



FY 2020-2021 Agency Priority Goal Action Plan

# Empower Communities to Leverage EPA Water Infrastructure Investments

**Goal Leader:**

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# Overview

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## Goal Statement

- **Empower communities to leverage EPA water infrastructure investments.** By September 30, 2021, EPA will increase by \$16 billion the non-federal dollars leveraged by the EPA water infrastructure finance programs (Clean Water State Revolving Fund [CWSRF], Drinking Water State Revolving Fund [DWSRF], and the Water Infrastructure Finance and Innovation Act [WIFIA] Program).

## Challenge

- Under our Federalist system the states run and implement the Clean Water and Drinking Water State Revolving Fund (SRF) programs (102 total) which allows them to address state-specific environmental, public health, and economic priorities. Individual state priorities drive SRF program implementation and investment decisions, including the extent to which a state's choose to leverage non-federal funds to support program implementation. The diversity of the state-run SRF programs means that the financial structure of these programs is state determined, not one-size fits all, and the leveraging of non-federal funds varies significantly from state to state.
- Increasing the total nationwide amount of non-federal dollars leveraged to support water infrastructure projects will require buy-in from states, local municipalities and utilities, and private entities.

## Opportunity

- Increasing the amount of non-federal dollars leveraged to support water infrastructure projects is critical to meet the national need to repair and modernize outdated water infrastructure. Combined, EPA's three primary water infrastructure finance programs, CWSRF, DWSRF, and the WIFIA Program, are among the largest sources of federal funds to assist states and localities in repairing and modernizing outdated water infrastructure and offer powerful opportunities to leverage non-federal dollars. EPA's Water Finance Center also presents opportunities for states and localities across the nation to enhance strategies to increase leveraging of non-federal dollars by providing tools and resources that encourage innovative financing approaches. Through these programs, the Agency has developed strong partnerships with states, local municipalities, utilities, and private entities. These partnerships play a vital role in successfully promoting increased leveraging of non-federal dollars.

# Leadership & Implementation Team

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# Goal Structure and Strategies

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## **Strategy 1 – Engagement with Water Infrastructure Community:** (states, local municipalities, utilities, and private entities)

- Maximize engagement with the water infrastructure community to promote the vital role that non-federal dollars play in the repair and modernization of water infrastructure nationwide.
- Promote innovative water infrastructure financing opportunities, including state and local equity as well as private funding.
- Engage water finance experts, utilities, and water associations to help promote the leveraging of non-federal dollars that complement federal SRF and WIFIA funding for projects.

## **Strategy 2 – Tools, Training, and Resources:**

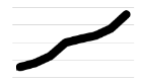
- Encourage transformative predevelopment practices that help utilities plan for financing water infrastructure improvements such as full-cost pricing, asset management, effective utility management, etc.
- Highlight tools and resources that educate communities across the country about federal and non-federal funding opportunities, project eligibilities, and financial leadership strategies.
- Work with partners (states, localities, water associations) to share tools, training, and resources focused on water infrastructure finance innovations at the state and local government levels.
- Offer training opportunities that focus on innovative financing strategies to federal, state, and local stakeholders.
- Provide information on alternative governance and peer-to-peer support.

## **Strategy 3 – Program Oversight:**

- Integrate into program oversight activities an emphasis on growing the non-federal component of overall funding for infrastructure projects.
- Work with the state SRF programs to develop improvements to the existing program that support the leveraging of the federal investment.
- Facilitate cross-state communication to leverage federal investment by sharing best practices and success stories from other SRF programs.

# Summary of Progress — FY 2020 Q1

EPA has leveraged \$1.4 billion in non-federal dollars, exceeding the FY 2020 Q1 target of \$1.0 billion.

Indicator	Jumping Off Point		FY 2020 Q1	FY 2020 Q2	FY 2020 Q3	FY 2020 Q4	FY 2021 Q1	FY 2021 Q2	FY 2021 Q3	FY 2021 Q4	Pref Dir	Trend
Billions of non-federal dollars leveraged by EPA water infrastructure finance programs (CWSRF, DWSRF and WIFIA). (Cumulative)	0.0	Target	1.0	2.0	4.0	8.0	9.0	10.0	12.0	16.0	↑	
		Actual	1.4									

## Accomplishments:


- In October 2019, EPA released three new fact sheets on DWSRF eligibilities: cybersecurity; data management; and source water protection. Each fact sheet included case studies showing how communities are using DWSRF Program funding in these areas.
- EPA CWSRF, DWSRF, and WIFIA Program managers and staff participated in the 2020 Council of Infrastructure Financing Authorities (CIFA) Infrastructure Summit in November 2019. Over 400 persons from EPA and all 51 state SRF programs attended. Major presentation and discussion topics included modernizing the SRFs through streamlining and marketing, financial leveraging, and developing affordability criteria. This was followed by the Fall SRF State-EPA Work Group. Major discussion topics included WIFIA/SRF funding coordination, disaster supplemental funding for the SRFs, and community outreach efforts.

