this done.

[01:50:39.35] So if you go to the next slide. I'll mentioned quickly, I'm at the Water Finance Center here at EPA. And the Water Finance Center is really a resource. So think of us the-- website's down there at the bottom, you can go through and you can look at some of the different tools that we have available, some of the different financing tools that really cover drinking water, wastewater, storm water, some of the non-point source issues, really anything water that involves money, we're here to help.

[01:51:09.13] And we do a lot of different things that I'll talk about, but we are always up for helping communities, really serving as a bridge between some of the different funding programs,

and the communities that need access to those programs. So if you go to the next slide. Some of the things that we do at the Water Finance Center is we produce webinars just like this one.

[01:51:37.25] That website that was just on the previous slide, and that's available on that handout for you, is where this recorded webinar will be. While you're there and maybe going back and looking through some of the different things that you've heard about today, there's a lot of other webinars that are up there on stormwater financing. There's one of the questions that came in on how you could use different funds presented for stormwater, what's eligible, we have a whole webinar on that we invite you to go look at.

[01:52:03.83] There'll be one coming up December 1, and some customer assistance programs, and affordability for stormwater services, and looking at how some of the American Rescue money can be used in that way we do a lot of technical assistance and develop a lot of financing tools. Go to the next slide. Chris talked about the technical assistance that's provided from RCAP and from the National Rural Water Association.

[01:52:32.45] And EPA uses those as well. So if you're going to go to them and talk about USDA funding, they are very well versed, and they work with us as well on a lot of the programs that you heard about today. So that's definitely a sort of one-stop-shop. If you're talking to them about USDA funding, you can talk to them about EPA funding, because they work with us as well. One of the other resources I just want to cover quickly before turning it over to Addison is the environmental finance centers, which work with us at EPA.

[01:53:01.43] We have a big grant and co-op program with them. They're university-based assistance programs, they work with public and private sector, and they really do dive deep into some of the financing that you heard about today. They work on how to really get communities through some creative financing approaches, develop some innovative approaches.

[01:53:23.24] They work with communities to really evaluate what are the options that they have to finance a lot of the projects, a lot of the different nutrient management, water infrastructure projects that they're being faced with. If you go to the next slide. The financing centers are around the country. Again, they're university-based. And this is sort of just a list of the different EFCs, what we call them, that are out there around the country so that they do have some regional focus to them.

[01:53:52.40] So again, what has been going on through this forum is a lot of information about these different funding options, these different funding programs that are hopefully available for you that can be used combined to address some of the nutrient challenge and the water infrastructure challenges that you're facing. But there are technical assistance options that are available to help walk you through that process to even look at what the options that are available for you. So that's what we're hoping to that you get out of this last piece.

[01:54:24.61] And that handout that Rob is going to walk through at the end really does provide that overview and the contacts that you can go to help really get you started along the way. And feel free to reach out to us at the Water Finance Center. One of the great things with this new infrastructure bill that just passed, that we're happy to say has been signed, is that there is a lot, a

lot of money for technical assistance to help communities really address their infrastructure needs. And so we will have a lot more technical assistance over the next couple of years. So don't be shy. Reach out. And with that, I will turn it over to Addison.

[01:55:08.50] Thank you. So again, my name is Addison. I'm also part of EPA'S Water Finance Center. And in talking about these different funding projects or these tools to fund these different projects, I'll be sharing about one tool, which is the Water Finance Clearinghouse. Next slide, please.

[01:55:26.15] And so the Water Findings Clearinghouse is an online web-based portal, a database of sorts that has a variety of information to help folks and inform folks about decisions on drinking water, wastewater, and stormwater infrastructure needs. Next slide, please. And before I continue, I do want to say that for the sake of time, I might be going through this a little more quickly, but I will share about contact information and how to get connected with us or if you have any more questions toward the end.

[01:55:57.10] So within this Clearinghouse, there's two searchable databases, a database for funding sources for water infrastructure projects and also a resource page for different types of resources, such as reports, web links, and webinars. Next slide, please. And so ultimately, the benefits of having this clearinghouse is this an all-in-one site that's continuously updated with a variety of information, a variety of funds and resources.

