

Water Quality Program Clean Water State Revolving Fund (SRF) Trends and Analysis



WASHINGTON STATE
DEPARTMENT OF
ECOLOGY

About SRF

- Clean Water Act amendments of 1987 authorized EPA to make grants to states to capitalize state revolving fund loan funds
- Operated by State Agencies; capitalized by EPA and 20% state match
- Provide low-cost funding for water quality improvement projects
 - Below-market interest rates



Sustainable Funding Source

- SRF loans “revolve”-Each year SRF loan repayments and fund earnings are used for a new round of loans
- 2013 WA Legislature passed HB 1141: SRF Administration charge bill

Clean Water SRF in Washington

- Since 1990, SRF has funded \$1.3 billion worth of projects
- Projects include:
 - Planning, design and construction of wastewater and stormwater facilities
 - Large onsite sewage systems
 - Planning and implementation of nonpoint source pollution control activities
 - Estuary conservation and management activities
 - Onsite sewage system repair and replacement

Clean Water SRF Cash Flow



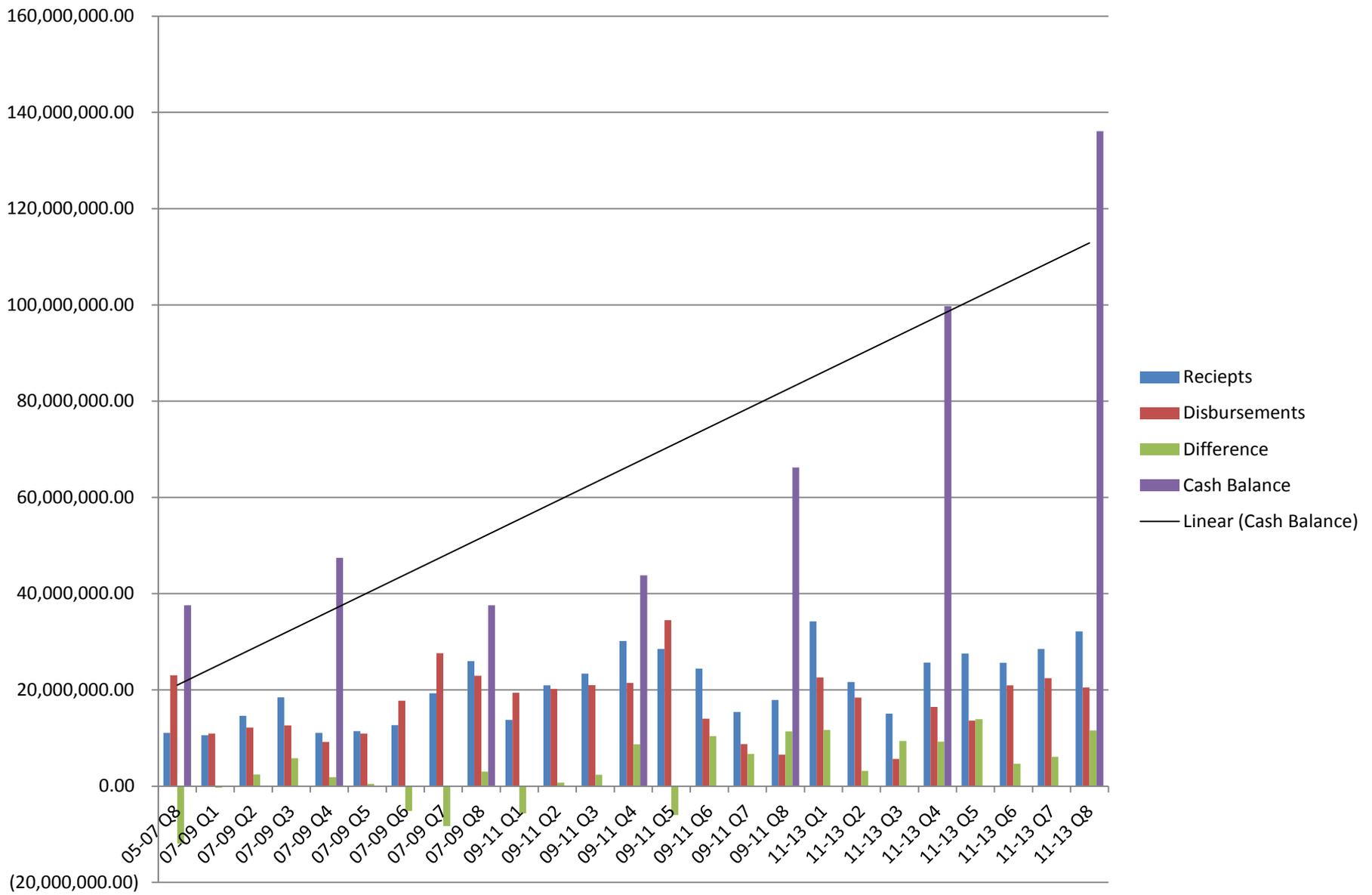
Wastewater

Nonpoint
source

Stormwater

