

U.S. Environmental Protection Agency
Environmental Financial Advisory Board
Stormwater Infrastructure Finance Task Force
Workgroup

Held by Teleconference
December 4, 2019, 3:00-5:00pm EST

The minutes that follow reflect a summary of remarks and conversation during the meeting. The Board is not responsible for any potential inaccuracies that may appear in the minutes. Moreover, the Board advises that additional information sources be consulted in cases where any concern may exist about statistics or any other information contained within the minutes.

Meeting Purpose

The Environmental Financial Advisory Board (“EFAB” or “Board”) held a workgroup teleconference on December 4, 2019. EFAB is an Environmental Protection Agency (“EPA” or “the Agency”) advisory committee chartered under the Federal Advisory Committee Act (FACA) to provide advice and recommendations to EPA on creative approaches to funding environmental programs, projects, and activities. The purpose of this meeting was to convene the Stormwater Infrastructure Finance Task Force Workgroup (“the Workgroup”) to review drafted material for the final Workgroup report and evaluate the proposed recommendations for advancing stormwater funding opportunities and the utilization of these opportunities across the country.

Attendees

EFAB Stormwater Infrastructure Finance Task Force Workgroup Members

- Ted Chapman, S&P Global Ratings
- Rudy Chow, Department of Public Works, City of Baltimore
- Lisa Daniel, Public Financial Management
- Ted Henifin, Hampton Roads Sanitation District
- Craig Holland, The Nature Conservancy
- Prabha Kumar, Black & Veatch
- Pam Lemoine, Black & Veatch
- Chris Meister, Illinois Finance Authority
- Angie Sanchez, FCS Group
- Bill Stannard, RAFTELIS
- Joanne Throwe, Throwe Environmental LLC

EFAB Workgroup Members unable to attend the meeting:

- Lori Beary, Iowa Finance Authority
- Yvette Downs, Sewerage & Water Board of New Orleans
- Eric Rothstein, Galardi Rothstein Group

EFAB Stormwater Infrastructure Finance Task Force Workgroup Invited Consultants

- Bethany Bezak, Tetra Tech, San Diego, CA
- Jerry Bradshaw, SCI Consulting Group, Fairfield, CA
- David Bulova, Member, VA House of Delegates, 37th District
- Janet Clements, Corona Environmental Consulting
- Carrie Evenson, City of Norman, OK
- Matthew Fabry, Redwood City, CA
- Carol Haddock, City of Houston Public Works
- Laurie Hawks, Brown and Caldwell
- Lisa Kay, Alta Environmental
- Drew Kleis, City of San Diego, CA
- Rebecca Losli, Metropolitan St. Louis Sewer District
- John Lundell, City of Coralville, IA
- Ewelina Mutkowska, Ventura County Public Works Agency
- Fernando Pasquel, Arcadis
- Mike Personett, City of Austin, TX
- Chuck Walter, City of Sarasota, FL

Expert Consultants unable to attend the meeting:

- Andrew Reese, AMEC Earth and Environmental

EPA Support Attendees

- Ellen Tarquinio, alternate EFAB Designated Federal Official, EPA
- Tara Johnson, EPA
- Britney Vazquez, EPA

Additional Attendees

- Sonia Brubaker, Water Infrastructure & Resiliency Finance Center Director, EPA
- Derrick Cabrera, Metropolitan Water Reclamation District (Chicago, IL)
- Ryan Frazier, Frazier Global Strategies
- Shannon Frede, Senator Ben Cardin's Office, MD
- Elise Gout, notetaker, Cadmus Group
- Charlotte Katzenmoyer, Capital Region Water (Harrisburg, PA)
- Jason Kauffman, City of Goshen, GA
- Jessica Lassetter, City of Alexandria, VA
- Mark Matlock, Pennsylvania Department of Environmental Protection
- Kyriakos Pagonis, MMO Partners
- Spencer Peck, City of Atlanta, GA
- Suzanna Perea, EPA
- Jayshika Ramrakha, EPA
- David Schultz, Bloomberg Environment
- Elizabeth Skane, EPA
- Rachel Urban, EPA

Members of the public attended the conference call. However, no written public comments or requests to provide oral public comments were received in advance of the call.