[01:56:27.75] It's searchable similar to how you kind of search through a web browser with high quality data that, again, is continually updated. And most importantly, it's free. So this is a public tool that is available online for folks to access these different pieces of information and for folks to use. Next slide, please.

[01:56:50.56] And so if you are a user, you can simply use the tool as it is, but it is suggested that you create a new account as a new user. And you can do so by clicking the Create Account button on the top right of the Clearinghouse page. Next slide. And so you'll see that there are two types of accounts, general or contributed. And you simply just follow the instructions on how to create an account. Next slide, please.

[01:57:23.43] And again, here are some more details about the different types of users. By creating an account as a general user, you can subscribe to emails, favorite different resources or funds that you like, and have quick access to information. Next slide, please. Next slide. This is, again, just more instructions on how to create your account.

[01:57:47.31] And when you're searching through the Clearinghouse, you simply click on the icons located on the main page. There's also icons along the bottom of the main page. There are some quick searches for popular items. Next slide. And so again, click on the icons. Next slide.

[01:58:08.03] And so within the resources and the funds page, you'll see a gray banner along the top of the page. And when you click on any of these icons, there will be a dropdown of different types of tags. So for example, if you clicked on the sector, there will be tags, such as agriculture, farmers, for example, and you can select a variety of tags, any number of tags you would like to

really narrow down the type of search and the type of information you're looking for. Next slide, please.

[01:58:38.27] And we can go on again. And this is an image of the funding sources. So again, we're looking at different types of funding sources for funding projects. You'll have these options to search through. And you can also use the search bar in the center of the screen. Next slide, please.

[01:58:59.66] Next slide. You can go two more slides, please. This is just a map. You can search via your region. Next slide. And so in terms of maintenance, again, we want to keep the most up-to-date information, the most relevant information. So our resources and funds are regularly updated.

[01:59:21.81] We have new entries that are relevant and also approved on a rolling basis. And Clearinghouse contributors are funding entities and programs that provide funding opportunities. Next slide. We also have learning modules. And so to emphasize the breadth of information within the Water Finance Clearinghouse, these learning modules discuss things, such as the FRS - sorry, SRS or the Water Infrastructure Finance Innovation Act, and so on, and so forth.

[01:59:54.41] So there is a lot more information beyond the resources and the funds. Next slide, please. You can stay in touch with us by subscribing to updates on the main page. Next slide. Or lastly, you can contact us through this link, epa.gov/waterfinancecenter. Or again, if you do create an account, you can contact us and connected with us through the Water Finance Clearinghouse email portal. So thank you, and I'll pass this over to our next speaker.

[02:00:37.80] Great. Thanks very much, Addison. Jenny, I'll turn things over to you.

[02:00:43.21] Thanks, Rob.

[02:00:44.13] Yeah.

[02:00:44.81] Hi, everyone. I'm Jamie Piziali, and I'm EPA's first municipal ombudsman. And while this role is new to me and actually the agency as well, as it was first stood up in March 2020, I'm actually not new to EPA, as I've been with the agency for over 15 years now, mostly, coming most recently from our office of water, working in wastewater permitting, and green infrastructure, and many other water issues.

[02:01:17.13] And so essentially, I serve as an independent, impartial, and confidential resource for municipalities navigating the Clean Water Act. The definition of municipality here is rather broad. It includes cities, counties, districts, all the folks you would think of when you think of municipality, as well as tribes, and utilities, and essentially anyone with jurisdiction over sewage or industrial waste.

[02:01:45.81] And so the office of the municipal ombudsman is housed in our EPA administrator's office in Washington DC. And it's within our office of congressional and intergovernmental relations, which enables me to really have access to all levels of EPA and to

maintain the independence of the office as well. The Water Infrastructure Improvement Act that created this role really gave me some specific roles, basically, like helping the administrator, promote national consistency across all 10 of our regions, and working directly with communities to provide information on the availability of federal financial assistance, technical assistance opportunities, flexibilities that might be available under the Clean Water Act with permitting, and information on integrated planning.

