Dear Regional Managers:

As promised, attached is more information regarding the Stimulus Bill and potential monies for wetlands and other aquatic resource restoration and protection. The compromise bill, passed by the House and yet to be voted on by the Senate has $4 billion for Clean Water (CW) Act State Revolving Fund (SRF) and $2 billion for Drinking Water (DW) SRF. I wouldn’t be keeping this promise without Kathy Hurld's excellent research and consultation with the Office of Wastewater Management, who has lead responsibility for the CW SRF program.

The compromise bill has a set aside of not less than 20% for “green infrastructure”, water or energy efficiency improvements or other environmentally innovative activities (this is above normal spending opportunities) and a requirement that each State use not less than 50 percent of the amount of its capitalization grants to provide additional subsidization to eligible recipients in the form of forgiveness of principal, negative interest loans or grants or any combination of these.

Rapid movement of the money is the goal. Thus, it will be critical that the potential restoration projects eligible to be funded with the stimulus monies are shovel-ready, with permits and approvals in hand or able to utilize general permits (e.g., 402, 404, NEPA) so that they are ready to begin construction within 12 months of the date of enactment of the Bill (regular SRF funds do not have the same time clock).

The most likely conduits for funding wetland and nonpoint source work with the Stimulus monies are through the State Revolving Funds (SRF) under the Clean Water Act State Revolving Fund (CWSRF) and the Drinking Water Act State Revolving Fund (DWSRF). (Other sources may be available through the Army Corps of Engineers Civil Works and Mississippi River Programs as well as NOAA and Interior programs). A link to the Compromise Bill is: http://appropriations.house.gov/ also relevant sections of the original House and Senate Bills, as of 2/8/09, are attached.

**ACTION:** We suggest that you work with your state counterparts to make them aware of this opportunity and to have them work with their State SRF contact - if you haven’t already - to assemble project lists that are ready to go to meet the deadline above. The target for Congressional passage and Presidential signature is Monday February 16 (Presidents Day).

**What can the Stimulus monies and traditional SRF monies be used for?**

*Projects that:* restore wetlands, hydrology, stabilize stream banks or shorelines, plant flora or buffer strips for water quality improvements or to protect/restore aquatic resources, constructed wetlands to address non-point source pollution (e.g., nutrient assimilation), dam removal to restore hydrology and improve water quality, measures to address sedimentation, etc. . . . See attached fact sheets.

*CWA 604(b):* authorizes States to reserve up to 1% of their annual SRF allotment for water quality planning and management. Monitoring (including ambient monitoring) is an eligible activity under this section.

Many states actively seek out NPS projects for funding through the CWSRF. However, the national picture is very mixed: traditionally some states won’t even consider NPS projects and many other states are restrictive. This is where talking with the state SRF folks may help; many states are undertaking emergency procedures to enable them to spend this money and
this provides an opportunity to move from business as usual to being more inclusive, creative and innovative.

How do you get a project in the process for potential CWSRF stimulus funding?

- Talk to your state counterparts about any specific "shovel-ready" projects NOW. States are already putting together their CWSRF Intended Use Plans (IUPs), a prioritized list of CWSRF projects. State wetlands managers should talk to their state SRF counterparts about adding projects to the IUP list. They should:

  I. provide the state SRF folks with project lists that are as inclusive as possible, in order to be ready for any opportunity. This can be done by adding to the IUPs a reference to project lists such as: regional Corporate Wetlands Restoration Project (CWRP) lists, 319 plans, 320 plans, State Wildlife Action Plans, or a list that the state wetlands office has compiled. You can also list individual projects on the IUP.

  II. be aware that the CWSRF IUPs need only identify a dollar amount for NPS: the state does not need to list specific NPS projects in the IUP. [In contrast, point source projects must be ranked, prioritized, specifically identified, and are subject to public notification and comment periods].

- Restoration projects which can be tied into either 319 NPS plan or 320 National Estuary (CCMP) plans will have the highest priority under the SRF. Non-point Source projects are on a different (much faster) timeline for application and loan approval than traditional point-source projects. Money is probably available now from repayments.

- State wetland/aquatic resource program managers should identify any slower moving projects, too. Regular annual funding is also available and it doesn’t come with the short deadlines being discussed associated with the Stimulus money.

Creative Funding Opportunities:

- At least 50% of the SRF capitalization grants are to be used to provide additional subsidization to eligible recipients in the form of forgiveness of principal, negative interest loans or grants or any combination of these. Some projects could be eligible for these negative interest loans or grants, guidance will be sent to the States on this.

- The Corporate partners’ part of the CWRP could commit to repaying the loans over several years. This would help get more projects in the ground sooner, stimulating jobs and protecting aquatic resources. The loans could be used as the match required for projects or for the entire project cost.

- Pay for restoration activities that have been identified by the state and then use In-Lieu Fee program funds to repay the loans. Note: There are obvious requirements that the funds used to repay the SRF loan for the restoration are compensating for impacts to the same type of resource/function. (e.g., NC does this with other funds). Fact sheet to follow.
• 1% of a state’s annual SRF allotment can be set aside for water quality planning and management. Monitoring (including ambient monitoring) is an eligible activity under this section.

**Where can I find potential projects?**

• State lists of sites identified as needing restoration, protection or with water quality impacts.
• Projects endorsed by the Corporate Wetlands Restoration Partnerships (CWRP): Projects can be identified by contacting the CWRP regional contact (see attached list or link).
• State 303(d), 305(b) lists.

**Important Links:**

State/EPA Regional SRF contacts:
[http://www.epa.gov/owmitnet/cwfinance/cwsrf/contacts.htm](http://www.epa.gov/owmitnet/cwfinance/cwsrf/contacts.htm)


List of examples of completed projects, potential projects and contact information for Corporate Wetland Partnership Restoration.

**Attachments:**

I. Two fact sheets on the types of SRF projects that can be funded.
II. EPA Regional SRF contacts.
III. CWRP regional contact list.
IV. Key sections of the recent versions (2/8/09) of the House and Senate Stimulus Bills.
V. Stimulus CWSRF Project Description - This document was sent to the CWSRF Regional Coordinators to share with states as they develop project lists. This is not guidance, just materials OWM is able to give them now to help before anything is final (the bill).

This e-mail in a word document.