



Evaluating Stormwater Infrastructure Funding and Finance: A Report to Congress

SESWA April 28, 2021

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Today's Overview

- ✓ Background and Process
- ✓ Report and Major Recommendations
- ✓ Current Status, Resources, and Questions



But First....

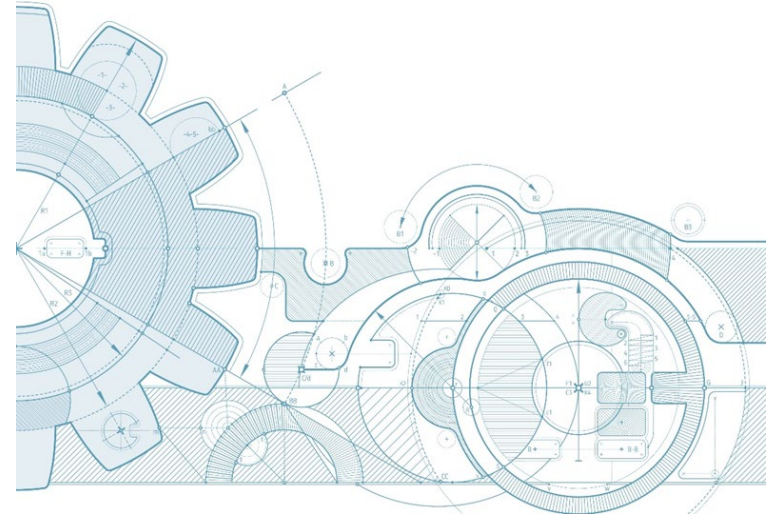
ASCE Infrastructure 2021 Report Card

First Time Stormwater Evaluated...

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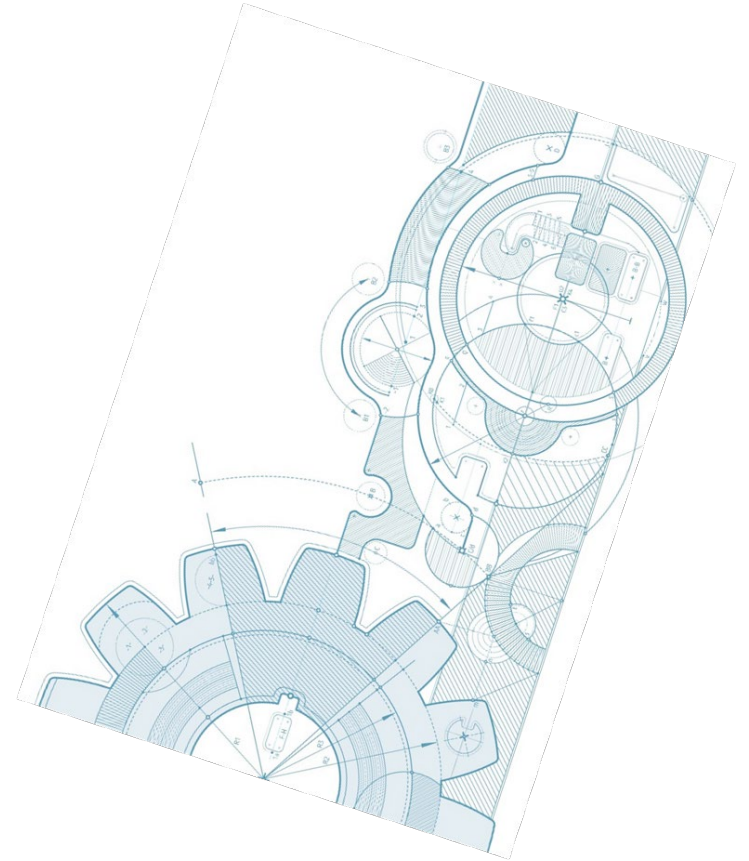
Background

- America's Water Infrastructure Act (AWIA) signed into law October 2018
- Section 4101 – EPA to establish a Stormwater Infrastructure Task Force comprised of federal, state, local governments and private entities.
- Objective is to conduct a **study on and develop recommendations** to improve the availability of public and private sources of funding for the construction, rehabilitation, and operation and maintenance of stormwater infrastructure to meet the requirements of the Federal Water Pollution Control Act (33 W.S.C 1251 et seq.)