Welcome and Key Dates

Ellen Tarquinio welcomed the members of the Task Force and thanked them for joining the call. She informed them that *Edward Chu*, the Designated Federal Official (DFO), was unable to attend, so she would be serving as the alternate DFO for this teleconference. She reminded those on the phone that this is a call for the Stormwater Infrastructure Finance Task Force Workgroup under EFAB.

Ms. Tarquinio informed call participants a notetaker was on the call. She also reminded everyone that the documents sent in advance of the call are draft deliverables and should not be cited, quoted, or distributed outside of the Workgroup. While members of the public were present on the call, no one had requested to provide oral statements in advance. Ms. Tarquinio reminded members of the public to register in advance to make oral statements during the next Workgroup call on December 18, 2019. She noted they can also share written statements after the call by emailing waterfinancecenter@epa.gov

Joanne Throwe welcomed everyone and introduced herself as Co-Chair of the Workgroup and Chair of EFAB.

Rudy Chow introduced himself as Co-Chair of the Workgroup and Director of the Baltimore City Department of Public Works. He thanked the participants for their efforts on the Workgroup report and for joining the call.

Ms. Throwe proceeded with a roll call of those on the Workgroup. She then asked that all participants state their name for the public record before speaking and mute themselves when not speaking. She reminded the Workgroup members that they have allocated two hours for the call and said any comments or questions that members are unable to raise may be emailed to Ms. Tarquinio.

Ms. Throwe then reviewed the key dates for the Workgroup report. The report will be completed and sent to EFAB on January 15, 2020, slightly later than initially planned. EFAB will then review the report and provide comments by January 31, 2020. The Workgroup will have the first week of February to address feedback from EFAB. During the EFAB meeting in February in Washington D.C., the Workgroup will aim to receive final input and support from the Board.

Introduction Section

Ms. Throwe moved to discussing the recently drafted Introduction of the report. Ms. Throwe thanked *Laurie Hawks*, *Jerry Bradshaw*, and *Janet Clements* for their work and asked Ms. Hawks to summarize their efforts.

Ms. Hawks provided an overview of the Introduction. She explained the authors wanted the Introduction to be simple and succinct. The Introduction includes background information on stormwater management, an overview of the FACA charge and Workgroup, and a description of the new paradigm of stormwater management. In the description of this new paradigm, the Introduction lists a set of drivers for stormwater management that the authors intend to turn into an infographic. At the end of the Introduction, there will be a brief summary of the report Sections and final recommendations. Ms. Hawks said the authors hope the Introduction will have pieces that can be used in the Executive Summary. She asked if Mr. Bradshaw or Ms. Clements had anything to add.

Mr. Bradshaw emphasized the authors' choice to include a framework around the new stormwater paradigm. He said it occurred to them that, while there was once one driver of stormwater, there are now some 20 different drivers. He believes highlighting this evolution will help a reader who is less familiar with stormwater understand this is new territory for everyone.

Ms. Clements added, under the new paradigm, the expanding role of stormwater management has complicated funding and planning responsibilities. Those who are responsible for stormwater management are dispersed across different types of organizations. The authors also intend to elaborate more on the affordability aspect of this new paradigm within the next draft of the Introduction.

Mr. Bradshaw noted on page three of the Introduction, the authors included a write-up for expanding the problem statement into each of the three Sections. They have written a short blurb for Section One and they will be writing similar descriptions for Sections Two and Three. He encouraged other members of the Workgroup to provide comments on the direction in which they are heading.

Ms. Clements said they also recruited *Fernando Pasquel* to work on this part of the Introduction as they did not have anyone from Section Two.

Ms. Thrope opened the conversation to questions and comments from the Workgroup.

Prabha Kumar said she appreciated how the Introduction is succinct and easy to understand. She suggested an additional point to address in the Introduction would be the lack of public understanding and support for stormwater management which in turn impacts funding.

