Funding Sources Available for Onsite Wastewater Treatment Systems (OWTS)

The State Water Resources Control Board's (State Water Board) Clean Water State Revolving Fund (CWSRF) Program offers low interest financing for projects that improve water quality.

Are private parties eligible for CWSRF financing?
Private parties are not eligible for direct assistance from the CWSRF Program; however, financing provided through the CWSRF Program may be made available to private parties through a Mini-Loan Program. With a Mini-Loan Program, the CWSRF Program provides financing to a local public agency (i.e., city, county, or district). The local public agency:
- Administers loans to private parties in their service area
- Is responsible for promoting the program, inspecting the work, reporting, and invoicing
- May hire a loan management firm to administer the loans
The interest rate charged to private entities is the State Water Board interest rate, plus additional interest points to cover administration costs.

What are typical CWSRF financing terms?
- Interest rate: ½ the most recent General Obligation bond sale (typically 2.5 to 3 percent)
- Financing term:
  - Standard is 20 years
  - Extended terms of 30 years are possible for small, disadvantaged communities
- Repayments: due annually, starting one year after completion of construction
- Disbursements are typically limited to $50 million per agency per year

What types of projects are eligible for CWSRF financing?
The CWSRF Program commonly funds construction of publicly-owned wastewater facilities, but also makes funding available for Expanded Use Projects, including:
- Implementation of nonpoint source (NPS) projects or programs, or
- Development and implementation of one of three Estuary Comprehensive Conservation Management Plans (CCMPs) - San Francisco, Morro Bay, or Santa Monica

What is required for the CWSRF Program Expanded Use application?
Expanded Use applications are accepted on a continuous basis, and are submitted electronically through the State Water Board’s Financial Assistance Application Submittal Tool: https://faast.waterboards.ca.gov/
Expanded Use application components include:

- Eligibility Evaluation – projects must be consistent with one of three Estuary CCMPs, or the five-year implementation plan in the California NPS Management Plan: [http://www.waterboards.ca.gov/water_issues/programs/nps/5yrplan.shtml](http://www.waterboards.ca.gov/water_issues/programs/nps/5yrplan.shtml)
- Environmental – evidence of compliance with the California Environmental Quality Act
- Planning Study – identifies the project objectives, discusses alternatives, and selects the best, most cost effective means of addressing the problem
- Credit Review – local agency’s financial statements, project budget and funding sources, projected operations and maintenance costs, information about the source of revenue for CWSRF repayments
- Various other legal opinions, resolutions, certifications

More information about the CWSRF Expanded Use application process is available online: [http://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/expanded_use.shtml](http://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/expanded_use.shtml)

**What if my project isn’t on the CWSRF Program Project Priority List (PPL)?**
To receive a funding commitment, projects must be listed on the CWSRF Program PPL. If your project is not currently listed, you may proceed with the submitting the Expanded Use application through FAAST. The project can be added to the CWSRF Program PPL later.

**What costs are eligible through the CWSRF Expanded Use Program?**
Eligible CWSRF expenses include: construction of facilities to treat, reduce, or prevent NPS pollution; planning, design, and environmental review; demonstration projects; and education and outreach programs.

**Are grant funds available through the CWSRF Program?**
There is a limited amount of principal forgiveness (which is essentially a grant) available through the CWSRF Program. Principal forgiveness is available to two categories: 1) small, disadvantaged communities with substantial water quality investment; 2) other disadvantaged communities. For up-to-date information regarding the availability of principal forgiveness, and the eligibility requirements, please access the current CWSRF Program IUP online: [http://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/pubs.shtml#annual](http://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/pubs.shtml#annual)

**Where can I get more information about the CWSRF Program?**
Please access the CWSRF Program website: [http://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/](http://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/)

If you would like to contact someone regarding additional questions, you may send an email to [CleanWaterSRF@waterboards.ca.gov](mailto:CleanWaterSRF@waterboards.ca.gov) or call (916) 327-9978.

**Where can I get more information about other potential funding sources?**
The California Financing Coordinating Committee (CFCC) is made up of eight member agencies, both state and federal. CFCC conducts free funding fairs each year to educate the public about the different member agencies, and the financial resources they have available. Please access the CFCC website for additional information: [http://www.cfcc.ca.gov/](http://www.cfcc.ca.gov/)