

**STATEMENT FOR THE RECORD  
U.S. ENVIRONMENTAL PROTECTION AGENCY**

**COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE  
SUBCOMMITTEE ON WATER RESOURCES AND ENVIRONMENT  
UNITED STATES HOUSE OF REPRESENTATIVES**

**May 18, 2017**

Chairman Graves, Ranking Member Napolitano, and members of the Subcommittee, thank you for the opportunity to provide a written statement for today's hearing record regarding the U.S. Environmental Protection Agency's efforts to achieve better water quality improvements through integrated municipal stormwater and wastewater planning (Integrated Planning) and other innovative approaches for meeting our infrastructure challenges. The EPA is grateful for the continued interest of the Subcommittee and of communities across the country in our efforts to promote Integrated Planning for meeting Clean Water Act obligations.

The nation has come a long way in improving water quality, public health and the environment since Congress enacted the Clean Water Act almost 45 years ago. We have improved water quality and increased public health protection in streams, lakes, bays, and other waters nationwide. However, significant water pollution challenges remain. We still face difficult and expensive challenges such as providing advanced treatment for nutrients and controlling combined sewer overflows, sanitary sewer overflows, and stormwater pollution.

Increases in impervious surfaces, aging infrastructure, declining population in rural and urban areas, and extreme events related to rainfall and drought are stressing existing infrastructure and

programs needed to fully attain Clean Water Act goals. In addition, many of our state and local government partners find themselves facing difficult financial conditions. The EPA continues to work with states and local governments to develop and implement new approaches that will achieve water quality and human health goals more cost effectively and sustain our nation's essential water infrastructure to create jobs and strengthen the economy.

In the past, the EPA, states, and municipalities have focused on each Clean Water Act requirement individually, without full consideration of all Clean Water Act requirements or how various water quality investments can be coordinated and managed as a consolidated effort. This approach may have had the unintended consequence of constraining a municipality from addressing its most serious water quality issues first. Integrated Planning offers municipalities an opportunity to meet Clean Water Act requirements in a way that allows the highest priority wastewater and stormwater projects to come first, and the EPA encourages communities to evaluate and incorporate sustainable and community first solutions, such as green infrastructure, into these efforts. After extensive public input, including a series of workshops across the country, the EPA issued the June 12, 2012 memorandum, "Integrated Municipal Stormwater and Wastewater Planning Approach Framework."<sup>1</sup> The Framework explains EPA's goals in working with communities on Integrated Plans and provides communities with a guide to develop and implement effective integrated plans under the Clean Water Act.

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<sup>1</sup> A copy of the EPA June 12, 2012 memorandum is available at: [https://www.epa.gov/sites/production/files/2015-10/documents/integrated\\_planning\\_framework.pdf](https://www.epa.gov/sites/production/files/2015-10/documents/integrated_planning_framework.pdf).

Over the past several years, the EPA has encouraged the Integrated Planning approaches described in the 2012 memorandum. During the previous administration the agency's active pursuit of flexibility within Integrated Planning has been most visible in the enforcement realm where numerous settlements have either specifically included language incorporating Integrated Planning, or otherwise incorporated the concepts in a consent decree. For example, in settlements with King County and Seattle, Washington, where the EPA and the communities are working to resolve wastewater issues, our agreements included specific provisions for developing an integrated plan that would also include stormwater considerations. In other cases, such as recent amendments to a consent decree with the Sewerage and Water Board of New Orleans, Louisiana, Integrated Planning is not called out by name, but adjustments to the decree were made to account for the multiple Clean Water Act obligations that needed to be prioritized in concert with the ongoing recovery from Hurricane Katrina. Integrated Planning elements are part of numerous consent decrees in settled cases and pending enforcement cases.

Several cities across the country have approached the agency about pursuing Integrated Planning in the enforcement context to address their wastewater obligations. These cities are enthusiastic about the opportunities to take a more holistic approach to protecting water quality. It is the intent of the EPA to encourage Integrated Planning through avenues that emphasize the importance of cooperative federalism. EPA will facilitate its regional offices working with communities to develop plans and implement compliance schedules outside the enforcement context. States and municipalities both benefit by the prioritization that Integrated Planning

allows, granting them the flexibility to direct their limited investment resources to the projects that will have the highest impact.