Ms. Clements agreed.

Bill Stannard also agreed with Ms. Kumar. He noted there is a need for public awareness of stormwater management beyond the attention arising from moments of crisis. Such awareness would help in being more intentional with long-term strategies related to stormwater management.

Chuck Walter noted stormwater is not just an urban issue. He said while municipal separate storm sewer systems (MS4s) and the process of combining sewer systems primarily relate to urban issues, people have to manage stormwater across all kinds of environments; there are large land uses, agricultural areas, and areas not necessarily in a municipality or part of drainage infrastructure. He said the public often perceives local land managers to be responsible for dealing with water quality issues for all those lands.

Bethany Bezak said it would be helpful, wherever possible, to include citations for the facts and figures within the Introduction.

Matt Fabry said the authors may want to add language to note that, while these drivers speak to additional challenges with stormwater management, they also present opportunities to integrate stormwater management into other areas of investment. He said the relationship of stormwater management to so many different issues may mean the stormwater sector can bring resources into other related areas.

Mr. Bradshaw agreed with Mr. Fabry.

Mike Personett noted the figure cited in the Introduction which states the funding needs of MS4 permittees total \$8.1 billion per year nationwide sounded extremely low. He added that, when the authors discuss funding needs, they should also acknowledge the need for greater technical and professional capacity.

Ms. Thrope confirmed there were no further comments or questions about the Introduction. She asked if anyone from the Workgroup had since joined the call. *Lisa Daniel* and *Lisa Kay* responded that they were now on the line.

Section One, Two, and Three: Revisions

Mr. Chow said the Workgroup would now review the progress of each of the three Sections in the report before discussing the drafted materials. Mr. Chow asked *Pam Lemoine* to discuss the recent efforts within Section One of the report.

Ms. Lemoine said the members working on Section One have continued to refine the narrative. As discussed in the last Workgroup meeting in Kansas City, Section One begins with defining stormwater funding and distinguishing between recurring, ongoing revenue sources and one-time funding sources (i.e., funding like grants, bonds, and loans that may or may not need to be repaid to help with specific types of projects or capital funding). She noted the Workgroup members were also provided with the matrix the Section One team developed which includes different funding sources and funding uses. Section One coordinates with Section Two to maintain consistency with these funding sources across the report. Section One then moves into discussing the availability of funding. Ms. Lemoine said EPA and its contractor have developed a very detailed and extensive database of federal, state, local, and private programs and funding sources. The Section One team feels this database is fairly comprehensive at the federal level, though it becomes less so as one moves to the local and private level. The Section One team is continuing to review the database to understand the various funding sources and to try to further define and quantify their availability. Ms. Lemoine noted the Section One team would appreciate hearing from anyone on the call who may be interested in working with them on that process. Ms. Lemoine added Section

One describes some of the barriers to obtaining funding including public acceptance. Ms. Lemoine acknowledged this discussion may be moved elsewhere, depending on how the Workgroup decides to structure the report.

Mr. Chow asked *Ted Chapman* to provide an update of Section Two.

Mr. Chapman said the Section Two team tried to become more granular in its approach. He acknowledged *Eric Rothstein* and Ms. Kumar for their work on improving the level of detail and readability of the draft. The Section Two team focused on financial capability and capacity from two different perspectives. The first is at the level of the municipality, as stormwater is generally a municipal infrastructure responsibility, and the second is at the more traditional level of household affordability. Mr. Chapman specifically referred to page ten in the Section Two draft where the authors endeavored to present overlapping and at times disparate thoughts in a concise, tabular format. The first table deals with the advantages and disadvantages of ongoing funding for operations and maintenance (O&M). It includes different O&M options, funding in governmental structures, and approaches on how to generate ongoing revenue. The second table addresses the advantages and disadvantages of capital expenditures and how such capital expenditures can impact financial capacity and household affordability. Mr. Chapman noted Section Two also includes some definitions where the authors specify what is meant by certain terms. He also said there are some subjects previously discussed with regards to Section Two that the authors have chosen to omit as they may be better left to appendices (e.g., the need for more uniform municipal financial accounting, approaches to green infrastructure). Mr. Chapman said he anticipates adding more information on green infrastructure into the next draft, depending on the feedback from the Workgroup. Overall, the authors tried to make Section Two very framework-oriented to best transition between Section One and Section Three.

