



The Louisiana Clean Water State Revolving Fund: An Analysis with Recommendations

Preface

The State of Water Infrastructure

Water infrastructure in the United States is aging and in need of replacement, and many systems are already failing. Estimates suggest \$1.25 trillion ([\\$625 billion](#) for Drinking Water infrastructure and [\\$630 billion](#) for Clean Water infrastructure) is needed over the next 20 years to invest in wastewater, stormwater, and drinking water systems. Inadequate investments in water infrastructure has a significant negative impact on the health and well-being of communities, and disproportionately impacts low-income communities and communities of color.

The Bipartisan Infrastructure Law (**BIL**), passed in November of 2021, was the single largest federal investment in water infrastructure to date. Of the \$55 billion to be administered by the Environmental Protection Agency (**EPA**), \$43 billion is being distributed through the Clean Water State Revolving Fund (**CWSRF**) and the Drinking Water State Revolving Fund (**DWSRF**) over Federal Fiscal Year (**FFY**) 2022-2026. Although 49% of these funds must be distributed to “disadvantaged communities” as grants or forgivable loans (rather than loans that need to be repaid), communities with the greatest need [still face several barriers](#) in accessing these funds. Interventions to address these barriers include reforms to State Revolving Fund (**SRF**) policies that determine how SRF funds are allocated to communities within each state.

Why and How This Project Came to Be

In early 2023, PolicyLink started its three-year “Southern State Revolving Fund (SRF) Analysis and Advocacy Project” to help ensure equitable implementation of BIL SRF funds and base SRF programs in the South. In focusing on the South, we recognized that the racial and economic disparity in clean and affordable water is particularly pronounced there and that there was a need for strong community-based advocacy.

This project consists of two main phases:

Phase I: Analyses of DWSRF and CWSRF Across Seven Southern States

In early 2023, PolicyLink partnered with the Environmental Policy Innovation Center (EPIC) to train and support policy analysts across seven southern states (Alabama, Arkansas, Louisiana, Mississippi, Oklahoma, Tennessee, and Texas) to conduct equity analyses of each state’s Clean Water and Drinking Water State Revolving Fund. These analyses are being used to inform advocacy in Years 2 (2024) and 3 (2025) of the project.

Phase II: Community-Based-Organization (CBO) Led Advocacy Across Four States

Of the seven states, PolicyLink selected four states—Alabama, Louisiana, Tennessee, and Texas—for Phase II (supporting CBO-led SRF Advocacy). These represent two states from EPA Region 4 (Tennessee and Alabama) and two states from EPA Region 6 (Louisiana and Texas). PolicyLink selected a cohort of 16 CBOs (4 CBOs per state) to undergo SRF Advocacy training (administered by River Network) and supports them in their state and regional SRF advocacy efforts.

This document is part of the larger series of SRF program analyses (Phase I deliverables) developed by individual consultants, with guidance from PolicyLink and the Environmental Policy Innovation Center (EPIC).

To learn more about the project and/or to access other material related to the state analyses, please see the project [site](#).

Acknowledgments

For the first phase of this project, we want to thank our partner, Janet Pritchard, from the Environmental Policy Innovation Center (EPIC), for providing a template for conducting the equity analyses, training our consultants, and reviewing each of the state outputs. We also want to thank our individual consultants who conducted analyses of SRF programs within their states:

- Alabama: Victoria Miller and Cindy Lowry, Alabama Rivers Alliance
- Arkansas: EPIC
- Louisiana: Rebecca Malpass, The Water Collaborative of Greater New Orleans
- Mississippi: Dr. Christine Curtis, Grow Where You’re Planted
- Oklahoma: EPIC
- Tennessee: Grace Stranch and Anne Passino, Harpeth Conservancy
- Texas: Danielle Goshen, (*while at National Wildlife Federation*)
- Regional Overview: Danielle Goshen, EPIC

