



FY 2020-2021 Agency Priority Goal Action Plan

Empower Communities to Leverage EPA Water Infrastructure Investments

Goal Leader:

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Overview

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

- The state-run and implemented Clean Water and Drinking Water State Revolving Fund (SRF) programs (102 total) 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 leverages 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 from state to state.
- Increasing the 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leveraged to support water infrastructure projects is critical to meet the national need to repair and modernize outdated water infrastructure.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Program, are among the largest sources of federal funds to assist states and localities in repairing and modernizing outdated water infrastructure and offer powerful opportunities to leverage non-federal dollars.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



Goal Structure and Strategies

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.
- Discuss ongoing and potential actions with the state SRF programs that support the leveraging of the federal investment.
- Facilitate cross-state communication to leverage federal investment by sharing 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 billion¹ 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.
- The initial Q2 results show that EPA has 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 will be affected by the COVID-19 pandemic. One potential challenge may be borrowers dropping or deferring projects, which may affect EPA's ability to close new loans.
- In response to potential challenges states are facing from COVID-19, the Agency deferred the final review of Quarter 2 SRF data to Quarter 3 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).

¹ Preliminary result. This figure will be updated in the Q3 Update.

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	Completed	N/A	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	Completed	N/A	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	Completed	N/A	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	Completed	N/A	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	Completed	N/A	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	Completed	N/A	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	Completed	N/A	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	Completed	N/A	
National Association of Clean Water Agencies (NACWA) Winter Conference (February 2020)	Q2/FY 2020	Completed	N/A	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	Completed	N/A	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	Completed	N/A	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	Postponed	N/A	Postponed due to COVID-19.
Council of Infrastructure Financing Authorities (CIFA) Water Infrastructure Investment Summit (April 2020)	Q3/FY 2020	Cancelled	N/A	Conference cancelled due to COVID-19.
State-EPA Workgroup Meeting (April 2020)	Q3/FY 2020	On Track	N/A	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	N/A	Conference cancelled due to COVID-19.
Design Build for Water and Wastewater Conference (April 2020)	Q3/FY 2020	Cancelled	N/A	Conference cancelled due to COVID-19.
National Federation of Municipal Analysts (April 2020)	Q3/FY 2020	Cancelled	N/A	Conference cancelled due to COVID-19.
P3 Water Summit (September 2020)	Q4/FY 2020	On Track	N/A	
AWWA ACE20 (June 2020)	Q3/FY 2020	Cancelled	N/A	Cancelled due to COVID-19.
NACWA 2020 Utility Leadership Conference (July 2020)	Q4/FY 2020	On Track	N/A	
Water Finance Conference (August 2020)	Q4/FY 2020	On Track	N/A	
National Rural Water Association (NRWA) WaterPro Conference (September 2020)	Q4/FY 2020	On Track	N/A	
Engagements subject to need and appropriations	TBD FY2021	On Track	N/A	

Strategy 2 – Tools, Training and Resources

Key Milestones (continued)

Key Milestones	Due Date	Status	Change from Last Quarter	Comments
Workshop: Stormwater Financing (October 2019)	Q1/FY 2020	Completed	N/A	
Webinar: WIFIA Borrowing Structures (November 2019)	Q1/FY 2020	Completed	N/A	
Publish Fact Sheet: CWSRF Asset Management	Q4/FY 2020	On Track	N/A	
Webinar: Asset Management Plans and the CWSRF	Q3/FY 2020	Completed	N/A	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.
Publish Guide: Nonpoint Sources Best Practices and the CWSRF	Q3/FY 2020	On Track	N/A	
Publish Fact Sheet: Resiliency (CWSRF)	Q3/FY 2020	On Track	N/A	
Webinar: Federal Requirements Under WIFIA (January 2020)	Q2/FY 2020	Completed	N/A	
Publish Guide: Decentralized Systems Best Practices (CWSRF)	Q4/FY 2020	On Track	N/A	
Publish Bulletin: Working with other Funding Programs to Fund Land Conservation (CWSRF)	Q4/FY 2020	On Track	N/A	
Webinar: SRF Programmatic Finance	Q3/FY 2020	On Track	N/A	
Workshop: SRF-WIFIA (June 2020)	Q3/FY 2020	Cancelled	N/A	Cancelled due to COVID-19.
Region 1 SRF Training (June 2020)	Q3/FY 2020	On Track	N/A	
SRF Financial Training (1)	TBD FY 2020	On Track	N/A	
SRF 101 Training (3)	TBD FY 2020	On Track	N/A	
SRF Annual Review Training (1)	TBD FY 2020	On Track	N/A	
Publish Fact Sheet: DWSRF Eligibility – Source Water Protection	TBD FY 2020	On Track	N/A	
Publish Fact Sheet: DWSRF Eligibility – Data Management	TBD FY 2020	On Track	N/A	
Publish Fact Sheet: DWSRF Eligibility – Cybersecurity	Q1/FY 2020	Completed	N/A	Factsheet available at: https://www.epa.gov/dwsrf/protecting-source-water-dwsrf-set-asides

Key Milestones (continued)

Key Milestones	Due Date	Status	Change from Last Quarter	Comments
Publish Document: Managing Your Pipeline of DWSRF Projects	Q1/FY 2020	Completed	N/A	Factsheet available at: https://www.epa.gov/dwsrf/managing-and-leveraging-data-dwsrf
Publish Document: DWSRF Cash Flow Management	Q1/FY 2020	Completed	N/A	Factsheet available at: https://www.epa.gov/dwsrf/supporting-cybersecurity-measures-dwsrf
Tools, Training, and Resources provided subject to need and appropriations	TBD FY2021	On Track	N/A	