The Integrated Planning approach can also serve as a catalyst for an evolving National Pollutant Discharge Elimination System (NPDES) permit program. While the Integrated Planning approach is voluntary, many municipalities have developed or are developing Integrated Plans that may ultimately inform the development of conditions and requirements in their NPDES permits. NPDES permits can have an important role in Integrated Planning by setting implementation schedules that are consistent with the permittee's financial capability, allowing for adaptive management, encouraging the use of sustainable green infrastructure, and assisting in implementing trading programs. These approaches could support more sustainable solutions that provide environmental improvement more quickly. In addition, the Integrated Planning approach encourages communities to develop a public participation process which can support adaptive management and provides opportunities for buy in and support from ratepayers, elected officials and environmental groups.

The EPA is encouraged that several communities have expressed interest in developing an integrated plan that can assist the NPDES permitting authority in reissuing their permits. Several other communities have already submitted an integrated plan to their NPDES permitting authority, and we welcome the efforts of additional communities to pursue such an approach. In October of 2014, EPA awarded a total of \$335,000 in technical assistance to five communities to

help them develop components of integrated plans for wastewater and stormwater management that will provide examples of how communities can develop elements of integrated plans to support Clean Water Act permit conditions. The five communities are: Santa Maria, CA; Burlington, VT; Durham, NH; Springfield, MO; and Onondaga County, NY.

Building on the success of the Integrated Planning Framework, the EPA worked with stakeholder groups such as the U.S. Conference of Mayors, the National League of Cities, the National Association of Counties, the Water Environment Federation, and the National Association of Clean Water Agencies concerning the financial challenges that communities face as they pursue the goals of the Clean Water Act. These financial challenges are a constant concern for both the EPA and the regulated community, and turning attention to these issues was a natural outgrowth of our work on Integrated Planning.

From 2012 through 2014, EPA held a series of meetings with these stakeholders to solicit their input on the financial factors impacting community investments in clean water infrastructure. As part of the EPA's continued commitment to implementing Clean Water Act objectives in a sustainable manner, the EPA issued a Financial Capability Assessment Framework ("FCA Framework") in 2014 to help communities understand the flexibility in the 1997 FCA Guidance.<sup>2</sup> The FCA Framework was developed with extensive public input, including input from the

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<sup>2</sup> Kopocis, K. (2014). *Financial Capability Assessment Framework for Municipal Clean Water Act Requirements*. [Memorandum]. Washington, DC: Environmental Protection Agency. Retrieved from [https://www.epa.gov/sites/production/files/2015-10/documents/municipal\\_fca\\_framework.pdf](https://www.epa.gov/sites/production/files/2015-10/documents/municipal_fca_framework.pdf)

Environmental Financial Advisory Board and the stakeholder groups previously mentioned. The FCA Framework clarifies the EPA 1997 FCA Guidance – and the flexibilities therein – for developing compliance schedules that will ensure that the financial burdens on a utility and its customers are fully and consistently considered. The FCA Framework also provides examples of the types of “additional information” cities can provide in order to demonstrate a “more accurate and complete picture” of their financial capability as is envisioned in the 1997 FCA Guidance.

Last year, Senate Report 114–70, which accompanied the 2016 Consolidated Appropriations Act, directed EPA to contract with the National Academy of Public Administration (NAPA) to conduct an independent study to create a definition and framework for “community affordability” and determine how different localities can effectively fund municipal projects. NAPA will issue a report with findings and recommendations by September 19, 2017. EPA will use the NAPA report to identify potential modifications to EPA’s 1997 FCA guidance.

It is also important to emphasize the contributions that the 51 Clean Water State Revolving Fund (CWSRF) programs can and do make to financing infrastructure planning at the local and regional levels. The enactment of the 2014 Water Resources Reform and Development Act amended the CWSRF program in ways that will clarify additional avenues for communities when they make wastewater and stormwater investments – which will assist them in implementing integrated plans. For example, these amendments specifically authorize the CWSRF to finance measures to manage, reduce, and treat stormwater. Further, CWSRFs can

now provide additional subsidies to encourage sustainable planning, design and construction of wastewater infrastructure. In addition, the Act created the Water Infrastructure Finance and Innovation Act (WIFIA) program. WIFIA is authorized to provide low-cost financing for water infrastructure projects of regional and national significance, including any type of project currently eligible under the CWSRF. WIFIA received its first appropriations to cover the subsidy cost of providing WIFIA credit assistance in FY 2017.

The EPA, states and municipalities are using the flexibility in the Clean Water Act and existing regulations to apply the Integrated Planning approach to identify cost-effective and protective solutions to successfully improve water quality. As we move forward with the Integrated Planning approach, we look forward to working with this Subcommittee, our state colleagues, municipalities, and the many other partners, stakeholders, and citizens to implement it. The EPA remains committed to improvements in wastewater and stormwater management and moving toward full attainment of water quality and human health goals.