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Abbreviations Sheet

BIL – Bipartisan Infrastructure Law
CBO – Community-Based Organization
CWA – Clean Water Act
CWNS – Clean Water Needs Survey
CWSRF – Clean Water State Revolving Fund
DAC – Disadvantaged Community
DWINSAs – Drinking Water Infrastructure Needs Survey and Assessment
DWSRF – Drinking Water State Revolving Fund
EC – Emerging Contaminants
EPA – Environmental Protection Agency
EPIC – Environmental Policy Innovation Center
EET List – Enforcement Targeting Tool List
EJScreen – Environmental Justice Screening Tool
FFY – Federal Fiscal Year
IIJA – Infrastructure Investment and Jobs Act
ITEP – Industrial Tax Exemption Program
IUP – Intended Use Plan
LDEQ – Louisiana Department of Environmental Quality
LDH – Louisiana Department of Health
LWWJFC – Louisiana Waste Water Joint Funding Committee
MCL – Maximum Contaminant Level
MHI – Median Household Income
OSDS – On-Site Disposal Systems
PFAS – Per- and Polyfluorinated Substances
PWSS – Public Water Supply Supervision Program
RWIC – Rural Water Infrastructure Committee
SDWA – Safe Drinking Water Act
SRF – State Revolving Fund

Introduction

This memorandum analyzes key components of the state policy framework for Louisiana’s Clean Water State Revolving Fund (**CWSRF**). While funding to capitalize the CWSRF is provided by federal appropriations, the policies that determine the projects and communities that are prioritized to receive funding—including which communities receive additional subsidies in addition to low-interest loans—are determined at the state level.

This memo explains key components of the state policy framework of interest to community-based organizations and other organizations working on environmental and equity issues in Louisiana. It is intended to provide guidance to state advocates in their efforts to engage state administrators to make the allocation of Louisiana’s CWSRF more equitable and to build the resilience of Louisiana communities, particularly low-wealth and historically underserved communities in the state.

The Intended Use Plans (**IUPs**) are the key policy documents that outline how each state will use BIL SRFs and base SRF grants (appropriated by Congress each year). This memorandum focuses on Louisiana’s most recent IUPs (2023, 2024), with reference to relevant statutes and regulations as well.

Background

In 1987, as an amendment to the [Clean Water Act of 1972 \(CWA\)](#), Congress established the [Clean Water State Revolving Loan Fund \(CWSRF\)](#) to be administered by the Environmental Protection Agency (**EPA**). This program provides financial assistance to help states and wastewater systems carry out projects to protect water quality and regulate pollution from discharges.

Every year, Congress appropriates base funding to EPA to award capitalization grants to each state. These grants are awarded in accordance with criteria in the federal Clean Water Act. Although EPA periodically undertakes a Clean Water Needs Survey (**CWNS**), the CWNS is not the basis of the formula for allotting CWSRF funds. A CWNS is conducted once every four years using survey data received directly from wastewater systems.

In order to receive funding, each state must submit an annual Intended Use Plan (**IUP**) to EPA that demonstrates the state’s needs, goals, and intended uses of funding to improve wastewater infrastructure and ensure compliance with regulations. Each state must provide 20% in matching funds under base funding. State matching funds are generally acquired through the sale of state revenue bonds. While some communities may access additional subsidies, often provided as grants or forgivable loans, the majority of funding is used directly for at- or below-market-interest loans to wastewater systems for capital improvement projects. Eligible projects include improvement of wastewater treatment, wastewater infrastructure repairs and construction, stormwater infrastructure, nonpoint source pollution, national estuary programs, and other measures that protect the waters of the United States.

In addition, a state can set aside funds under their program to spend on technical assistance and other programs, including up to 4% for program administration and up to 2% of each year’s grant for technical assistance. In addition to these set-asides, at least 10% of each year’s capitalization grant should be allocated to green projects under the Green Project Reserve.