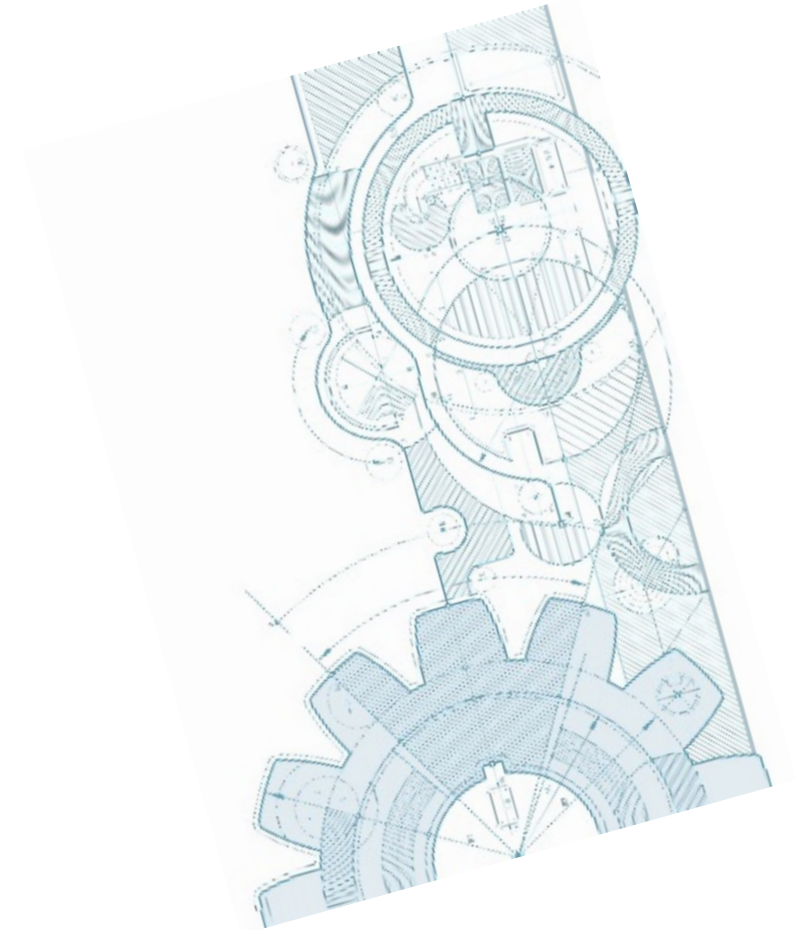
EFAB

- Task force convened through an existing EPA advisory board - Environmental Finance Advisory Board (EFAB)
- EFAB established the Stormwater Funding and Finance Task Force work group
- The work group included 14 EFAB members and 19 invited expert consultants from public, private, nonprofit sectors



Stormwater Funding Task Force

- Task force broke into three sub-committees related to the three charges from Congress
- Multiple work sessions
- Several public meetings across the country to solicit input, including in Atlanta
- EFAB accepted the charge March 20, 2019 and provided final report to EPA March 30, 2020 but draft report in 6 months



Task Force Charge from Congress

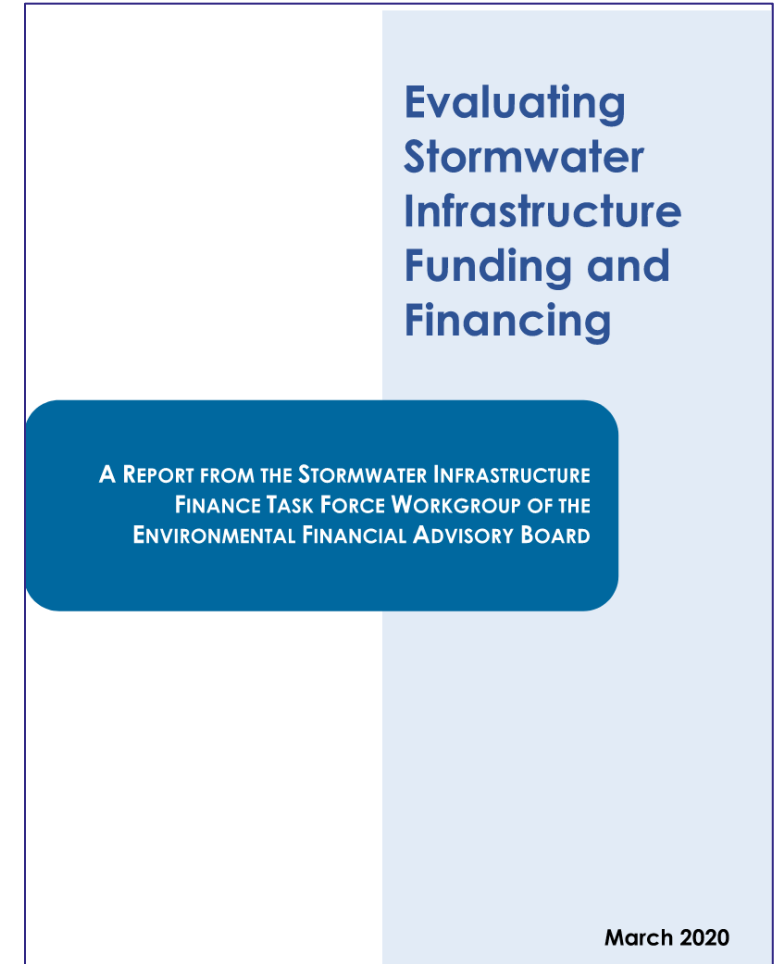
1. Identify existing federal, state, local government and private sources of funding and financing for stormwater infrastructure
2. Assess how the source of funding and financing affects affordability, including costs associated with infrastructure finance
3. Assess whether these sources of funding and financing are sufficient to support capital expenditures and long-term operational and maintenance costs required to meet the stormwater infrastructure needs of municipalities



Final report is the result of a mandate from Congress to USEPA

Report Outline

- Executive Summary
- Introduction and Background
- Recommendations
- Sufficiency of Funding
- Existing Sources of Funding
- Infrastructure Affordability
- Case Studies
- Stormwater Funding Database



Stormwater Infrastructure Drivers – A New Paradigm



Figure 1. Graphic representing the growing number of environmental and societal factors that are shifting the focus of stormwater management.