## Challenges:

- None identified during the Q1 performance review.

# Summary of Progress — FY 2020 Q2

EPA has leveraged \$3.0 billion in non-federal dollars, exceeding the FY 2020 Q2 target of \$2.0 billion.

Indicator	Jumping Off Point		FY 2020 Q1	FY 2020 Q2	FY 2020 Q3	FY 2020 Q4	FY 2021 Q1	FY 2021 Q2	FY 2021 Q3	FY 2021 Q4	Pref Dir	Trend
Billions of non-federal dollars leveraged by EPA water infrastructure finance programs (CWSRF, DWSRF and WIFIA). (Cumulative)	0.0	Target	1.0	2.0	4.0	8.0	9.0	10.0	12.0	16.0	↑	
		Actual	1.4	3.0								

## Accomplishments:

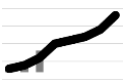
- In January, EPA held a webinar on Federal Requirements Under WIFIA and had 101 participants.
- EPA exceeded the target of leveraging \$2.0 billion of non-federal dollars by the end of FY 2020 Q2.

## Challenges:

- The Agency is gathering data to see if this work has been or will be affected by the COVID-19 pandemic. One potential challenge may be borrowers dropping or deferring SRF-funded projects because of the financial impact of the pandemic negatively impacting their ability or willingness to take on new debt.
- In response to potential challenges states are facing from COVID-19, the Agency deferred the final review of Q2 SRF data to Q3 so as not to place an additional burden on the states.
- Several in-person conferences have been either postponed or cancelled due to COVID-19-related travel restrictions. However, EPA is continuing to hold virtual events. While the initial Council of Infrastructure Financing Authorities (CIFA) conference was cancelled, they replaced the event with a half-day video conference. On May 5, EPA held a webinar on Asset Management Plans and the CWSRF. EPA also held a two-hour virtual training session on Thursday, May 21 to cover Programmatic Financing (ProFi).

# Summary of Progress — FY 2020 Q3

EPA has leveraged \$6.1 billion in non-federal dollars, exceeding the FY 2020 Q3 target of \$4.0 billion.

Indicator	Jumping Off Point		FY 2020 Q1	FY 2020 Q2	FY 2020 Q3	FY 2020 Q4	FY 2021 Q1	FY 2021 Q2	FY 2021 Q3	FY 2021 Q4	Pref Dir	Trend
Billions of non-federal dollars leveraged by EPA water infrastructure finance programs (CWSRF, DWSRF and WIFIA). (Cumulative)	0.0	Target	1.0	2.0	4.0	8.0	9.0	10.0	12.0	16.0	↑	
		Actual	1.4	3.0	6.1							

## Accomplishments:

- EPA exceeded the target of leveraging \$4.0 billion of non-federal dollars by the end of FY 2020 Q3.
- In April, EPA held a half-day video conference with the State-EPA workgroup. More than 360 SRF colleagues joined online. The meeting covered updates in the SRF community such as COVID-19 response and action, reallocations, the Sewer Overflow and Stormwater Reuse Municipal Grant Program, the Water Infrastructure Funding Transfer Act, additional subsidies, and round robin comments from the states.
- In May, EPA held a webinar on SRF Programmatic Financing, an innovative SRF loan structure where funding from one loan can be used to pay for costs of a large set of borrower project expenditures. In addition to describing the basic structure and approach, the webinar also provided an opportunity for the Hawaii DWSRF and Alaska DWSRF/CWSRF to share their experience in implementing Programmatic Financing in their programs.
- In June, EPA held a virtual SRF 101 training for new EPA and state SRF staff in Region 10 (Alaska, Idaho, Oregon, Washington). The purpose of the webinar was to provide a comprehensive overview of key programmatic and financial topics so that the participants would have a solid foundation with respect to SRF program management.

## Challenges:

- Several in-person conferences have been either postponed or cancelled due to COVID-19-related travel restrictions. However, EPA is continuing to hold virtual events.