For projects that receive loan financing, over the term of the loan, wastewater systems pay back their loans with interest. That money is then directly invested back into the program to be used for other low-interest or principal forgiveness loans, hence the term “state revolving fund.”

In 2021, BIL created the largest investment in wastewater infrastructure seen in the United States, with [approximately \\$2.54 billion annually over five years](#) in supplemental appropriations allocated to the CWSRF program. With this significant investment comes great responsibility for state agencies to use funding wisely and in a manner that benefits communities most in need.

I. Key Facts and Links

- Name of program: [Louisiana Clean Water State Revolving Fund](#)
- Primary administering agency: [Louisiana Department of Environmental Quality](#)

- Key documents:
 - [SFY24 Intended Use Plan for Louisiana’s Clean Water State Revolving Fund](#): This formal policy document explains how Louisiana intends to distribute 2023 federal SRF appropriations.
 - [Louisiana’s CWSRF 2024 Draft Intended Use Plan](#)
 - [Louisiana’s CWSRF 2023 Intended Use Plan](#)
 - [LDEQ 2022 CWSRF Annual Report](#)
- State statute authorizing the Louisiana Clean Water Revolving Loan Fund: [R.S. 30:2301 et. seq.](#)
- Other resources / links:
 - [EPA’s Enhancing Public Awareness of SRF Assistance Agreements](#)¹
 - [EPA’s Green Infrastructure Policy for the CWSRF Program](#)²
 - [EPA’s DWSRF Disadvantaged Communities Definitions: A Reference for States](#)³
 - EPA’s Memorandum “[Implementation of the Clean Water and Drinking Water State Revolving Fund Provisions of the Bipartisan Infrastructure Law](#).”⁴

II. Issues of Concern for Historically Underserved Communities in Louisiana Relating to Water Infrastructure

The South, including Louisiana, has a deep-rooted history of injustices toward Black, Brown, and Indigenous people and low-income communities. These injustices have pervaded many areas of life, including access to clean water and sanitary wastewater treatment.

Around 80% of Louisiana is rural, and 28.5%—or 1.3 million—of Louisiana residents live in rural communities. Many of them do not have access to communal wastewater treatment facilities, relying instead on individual on-site disposal systems (**OSDS**) such as septic tanks that are vulnerable to sewer backups, foul odors, standing water, and sewage leaks. These communities experience higher poverty rates than urban and suburban communities in Louisiana, creating a need for

increased infrastructure investment at the federal and state levels.

In addition, a majority of Black, Brown, and Indigenous residents live in the Industrial Corridor of southeastern Louisiana, colloquially known as Cancer Alley. Communities in this corridor live amongst over 250 industrial facilities that discharge wastewater directly into surrounding surface waters. This discharge impacts overall water quality, drinking water, recreation, natural resources, and more, creating a lower standard of living for community members. In conjunction, Louisiana has incentivized industrial activity through the Industrial Tax Exemption Program (**ITEP**), exempting industries from paying up to 80% of property taxes that would otherwise go toward municipal programs like schools, libraries, and even water and wastewater treatment.

These issues affect all residents of Louisiana but particularly burden communities of color and low-income communities throughout the state. Actions are needed to address racial and economic injustices related to sanitation and water quality and established policies must ensure their permanence and efficacy. This includes Louisiana’s Clean Water Revolving Loan Fund.

III. Summary of Key Recommendations

Analysis of Louisiana’s CWSRF program shows room for improvement in at least three specific areas:

1. Develop a more robust and refined definition of disadvantaged communities that adequately captures the most vulnerable and in-need communities;
2. Increase additional subsidies, technical assistance, and project priority points for disadvantaged communities to maintain affordability and increase impact for vulnerable and in-need communities; and
3. Increase outreach to wastewater systems and agencies to encourage green project applications and applications that address emerging contaminants.