Mr. Chow asked *Ted Henifin* to review the updates to Section Three.

Mr. Henifin noted that a newly revised version of Section Three was sent to the Workgroup the morning of the call in which the authors changed some of the language in Section Three's introduction. The EPA contractor is also working on including one more case study in the Section on the various studies and surveys identifying the funding gap. Mr. Henifin said there has not otherwise been a lot of change to Section Three from the draft the Workgroup saw at the previous meeting in October. He reiterated the funding gap for stormwater management is significant and said the Workgroup may want to decide how exactly it wants to highlight the gap in the beginning of the Section.

Mr. Chow asked members of the Workgroup for their input on any of the three Sections.

Mr. Stannard asked Ms. Lemoine if she has an idea as to the dollar amount of funding available on an annual basis for any of the levels included in the Section One database.

Ms. Lemoine said the authors do have some idea, though many of these programs vary from budget year to budget year. She said one difficulty is that most of these programs are not exclusively stormwater focused, so the authors are trying to ensure they are not overstating the availability of funds for stormwater by simply adding up all the values.

Mr. Stannard asked if it would be possible to develop a reasonable estimate of the amount of available funding for stormwater management, at least on the federal level.

Ms. Lemoine said, if the authors take the totals for federal, state, local, and private funds in the database currently, there is about \$1.6 billion in grants, \$8 billion in loans, and \$52 million in public-private partnerships. She acknowledged the database is showing some fairly substantial dollar amounts but stressed these programs are not all specific to stormwater. She said the availability of stormwater funding would be very specific to the eligibility of stormwater requirements, the project, and the competition.

Mr. Henifin said the Workgroup needs to be very cautious in how it presents the availability of funds. He appreciated the way in which Section One concludes with a discussion on the political will and public willingness to pay for stormwater management. He said when reading through the Section, the reader can be left with the impression there is a lot of funding available and the solution is simply a matter of better distributing it. Section One does not currently tie in the ability of municipalities to pay those funds back.

Mr. Stannard seconded Mr. Henifin's point. He said while grants are a gift to reduce costs at the local level, loans must be repaid. He wondered how to best structure the three Sections so people do not mistakenly believe there is plenty of money available when there are multiple issues at play.

Ms. Lemoine agreed and added that, even with grants, most will only fund a portion of the costs, so matching funds are required.

David Bulova noted there are several stormwater utilities cited in the summary of the funds database in Section One. He asked if there was a reason why those specific utilities were being referenced.

Ms. Lemoine responded that the EPA contractor was responsible for compiling the list of utilities included in the table. She said she personally thinks stormwater utilities should be excluded from the database as sources, like the survey from Western Kentucky University, show there are a couple of thousand utilities across the country.

Mr. Bulova agreed with Ms. Lemoine. He said there does not seem to be something clearly distinguishing the utilities that are included from those that are not. Mr. Bulova also suggested the Section One team look at the Virginia Conservation Assistance Program run by the Soil and Water Conservation District as an addition to the database. The program is an effort in Virginia to provide districts with funding to partner on stormwater projects, mostly at the small business and residential level. Mr. Bulova added he found the Section Two matrix to be really helpful. Within the Community Acceptability with Stormwater Utilities portion of Section Two, the authors discuss high community acceptance with stormwater utilities. He noted that garnering community acceptance is not always a smooth process within a locality. In Pennsylvania, he is currently seeing a number of stormwater utilities face backlash. He wondered if there was any way to capture that community acceptance of stormwater utilities can be anything from prominent to nonexistent, depending on the political climate and who is involved.

