

**TITLE: FUNDING WATER WORK**

**DATE: October 16, 2019**

**SPEAKERS/PRESENTERS:**

- Lee Epstein
- Rose Jordan
- Irene Ogata
- Rowan Schmidt
- Anna Weber

**Presentations:**

Anna, NRDC

- EPA's capital need for drinking water infrastructure: \$472.6
- 2009 estimate: \$48-994 billion needed to prepare water infrastructure for the changes for climate change
- SRFs: program funded through EPA dollars; the states kick in a match; it goes into a state based revolving fund that spins off low-interest loans; the loan repayments spend back...the fund should sustain itself..
- In 2014, there were some changes in the Clean Water SRF (waste water and storm water) eligibility of fundable projects – includes GSI on privately owned property; decentralized..
- Communities are NOT going to apply for a loan – federal strings attached and state requirements;
- There are states that have money in their SRFs because there is NOT enough demand in their state to pay for the loans; and there are communities that have unmet needs.
- There are state SRF programs that do not have enough demand with no need to prioritize their projects..
- Some states are making it a priority –
- Example of Sustainability and Resilient projects
- SRFs do not solve everything.
- SRFs are dictated BY the need surveys...(again haven't been updated since 2012). The money is going to states with a lot of infrastructure and infrastructure they can count up... it shows you where the money is going
- Each state has a different calculation as to how they distinguish a disadvantaged community

Rowan, Earth Economics

- New opportunities for FEMA funding
- To headlines

- Federal agencies like FEMA and HUD are increasingly emphasizing nature based solutions
  - There are meaningful ways for CBOs to engage
- Hazard mitigation: any action taken to reduce or eliminate long-term risk to people and property from natural disasters;
  - Hazard mitigation is different – smaller proportion of overall hazard assist budget
- Now that FEMA recognizes the benefits of GSI, this opens up new opportunities – 2016 new policy expansion
- Example project: worked with the Land Trust – traditional conservation organization – helped them with traditional buyout applications; reframed projects as ‘flood storage projects’; working with Houston Parks and Rec.;
- FEMA funding programs
- Who is eligible?
- Some Private Non profits are eligible to develop and submit projects directly to FEMA;
- EE can provide pro-bono technical assistance

#### Irene, Tucson Water, Utility

- If you want the power, follow the money
- Solid waste also has a revenue stream
- Tucson water does not have storm water or waste water facility
- Since they have the money, they have been funding the GSI projects; customers have a 10 cent, CCF on bill for conservation fee; with the ‘money’ they fund some GSI projects at the neighborhood scale;
- The city council has just voted a GSI Fee – pilot - tacked on to everyone’s water bill; \$0.13/CCF, to generate \$3B dollars to go directly to GSI; trying to develop what the process will be – who the staff will be, capital improvement projects and a maintenance budget; they have started an asset management budget. A lot of input from the community; they aren’t even tapping into the state and or federal stuff;
- At the local level, if you have enough community support – see what kind of support you can get at your utility JUST to fund GSI; they are not looking for a SW utility; but will look likely at the results of this 3 yr pilot project

#### Lee Epstein, CBF

- This isn’t funding, it’s financing; this is financing, when you borrow it through a municipal bond
- 64,000 square miles in CBF – they are solely pressed to meet the demands because they have to reduce their SW impact
- Similar to a municipal bond – local govt. have to repay it; the repayment is linked to the performance of the bond; these are particularly useful when there is a pilot
- They are working in Baltimore, MD and Hampton, VA;

- They reached out to 60+ governments and found out that folks are TOO small to take advantage of this – need \$3 or 4M dollars to take advantage of this model; municipal capacity; the municipal is not used to using financing – they are used to using their budgets;
- This can be used to help them leverage other monies....
- CBOs should get in on the early stage of planning; this instrument is BEST used with projects already in the pipeline; CBOs could get involved to best select projects;

#### Rose Jordan, Greenprint partners

- Mission orientated developer, community driven GSI with an equity lens
- Want ppl to think about – take a step back and look at program design
- Process
  - Start with your goals: what is your outcome, how many greens acres, how many gallons of SW do I need to manager? co-benefits?
  - What are the circumstances that will guide me in one way vs. the other – prairie land, regional, citywide, sector specific
- Working in 6 cities currently
- St. Louis
  - They have the most consented negotiated consent decree in the country in the EPA
  - Goal: reduce CSO volunteers by 10% within 20 yrs; they are doing a private property grant program; they do match making
  - Get the GSI in now, and then pay for it later

#### **Discussion:**

O & M = Operations and Maintenance

SRF = State Revolving Funds

Solutions for permitting, going beyond concrete, etc.

- St. Louis - worked with developers, need partners to bridge financing, folks investing in the equity side
- Andy Kricum - peer to peer learning network, experience navigating all finance mechanisms
- Paper survey of state/utility perspective on finance (who uses SRF's / who doesn't)

How projects are selected - using SRFs or EIB?

- Baltimore - had pre-selected projects; used multiple sources of funding...SRF and private investors. Metric - measuring plant survival

#### Hazard Mitigation Assistance Funding from FEMA? (Rowan Schmidt)

- How do you show benefits cost analysis for GSI projects?
  - Much show environmental benefits over 0.75 BCA ratio
  - Must be driven through hazard risk reduction benefits...the add in "other" benefits
  - Trying to get more proof of concept for these tools

#### Other ways to generate funding? (Trust for Public Land)

- Run voter drive ballot initiative → did 25 in 2018, most passed generate \$20M over 20 years (Ex: Tucson, City of Denver)
- Opportunities at the municipal, city and state level
- Partner also with The Nature Conservancy
- Sample: Los Angeles new bond to fund SWY
- Rose Jordan - Public private partnerships