# Key Milestones

## Strategy 1 – Engagement with Water Infrastructure Community

Key Milestones	Due Date	Status	Change from Last Quarter	Comments
Environmental Financial Advisory Board (EFAB) Fall Meeting (October 2019)	Q1/FY 2020	Complete	No Change	EFAB members met to discuss updates from the Stormwater Financing Task Force Workgroup, new proposed topics for the workgroup, EFAB Standard Operating Procedures, and new EFAB work, such ideas included water affordability, wastewater sanitation in rural communities, rural community environmental service resiliency, and stormwater credit trading.
Organisation for Economic Co-operation and Development (OECD) Green Finance and Investment Forum (October 2019)	Q1/FY 2020	Complete	No Change	The forum had attendees from all over the world and included topics on sustainable finance initiatives, the role of central banks, responsible corporate lending and securities underwriting, sustainable finance taxonomies, and financing sustainable cities.
Illinois Finance Forum (October 2019)	Q1/FY 2020	Complete	No Change	A stormwater finance listening session was held at Water Environment Federation’s Technical Exhibition and Conference (WEFTEC) and included discussions funding sources, affordability, and funding gaps.
Duke Water Network’s Fall Symposium (November 2019)	Q1/FY 2020	Complete	No Change	The symposium focused discussions on environmental justice in the water sector, such as affordability, diversity, and equity.
American Water Summit (November 2019)	Q1/FY 2020	Complete	No Change	The summit included topics such as digital opportunities, bridging the stormwater funding gap, new innovations, corporate water strategies, consolidation, and desalination.
2019 Council of Infrastructure Authorities (CIFA) SRF National Workshop (November 2019)	Q1/FY 2020	Complete	No Change	Over 400 attendees from EPA and all 51 state SRF programs. Major topics included modernizing the SRFs through streamlining and marketing, financial leveraging, and developing affordability criteria.
State-EPA Workgroup Meeting (November 2019)	Q1/FY 2020	Complete	No Change	Major discussion topics included WIFIA/SRF funding coordination, disaster supplemental funding for the SRFs, and community outreach efforts.
Public-Private Partnership (P3) Federal Conference (December 2019)	Q1/FY 2020	Complete	No Change	
National Association of Clean Water Agencies (NACWA) Winter Conference (February 2020)	Q2/FY 2020	Complete	No Change	EPA gave a presentation on Issues and Opportunities for the Water Sector and participated in a discussion on Balancing Risk and Benefit in Wet Weather Management.



# Key Milestones (continued)

Key Milestones	Due Date	Status	Change from Last Quarter	Comments
California Association of Sanitation Agencies (CASA) Washington DC Policy Forum (February 2020)	Q2/FY 2020	Complete	No Change	Major topics discussed at the forum include water resources policymaking, plastics pollution, and contaminants.
American Water Works Association (AWWA)/Water Environment Federation (WEF) 2020 Utility Management Conference (February 2020)	Q2/FY 2020	Complete	No Change	EPA gave two presentations on How Utilities Use WIFIA to Fund Projects and Working Together to Demonstrate Strength and Obtain WIFIA Funding.
WaterNow Summit (April 2020)	Q3/FY 2020	Cancelled	Changed from Postponed to Cancelled	Cancelled due to COVID-19. The next summit is in April 2021.
Council of Infrastructure Financing Authorities (CIFA) Water Infrastructure Investment Summit (April 2020)	Q3/FY 2020	Cancelled	No Change	Conference cancelled due to COVID-19.
State-EPA Workgroup Meeting (April 2020)	Q3/FY 2020	Completed	Changed from On Track to Completed	Replaced the in-person meeting with a half-day video conference. More than 360 SRF colleagues joined online. The meeting covered updates in the SRF community such as COVID-19 response and action, reallocations, the Sewer Overflow and Stormwater Reuse Municipal Grant Program, the Water Infrastructure Funding Transfer Act, additional subsidies, and round robin comments from the states.
NACWA Water Week (April 2020)	Q3/FY 2020	Cancelled	No Change	Conference cancelled due to COVID-19.
Design Build for Water and Wastewater Conference (April 2020)	Q3/FY 2020	Cancelled	No Change	Conference cancelled due to COVID-19.
National Federation of Municipal Analysts (April 2020)	Q3/FY 2020	Cancelled	No Change	Conference cancelled due to COVID-19.
AWWA ACE20 (June 2020)	Q3/FY 2020	Cancelled	No Change	Cancelled due to COVID-19.
P3 Water Summit (September 2020)	Q4/FY 2020	On Track	No Change	The conference will be held virtually.
NACWA 2020 Utility Leadership Conference (July 2020)	Q4/FY 2020	Cancelled	On Track to Cancelled	Cancelled due to COVID-19.
Water Finance Conference (September 2020)	Q4/FY 2020	On Track	No Change	The conference will be held virtually in September.
National Rural Water Association (NRWA) WaterPro Conference (September 2020)	Q4/FY 2020	On Track	No Change	EPA may not attend if held in person instead of virtual.
Engagements subject to need and appropriations	TBD FY 2021	On Track	No Change	