Mr. Chapman said he welcomes all comments about how to better phrase or present the characterizations within the Section Two matrix. He proposed including language specifying how the response of communities can greatly vary.

Mr. Bulova agreed with Mr. Chapman's suggestion. He said he primarily does not want a reader to have the impression that garnering public support is easy.

Ms. Kumar added to Mr. Henifin's point that, at first glance, Section One can make it seem like there are a lot of funds available for stormwater management. She wondered if the authors could add something like an inset box to Section One to emphasize that many of the sources of funding require repayment from a dedicated source of funding. Without that revenue source, the competitiveness of communities' ability to seek funding decreases. Something like an inset box would allow people to understand that these funds exist, but most people are unable to leverage them.

Ms. Lemoine thanked Ms. Kumar for her suggestion.

Mr. Chow confirmed there were no further comments on the content of the Sections.

Structure of the Report

Ms. Thrope thanked the Section leads for their summaries and shifted to discussing the overall structure of the report. She reminded everyone of the first in-person Workgroup meeting in Washington D.C., as well as the many subsequent meetings and teleconferences in which they have discussed the structure of the report. Previous ideas have included pulling the recommendations to the front of the report, identifying the funding gap in the front of the report, and beginning with Section Three. She asked the Workgroup to revisit and share any thoughts on what should go where.

Ms. Kumar said, after looking through the report, she feels Section Three belongs after the Introduction. She suggested the Introduction could include a brief section following the list of drivers that introduces categories of needs. Such a category would then segue into Section Three where there are citations of credible surveys that attempt to garner information about funding needs. Section One would delve deeper into available funding sources, and the report would conclude with Section Two.

Mr. Meister seconded Ms. Kumar's suggestion.

Mr. Henifin agreed some reference to the funding gap needs to be included up front. He noted ending with the funding gap may not be such a bad idea; if someone reads the full report or skims it sequentially, they will be left thinking about the size and significance of the gap. He said he is concerned if the report opens with the funding gap, the reader may be left thinking that, while there is a gap, there are a lot of ways to fill it.

Ms. Hawks said she is not sure about the right balance between the two options Mr. Henifin described, but she finds it would be reasonable to indicate in the Introduction there is a need and then to quickly summarize the recommendations. The authors could then outline where to find certain information in the report, so the reader can visit the Sections as they want. She noted those working on the Introduction would be able to use the Section drafts to fill out the information they were previously missing.

Ms. Throwe agreed with Ms. Hawks, so long as such an approach would not result in too long of an Introduction.

Mr. Stannard noted the original charge was segmented into three Sections, but the Workgroup has since realized the extent of the overlap between them. He said regardless of the structure of the report, the Workgroup members will need to edit it for duplicative information. He then described how he considers the information in the report to fit together. The report begins with describing the current need for stormwater management and related funding sources. It identifies where and what the gap in funding is as well as what is needed to fill it. He noted that, if the gap is filled, there is still a question of affordability, both for the utility and for the individual resident or customer. The question is whether it is difficult for communities to adequately manage their stormwater because they can only do so much with the resources they have. Mr. Stannard said the Workgroup has all the pieces; it is now a matter of taking the three Sections and restructuring them slightly to ensure the information flows in an appropriate way.

Ms. Throwe proposed the Workgroup members continue to collect feedback on the call about how to structure the report and then, during the next weekly call with the Section leads, they can discuss how to incorporate it. The Workgroup could then discuss the more finalized flow of the report based on today's comments during the next Workgroup call on December 18, 2019. She asked Ms. Tarquinio if there would be time to accommodate this process.

Ms. Tarquinio confirmed there would be. She said EPA could provide a few options of how to structure the report for the Section leads to look at and respond to during their call next week. EPA could then send out report options to the Workgroup in advance of the next call on December 18, 2019.

Mr. Stannard said he would also share comments with the Section leads to better capture his thoughts on how to restructure the report.

Mr. Chapman brought up the Executive Summary the Workgroup members will be writing. He noted the commonality between some of the recommendations in the report and suggested they could develop the Executive Summary as a kind of menu. He said if they group information in the Executive Summary together by issues and recommendations, the Workgroup could direct a reader to what may be of most relevance to them.

