

Wetlands Protection Using the Clean Water State Revolving Fund

New York Uses CWSRF to Fund Wetland Acquisition

The State of New York has used its SRF as a low-cost way to fund land acquisition projects that protect water quality. In 2000, the City of Rye, NY used a \$3.1 million CWSRF short-term, zero interest loan to acquire and protect crucial land in the Long Island Sound Estuary. This land acquisition, recommended in the Comprehensive Conservation and Management Plan for the Long Island Sound, will protect water quality and preserve and improve the waterfront, tributaries and wetlands within the City. The State recently expanded their SRF to provide not-for-profit organizations a mechanism to fund land acquisition projects that protect water quality.

In 1987, Congress amended the Clean Water Act and created the Clean Water State Revolving Fund (CWSRF) to finance projects that improve water quality. The 51 individual revolving funds combine federal and state money to provide low-interest loans for eligible projects. Between \$3 and \$4 billion is loaned out each year to public and private organizations to improve water quality. As the loans are repaid, money is available to be used again for new projects — a true revolving fund. Wetland preservation, restoration and creation projects are often eligible for funding under the CWSRF.



Using the CWSRF for Nonpoint Source Pollution Control and Coastal Management

Historically, states have used CWSRF loans to finance large municipal wastewater treatment facilities. However, in recent years, states have begun to redirect their funds to help manage nonpoint source pollution (NPS). Unlike pollution that comes from direct sources, such as wastewater sewage plants, NPS pollution is caused from rainwater or snowmelt running over and through the ground. As it travels, the run-off picks up sediments, fertilizers, and other man-made chemicals and deposits these pollutants into downstream or lower lying waterbodies.

Since 1995, 28 percent of all CWSRF loan agreements have been used to fund nonpoint source pollution control projects. States can also use the SRF to implement Comprehensive Coastal Management Plans developed through EPA's National Estuary Program.

Where do wetlands fit in?

One of the unique functions of wetland areas is that they can help control NPS pollutants like sediment, nutrients and certain heavy metals without being degraded. Wetlands vegetation can transform, uptake and store these pollutants while slowing runoff from the surrounding landscape. Properly managed wetlands can play a significant role in improving water quality. In addition, Comprehensive Coastal Management Plans often include projects to restore habitat, including wetlands.

Who is eligible to apply for a CWSRF loan?

Because each state administers and sets its own program priorities, loan eligibility varies from state to state. Typical applicants have been municipalities and other public organizations. However, more than 15 states now accept loan applications from not-for-profit organizations or private entities. Oftentimes, not-for-profit organizations partner with other state agencies, government loan programs, municipalities or banks.

What types of wetland projects can be funded?

Over 30 states use their CWSRF to support nonpoint source projects. Some specific wetland examples include: wetlands acquisition, creation of treatment wetlands, restoration of degraded or nonfunctioning wetlands, and the purchase of conservation easements.

Benefits of a CWSRF Loan:

- **Favorable Terms** — CWSRF assistance is usually offered on advantageous terms: loans with interest rates between market rate and 0%, and a repayment period as long as 20 years.
- **Flexible Repayment Options** — The source for repayment doesn't necessarily have to come from the project itself. Some creative solutions have included recreational fees, supplemental taxes or membership dues.
- **Loans can cover 100% of eligible costs with no cash up front.**

Protecting Vernal Pools Using the CWSRF

Since 1998, EPA's Region 9 (Pacific Southwest) has worked with the Trust for Public Land (TPL) to support the work of ten land trusts and Resource Conservation Districts throughout California's Central Valley.

Under this partnership, the local land trusts and conservancies have worked with an array of federal and state agencies to leverage millions of dollars in conservation spending — including \$9.5 million in Clean Water State Revolving Fund loans.

The Central Valley encompasses 15 million acres of land and serves as the great watershed for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary. Vernal pool wetlands represent one of the Valley's most imperiled ecosystems. These wetlands mostly occur on the floor of the Valley and support a diversity of specialized plants and animals that occur nowhere else in the world.

To date, the partnership has protected more than 40,000 acres of vernal pool landscapes and related natural communities (e.g., oak woodlands, table-top plateaus). The partnership enables land trusts and conservancies to acquire easements on, or fee title to, properties rich in wetland resources, rare and endangered species, and valuable grasslands.

In 1999, the Nature Conservancy (TNC), led the way in using SRF loans from the California Water Resources Control Board to safeguard vernal pools. TNC paired an \$8 million loan from the State with \$6 million raised from private and public sources to add the stunning, 12,362-acre Howard Ranch to the Cosumnes River Preserve in South Sacramento County. The ranch was threatened with subdivision, and the purchase effectively prevented non-point source pollution and the degradation of water quality and habitat that would have resulted from development. The local Sacramento Valley Conservancy quickly followed suit by landing a \$1 million SRF loan to advance the establishment of the 3,000 acre Sacramento Vernal Pool Prairie Preserve.



Vernal Pools are one of the most threatened ecosystems in the world.

Ohio EPA Allows Communities to Protect Water Resources Using the CWSRF

The Ohio EPA's Water Resource Restoration Sponsor Program (WRRSP) uses funds from the state's Clean Water Revolving Fund to restore and protect wetlands.

In April 2001, the City of Marion, in northern Ohio, acquired the Edison Reserve, 1,300 acres of woods, wetlands, and meadows using this program. To fund the project, the City agreed to increase the low-interest CWSRF loan they were receiving from Ohio EPA to improve their wastewater treatment system. \$4.5 million was used to acquire the Reserve while an additional \$1 million will be used in the future to restore as much as 300 acres of wetlands on the property. This effort, the largest conservation accomplishment in Ohio in recent decades, involved many public and private partners and was coordinated by the Trust for Public Land. For more information, visit www.tpl.org

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Office of Water

Wetland Resources

For more information, call EPA's Wetlands Helpline at 1-800-832-7828, or visit www.epa.gov/owow/wetlands

Information on EPA's Clean Water State Revolving Fund Program, including contact information for regional and state coordinators www.epa.gov/owm/cwfinance/cwsrf

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