# Key Milestones (continued)

## Strategy 2 – Tools, Training and Resources

Key Milestones	Due Date	Status	Change from Last Quarter	Comments
Workshop: Stormwater Financing (October 2019)	Q1/FY 2020	Complete	No Change	
Webinar: WIFIA Borrowing Structures (November 2019)	Q1/FY 2020	Complete	No Change	
Publish Fact Sheet: DWSRF Eligibility – Cybersecurity	Q1/FY 2020	Complete	No Change	Factsheet available at: <a href="https://www.epa.gov/dwsrf/supporting-cybersecurity-measures-dwsrf">https://www.epa.gov/dwsrf/supporting-cybersecurity-measures-dwsrf</a>
Publish Document: DWSRF Eligibility – Resilience	Q4/FY 2020	On Track	No Change	
Publish Document: DWSRF Cash Flow Management	Q4/FY 2020	On Track	No Change	
Webinar: Federal Requirements Under WIFIA (January 2020)	Q2/FY 2020	Complete	No Change	
Webinar: Asset Management Plans and the CWSRF	Q3/FY 2020	Complete	No Change	The CWSRF had over 270 people from across the water sector attend their webinar. The discussion centered around the components of asset management plans, how State CWSRF programs are implementing them, and various incentives that borrowers receive for funding projects that include asset management plans.
Webinar: SRF Programmatic Finance	Q3/FY 2020	Complete	Changed from On Track to Complete	
Workshop: SRF-WIFIA (June 2020)	Q3/FY 2020	Cancelled	No Change	Cancelled due to COVID-19.
Region 1-New England Interstate Water Pollution Control Commission (NEIWPC) SRF Training (June 2020)	Q3/FY 2020	On Track	No Change	NEIWPC Meeting is now a series of webinars.
Publish Fact Sheet: Resiliency (CWSRF)	Q4/FY 2020	Delayed	Changed from Q3 to Q4	Under internal review.
Publish Fact Sheet: CWSRF Asset Management	Q4/FY 2020	On Track	No Change	Under internal review.
Publish Bulletin: Working with other Funding Programs to Fund Land Conservation (CWSRF)	Q4/FY 2020	On Track	No Change	

# Key Milestones (continued)

Key Milestones	Due Date	Status	Change from Last Quarter	Comments
SRF Financial Training (1)	Q4/FY 2020	On Track	No Change	
SRF 101 Training (3)	Q4/FY 2020	On Track	No Change	SRF 101 training was moved to a virtual format for Region 10 (completed FY 2020 Q3); SRF 101 training for Region 3 moved to virtual format and scheduled for FY 2020 Quarter 4.
SRF Annual Review Training (1)	Q4/FY 2020	On Track	Changed from TBD FY 2020	
Publish Fact Sheet: DWSRF Eligibility – Source Water Protection	Q1/FY 2020	Complete	No Change	Factsheet available at: <a href="https://www.epa.gov/dwsrf/protecting-source-water-dwsrf-set-asides">https://www.epa.gov/dwsrf/protecting-source-water-dwsrf-set-asides</a>
Publish Fact Sheet: DWSRF Eligibility – Data Management	Q1/FY 2020	Complete	No Change	Factsheet available at: <a href="https://www.epa.gov/dwsrf/managing-and-leveraging-data-dwsrf">https://www.epa.gov/dwsrf/managing-and-leveraging-data-dwsrf</a>
Publish Guide: Nonpoint Sources Best Practices and the CWSRF	Q3/FY 2021	On Track	Changed from Q3/FY 2020	
Publish Guide: Decentralized Systems Best Practices (CWSRF)	Q4/FY 2021	On Track	Changed from Q4/FY 2020	
Tools, Training, and Resources provided subject to need and appropriations	TBD FY 2021	On Track	No Change	