These three areas of improvement are considered feasible to implement through Louisiana’s CWSRF program administration and do not require amendments to state statutes or regulations. Rather, they can be implemented through improvements to the CWSRF IUP. A list of all recommendations is available at the end of this document.

IV. Louisiana's 2024 Draft Intended Use Plan

A. Primary Goals

Louisiana's CWSRF program has four **long-term** goals:

1. Provide low-cost financing for important water quality projects while maintaining the perpetuity of the CWSRF;
2. Promote and advance wastewater treatment facility improvements to meet the requirements of the CWA through compliance assistance;
3. Expand CWSRF accessibility by creating financial assistance programs that address nonpoint source control and other nontraditional CWSRF projects; and
4. Establish a funding program for individual onsite disposal systems (**OSDS**) using CWSRF funds.

Louisiana's CWSRF program has nine **short-term** goals:

1. Fund green infrastructure, water and energy efficiency, and environmentally innovative projects in an amount that is at least ten percent of the capitalization grant;
2. Provide outreach to municipalities across the state of Louisiana;
3. Participate in the Louisiana Waste Water Joint Funding Committee (**LWWJFC**);
4. Close at least 24 loans totaling more than \$180 million in state fiscal year 2024 (**SFY24**);
5. Apply for the federal fiscal year 2024 (**FFY24**) capitalization grants & FFY24 supplemental capitalization grants in SFY24;
6. Provide principal forgiveness to a community or communities that could not otherwise afford the project;
7. Participate in the Rural Water Infrastructure Committee (**RWIC**);
8. Create a Technical Assistance program using two percent of the capitalization grant; and

9. Participate in internal meetings with the Louisiana Department of Environmental Quality (**LDEQ**) Enforcement and Compliance staff.

B. Funding

In Louisiana, LDEQ administers the CWSRF program. Since the inception of the CWSRF program in 1987, Louisiana has received over \$567,000,000 in funds from annual capitalization grants.

In SFY23, Louisiana's CWSRF program received \$12,720,000 in its annual base capitalization grant with a 20% state match of \$2,544,000. Ten percent of the annual capitalization grant, or \$1,272,000, must be reserved for the Green Project Reserve. An additional 10% or \$1,272,000, must go toward additional subsidies mandated by the Congressional Additional Subsidy Authority. Furthermore, 10-30 percent (\$1,272,000 to \$3,816,000) of the capitalization grant must go to communities that meet the affordability criteria.

In SFY24, Louisiana's CWSRF base program anticipates receiving \$8,246,000 in its annual capitalization grant with a 20% state match of \$1,649,200.

In SFY24, Louisiana's CWSRF program also anticipates receiving \$19,565,000 in 2022 BIL Supplemental Capitalization Grants and \$22,914,000 in 2023 BIL Supplemental Capitalization Grants for a total of \$42,479,000. Ten percent of these grants, or \$4,247,900 in total, must go toward the Green Project Reserve. Mandated by the BIL, an additional 49% of these funds must go to communities that meet the affordability criteria as additional subsidies.

As of 2024, Louisiana's CWSRF program has not applied for emerging contaminant funding from the BIL Supplemental Capitalization Grants.

C. Interest Rates and Administrative Fees

Interest rates and administrative fees for the Louisiana CWSRF are established by the Secretary of LDEQ using a cash flow model obtained from a financial advisor, which determines its lending capacity, considering different variables for interest rates, additional subsidization, and potential for leveraging.

The 2023 and 2024 interest rates are set at 0.95 percent, with the exception of a project or project component that qualifies for the Green Project Reserve or meets one or more of the elements in the Sustainability Policy, which may receive a lower interest rate. An administrative fee is set at 0.5%. Loans may cover up to 100% of eligible project expenses, with most projects eligible for long-term financing up to 20 years. Administrative fees collected are accounted for separately from the CWSRF program.

D. Eligible Entities and Projects

Municipal, intermunicipal, interstate, and state agencies and nonprofit entities are eligible to receive loans for construction of publicly-owned treatment works. Privately-owned treatment works are not eligible to receive funding.