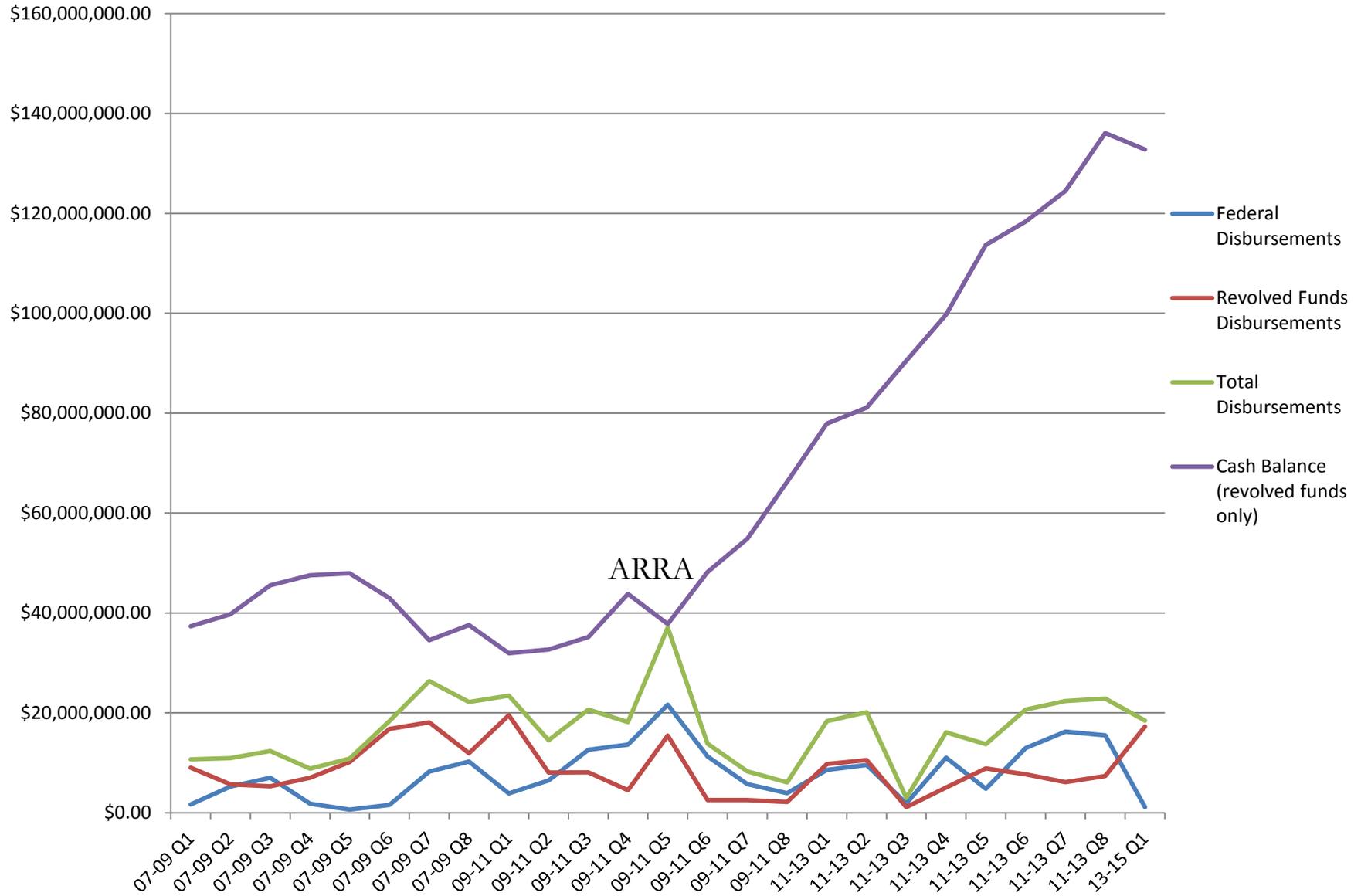
On-Site
Sewage

727 Cash Flow Between 05-07 to 11-13 Biennia



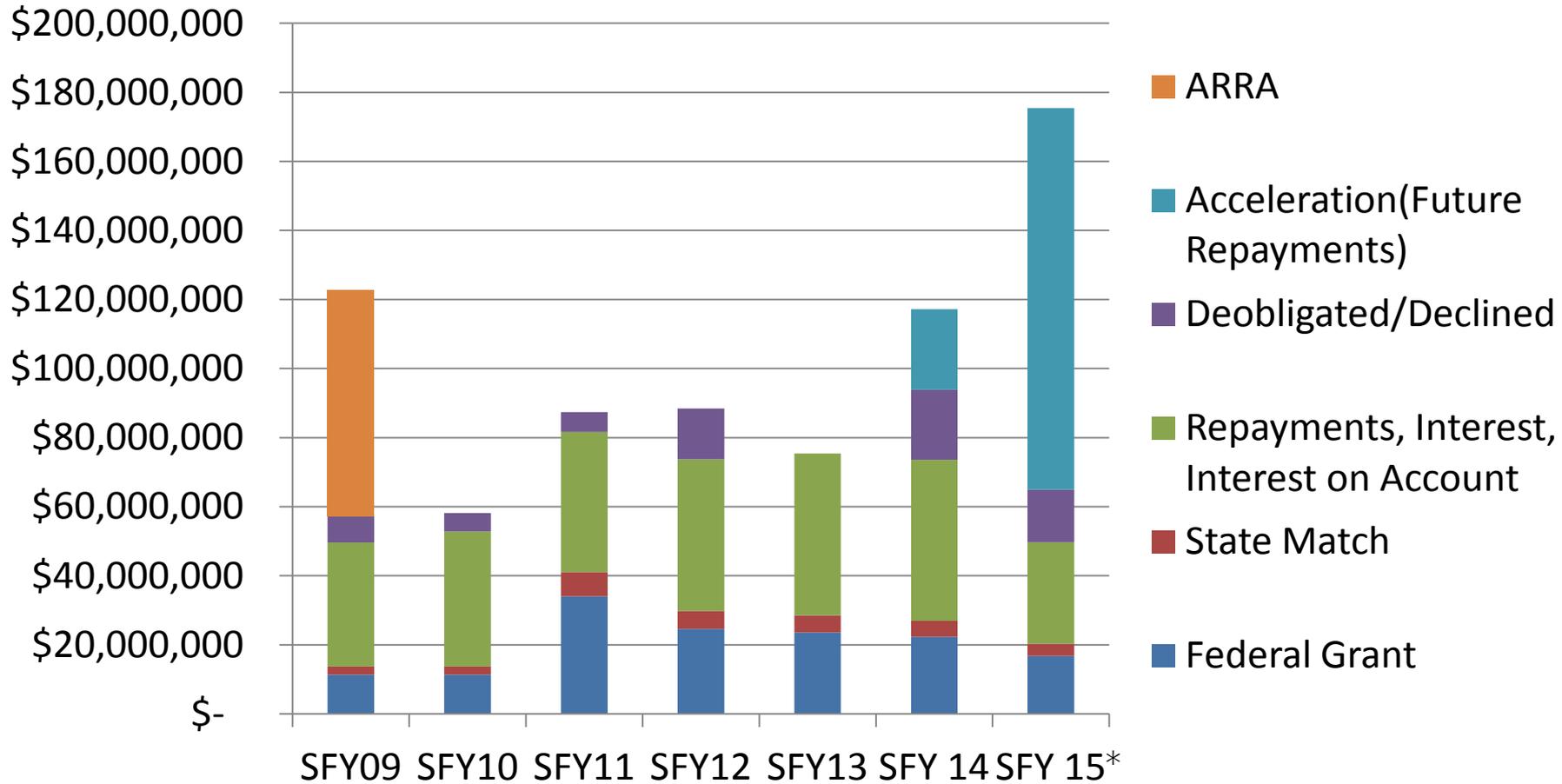


Federal and Revolved Funds Disbursement





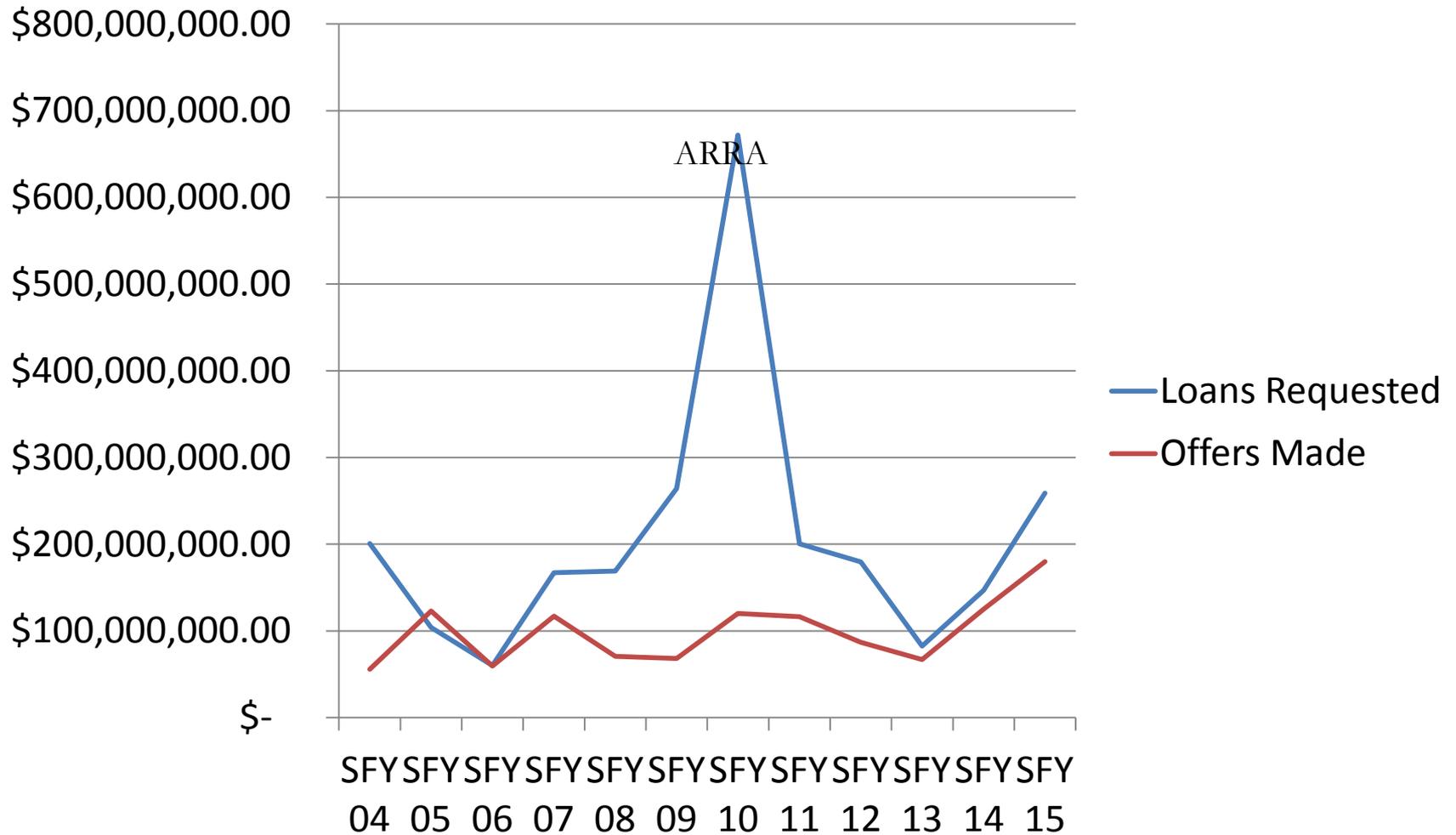
Funds Available



*SFY15 is based on Governor's Capital Budget



Demand for Funds



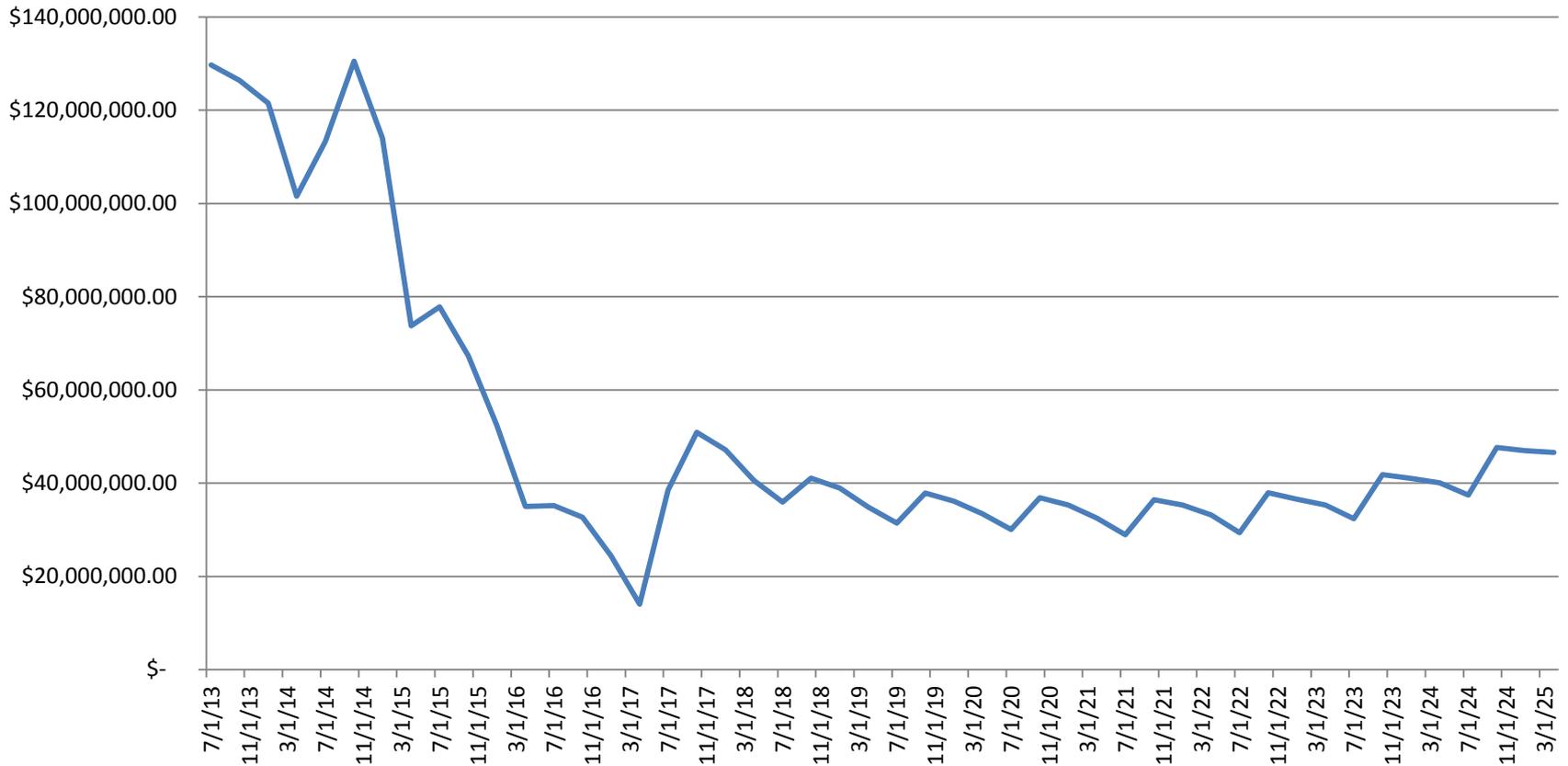
Cash Flow Assumptions

- Federal Cap grant reduced by 25% each year and no more cap grant by SFY18
- All loans are 20 year at base interest rate
- Quarterly disbursements based on past loan performance.
 - 34.4% by year 1
 - 81.3% by year 2
 - 100% by year 3
 - Year 4 no activity
 - Year 5 repayment begins



Summary of Cash Flow Projections

Projected Ending Balance





Fund 727-Water Pollution Control Account 2013-15 Biennium

Resources 2013-15

Beginning Fund Balance	175,007,063
Repayment Revenue	112,122,480*
Federal Revenue	81,600,000
Treasurer's Interest	609,478
State Match Transfer-Governor's Request	15,500,000
Working Capital Reserve	2,000,000
Total	382,839,021

Expenditure 2013-15 (Appropriations)

Operating	1,850,000
Capital New	234,500,000
Capital Reappropriations	243,448,581
Capital Unallotted	242,537,712
Supplemental Governor's Request	70,500,000
Supplemental Unallotted	50,500,000
Total	257,260,869

Estimated ending fund balance 6/30/15	125,578,152
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Summary

- Acceleration of our FY14 and FY15 cycles will reduce the cash balance to \$20M.
- Our goal is to reduce our cash balance down to a range of \$30-\$40M.
- To avoid a further drop, our FY16 cycle will have to be reduce funds available to \$60-75M.
- We will be tracking closely and adjust accordingly.