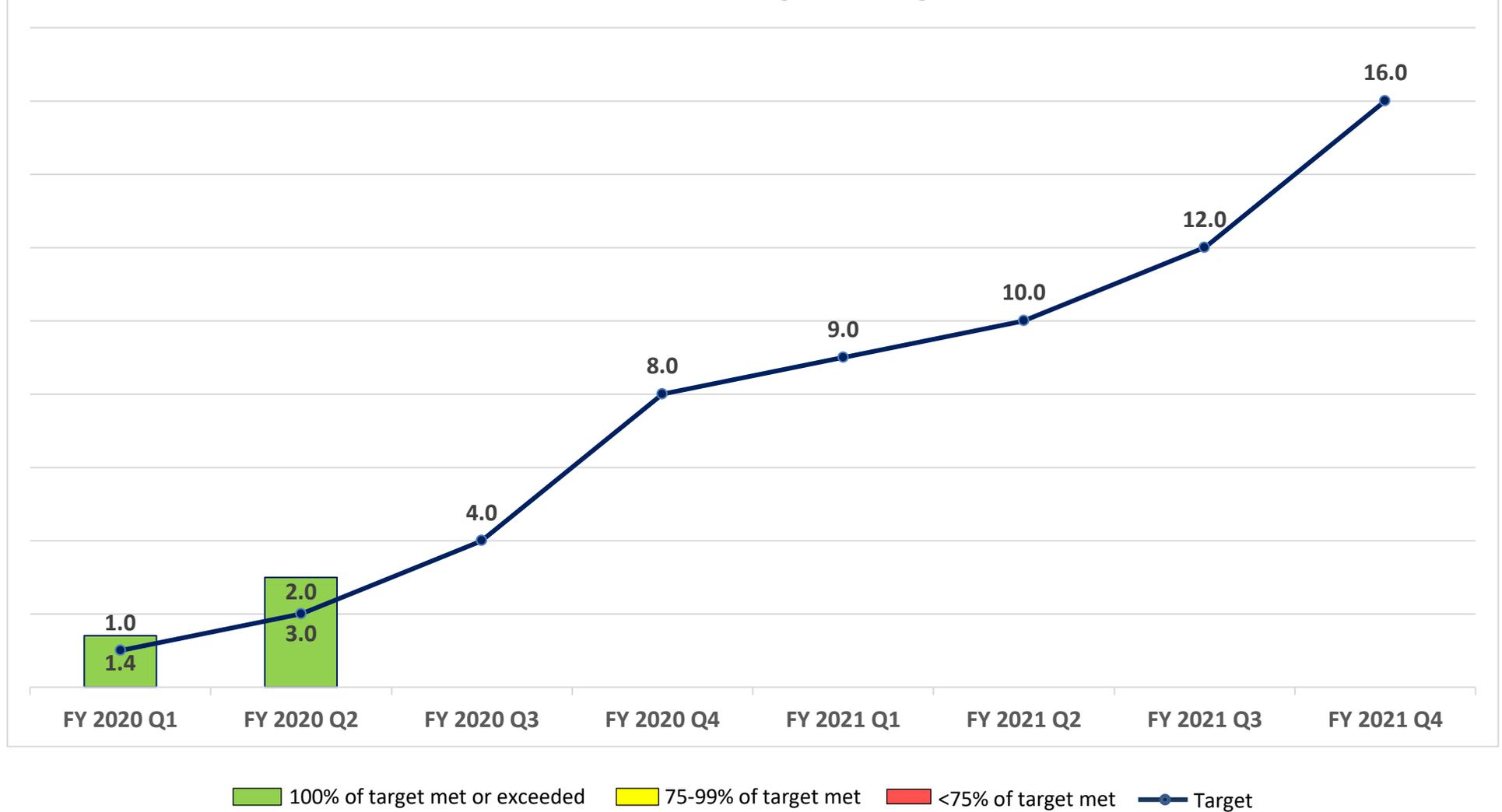
Strategy 3 – Program Oversight

Key Milestones	Due Date	Status	Change from Last Quarter	Comments
State CWSRF Reviews (8)	Q1/FY 2020	Completed	N/A	Eight state CWSRF reviews were conducted in FY 2020 Q1.
State DWSRF Reviews (8)	Q1/FY 2020	Completed	N/A	Eight state DWSRF reviews were conducted in FY 2020 Q1.
State CWSRF Reviews (17)	Q2/FY 2020	Completed	N/A	21 state CWSRF reviews were conducted in FY 2020 Q2.
State DWSRF Reviews (14)	Q2/FY 2020	Completed	N/A	18 state DWSRF reviews were conducted in FY 2020 Q2.
State CWSRF Reviews (24)	Q3/FY 2020	On Track	N/A	24 state CWSRF reviews are planned in FY 2020 Q3.
State DWSRF Reviews (12)	Q3/FY 2020	On Track	N/A	12 state DWSRF reviews are planned in FY 2020 Q3.
State CWSRF Reviews (1)	Q4/FY 2020	On Track	N/A	One state CWSRF review are planned in FY 2020 Q4.
State DWSRF Reviews (17)	Q4/FY 2020	On Track	N/A	17 state DWSRF reviews are planned in FY 2020 Q4.
FY2020 WIFIA Notice of Funding Availability (NOFA)	TBD	On Track	N/A	The WIFIA NOFA will be published following the publication of project eligibility for WIFIA financing.
Participate in Regional Reviews of state SRF programs (4)	Q4/FY 2020	On Track	N/A	The CWSRF Program plans to participate in four regional reviews of state SRF programs in FY 2020.
FY2021 WIFIA NOFA	TBD	On Track	N/A	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)

Preferred Direction: *Higher Than Target*



Data Accuracy and Reliability

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

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.