Eligible projects include:

1. Construction of publicly owned treatment works, as defined in section 212
2. Implementation of a management program established under section 319
3. Development and implementation of a conservation and management plan under section 320
4. Construction, repair, or replacement of decentralized wastewater treatment systems that treat municipal wastewater or domestic sewage
5. Measures to manage, reduce, treat, or recapture storm water or subsurface drainage water
6. Measures to reduce the demand for publicly-owned treatment works capacity through water conservation, efficiency, or reuse
7. Development and implementation of watershed projects meeting the criteria set forth in section 122
8. Measures to reduce the energy consumption needs for publicly-owned treatment works
9. Reusing or recycling wastewater, storm water, or subsurface drainage water
10. Measures to increase the security of publicly-owned treatment works

11. Qualified nonprofit entity, as determined by the Administrator, to provide assistance to owners and operators of small and medium publicly-owned treatment works:
 - a. To plan, develop, and obtain financing for eligible projects under this subsection, including planning, design, and associated pre-construction activities
 - b. To assist such treatment works in achieving compliance with this Act

E. Set-Asides

Louisiana's CWSRF program may allot up to 4% of its capitalization grants for program administration. It has chosen to use previously banked administrative funds to fulfill administrative duties in SFY24. The allowable administrative funds for SFY24 will be used for nonpoint source pollution and other water-related projects.

Louisiana's CWSRF program plans to allot 2%, the maximum amount allowed, of its FFY22 and FFY23 capitalization grants for technical assistance. These funds will be used to work with a nonprofit or other entity to provide community outreach, technical evaluation of wastewater solutions, preparation of applications, preliminary engineering reports, and financial documents to assist rural, small, and tribal publicly-owned treatment works.

Louisiana's CWSRF program plans to allot 10%, the minimum amount required, of its FFY22 and FFY23 capitalization grants to go into the Green Project Reserve.

F. Principal Forgiveness Loans

The Louisiana CWSRF program plans to allot just over 20.3% (\$1,675,000) in base SFY23 additional subsidies from the annual capitalization grant as principal forgiveness to communities that meet the affordability criteria. The minimum requirement is 20%, with a maximum of 40%.

The Louisiana CWSRF program plans to allot just over 40% (\$17,200,030) in SFY23 additional subsidies from the BIL Supplemental Capitalization Grant as principal forgiveness to communities that meet the affordability criteria. The minimum requirement is 49%. The nine percent difference between the requirement and the allotted amount may be due to a lack of projects that meet the affordability criteria.

G. Affordability Criteria for Disadvantaged Communities

Louisiana's CWSRF defines a disadvantaged community as meeting any one of the following:

1. Median Household Income (MHI) less than the State MHI
2. Percentage of population unemployed is greater than the State percentage
3. Percentage of population growth over the two most recent years is less than the State percentage

H. Sustainability Policy Priorities

Louisiana's CWSRF has three sustainability policy criteria defined by the EPA:

1. "Fix it first" projects to repair, replace and upgrade infrastructure in underdeveloped areas. Projects that qualify include:
 - a. Projects critical to assuring continued compliance with NPDES discharge limits in existing facilities
 - b. Upgrades to existing infrastructure in smart growth districts to spur development and redevelopment in these areas, rather than in unplanned or undeveloped areas
 - c. Rehabilitation of existing wastewater treatment systems (without expansion beyond a normal growth rate in the community or to service infill areas in the community)
2. Effective utility management to help improve the technical, managerial and financial capacity of assistance recipients to operate, maintain and replace their infrastructure to help improve their sustainability
3. Planning and development of alternatives, and capital projects that reflect the full life cycle cost of infrastructure, conserve natural resources or use alternative approaches to integrate natural systems into the built environment. Projects that qualify include:
 - a. Projects critical to protecting long-term investments (federal, state and local) in LDEQ community wastewater treatment facilities

- b. Projects consistent with local or regional land use plans

I. Project Priorities List

Louisiana's CWSRF project priority system evaluates three principal criteria:

1. High priority water bodies (designated uses for shellfish propagation, sole source drinking water, and outstanding natural resource waters);
2. Projects proactively addressing needs (addressing segments that have designated uses that are not supported, not fully supported, or threatened); and
3. Projects addressing enforcement and compliance issues.