Ms. Kumar said she is concerned the report is written as though the reader already has a grasp on what stormwater management, O&M, and capital expenditure entail. She noted the reader may not know about program requirements or the assets comprising stormwater O&M. She said she would be happy to work with the Introduction team to develop more language explaining these elements, if the Workgroup feels the Introduction is where such information should be included. She acknowledged it may also have a place in Section Three.

Mr. Pasquel agreed language can be added in the Introduction along the lines of what Ms. Kumar suggested. He said doing so would help the authors put into context the information about why the Workgroup was first assembled.

Mr. Bradshaw noted the connection between better explaining stormwater management in the Introduction and the previous comment about the current lack of public understanding. He also asked about what the Executive Summary would look like compared

to the Introduction. He wondered if the Introduction should grow to an Executive Summary and said if the three Sections are covered in the Executive Summary, the organization of the actual report may be of less importance.

Mr. Pasquel said the primary objective of the Introduction should be to help the reader understand the report. He noted the authors do not want to allocate too much space to describing the recommendations in the Introduction as that material is better suited for the Executive Summary.

Ms. Lemoine said she was thinking of the difference between the two in a similar way. The Introduction would be more about the drivers of stormwater management in the new paradigm and the recommendations would then come at the end of the report.

Mr. Bradshaw noted the Executive Summary they are discussing has not been written yet, so it may be the missing piece to weave the report together.

Ms. Tarquinio asked Workgroup members to email her with any additional thoughts on the structure or organization of the report as they go back through the draft Sections. She said EPA could create several versions of the report to evaluate the options they put forward.

Mr. Pasquel asked Ms. Tarquinio about how they should provide their comments on the documents.

Ms. Tarquinio said Workgroup members should comment in the SharePoint site, and if they could not access the site, send comments for the three Sections of the report (e.g., missing information, rewording of language) to the respective Section leads. Thoughts on how the overall report should look can be emailed to her.

Mr. Pasquel asked when Ms. Tarquinio would like for them to provide their additional feedback.

Ms. Tarquinio asked to receive comments about the structure of the report by December 9, 2019. She deferred to Ms. Throwe about the timing of comments on the Sections.

Ms. Throwe said she would look at the calendar and follow up with the Workgroup members about the requested deadline for their feedback.

Report Recommendations Update

Ms. Throwe thanked the Workgroup for its work on providing additional text to describe the main report recommendations. She acknowledged the concerns of some Workgroup members that certain recommendations were prioritized over others. She suggested that the Workgroup include a section, potentially titled "Other Considerations," wherein ideas not included in the main recommendations are described.

Mr. Henifin, Mr. Chapman, and Mr. Meister said they agreed with Ms. Throwe.

Mr. Stannard said because recommendations will be covered in the Introduction and potentially in the Executive Summary, it would make sense to include additional considerations in the body of the report.

Mr. Bulova said he does not have a problem with this approach. He noted the Workgroup members are all in relative agreement on the main recommendations. He said he would want there to be a disclaimer that those considerations not on the recommendation list were not all met with the same degree of consensus.

Mr. Walter said he has been reading through the Water Quality Protection and Job Creation Act of 2019 currently up for consideration. He explained that, within the Act, there is an annual reporting requirement back to Congress on the status of State Revolving Fund (SRF) programs and how they are evolving. He said the Workgroup could make a more specific recommendation that this annual report to Congress includes an update on the status of how stormwater is being allocated within the SRF programs on an annual basis.

Ms. Throwe agreed with Mr. Bulova that the Workgroup would need to be mindful about how it captures and incorporates a section on the other considerations discussed by the Workgroup. She then thanked Mr. Walter for his comment and noted there were a few recommendations pertaining to the SRF program that overlap in the report. She asked if Ms. Lemoine could speak to how the authors chose to organize the SRF recommendations.

