

# **State Revolving Fund for Nutrients Reduction Projects**

**September 19, 2025**

**Alexandra Gunnell, Loans & Grants Director**



# State Revolving Fund Overview

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- The SRF program is a US EPA financing program administered in California by the State Water Resources Control Board
- Provides low-cost loans and grants for qualified water and wastewater projects
  - Loan interest rate set at  $\frac{1}{2}$  the State of California 30-year General Obligation Bond rate; estimated grant equivalent of \$20M for every \$100M loan
  - Additional grant / principal forgiveness funding for eligible water recycling and stormwater projects and disadvantaged communities
- Annual Intended Use Plan (IUP) identifies projects to be funded
  - Projects are scored, ranked and funding cutoff score is based on funding capacity

# SFPUC's Recent SRF Loan

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## Folsom Area Stormwater Improvements Project

- November 2021 – SFPUC identifies project as SRF candidate
  - Water Quality Control Plan or Permit Corrective Score = 8 out of 9 possible points
  - Could be paired with WIFIA Loan
- Dec 2022 – application submission
  - Readiness Score = 4 out of 4 possible points
  - Total Score = 15 of 16 possible points
- Sept 2023 – included on CWSRF FY2023/24 Fundable List
  - 44 new project applications requesting \$2.3B in funding
  - 17 selected for funding with a cutoff score of 13 out of 16 total possible points for a total \$1.3B in financing
- June 2025 – executed \$50 million loan at 1.8% + \$5M grant
  - partial funding for \$391M total project costs; to be combined with WIFIA loan

# CWSRF Policy Revision May 2025

- Priority Score = Project Score + Secondary Score + Affordability Score + Readiness Score

**Table 1 – Project Score**

Resource or Impact	Purpose		
	Corrective	Preventive	Improvement
Drinking Water Source	10	9	6
Nutrient Removal	8		6
Water Recycling	-	-	8
Water Quality Control Plan or Permit, or Impaired Water Body	8	7	4

- Readiness Score (max score of 2)
  - $\geq 90\%$  P&S or advertised RFP for Design-Build = 2
  - $\geq 50\%$  P&S = 1
- Complete Application is Required

# CWSRF Funding Considerations

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- Funding is limited and competitive
  - Annual funding capacity ~\$600M/yr
  - \$50M per project max
- Federal Compliance
  - DBE outreach, domestic materials (BABA) must be implemented during bid process and included in contract specs
  - Environmental consultations (SHPO, USFWS, etc.) prior to construction (ground disturbance)
  - Reimbursement basis; bridge funding cannot be tax exempt
- Dec 31 deadline for consideration in upcoming FY funding plan (IUP Fundable List)
  - Ineligible if completed 25% construction or anticipated to complete construction by June 15 of upcoming year