Additional considerations include implementation of green infrastructure, energy efficiency, water efficiency, environmental innovation, readiness to proceed to a financing agreement and construction, completion of the environmental review, and obtaining necessary permits. Note that readiness to proceed criteria heavily weigh prioritization, with 1,000 points for projects that have completed Facility Planning and planning documents have been approved and 2,000 points for projects that have completed design and plans and specifications have been approved.

J. Application Process

Louisiana's CWSRF application is a multi-step process. First, all eligible systems are solicited for proposals. Systems that wish to apply must submit audited financial reports, financial projections, outstanding debt, user rates, collection rates, tax information, economic information on employment and median household income, a completed Form RF-100, a map of the proposed planning area, a Letter of Intent, and a project schedule. In addition, they must have completed the priority list public participation requirements.

Two lists are created:

1. **Fundable portion:** Projects expected to be awarded assistance during the fiscal year for which the list was prepared
2. **Planning portion:** Projects expected to receive funding during the next four fiscal years after the fiscal year of the list

Loans are approved based on readiness to proceed and project priority ranking.

K. Public Input Process

Louisiana's DWSRF hosts one public hearing in Baton Rouge, which may be virtual, and allows 30 days for comment on the DWSRF IUP. There is no mention of how these meetings are advertised beyond a statement in the draft IUP itself.

Each municipality or applicant that has submitted pre-application materials will be notified by letter of the availability of the IUP.

V. Key Findings

- 1. Additional Subsidies for Disadvantaged Communities Are Minimal.** The Louisiana CWSRF program has accumulated a large amount of funding since the inception of the program. Low-interest loan rates are in line with other states, and project eligibility meets the requirements outlined in the CWA. Louisiana's 2024 CWSRF Intended Use Plan (**IUP**) plans to forego set-aside funding for program administration and activities, increasing the amount of total funding available for project loans. However, the program allots only 20%—the minimum—in additional subsidies under the base program to be used as principal forgiveness loans to disadvantaged communities. The Bipartisan Infrastructure Law (**BIL**) moreover contains a requirement that 49% of the annual capitalization grant from BIL funding goes to principal forgiveness loans to disadvantaged communities—which the state is currently not meeting, instead expecting to provide 40% of the capitalization grant as additional subsidies.
- 2. Green Projects Are Lacking.** Priority for green projects is acknowledged in several areas of the IUP, including CWSRF long-term goals, funding opportunities, and project priority status. In particular, the Louisiana CWSRF gives project priority points, additional subsidies, and lower interest rates to green projects. However, LDEQ's CWSRF program has allotted the minimum amount required to the Green Project Reserve. Within the IUP's "List of Projects to be Funded," only three green projects are listed. This illustrates LDEQ's need to increase its outreach and technical assistance for green projects.
- 3. No Funding for Emerging Contaminants.** The Louisiana CWSRF program is missing an important opportunity to address emerging contaminants (**EC**), such as PFAS. Wastewater systems are a direct source of PFAS contamination in waterways. Many wastewater systems do not have adequate technology to filter out PFAS, adding to the pervasive problem of bioaccumulation in the environment. The BIL created a specific fund to address emerging contaminants like PFAS. However, the Louisiana CWSRF program has not applied for that money. Therefore, by failing to apply for EC funding, which does not require state match, Louisiana's CWSRF program has lost a vital funding opportunity to address these toxic contaminants.
- 4. The Disadvantaged Community Definition is Not Comprehensive.** The current affordability criteria utilizes income data, unemployment data, and population growth to define a disadvantaged community. Each of these defining criteria pose challenges that may stretch principal forgiveness funding too thin and may not accurately determine a community's needs. For example, using median household income as an indicator of affordability "may obscure the prevalence of households in poverty, especially in communities with a skewed or wide income distribution" and "does not capture whether a subset of the community's population might struggle with rate increases associated with existing or new water infrastructure debt" or "whether the actual cost of water paid by customers is affordable," according to EPA's "[DWSRF Disadvantaged Community Definitions: A Reference for States](#)" document. Using the poverty rate, wastewater rates, and water system size to determine affordability criteria may create more equitability in subsidized funding. In addition, the current definition does not specifically address environmental justice concerns for people of color or communities that live in high pollution zones.
- 5. Principal forgiveness formulas remain unmentioned.** The formula for principal forgiveness loans to disadvantaged communities is unclear. The 2022 IUP states that an entity must meet one of the three disadvantaged community criteria, also known as affordability criteria, as stated above, to receive principal forgiveness. Green projects and Section 212 projects may also receive principal forgiveness. However, it is unclear how the amount of principal forgiveness given is determined, allocated, and distributed for any project.