Ms. Lemoine explained the authors noticed there were three conflicting SRF recommendations. The first recommendation was to create a new SRF exclusive to stormwater. The second was to make a specific set-aside for stormwater within the already existing Clean Water SRF (CWSRF), and the third was to merge drinking water, clean water, and stormwater into a OneWater SRF. For the report draft, the authors chose to bring these recommendations together into one overarching recommendation that proposes making changes to the SRF program to help bring parity to stormwater funding. The authors have currently presented the recommendation as a menu of options, in part to better discuss them with the Workgroup during today's call.

Ms. Throwe asked for feedback from others on the Workgroup.

Ms. Hawks asked if the Workgroup members need to decide on one of the three recommendations. She said the recommendation could state that EPA needs to increase the allocation of funds to stormwater management, present different ways to do it, and then let those involved with the SRF program determine what is best for them.

Mr. Bradshaw agreed with Ms. Lemoine that these SRF program recommendations are mutually exclusive. He sees the first as suggesting the creation of a new silo, the second as cutting one silo into two halves, and the third as breaking down the silos altogether. He supports the idea of grouping the recommendations together and asking policymakers to consider one or any of the three. He finds the overarching recommendation is to use the SRF program as a valuable tool to help bring more availability of funding to stormwater.

Ms. Daniels noted that, of the three SRF program recommendations, the recommendation for a OneWater SRF seems the most flexible as it potentially gives states the opportunity to mold the program to what their constituents need. She said there could be silos created at the state level to align with what states see their needs to be.

John Lundell raised a previous question about how much the SRF program is being used for stormwater projects. He said he still does not know that stormwater applications are being turned down in favor of clean water applications because the funding is not available. He noted he has not had that experience. He said it would be valuable to know the baseline of how much SRF funding is going to stormwater on an annual basis.

Ms. Daniels agreed and reiterated it is not a matter of available funding sources, but a matter of repayment sources.

Mr. Stannard noted the recommendation to create a OneWater SRF appears to require the most legislative action, followed by creating a new SRF for stormwater. He acknowledged stormwater is eligible for funding through the CWSRF, but he is not sure if the Workgroup has the data to say how much of states' respective SRF awards are for stormwater.

Mr. Lundell said, to Mr. Stannard's point, that he questioned the need to pursue legislative action when those who apply for stormwater project funding are receiving it through the CWSRF. He agreed with Ms. Daniels that the issue seems to be more about municipalities having the money to repay their loans. He asked if other Workgroup members could share their experiences with applying for SRF funding before the Workgroup suggests something requiring Congress to change legislation.

Mr. Stannard asked if Mr. Meister could offer his perspective from Illinois.

Mr. Meister acknowledged there are pluses and minuses to federalism. He said, on the one hand, the federal government wants to provide states with the opportunity to set their priorities with a federal tool like the SRF program, but, on the other hand, state priorities can become fossilized with past practices. Mr. Meister wondered if it comes down to elements like scoring procedures or processes for SRF loans. He said stormwater is allowed in the CWSRF, but it always fails on the actual scoring criteria because the scores are based off those needed for iron and concrete infrastructure for sewer and drinking water projects. He said one of the

reasons he considers the SRF program as a potential tool is that it is not being utilized to its fullest capacity. He suggested the opportunity may be to recommend encouragements, rather than full legislative changes, that would result in the states using the SRF program to its fullest capacity, thereby meeting drinking water objectives, managing stormwater more effectively, and saving local tax and ratepayers money.

Ms. Kumar said the primary comment from Workgroup members seems to be that they do not have a lot of empirical evidence that people are being denied stormwater SRF loans. She emphasized that, regardless of the kind of SRF program the Workgroup recommends, people are still unlikely to use it because they have no mechanism with which to repay the loans. She noted the recommendation may not be to change the SRF program, but rather to further evaluate: (1) how to build flexibility into the SRF program so it is more attractive for stormwater funding and (2) how to leverage the SRF program for feasibility studies and the implementation of stormwater utilities.

