Navigating the State Revolving Fund (SRF) Loan Program

Leslie Gillespie-Marthaler
Overview

- What we do
- From Federal Grants to Loans
- Loan Activity
- Eligibility
- Types of Projects
- Small Communities
- SRF Loan Process
- Getting Your Funds & Repayment
- New Items
- Where to get more information

City of Chattanooga, Moccasin Bend WWTP Effluent Disinfection System Upgrade $33.1M

Alcoa Overlook Water Storage Tank $5M
To protect and improve waters of the state and to safeguard public health for Tennessee communities through:

- Low-interest planning, design & construction loans
- 0% interest, principal forgiveness, and extended loan terms to those who qualify
- New areas...

City of Franklin breaks ground on new WRF $132.8M

Watauga River Regional Water Authority new 2MGD WTP & Intake Structure $9.6M
Each Federal Fiscal Year:

- The SRF Program receives Federal capitalization grants from the EPA for Drinking Water and Clean Water
- Federal funding (83.33%)
- State Match (16.67%)
- Loans to eligible entities
- Repayments and interest create the “Revolving Fund”
- Self-sustaining resources for future projects

Bloomingdale Utility District’s Waterline Replacement $2.5M

Elizabethton Waterline Replacement $650K
## Loan Activity

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<tr>
<th></th>
<th>FY 2018</th>
<th># Loans</th>
<th>Amount</th>
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<th># Loans</th>
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- **White House Sage Road PS Improvements $4M**
- **Morristown Whit PS Improvements $1.6M**
Eligibility

- Counties
- Cities
- Municipalities
- Water Authorities
- Utility Districts
### Types of Projects

#### Clean Water:
- WWTP upgrades & improvements
- I&I correction / collection system rehab
- New collectors & interceptors
- Combined sewer overflow correction
- Stormwater management
- Recycled water (gray water)
- Decentralized systems
- Water conservation, energy efficiency, nutrients
- Green infrastructure
- Land Acquisition

#### Drinking Water:
- Compliance
- Treatment
- Storage
- Transmission & distribution
- Consolidation / regionalization
- I&I correction / distribution system rehab
- Creation of new systems
- Source water development
- Wellhead protection
- Green infrastructure
- Water conservation & energy efficiency
May benefit from applying for a planning and design loan (significantly lower cost, interest, and term of 5 years)
Help identify issues and develop a plan for a construction loan at a later time

Clean Water:
- Interest rates below market (as low as 0%)
- Principal forgiveness
- 30-year term for all communities
- Planning and design loans up to 5 years to identify issues and develop a plan (prior to construction)
- Water loss training
- Technical assistance: asset management, optimization, treatment, water loss, etc.

Drinking Water:
- Interest rates below market (as low as 0%)
- Principal forgiveness
- 30-year term for all communities
- 40-year term for economically distressed communities
- Extends repayment initiation to 18 months (up from 12) after project completion
- Additional subsidy to economically disadvantaged communities (6-35%)
- Planning and design loans up to 5 years to identify issues and develop a plan (prior to construction)
- Water loss training
- Technical assistance: asset management, optimization, treatment, water loss, lead, etc.
Milestones for each calendar year:

1. Solicitation for Clean Water and Drinking Water Projects (Sent: January 22, Deadline: February 22)
2. Project Scoring (March)
3. Development of Priority Ranking Lists (May)
4. Intended Use Plans (IUP) Meeting (July 18)
5. Apply for Federal capitalization grants (July/August)
6. Notify those on PRLs (August/September)
7. Notice of award (August/September)
8. Proceed to loan request process
# Loan Request Process

## Planning, Design, Construction:
1. Letter of request
2. Submit Planning Documents and Specifications
3. Project Description & map
4. Financial sufficiency review
5. Loan application
6. TLDA loan approval

## Planning & Design:
1. Letter of request
2. Financial sufficiency review
3. Loan application
4. TLDA loan approval
Getting Your Funds & Loan Repayments

Getting your funding:
1. Submit reimbursement, including cost estimate and invoices
2. Review, approve, process

Repaying your loan:
1. At 90% of loan, determine options for reimbursement of balance
   - Monthly
   - Lump sum
2. Start paying loan back

Alcoa Overlook Water Storage Tank $5M
Pilot Projects

Pilot projects for emerging issues like:

• Lead testing
• Disaster resilience
• Urban waters
• Water Loss

Green Infrastructure / Urban Waters

Nashville 2010 Flood

2011 Flood West TN
Current and new training opportunities:

- Fleming Training Center (current)
- Water Loss Training (State FY 20)
- Technical Assistance (State FY 20)
- Urban Waters (State FY 21)

- Stopped loss > 147 MGY
- Reduced costs by > $1M
- Postponed $15-20M in upgrades
Technical Assistance

Expand opportunities for assistance like:
- Capacity development (State FY 20)
- Asset management (State FY 20)
- Optimization – treatment (State FY 20)
- Optimization – energy, nutrients, etc. (State FY 20)
- Community infrastructure workshops (State FY 20/21)
- And more....
Coming to you in the near future...

- Website overhaul
- Community meetings
- Program updates and shared information
- Electronic communication and processing (solicitations, applications, etc.)
Partnering

We will all be partnering to review small and disadvantaged communities to provide the best solutions:

- TDEC SRF / DWR (ESU, DW)
- TN USDA-Rural Development
- Department of Economic & Community Development (CDBG, etc.)
- Comptroller (Utilities)
Partners Additional Resources

**USDA**
- Legal and engineering fees
- Solid waste collection, transmission and disposal
- Interest incurred during construction
- Purchase of facilities to improve service or prevent loss of service
- Water and land rights, permits and equipment

**ECD CDBG**
- Grant based but ability to pay matching
Where to Go for More Information

Ask.SRF@tn.gov.

ten.gov/environment/topic/wr-srf-state-revolving-fund-program

Phone: 615-532-0445
Questions?