6. **Lack of Technical Assistance for Disadvantaged Communities Beyond Small, Rural, and Tribal Water Systems.** Louisiana’s CWSRF set-aside funds include \$1,014,500 in combined funds from FFYs 2021, 2022, and 2023 for technical, financial, or managerial assistance for small, rural, and tribal water systems. It specifically offers technical assistance for community water systems that serve less than 10,000 residents or are out of compliance with federal regulations. Louisiana’s CWSRF does not explicitly address technical, financial, or managerial assistance for larger water systems in disadvantaged communities. It is entirely possible for larger water systems to need these types of assistance and program support, including support to navigate the extensive application process for a CWSRF loan.
7. **Public Participation and Input Could Be Refined.** The application process is extensive and encourages public participation in project design, planning, and construction. Public hearings on draft IUPs may also be held virtually, which allows for increased public participation. However, there is no information on where and how notices for public meetings are posted, and although public meetings may be held virtually, it is not guaranteed. [EPA’s Combined SRF Implementation Memo](#) strongly encourages state agencies to “foster a spirit of openness and mutual trust between the state and the public” and “use all feasible means to create opportunities for public participation, and to stimulate and support public participation.”
8. **The Project Priority Point System Needs to Be Reexamined.** Project priority points are calculated to rank a project’s importance in relation to environmental and community health. The current formula gives an extra 1,000 points to projects that have completed their facility planning and been approved and an extra 2,000 points to projects that have completed their design and been approved. While financial assistance in the form of planning and design loans is available, this extreme increase in points can lead to inequitable loan funding. It systematically creates an advantage for communities that have the expertise and resources to complete project planning and design. However, many underresourced communities need technical assistance to complete project planning and design, and the current project priority ranking that determines who gets a loan deprioritizes these vulnerable and in-need communities. Likewise, Louisiana’s CWSRF program currently gives 20 points to projects that impact shellfish propagation but only 15 points to projects that impact sole sources of

drinking water, implying that shellfish propagation is more important than protecting community drinking water sources. In addition, the project priority point system outlined in the IUP includes unnamed acronyms, such as “BOD,” which may create confusion for individuals unfamiliar with these terms.

9. **Lack of Incentives for Louisiana Workforce Development.** Louisiana’s CWSRF program website has a severe lack of tools and training opportunities to improve Louisiana’s water and wastewater workforce development and programs that offer pathways to employment for Louisiana residents and youth. Also missing are requirements for applicants to support Louisiana workforce development by hiring project contractors and workers that live in Louisiana. Green workforce development is vital to the future and sustainable success of Louisiana’s efforts to create highly valued jobs and economic development. [According to the Institute for Market Transformation](#), “Workforce development programs can bring currently unemployed or underemployed citizens back to work and ensure that enough skilled professionals exist locally to fulfill demand ... A strong green workforce can improve the value and efficiency of the community’s natural and human systems.”

