

## CLEAN WATER STATE REVOLVING FUND

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quality needs not covered by the grant.

The LDEQ operates the CWSRF as a direct loan program where Federal and State monies are lent directly to municipalities.

### GOAL STATEMENTS

#### A. Long-Term Goals

The CWSRF continues to maintain long-term goals to meet water quality standards and ensure the long-range integrity of the fund.

**Goal 1: Provide low-cost financing for important water quality projects while maintaining the perpetuity of the CWSRF.**

The LDEQ finalized 9 municipal loan projects an interest rate of .95% in SFY22.

**Goal 2: Promote and advance wastewater treatment facility improvements in order to meet the requirements of the CWA through compliance assistance. Provide financial assistance to municipalities and other eligible recipients in pursuing statewide compliance with Federal and State water quality standards, assist borrowers in complying with the enforceable requirements of the CWA and to reach the goal of eliminating discharge of pollutants into the State's waters.**

The CWSRF staff has been working with DEQ Enforcement personnel to direct funding toward communities in non-compliance. The CWSRF staff has coordinated with Enforcement staff to develop a list of communities to prioritize for the upcoming BIL technical assistance funds, which will be directed mostly toward non-compliance communities to assess their needs to return to compliance.

**Goal 3: Expand CWSRF accessibility by creating financial assistance programs that address nonpoint source control and other nontraditional CWSRF projects.**

LDEQ has been successful in bringing important nonpoint source and other nontraditional CWSRF projects to the program. Many of these projects have special challenges in obtaining financing (outside of grants) due to a lack of user revenues. Financing options will be continually evaluated to help ensure that these projects can continue to come to the program for cost - effective financing.

In addition to some of the previous nontraditional projects that Louisiana has funded, the CWSRF staff has been awarded an opportunity to work with an EPA contractor to develop a new program to fund on-site disposal systems (OSDS) using CWSRF funding. While ongoing discussions with one entity has halted, the

contractor is providing material for future use while discussions with a separate entity have begun.

**B. Short-Term Goals**

The LDEQ will pursue the following short-term goals in an effort to continually improve the CWSRF program:

**Goal 1: Fund green infrastructure, water, and energy efficiency and environmentally innovative projects in an amount that is at least ten percent of the capitalization grant.**

The LDEQ CWSRF program closed a loan with the Bayou Lafourche Fresh Water District (BLFWD) project, a category 320 project that will construct a new Pumping facility to convey 1,500 cfs of freshwater from Mississippi River to Bayou Lafourche. This project is a Component of Mississippi River Reintroduction into Bayou Lafourche Project which is an action item in approved Comprehensive Conservation & Management Plan for the Barataria-Terrebonne National Estuary Program.

**Goal 2: Provide outreach to municipalities across the state of Louisiana.**

LDEQ created a solicitation flyer in December 2021 and emailed to consultants and mayors in January 2022. LDEQ staff participated in the Joint Engineering Society Conference (JESC) in Lafayette in January 2021. CWSRF staff presented information in St. Tammany Parish in May 2022 at the APWA (Association of Public Works – Northshore Branch) conference. CWSRF staff also manned a booth at the LMA conference as well as presented information on the upcoming BIL funding in July 2022. The CWSRF staff also manned a booth at the Police Jury conference in Lake Charles in March 2022.

**Goal 3: Participate in the Louisiana Waste Water Joint Funding Committee (LWWJFC).**

In SFY22, The LWWJFC did not hold an official meeting through SFY 22. However, several of the committee members also participate in the Rural Water Infrastructure Committee (RWIC); CWSRF staff has been participating in RWIC since July 2022 after an extended absence due to COVID and focus on Water projects instead of Wastewater.

**Goal 4: Close at least 12 loans totaling more than \$126 Million.**

In SFY22, the LDEQ finalized 9 municipal loan projects totaling \$107,850,000. For the 3 loans that didn't close LDEQ anticipates them to close in SFY 2023.

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**Goal 5: Apply for the Federal Fiscal Year (FFY) 2022 Capitalization Grants in SFY 2022.**

LDEQ applied for FFY 2022 Grant in SFY 2022, and we anticipate the grant to be awarded in the 2nd quarter of SFY 2023.

**Goal 6: Provide principal forgiveness to a community or communities that could not otherwise afford the project.**

LDEQ has awarded principal forgiveness to 7 municipalities in the amount of \$2,958,640.

### DETAILS OF ACCOMPLISHMENTS

A. Fund Financial Status

1. Loans Awarded - The LDEQ finalized 9 loans totaling \$107,850,000.
2. Binding Commitments - The LDEQ signed 9 binding commitments in SFY22 totaling \$107,850,000.
3. Sources of Funds - A total of \$16,643,326 (Note 7) in grant revenues through in-kind donations or was drawn and made available to the LDEQ during SFY22. These revenues were drawn from CS-220002-20 and CS-220002-21. The remaining grant balance for SFY22 is \$3,663,826 (note 7). Other funds available in SFY22 were \$34,392,000 from principal repayments (exhibit 2), \$328,882 interest earned on cash in state treasury and \$2,108,784 interest earned on outstanding loan balances.
4. Expenses of the CWSRF – The LDEQ incurred total administrative expenses of \$1,010,002 in SFY22.

B. Assistance Activity

Exhibits 1 through 3 illustrate the assistance level and financial activity of the CWSRF since inception of the program.

Exhibit 1A shows a list of loans that have closed by the CWSRF program. Exhibit 1B provides data on the State's binding commitment requirements. Exhibit 2 shows principal collections from borrowers during SFY21, and finally exhibit 3 shows disbursements made during SFY21 to loan projects for design and construction.

C. Provision of the Operating Agreement / Conditions of the Grant

The LDEQ agreed to several conditions in the Operating or Grant Agreements. The following conditions have been met and are self-explanatory: