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June 26, 2018

**Water Environment Federation
Statement for the Record
House Transportation & Infrastructure Committee**

Stormwater Infrastructure Funding Task Force Legislation

The Water Environment Federation (WEF) is very supportive of the Transportation & Infrastructure Committee passing legislation to establish a stormwater infrastructure funding task force, in the nature of a substitute amendment to H.R. 3906, the Innovative Stormwater Infrastructure Act of 2017. Communities and utilities across the nation have tremendous stormwater infrastructure construction needs, but limited financial resources. WEF and the National Municipal Stormwater Association (NMSA) initially proposed the establishment of a task force of federal, state, local, and nonprofit stakeholder organizations to identify strategies for funding stormwater infrastructure needs, so we are very pleased to see the Committee moving forward with this legislation. We also would like to thank Representative Denny Heck (10th WA) and all the co-sponsors of the original version of H.R. 3906 and the substitute amendment for their leadership in Congress in advancing policies to address stormwater infrastructure challenges.

Over the past several decades communities across our nation have placed increased importance on managing stormwater as an environmental, economic growth, and public health and safety responsibility, similar to how wastewater and drinking water is currently being managed. While wastewater and drinking water have well established regulatory requirements and funding resources, stormwater has more recently become a community responsibility that warrants municipal investment. The negative impacts of inadequate stormwater management can be extreme and are in many cases avoidable. Our nation has made tremendous strides towards improving traditional point-sources of water pollution, such as municipal and industrial wastewater treatment, but other sources, such as municipal stormwater runoff and farmland run-off, now represent the majority source of water impairments. Since most agricultural enterprises and associated lands remain exempt from Clean Water Act regulation under statute, much of the burden of landscape-driven runoff falls upon Municipal Separate Storm Sewer System (MS4) permit holders, which include municipal agencies, industrial sites, and transportation surface areas, such as highways and airports. There are approximately 7,500 MS4 permit holders across the nation, and communities with MS4 stormwater permits include more than 80% of the U.S. population. The EPA has identified urban runoff as the only major growing source of water pollution across much of the country.

Responsibility for municipal stormwater management programs can vary from one community to another, and may reside in a public works department, wastewater utility, or a stand-alone stormwater utility. Addressing the environmental and public health and safety obligations can be complex, burdensome and expensive. Runoff from road surfaces, urban areas, and agriculture lands create water quality problems that impact human, recreational, and aquatic health. While only 2% of the continental U.S. is covered by impervious surfaces (about the size of Ohio), the impact on lakes, rivers, and estuaries is many factors larger than this footprint, and these impacts are realized in events like Harmful Algal Blooms, localized and riverine flooding, and diminished water quality in waters used for recreation. State and federal regulatory drivers, such as long-term control plans for Combined Sewer Overflows (CSOs) and MS4 permits, and Total Maximum Daily Loads (TMDLs), direct much of how communities manage stormwater currently, but a major barrier for adequate investments in stormwater infrastructure is funding resources and financing options. Not only are the economic impacts of limited stormwater management severe, but it also produces considerable social and environmental consequences. Poor stormwater management can result in excessive erosion in headwater streams, degradation of downstream waters (including drinking water supplies), and reduced biological integrity of aquatic ecosystems in receiving waters.

The current projections for infrastructure needs in the stormwater sector from the U.S. Environmental Protection Agency (EPA) suggest a total investment of \$150 billion nationally over the next 20 years, which far outstrips the funding available at the local level where the vast majority of stormwater infrastructure investments needs reside. While the funding challenge in the stormwater sector is most acute in the 6,500 small and mid-sized communities with MS4 permits, some larger communities have funding needs for stormwater projected to be in the billions of dollars over the coming decade. Only approximately 1,500 to 2,000 of approximately 7,500 MS4 permitted entities in the U.S., or less than one-third, have a dedicated revenue source. The result is a limitation of financing options for stormwater programs and overall investments.

The need to fund stormwater infrastructure is complicated by the lack of funding sources through existing federal water infrastructure funding programs. A recent analysis by WEF of stormwater infrastructure funding through the Clean Water State Revolving Fund (CW SRF) found that only about 1.5% of CW SRF funding goes to support stormwater projects. While stormwater infrastructure qualifies for financing through the Water Infrastructure Financing and Innovation Act (WIFIA), stormwater projects are unlikely to pursue WIFIA loans because they do not typically have a dedicated revenue source for repayment the loans. The USDA Rural Development Water and Wastewater Loan and Grant Program does not provide funding for stormwater projects.

There are a variety of actions that the federal government can take to support communities in addressing stormwater management challenges. Just as with wastewater and drinking water treatment, communities recognize that it is their responsibility to make the infrastructure investments and undertake innovative approaches to better stormwater management, but the federal government can play a vital role in aiding them to address these challenges. It is WEF's hope that the stormwater infrastructure funding task force will identify a variety of ways the federal government, state governments, local governments, and stakeholders can work together to fund our nation's stormwater infrastructure needs.

The Water Environment Federation (WEF) is a not-for-profit technical and educational organization of 34,000 individual members and 75 affiliated Member Associations representing water quality professionals around the world. Since 1928, WEF and its members have protected public health and the environment. As a global water sector leader, our mission is to connect water professionals; enrich the expertise of water professionals; increase the awareness of the impact and value of water; and provide a platform for water sector innovation.