[02:02:42.31] And finally, I'm also tasked with having a website that has links to a lot of the resources on the items I just mentioned. So next slide, please. All right. So here, you'll see a screenshot of my website. And I linked to a lot of great EPA resources, like the Water Finance Clearinghouse you just heard all about.

[02:03:12.57] But I also have a list of upcoming webcasts, and new EPA resources, and grant opportunities that are available. And on this page, you'll also find some frequently asked questions about the ombudsman and how my office works. So on that note, what is an ombudsman for anyway?

[02:03:35.49] Basically, an ombudsman serves as an alternate informal way to resolve issues. And so when might someone be interested in reaching out to me? First, I'll just say if you already have existing local state or EPA contacts that are working for you, please continue to utilize those contacts first, because that means EPA processes are working well, and that's great. But certainly, you're welcome to reach out to me directly by phone or email any time if you need assistance on Clean Water Act issues.

[02:04:08.23] So if in doubt, just go ahead and reach out. That's what I'm here for. And so when an issue was brought to me, I can help with things like facilitate discussions or act as a convener, might be brainstorming options, sharing relevant EPA or state contacts, could be gathering best practices from EPA programs, or maybe you've heard slightly different things from a couple of different offices at EPA, and maybe just want help tracking down one answer, maybe it's that you have a question you'd like to ask, but you don't necessarily want it attached to your name or municipality, it's something I can do to ask it for you and maintain confidentiality.

[02:04:51.27] Maybe it's just acting as a sounding board, pretty good at doing that as well. And another role that I play at the agency now as a member of internal EPA work groups. So I serve as sort of a consultant for agency groups internally, provide feedback on agency actions, like rule-making, guidance, and others with an eye towards municipality concerns while acting as an advocate for a fair process.

[02:05:21.66] So this is another reason you might want to reach out to make sure I'm informed on specific community concerns. Because while I don't serve as any type of formal notice to EPA, I don't make decisions or legal determinations for the agency, it is helpful to keep me informed on important issues, because I regularly get to work across the agency on all these concerns, and I can convey issues that really keep coming up for municipalities. I work a lot externally with groups like the US Conference of Mayors, National League of Cities, National Association of Counties, and other water groups, such as the Water Environment Federation.

[02:05:59.39] And I really try to keep tabs on emerging concerns. And certainly, nutrient management was one of those items that keeps coming up for folks. Well, next slide here. And finally, here is my contact information. Please feel free to reach out directly. It is really why I'm here. And if you're interested in a confidential conversation, I'll just say that a phone call is always the best way for that.

[02:06:26.10] And one important resource I really want to make sure you all know about is I've started my weekly list of federal clean water resources with a municipal focus. And that's where I share recent news releases or reports and tools that the agency has come out with, open grant opportunities, webcasts and forums like this one are also featured in there. And to join that list, you really just need to send an email to municipal ombudsman at epa.gov, click Subscribe in the subject line, and I'll make sure to get you added.

[02:07:00.28] All right, so those are really the basics of this new resource that's available for communities. And thank you very much for the Water Finance Center for adding me to the agenda today to introduce this really unique new office for the agency. And I'll pass it back to Rob for the Q&A. Thanks.

[02:07:19.28] All right, Jamie. Thanks very much. We've got a good solid block of time here for Q&A, 15, maybe even 20 minutes. What I'd like to first do, Terry, I'd given you a heads up that a question had come in. I'd like to turn to you first. And then Chris, I'll go to you second. A question came in during your presentation, and then we'll double back around and pick up earlier questions.

[02:07:47.75] So Terry question came in specific to the example that you gave in the Greensboro, Goldsboro example. There were multiple construction contracts. Did the cost for each contract get spread across the funding sources? Were there any guidelines on which entity paid for what?

[02:08:11.81] So it wasn't a blanket across the board, all three funding resources were put into a pool and then was used throughout the scope of the project. There were specifics. So the Bay Restoration Fund or whether it started out as ENR, PNR funding resource from MDE was specific to the wastewater treatment plant and could not be used to fund any of the other components.