VI. Recommendations

1. Encourage and assist public wastewater systems with maintaining up-to-date and accurate records of needs and completing the CWNS survey every four years
2. Increase the amount of additional subsidy funding from 20% to 40% under the base funding for communities that meet the affordability criteria
3. Increase outreach to agencies and wastewater systems to support more green projects that include green infrastructure, energy efficiency, and water efficiency
4. Prioritize principal forgiveness loan funds for disadvantaged communities by using a scaled point model, ranking public wastewater systems that meet the definition of a disadvantaged community by weighing all factors to ensure the most disadvantaged communities’ needs are met first
5. Replace wastewater systems where the median household income is below the state median household income with “wastewater systems that serve a population with a poverty rate above 19 percent”

6. Add wastewater systems for which water rates account for 2% of the community's median household income.
7. Add water systems in areas that experience disproportionately higher rates of pollution. This can be assessed using the EPA's Environmental Justice Screening Tools ([EJScreen](#)⁵) or the Climate and Economic Justice Screening Tool ([CEJST](#)⁶)
8. Explicitly state the types of technical, financial, and managerial assistance available to wastewater systems in disadvantaged communities, including assistance with applications
9. Explicitly state the intention to host Louisiana's CWSRF IUP public hearing both in-person and virtually. Promote the public hearing through multiple channels, including the LDEQ CWSRF website, newspapers around the state, email notifications, and social media
10. Increase project priority points for projects that reduce pollution for sole sources of drinking water from 15 points to 20 or 25 points
11. Significantly reduce the project priority points for readiness to proceed, add project priority points for communities with a financial disadvantage, and provide technical assistance for communities that need assistance with project planning and design
12. Add workforce development training and apprenticeships to the list of fundable technical assistance activities provided to water systems to support employment of Louisiana residents
13. Require loan applicants to state their intent to hire contractors, project managers, construction workers, and other staff that live in Louisiana to promote Louisiana's workforce development
14. Prioritize, conduct outreach to public utilities, and apply for emerging contaminant funding

VII. Contact Louisiana Department of Environmental Quality

- **CWSRF Program Manager & Loan Coordinator:** Sierra Templet, sierra.templet@la.gov, (225) 219-3871
- **CWSRF Program Engineer & Technical Assistance:** Scott Templet, scott.templet@la.gov, (225) 219-3463
- **CWSRF General Email:** cwsrf@la.gov
- **CWSRF Mailing Address:** LDEQ - Office of Environmental Assessment, P.O. Box 4314, Baton Rouge, LA 70821
- **LDEQ Physical Address:** Galvez Building, 602 N. 5th Street, Baton Rouge, LA 70802
- **LDEQ Main Phone #:** (866) 896-LDEQ

End Notes

1. Sawyers, A. & US Environmental Protection Agency. (2016). Green Infrastructure Policy for the Clean Water State Revolving Fund Program.
2. Fox, R. & UNITED STATES ENVIRONMENTAL PROTECTION AGENCY. (2022b). Implementation of the Clean Water and Drinking Water State Revolving Fund provisions of the Bipartisan Infrastructure Law [Memorandum].
3. U.S. ENVIRONMENTAL PROTECTION AGENCY. (2022b). DWSRF Disadvantaged Community Definitions: A reference for States.
4. Fox, R. & U.S. Environmental Protection Agency. (2022). Implementation of the Clean Water and Drinking Water State Revolving Fund provisions of the Bipartisan Infrastructure Law.
5. EJScreen reconstruction accessed Feb 25, 2025. Tool accessible on this site: <https://screening-tools.com/epa-ejscreen>.
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