

Stormwater Infrastructure Finance Workgroup
Environmental Financial Advisory Board



Stormwater Funding Task Force

SEC. 4101. STORMWATER INFRASTRUCTURE FUNDING TASK FORCE

- America's Water Infrastructure Act (AWIA) was signed into law on October 2018.
- Section 4101 calls for EPA to establish a Stormwater Infrastructure Funding Task Force, composed of representatives of Federal, state, and local governments, and private (including nonprofit) 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 U.S.C. 1251 et seq.).

Environmental Financial Advisory Board (EFAB)

STORMWATER INFRASTRUCTURE FINANCE WORKGROUP

The Stormwater Infrastructure Finance Workgroup provided recommendations to the EPA in the following areas:

- 1) Identify how funding for stormwater infrastructure from such sources has been made available, and utilized, in each state to address stormwater infrastructure needs;
- 2) Identify how the source of funding affects the affordability of the infrastructure, including consideration of the costs associated with financing the infrastructure;
- 3) Evaluate whether such sources of funding are sufficient to support capital expenditures and long-term operation and maintenance costs

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- The Task Force was convened through a Federal Advisory Committee – the ***Environmental Financial Advisory Board (EFAB)***
- ***The Task Force*** was made of 14 EFAB members and 19 invited experts.
 - **Co-Chairs:** Joanne Throwe, Rudy Chow. **Section Leads:** Pam Lemoine, Ted Henifin, Ted Chapman.
- ***EFAB*** accepted the Charge on March 20, 2019 and provided the final report to the EPA with their recommendations on March 30, 2020.

Stormwater Infrastructure Finance Workgroup Activities

- Report featuring recommendations on stormwater funding and financing
- Detailed descriptions of stormwater funding and financing mechanisms that are being used with examples
- Case studies on how stormwater is being funded across the country
- Database on stormwater funding options by state

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- The Task Force found that current stormwater funding as well as outreach on the importance of stormwater infrastructure are insufficient to meet existing needs.
- The Task Force identified an estimated annual funding gap of \$7-10 billion based on current studies.
- EFAB made a total of eight recommendations to EPA in its report. These recommendations were grouped into two overarching categories:
 - 1) allocate new federal stormwater funding
 - 2) provide stormwater funding education and technical assistance.

Allocate new federal stormwater funding

- Develop a new and enhanced construction grant program specifically for stormwater projects, similar to the federal Municipal Construction Grants Program.
- Increase annual funding allocation for and modify the Clean Water Act section 319(h) grant program to allow and encourage local capacity building, utility fee study and implementation and asset management, and remove restrictions on use of grant funds for MS4 permit compliance.
- Create a federal funding program (similar to the Low Income Home Energy Assistance Program [LIHEAP]) to help address household affordability issues for customers who are economically challenged in paying their water related charges, including stormwater.

Provide additional funds for the CWSRF and Water Infrastructure Finance and Innovation Act (WIFIA) programs specifically for stormwater. Whether stormwater receives consideration of its own through a new SRF program or receives less restrictive eligibility considerations and larger appropriations within the existing CWSRF, it is the view of the Task Force that stormwater would benefit from a separate, additive, recurring financial commitment from EPA. This could be achieved by the implementation of one or more of the following, each of which has associated risks and opportunities:

- 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 (e.g., explicit references to stormwater project eligibility, priority points for stormwater projects, lower project minimums for bundled stormwater projects) to allow funding for more stormwater projects or fund the Army Corps of Engineers (USACE) Corps Water Infrastructure Financing Program (CWIFP), also established in 2014.
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Provide stormwater funding education and technical assistance

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- 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 through, for example, the creation of stormwater utilities or the expansion of existing utilities into the stormwater sector.
 - Provide technical assistance and funding to help communities create and maintain sustainable and legally defensible funding sources and increase operational efficiency.
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Provide stormwater funding education and technical assistance

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- Provide for a common application for different federal grants applicable to stormwater across all federal agencies.
 - 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.
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- EFAB Report
 - <https://www.epa.gov/waterfinancecenter/evaluating-stormwater-infrastructure-funding-and-financing-task-force>
- Water Finance Center
 - <https://www.epa.gov/waterfinancecenter>
- Water Finance Clearinghouse
 - <https://www.epa.gov/waterdata/water-finance-clearinghouse>
- Sewer Overflow and Stormwater Municipal Grants program
 - <https://www.epa.gov/cwsrf/sewer-overflow-and-stormwater-reuse-municipal-grants-program>
- Green Infrastructure funding page
 - <https://www.epa.gov/green-infrastructure/green-infrastructure-funding-opportunities>