[02:08:37.31] As It evolved into the bay restoration fund, it could then fund the individual on septic system transition from a private system, abandoning that system, and then connecting it into the public sewage. So it did have touched both of those contracts. CDBG was early on. They covered the initial engineering design for the phase.

[02:09:05.27] And they were only involved in one of the construction components. And then USDA, we touched all of the aspects of the project. I didn't mention this in the course of the conversation. One of the aspects of our project application is a preliminary engineering report. And in that report, it identifies alternatives, scope of the project, what's recommended, and the cost.

[02:09:31.35] So in that, it identified connections that needed to take place. And it identified also where some of these private wells needed to be relocated as a result of the grinder pumps. It's not a gravity-fed system. It's through a series of grinder pumps and pump station in which the sewage flows from Goldsboro back to the town of Greensboro. So all of that in that discussion allowed us to come in and fund that where MDE could not cover that, and then also funded it outside of a community development block grant atmosphere, because they would have had to have been a direct benefit by the individual household, where we didn't have that same criteria.

[02:10:16.02] Great, Terry. Thanks very much. Chris, I'll move over to you for this question. Let me go ahead and read it out. By local office, I assume you mean local NRCS service center. Usually at county level but sometimes serve more than one county. Also, NRWA has source water specialists in each state that helps small water systems develop and implement source water protection plans. Chris?

[02:10:45.49] OK. In regards to the local offices, and I guess local office kind of goes back to our old-- has a little bit of an old school terminology. Because back in our days, back when we used to have offices in each area in that kind of reaches back to the old farm service administration days. But anyway, NRCS is our sister agency along with the farm servicing agency, which, again, is our sister agency.

[02:11:20.28] I believe this is still the case even these days is that they have substantially more field offices located at the local area, where we've reduced our local offices over the years. So a number of our local offices service either a handful of counties up to 10, 12, 15 counties. It really depends upon the state. But from state to state, there's a wide variety of how many counties a local office could cover.

[02:11:55.80] And in most instances, though, the USDA rural development local office is in the USDA servicing center, which contains the NRCS office and the farm servicing agency office. I, again, encourage you to go to your state rural development website, and then you could find the local office. Under local offices, you'll be able to find office which services the county that you're in.

[02:12:25.08] Great, Chris. Thanks very much. I appreciate that. I'd like to invite, let's see, Alison, Michael, David, and Dallas to come back and join me here on the panel. We've got about 10 questions here that are open we'd like to work through.

[02:12:50.05] So let me go ahead to the first question. This looks like it's directly related to Drinking Water. So Dallas, probably head in your direction first. Funding of cover crops was mentioned in the Drinking Water SRF set-aside options. Is that something a state can directly fund from the set-aside? How exactly would that work.

[02:13:14.67] Thank you. Yes. So you did see cover crops on that slide when we were talking about set-aside activities. So this would be cover crops for a source water protection measure as a way to protect drinking water sources that is eligible, that is possible. I don't think it has been really done, as far as I know. But we do have-- Delaware actually does do this.

[02:13:45.77] They've been doing it for the past few years, and they did a pilot a couple of years ago where they partnered with-- they use the set-asides, and provided funding, and partnered with a County Conservation District and the Rural Water Association to do mapping of high-risk wells in the county, and then work with the agricultural landowners to do cover crops around those wells as a source water protection measure.

[02:14:15.74] So yeah, activities like that are eligible. I think it's one of our more innovative uses of the set-asides. It hasn't been done very extensively as far as I know. If you do want to learn more about that case study, it's in one of our source water protection, the one from 2019. It's on My Resources slide. And I can add it in the chat. We do have a write up on that case study if you want more info. So I can share that.

[02:14:46.21] Great, Dallas. Thanks. Let me just ask, anything to add from any of the other panelists here on this question? David. I saw you come up. Yeah.