Mr. Stannard agreed with Ms. Kumar in that, while the Workgroup members are discussing a recommendation that will be driven more through regulation, there is still the question of how communities will pay back these funding sources. He said the SRF program is one tool that could help encourage communities to consider or move forward with creating a utility or a reoccurring revenue stream they could then leverage to the bond market in general.

Mr. Chapman asked those with experience in the SRF program if stormwater systems do not benefit because traditional clean water and sewer water projects are viewed as higher priority or because stormwater does not have the financial capacity and the recurring existing funding sources to be able to use as collateral to a loan.

Mr. Meister said he thinks it is the second. He explained the nation has known how to monetize and create revenue facilities for clean and sewer water infrastructure projects for a couple of hundred years; monetizing and creating revenue facilities for stormwater management is comparatively new. He acknowledged Mr. Stannard's earlier comment that the Workgroup has an opportunity to amplify and encourage action on an issue that is ultimately of very local impact and importance. He said he believes the Workgroup could provide a nationwide, comprehensible tool so that, when people have local stormwater problems, they know there is a tool that can assist them with the financing. Mr. Meister noted *Lori Beary* may be able to offer valuable perspective from Iowa as she expressed during the last EFAB meeting that Iowa has an extremely successful stormwater element within its SRF program.

Ms. Throwe said Ms. Beary is not on the call, but she would follow up with her afterwards.

Ms. Throwe suggested the Workgroup try to craft language for the SRF program recommendation following the discussion today. The Workgroup can then revisit the working of the recommendation during its call on December 18th, if not sooner. She asked if Workgroup members had any additional comments, questions, or concerns about the other recommendations within the report.

Ms. Bezak said, when the Workgroup recommends educating communities and elected officials, it would be helpful for the reader and for Congress to be as discrete as possible about the pathways through which such education could or should occur. She finds the current language of the recommendation to be somewhat amorphous.

Mr. Bulova said he really likes the recommendation that addresses the implementation of utility fees with financial assistance to those in lower income levels who may not be able to afford them. He said he would be happy to work on additional language for this recommendation, given his exposure to such processes. He explained city councils and county boards of supervisors like the equity in the idea of charging all properties, but they are always concerned about the implications for those living paycheck to paycheck; as a utility is fee-for-service, households cannot be provided with an arbitrary break. Mr. Bulova noted there are localities that have been able to address this issue outside of the utility process.

Ms. Throwe thanked Mr. Bulova for his offer and noted it would be great to receive his additional language before the December 18th call.

Mr. Walter emphasized Mr. Bulova's point. He said one of the aspects of many utilities is that, once a rate is established, utilities cannot use the rate generated by the rest of the utility to offset someone who does not pay; as such, there is a need for an external source of money.

Mr. Bulova noted Gaithersburg, Maryland encountered that problem and established a separate program to help residents.

Ms. Throwe confirmed the Workgroup members had no further comments before asking Ms. Tarquinio to review what they could expect in advance of the next call on December 18th.

Next Steps

Ms. Tarquinio said EPA will send out a follow-up email with the timeline for the report and the deadlines for providing feedback as discussed during the call. She said it would be helpful to have the report in its new format before December 18th as the goal is to have the full report to EFAB on January 15, 2020. Ms. Tarquinio recognized the deadline falls over the holidays and thanked the Workgroup members for their continuing hard work.

Ms. Kumar asked if the most recent drafts of the Sections will be on the SharePoint portal. She also asked if the Workgroup members should separately communicate their edits to the Section leads or if they will be able to provide feedback through SharePoint.

Ms. Tarquinio said, to help with version control, EPA will create a new folder in the SharePoint portal with the draft documents where members can make their edits. She acknowledged there are a couple of individuals who are unable to access the SharePoint portal and asked that those individuals provide their feedback on the copies of the documents sent over email.

Ms. Throwe thanked Ms. Tarquinio and EPA staff *Britney Vazquez* and *Tara Johnson* for their support of the Workgroup.

Ms. Tarquinio adjourned the meeting at 4:32pm.