From the Executive Summary

- **Current stormwater funding mechanisms and public education initiatives are not sufficient to meet the significant needs across the country.**
- **Programs and investments are needed to address the estimated \$7 to \$10 billion annual funding gap**



Recommendations

A total of eight recommendations to EPA in the report under two broad categories:

- ✓ **Allocate new federal stormwater funding**
- ✓ **Provide education and technical assistance for stormwater funding and finance**



“It is the view of the task force that stormwater programs would benefit from a separate, additive, recurring financial commitment from EPA.”

Allocate New Federal Funding

1. Develop a new and enhanced construction grant program specifically for stormwater projects

- Similar to the federal Municipal Construction Grants Program.

2. Create a federal funding program to help address household affordability issues for customers who are economically challenged in paying their water related charges, including stormwater.

- Example - Low Income Home Energy Assistance Program



Allocate New Federal Funding

3. Increase annual funding allocation for and modify the CWA Section 319(h) grant program to allow and encourage...

- local capacity building
- utility fee study and implementation
- asset management
- remove restrictions on use of grant funds for MS4 permit compliance



Allocate New Federal Funding

4. Provide additional funds for the CWSRF and Water Infrastructure Finance and Innovation Act (WIFIA) programs specifically for stormwater.

Options include:

- Create a specific stormwater set aside in the existing CWSRF framework and increase awareness/guidance on the CWSRF for stormwater projects, including the Green Project Reserve program
- Create a “One Water” SRF with amounts allocated to drinking water, clean water, and stormwater
- Create a new SRF program exclusive to stormwater programs and projects
- Expand the existing WIFIA program to allow funding for more stormwater projects



“Sustainable funding for stormwater infrastructure builds long-term financial capacity, improves performance and over time produces results for citizens and residents.”

Provide Stormwater Funding Education and Technical Assistance

5. Provide funding to educate elected officials, professional administrative leaders, and the public on the benefit and need for sustainable local stormwater funding and organizational capacity

- Creation of stormwater utilities or the expansion of existing utilities into the stormwater sector.



Provide Stormwater Funding Education and Technical Assistance

6. Provide technical assistance and funding to help communities create and maintain sustainable and legally defensible funding sources and increase operational efficiency

- funding need assessments
- organizational analysis
- grant applications
- affordability assessments
- integrated planning
- revenue instruments



Provide Stormwater Funding Education and Technical Assistance

7. Provide a common application for different federal grants applicable to stormwater across all federal agencies

- Example “Common App” for 900 colleges across all 50 states



Provide Stormwater Funding Education and Technical Assistance

8. Provide funding to build and maintain a compendium of case studies and other resources to assist users to identify successful stormwater funding and financing approaches

- Select case studies and database of current funding sources in report



“Educational goals are to demonstrate that stormwater management investment directly benefits the health, safety and economic opportunity for citizens and residents through the overall improvement of water quality and resiliency of communities.”

EPA Resources

EFAB Report: Evaluating Stormwater Infrastructure Funding and Finance

<https://www.epa.gov/waterfinancecenter/efab-report-evaluating-stormwater-infrastructure-funding-and-financing>

- Report
- July 2020 EPA Response

Sewer Overflow and Stormwater Grants

<https://www.epa.gov/cwsrf/sewer-overflow-and-stormwater-reuse-municipal-grants-program>

Green Infrastructure Funding Opportunities

<https://www.epa.gov/green-infrastructure/green-infrastructure-funding-opportunities>

Water Finance Clearinghouse

<https://www.epa.gov/waterdata/water-finance-clearinghouse>

ASCE Infrastructure Report Card

<https://infrastructurereportcard.org/making-the-grade/>



Current Status

New SRF for Stormwater

- Pre-pandemic MD Senator promoting, due to 2018 floods in Ellicott City

30% CWSRF Set Aside

- Resistance from wastewater community
- But support for Green Infrastructure set asides

Low Income Assistance

- Cares Act and Relief bills - \$>1 Billion for water assistance including stormwater

**\$3 trillion
infrastructure and
jobs legislation**



Final Thoughts

- This report and others are building a case for funding need and consistent and substantial federal support
- Report provides specific recommendations for Congress that are detailed and easy to understand
- The Stormwater Community Needs A Champion

Questions?



Have
questions?
Ask.

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