[02:14:56.95] Yeah, I just wanted to mention our sister agency, the NRCS or Natural Resource Conservation Service does have-- they work with-- their focus is on ag. And so they do a lot of it's technical assistance, but they also do have some programs that are helping on the nutrient reduction. And it's really not only that, but it also kind of keeps topsoil on the fields, and it's a team effort that they do.

[02:15:28.33] Great, David. Thanks. All right. Alison, go ahead.

[02:15:33.06] I'm just mentioning it's also generally eligible through clean water, agricultural management practices.

[02:15:41.20] Great. Thanks much. OK, let's go ahead and move on to the next question here. When co-funding, what are the applicable program requirements since each source may have different requirements? For example, American, Iron and Steel, Davis-Bacon, et cetera. Who would want to jump in on that one?

[02:16:16.34] Rob, do you want me to answer it from our standpoint?

[02:16:20.36] Yeah, Terry, go ahead. Yeah, please.

[02:16:21.74] OK, good. It was funny. This is the question I thought you were going to ask me when you open me back up. So it would be important to determine what would be required early on so that the engineer can include that documentation in their construction bidding package.

[02:16:39.68] We have projects. MDE requires a state wage. Community development requires a Davis-Bacon wage. But our direct web program and loan-- both loan and grant do not require the wage rates. But the AIS, when this project started and was originally obligated was not required by USDA, but there was a requirement by MDE. So early when we have these meetings, and they're kicking off the design of a project, and they're putting together their bidding documents, this is when the engineer can focus on making sure that package is in compliance-- for our project, it was all three funding agencies.

[02:17:20.01] Well the--

[02:17:21.30] Go ahead, David.

[02:17:21.81] To build on what Terry said, I think each federal agency does have its own requirements. And I think it's critical that just like in Terry's example, the CDBG funds went into planning, and land purchase, and so on. It's important to-- because another example is we often jointly fund projects with, say US Army Corps. And sometimes, it makes sense.

[02:17:49.52] You want all funding parties to get together and really figure out what is the best way. Because sometimes, we've funded projects where the block grant funds would say, go into just soft costs. Or other times, you might separate the project into phases where if it's logical and if it makes sense. Because again, whether it's AIS or if it is Davis-Bacon, it can have a significant cost impact on the project. Everyone is unique, kind of. It just depends on the situation.

[02:18:28.50] Great. Dallas, I see you're up--

[02:18:30.70] Yeah, yeah. I was just going to echo a lot of that and say, for the SRF, we say if \$1 of SRF funding is used for the project, then the SRF requirements apply for the whole project. And again, I think echoing like early coordination and collaboration to try to figure out what applies where is helpful. And I also work on the AIS requirements.

[02:18:59.46] So just reiterating that now that USDA rural development also has those requirements, at our level, we have regular meetings to make sure that we're implementing it the same way, that it's identical. We have at least meetings once a month. We talk regularly. We helped them with their implementation to make sure that we're making it as easy as possible for communities to implement and adhere to these requirements.

[02:19:30.24] Great, Dallas. Thanks very much. For panelists, I just wanted to note, I've got quite a few open questions. I've got nine or 10 open questions. I can only dedicate about 10 more minutes to doing Q&A. So just keep that in mind.

[02:19:49.41] Not suggesting that your answers have been long winded up to this point, it's more that I just need them to be a little bit shorter so we can get through as many questions and answers as possible. So next question that I'd like to tee up here is, can USDA help fund central source in county areas which qualify as rural even though the infrastructure will be turned over to a city with a population above 10,000 persons which does not qualify for USDA assistance?

[02:20:27.02] And yes, we can assist in those cases. And again, the big issue is our dollars cannot can only go into the project or the portions of that project serve those eligible rural areas. And I think in my presentation, I mentioned, could have a treatment plant that's in an ineligible area. And there are times when utilities that serve both eligible and ineligible areas will apply, and we will fund a portion of a project. So the answer is yes, we can help.

[02:21:03.44] Great. Thanks, David. Next question. Animal waste projects qualify for Clean Water SRF, as well as USDA equipped money?

