Total Maximum Daily Load (TMDL) Based Water Quality Standards and the Clean Water State Revolving Fund

The focus of water quality management is now shifting to the use of the TMDLs to identify water quality management needs. The Clean Water State Revolving Fund (CW SRF) is an ideal funding source to provide financing for the many water quality management projects that will result from the TMDL process. This fact sheet provides an overview of TMDLs and the use of CW SRFs to fund project needs.

What is a TMDL?

A TMDL (total maximum daily loading) is a calculation of the total maximum amount of a pollutant that a body of water can receive each day and still meet water quality standards. (i.e., a pollution budget).

Water quality standards are set by states, territories, and tribes. They identify the uses for each waterbody such as drinking water supply, contact recreation (swimming), and aquatic life support (fishing), and the scientific criteria to support that use.

A TMDL is the sum of the allowable loads of a single pollutant from all contributing point and nonpoint sources in a given watershed. The calculation must include a margin of safety to ensure that the waterbody can be used for the purposes the state has designated. The calculation must also account for projected population growth and development around the waterbody, and seasonal variation in water quality.

When a TMDL is ready for implementation, stakeholders decide which pollution sources must be restricted to meet water quality standards. The end result is the identification of a number of water quality management projects or activities that must be undertaken to meet the TMDL.

The TMDL List

The Clean Water Act (CWA), Section 303(d), requires that every other year states, territories, and tribes submit to EPA a prioritized list of all waterbodies in their area not meeting water quality standards and for which TMDLs must be developed. EPA will approve the list, or modify and add waterbodies to the list if it deems it incomplete.

Such waterbodies are included when the following pollution control requirements are not effective in meeting water quality standards for the TMDL such as:

- technology-based effluent limitations required by the CWA
- more stringent effluent limitations required by the state, territory, or tribe
- other pollution control requirements, such as best management practices

After a TMDL list is drafted by the governing agency, it goes through a public comment process before submission to EPA.

The Clean Water State Revolving Fund

One financial resource that can be used to fund projects or activities that will implement a TMDL is the Clean Water State Revolving Fund (CWSRF). Each of the 50 states and Puerto Rico operate a CWSRF to make low interest rate loans for water quality improvement projects. Nationally, the CWSRF has in excess of $34 billion in assets and has issued more than 9,000 loans since 1988. Many of the loans are used for traditional wastewater systems, but others go to diverse nonpoint source and estuary projects. The CWSRF funds over $3 billion worth of water quality projects annually.

Who May Qualify

Many different parties are eligible to receive CWSRF loans. Recipients have included municipalities, utilities, community groups, private individuals, companies, conservation districts, and nonprofit organizations. Since the CWSRF is managed by the states, project funding varies according to the priorities, policies, and laws within each state. Eligibility also varies by state.

Using the Clean Water State Revolving Fund to Finance TMDL Implementation

Many of the projects or activities identified to meet a TMDL will be eligible to receive CWSRF funds, including:

- planning, design, and construction of municipal wastewater treatment systems
- repair and replacement of septic systems
- agricultural best management practices
- animal waste control systems
- erosion and sediment control systems
- waterways sediment removal
- landfill closures and leachate management
- land acquisition to protect water resources
- remediation of leaking underground storage tanks

Each of these types of projects and others are currently being financed by CWSRFs around the country. As the TMDL process progresses, there will be no major difference in the types of projects funded, but there will be a difference in how priorities are set to identify projects in need of funding.

Funding High Priority Projects

Each year CWSRF managers develop an Intended Use Plan (IUP) that describes the projects the program plans to fund that year. Since the CWSRF cannot fund every water quality project, states prioritize to determine which projects to fund. States use different methods to identify and evaluate the projects to be included in the IUP, and as part of incorporating the TMDL process into their planning, increasingly realize the role comprehensive watershed management plays in identifying priority projects with important water quality benefits for funding by the CWSRF.

As the breadth of projects being considered for inclusion in IUPs increases, the complexity of evaluating priorities also increases. TMDL's will play an increasingly important role in informing states' priority setting processes in the future.

Challenges Ahead

EPA encourages states to use their CWSRF resources to finance the widest variety of high priority water quality projects. Those interested in obtaining funding for projects or activities that will implement a TMDL should seek out their CWSRF programs, gain an understanding of how their state program works, and participate in the annual process that determines which projects are funded.

Examples of Projects

Minnesota farmers find agricultural loan program helps them achieve environmental goals. Via a loan from the state CWSRF program, Minnesota Department of Agriculture has set up a low interest loan program to help farmers correct runoff problems. The program knits together state, local government units (county soil and water conservation districts), and private lenders to get the money to qualified applicants. A real "win-win" situation – farmers get the help they need and the state gets what it wants, in the form of reduced nonpoint source pollution.

For more information on the CWSRF program, please contact:

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For more information on TMDLs please contact:

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