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Date

The Honorable Andrew R. Wheeler
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, D.C. 20460

Dear Administrator Wheeler:

The Environmental Financial Advisory Board (EFAB) is pleased to submit our report, *Evaluating Stormwater Infrastructure Funding and Financing Task Force*. This report was developed in response to Section 4101 of the 2018 America’s Water Infrastructure Act (AWIA), which directed the EPA to establish a Stormwater Infrastructure Funding Task Force. Congress directed the Task Force “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 Clean Water Act. This Task Force was convened under the EFAB as a workgroup and the EFAB approved this report and accompanying recommendations at our public meeting on <date>.

We believe that effective stormwater management is integral to American quality of life. The construction, rehabilitation, and operation and maintenance of stormwater infrastructure is widely viewed as a solution to improving water quality in our nation’s waterways, reducing local flooding problems, and enhancing community resiliency. More than 80 percent of the U.S. population lives in a community that has a stormwater permit and that number continues to grow.

Stormwater management costs have been steadily increasing at the local level and many communities do not have a sustainable source of funding for their stormwater programs. The limited availability of low-cost funding through debt financing, grants, and user fees exacerbates the growing affordability challenges that many communities face in paying for their stormwater infrastructure and programs. Stormwater funding is a national problem that requires action.

The Task Force was charged with the following questions to explore and develop potential solutions in improving the availability of stormwater funding:

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

The Task Force analyzed the funding needs of communities across the country and the funding sources that can be used to meet these needs. From this information, the EFAB has six recommendations that are organized under three categories: (1) Stormwater funding education and technical assistance, (2) Simplification of existing federal grant and loan programs and affordability support, and (3) Dedicated federal stormwater funding assistance.

These recommendations are presented as actionable ways to use existing funding, increase accessibility to those funds, and identify additional funding opportunities. Several of the recommendations include direct engagement by the EPA with state and local agencies. This two-way exchange will help bridge the gap between the source of clean water regulations (federal) and the most important source of funding (primarily local). This, in turn, will also greatly benefit the overall goals of the Clean Water Act, the involved agencies, and the public at large.

EPA is required to submit a report to Congress no later than 18 months after enactment of the 2018 AWIA (by April 2020) describing the results of the Task Force's study and resulting recommendations. We hope this report is helpful to the EPA and we look forward to your report to Congress on this important matter.

Sincerely,

Joanne M. Throwe, Chair
Environmental Financial Advisory Board

Rudolph Chow, Co-Chair
EFAB Stormwater Infrastructure
Finance Taskforce

Enclosure

cc: Edward H. Chu, Designated Federal Officer, Environmental Financial Advisory Board
David P. Ross, Assistant Administrator, Office of Water
Benita Best-Wong, Principal Deputy Assistant Administrator, Office of Water
Dr. Andrew Sawyers, Director, Office of Wastewater Management
Raffael Stein, Director, Water Infrastructure Division
Sonia Brubaker, Director, Water Infrastructure and Resiliency Finance Center