[02:21:21.94] So Clean Water State Revolving Fund money can go towards animal waste projects but not if they're on concentrated animal feeding operations. They gave foods that have-- I forget what the number of animal units on those are. But in general, we can't fund those.

[02:21:37.96] There are a few states that are located with a national estuary watersheds that have been able to fund private animal operations through their NEP contracts. But those are pretty specific. So if you have questions about that, you could ask me. But I will also link a fact sheet on our agricultural pest management practices.

[02:22:02.23] I was just going to add, the USDA EQIP program is a program of the NRCS. And so if I'm not-- I don't know the intricate details of that program, but you could reach out to the NRCS office in the state, and they would be able to answer that for him.

[02:22:25.47] Great, David. Thanks very much. All right, I'm going to-- let's see. Next question, David, I think this is going to head in your direction. Can any of the presenters describe how Farm Bill Source Water Protection funds are being used either in conjunction with other federal funding sources or not?

[02:22:57.48] Again, NRCS has a significant-- I guess they're the main focus. Most states do have a source water protection group. We do participate in that in most of the states, and we're a partner, but we're not leading that effort. And I will say, some of our technical assistance providers, like National Rural Water Association and RCAP also provide assistance or get technical assistance grants from NRCS to help with those efforts. But we do incorporate them into our projects, especially drinking water projects, and do require a lot of cases that they have that a source water protection plan in place.

[02:23:47.80] Dallas, go ahead.

[02:23:48.43] Yeah, I was just going to say, I think that's where the Drinking Water SRF plays into this. I don't know specifics about the Farm Bill funding. I just know that 10% of it goes for drinking water source water protection. And so one of the things we've been trying to emphasize and focus is how to leverage those funds, our funding and this Farm Bill funding.

[02:24:11.59] So we've been reiterating use the set-asides for those source water protection plans and those source water assessments that you can then use to leverage those Farm Bill funding opportunities. So I just wanted to reiterate that point here, because I didn't really cover it that well on my slides earlier.

[02:24:31.97] Great, Dallas. Thanks very much.

[02:24:35.24] Terry, I see you're typing a response to this question, but let me go ahead and just tee it up for you over audio. Please elaborate on the search grant through USDA. I joined the webinar late.

[02:24:52.46] All right, thank you. I went ahead and put up the fact sheet for the search-- actually, not the fact sheet. I put a link to the website, and there is a fact sheet in that site. So the

search program provides cost to cover the preliminary engineering report, and then also the environmental report based on population of no more than 2,500 for the service area and a median household income under 80% under the state MHI.

[02:25:19.52] There's another program preliminary or pre-development planning grant, which can provide up to 75%, \$30,000, and that's for populations above 2,500, same threshold, 80% or less. So it is a good resource to help cover the initial application. Documents required, if a community does not have resources to cover their engineer for both environmental and then planning.

[02:25:47.68] And to build on that, I just wanted to mention that a lot of times, 30,000 doesn't go a long way. And so a lot of times, we're funding a part of a plan. And often, we'll partner with the state SRF's planning grant programs and so on for those very low income communities to help them get those planning documents in place.

[02:26:07.34] Great. Terry, thank you. David, thanks very much.

[02:26:10.51] And Rob, CDBG also can do that. Community Development Block Grant can provide planning grants too. So that's another resource. David's right, 30,000 doesn't get you very far. Maryland Department of Environment can go up to 60,000. So they are-- all three are good resources for the preliminary work.

[02:26:27.81] Great. Terry, thanks. OK, another question here. If SRF can be used as a match for OSG, what about funding from the Bipartisan Infrastructure Law, such as allocations to Hypoxia Task Force states? Anybody who can answer for that one?

[02:26:53.21] I can answer that question. So to reiterate, when we say SRF can fund match for OSG, we mean the repayment funds or the recycled flow that is now considered state money. So the initial cap grant money to SRF is considered federal money. And until that is spent in and recycled back into the program, that's always federal money.