# Key Milestones (continued)

## Strategy 3 – Program Oversight

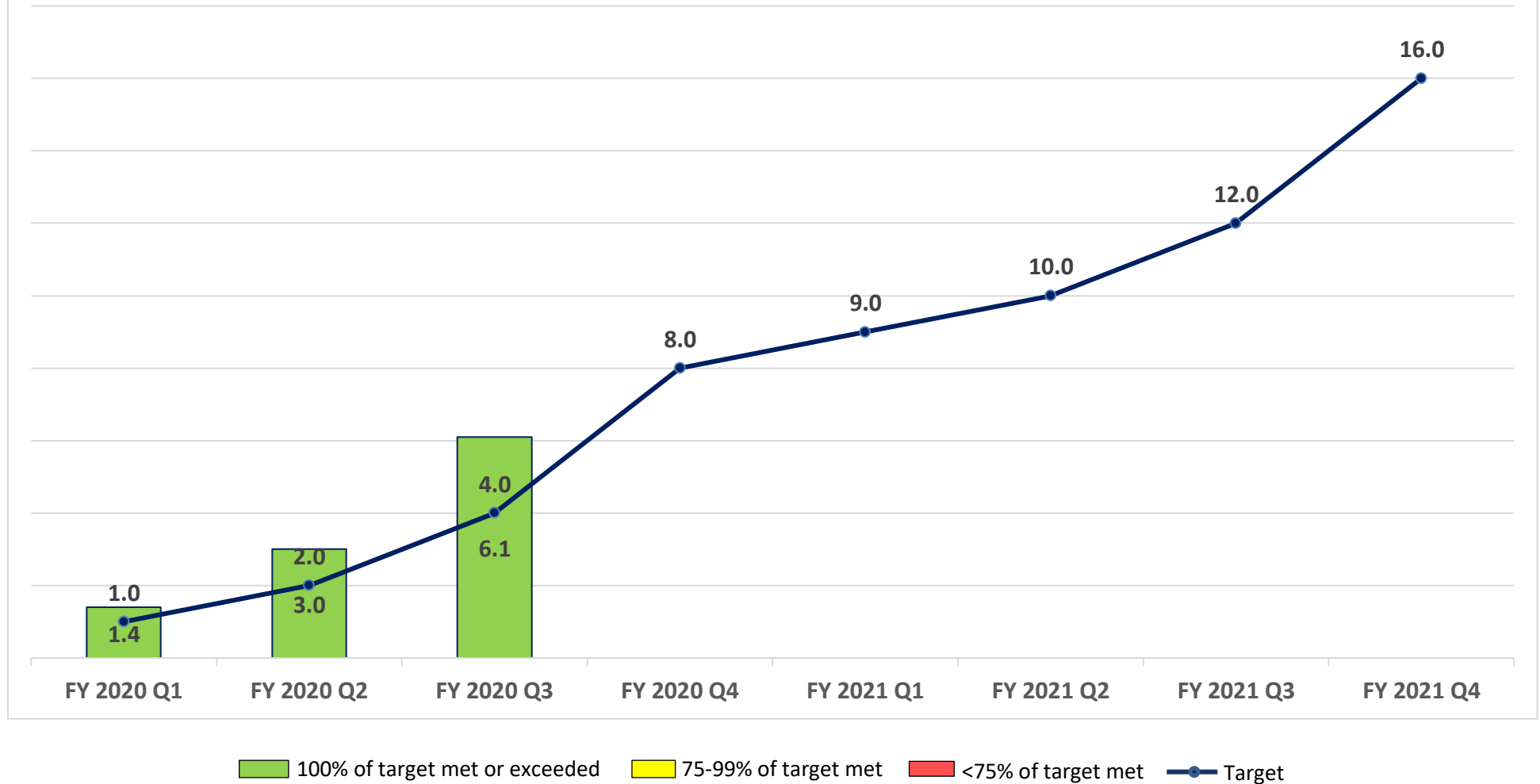
Key Milestones	Due Date	Status	Change from Last Quarter	Comments
State CWSRF Reviews (8)	Q1/FY 2020	Complete	No Change	Eight state CWSRF reviews were conducted in FY 2020 Q1.
State DWSRF Reviews (8)	Q1/FY 2020	Complete	No Change	Eight state DWSRF reviews were conducted in FY 2020 Q1.
State CWSRF Reviews (17)	Q2/FY 2020	Complete	No Change	21 state CWSRF reviews were conducted in FY 2020 Q2.
State DWSRF Reviews (14)	Q2/FY 2020	Complete	No Change	18 state DWSRF reviews were conducted in FY 2020 Q2.
State CWSRF Reviews (24)	Q3/FY 2020	Delayed	Changed from On Track to Delayed	16 state CWSRF reviews were conducted in FY 2020 Q3. Due to COVID-19, some reviews were delayed to Q4.
State DWSRF Reviews (12)	Q3/FY 2020	Delayed	Changed from On Track to Delayed	12 state DWSRF reviews are planned in FY 2020 Q3. Due to COVID-19, some reviews were delayed to Q4.
State CWSRF Reviews (1)	Q4/FY 2020	On Track	No Change	One state CWSRF review are planned in FY 2020 Q4.
State DWSRF Reviews (17)	Q4/FY 2020	On Track	No Change	17 state DWSRF reviews are planned in FY 2020 Q4.
Participate in Regional Reviews of state SRF programs (4)	Q4/FY 2020	On Track	No Change	The CWSRF Program plans to participate in four regional reviews of state SRF programs in FY 2020.
FY 2020 WIFIA Notice of Funding Availability (NOFA)	Q4/FY 2020	On Track	No Change	The WIFIA NOFA will be published following the publication of project eligibility for WIFIA financing.
FY 2021 WIFIA NOFA	TBD/FY 2021	On Track	No Change	The WIFIA NOFA will be announced about one month after receipt of the FY 2021 appropriation.

