

Reclaimed Water Funding, Financing and Incentives

Reclaimed Water Funding Sub-Task
Force Meeting
Lacey, WA
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Grants and Loans

- Other states use same kinds of tools as WA
- Good sources of info re Federal, State, grants and loans
 - Directory of Watershed Resources for Region X
 - Environmental Financial Information Network Guidebook of Financial Tools

Utility Financing

- Most utilities use tried and true methods of financing non-grant portion of projects
 - Self generated funds
 - Borrowed funds
 - Development charges, impact fees, etc.
- Rate structure
 - Allocation among users complex but principles well known
 - Growing role of economic analysis
 - Importance of affordability analysis

Potential sources of revenue to pay for RCW projects

- General obligation bonds like CA, NY
- General fund appropriations
- Dedicated state revenues
- Leveraged SRFs
- SRF loan guarantees
- Prioritize SRF use for sustainable water
- State/municipal pension funds
- Private activity bonds
- Cleanup funds in redevelopment areas
- Voluntary contributions by ratepayers like greenpower
- Broad based fees on wastewater/water ratepayers or on water withdrawals
- Windfalls, targeted taxes on specific items or services
- Tax Increment Financing

Incentives

- Mandates on suppliers or users to plan for or use RCW where feasible
- Development mandates
- Community Development Corporations
- Wastewater and water fee adjustments to encourage and /or pay for RCW use
- Impact and development fees in growth areas
- Building codes
- Community land use planning
- Zoning and other land use tools
- Transfer of Development Rights
- Watershed finance utility and/or Ecosystem Service Districts

Questions

1. What additional research on what other states are doing?
 1. existing grant or loan programs
 2. other means of raising revenue
 3. Incentives/mandates
2. Which funding/financing/incentives ideas look most promising for further development?
3. Funding for RCW or for sustainable water?

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