[02:27:18.11] And once it's recycled back into the state coffers to be used as repayment money later on then, it's state money. That state money is the eligible source of match for an OSG grant, because it's no longer federal money anymore in our consideration. So that's how we mention that SRF can be used for OSG match.

[02:27:39.95] Now, I think the question talks about money in the new infrastructure bill. That would still be considered federal money. So those federal funds wouldn't be eligible for OSG grant match, because that would still be a federal fund matching a federal grant, which isn't allowed in this case. So I think if I understand that correctly, that wouldn't be able.

[02:28:08.65] Great. Michael, thanks very much. Time for just one more question. This is a resource availability-related question. Is there a fact sheet that lists what types of green infrastructure projects can be covered with American Rescue funds? The Federal Register indicates that it is anything SRFs cover. But a list would be helpful. I'm interested in using funds to implement projects in existing watershed-based plans.

[02:28:40.29] I can start-- I can lead us off. And Michael and Alison, if there's anything else, feel free to jump in. On the Drinking Water side, I don't think we have a specific fact sheet related to green infrastructure. There are some information on green infrastructure in our eligibility handbook, I believe, which is linked to the resource slides.

[02:29:03.96] And I just want to reiterate that the American Rescue Plan Act funds are administered by the Department of Treasury. So in their interim final guidance, they did cite our eligibilities. We're still waiting to see what the final guidance looks like. It could have expanded eligibilities. We won't know until they publish it.

[02:29:27.91] So if you do have specific eligibility questions, since we are not implementing those funds, we usually just refer folks to the Department of Treasury. I can put that contact information in the chat for people to have as a resource. But Alison, I don't know if you have a green infrastructure fact sheet. You want to talk about it?

[02:29:55.92] No, we don't have one-- we have one about in Clean Water State Revolving Fund and green infrastructure but not specifically about the American Rescue Plan funds. But I can link that as well. It's all on our website under Resources.

[02:30:12.42] Great. Ellen, go ahead

[02:30:13.92] Yeah, just one quick sort of advertisement for December 1. We're actually going to have a webinar, where some folks are talking about stormwater and how they've been using some of the American Rescue Plan money in their community and at the state level for stormwater which green infrastructure is right up there.

[02:30:32.92] Great. Thanks, Ellen. All right, so we've run out of time. We got through almost all of the questions. Dallas, Michael, David, Alison, Terry, Christopher, Ellen, Addison, Jamie, thank you all very much for the presentations and Q&A. Let me go ahead and move to wrap up.

[02:30:53.80] There's one thing that I need to cover here. So please attendees, just hang here for another couple of minutes. We're going to screen share a resource that has been developed as part of getting this forum together, financing nutrient management improvements in underserved communities resources.

[02:31:16.45] If we could just scroll this slowly. What you'll see here is-- it first covers US Environmental Protection Agency. It identifies some of the key resources that we talked about today and provides links to those. You can scroll further.

[02:31:42.37] Also, the US EPA Water Finance Clearinghouse that was presented on today. And again, provides links in the description. Continue on down. It has information for US Department of Agriculture. Again, various programs that we talked about today along with the links.

[02:32:05.69] Continue on down. The training and technical assistance providers. Also here, so capacity development program, the EFCs, National Rural Water Association and the rural

community assistance partnership in both of which were talked about as well. And there are links there. So this resource is available and I believe actually was sent out to all attendees yesterday.

[02:32:33.24] But if not, that's something that we can follow up and get out to all of you. So again, hopefully, that will provide good further background information for you as a follow up. And Rob, I just dropped it into the chat, so folks can access it there.

[02:32:50.00] OK, great. Thanks very much, Darcy. And then yeah, also note that series of resources were put into the chat by our speakers today. So please go ahead and access those. Thanks very much. So with the one minute we have left here, again, I'd just like to say thank you very much to all of our presenters today and the willingness to ask questions.

[02:33:12.63] Thank to attendees for your participation. Thanks to those of you that are putting questions. I think all of those were super helpful to get more information on those. And with that, just thanks to EPA and USDA for making personnel available today for this. Thank you very much for joining the virtual forum, and have a good rest of your day.