# Key Indicator

## Billions of Non-Federal Dollars Leveraged by EPA Water Infrastructure Finance Programs (CWSRF, DWSRF and WIFIA)

Jumping Off Point: 0

Preferred Direction: *Higher Than Target*



# Data Accuracy and Reliability

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## Milestones Reported in this APG Action Plan

- Reported and calculated by EPA headquarters staff.

## SRFs

- States and EPA regional offices report data quarterly to the CWSRF Benefits Reporting System (CBR) and the DWSRF Project Reporting System (DPR).
- EPA maintains a Quality Assurance Project Plan (QAPP) for the CBR and DPR databases.
- EPA regional offices and the states quality assure quarterly SRF data before it is released as final.

## WIFIA

- The WIFIA Program reports data quarterly after loans are executed based on a WIFIA loan agreement.
- The WIFIA Program identifies all sources of non-federal funding (including SRF funding) that will be combined with the WIFIA loan to cover the cost of the project or projects.
- To ensure there is no double counting of non-federal funds across the WIFIA Program and SRF Programs, EPA adjusts the SRF subtotal to exclude any SRF loans going to projects that also receive WIFIA funding.

A Data Quality Record has been developed for the strategic measure associated with this Agency Priority Goal:  
<https://www.epa.gov/sites/production/files/2018-05/documents/dqr-1-2-infrastructure-leveraging-dollars.pdf>.

# Additional Information

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## Historical Performance

- The CWSRF, DWSRF, and WIFIA Programs leveraged \$126.0 billion in non-federal dollars between FY 1987 and FY 2019. The first WIFIA loans were executed in FY 2018.

## Target Setting

- EPA set its September 30, 2021, target based on the target set in the *FY 2018-FY 2022 EPA Strategic Plan*. The five-year Strategic Plan target of \$40 billion is a 25% increase over total non-federal dollars leveraged between FY 2013 and FY 2017:
  - \$32 billion in non-federal dollars leveraged between FY 2013 and FY 2017.
- Agency Priority Goal target – by September 30, 2021, increase by \$16 billion the non-federal dollars leveraged by the EPA water infrastructure finance programs – represents the average annual amount of \$8 billion leveraged between FY 2018 and FY 2022.

## Contributing Programs

- **Clean Water State Revolving Fund (CWSRF):** The CWSRF was established by the 1987 amendments to the Clean Water Act as a financial assistance program for a wide range of water infrastructure projects.
- **Drinking Water State Revolving Fund (DWSRF):** The Safe Drinking Water Act, as amended in 1996, established the DWSRF to make funds available to drinking water systems to finance infrastructure improvements.
- **Water Infrastructure Finance and Innovation Act (WIFIA) Program:** The Water Infrastructure Finance and Innovation Act of 2014 (WIFIA) established a federal credit program administered by EPA. The WIFIA Program accelerates investment in water and wastewater infrastructure of national and regional significance by offering loans to creditworthy borrowers for up to 49 percent of eligible project costs.
- **Water Infrastructure and Resiliency Finance Center:** The Center serves as a resource to communities to improve their wastewater, drinking water, and stormwater systems, particularly through innovative financing and increased system resiliency.