

Transportation & Storm Water Department

# Closing the Funding Gap: Potential Roles of Financial Capability Assessment in Stormwater Finance Plans

April 3, 2017

**Program Drivers**

- Increasing regulatory obligations
- Aging infrastructure
- Tourism, Public Services, and Environmental Health

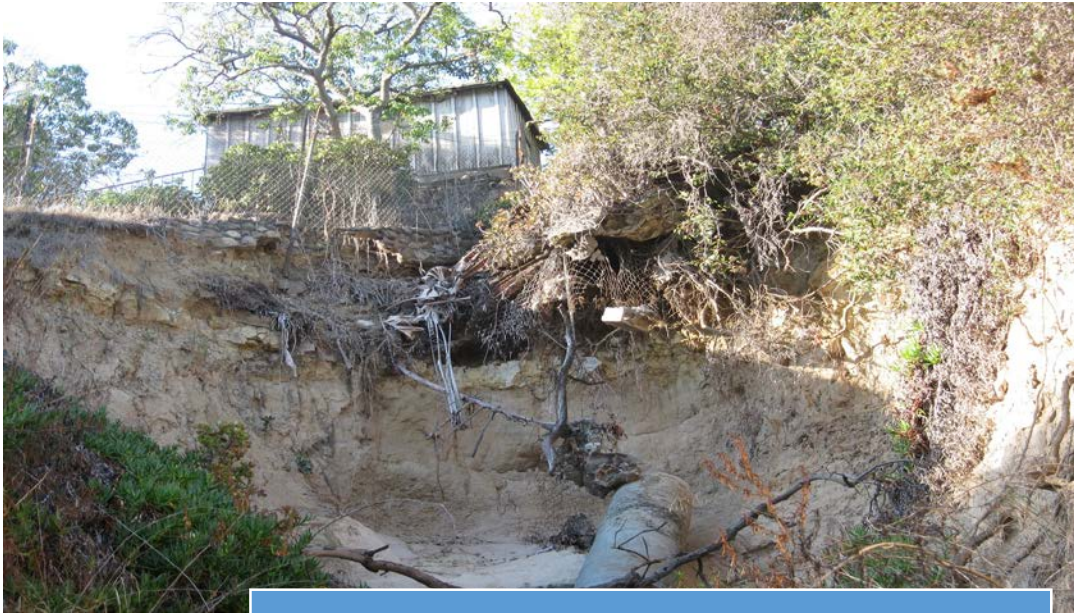
**Funding Needs**

- Flood Risk Management
- Storm Water Quality Compliance
- Receiving water restoration

**Closing the Gap**

- Pursue Alternative Funding/Revenue Sources
- Refine Regulations Using Best Science
- Prioritization and Scheduling

# Funding Needs



**Infrastructure**

**\$1,290M over 20 years**

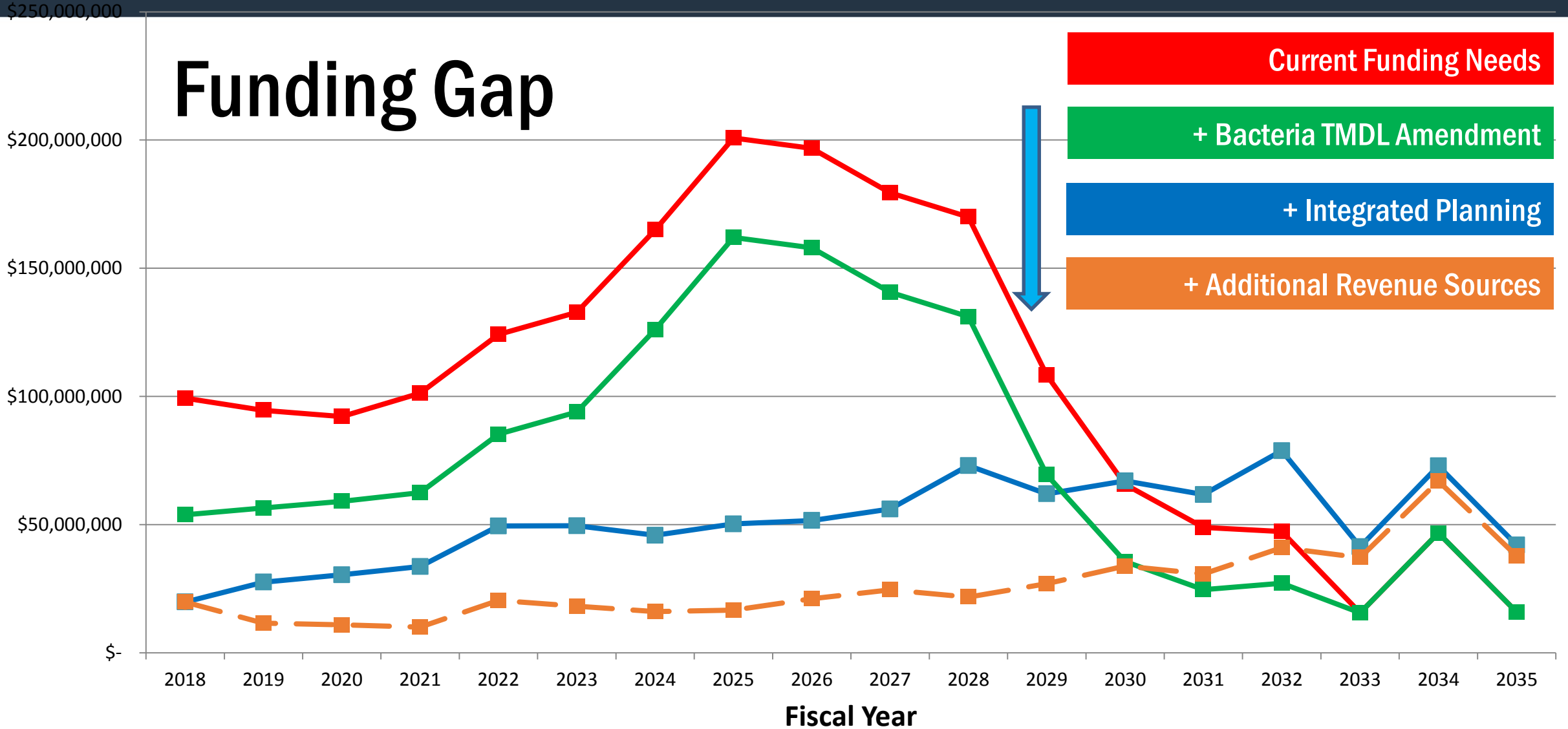


**Water Quality**

**\$2,088M over 20 years**

**\$3.4 Billion**

# Funding Gap



# Closing the Gap



**Explore all funding, revenue & cost saving options**



**Apply best-available science to regulations**



**Align compliance schedules**

# Potential Funding & Cost Saving

- **Caltrans' Collaborative Implementation Agreements**
- **Grants**
- **Federal/State low interest loan programs**
- **Review and update storm drain utility billing**
- **Pilot projects**
- **Master Drainage Plan BMP efficiency optimization**
- **In-house pipe repair crew in lieu of CIPs**

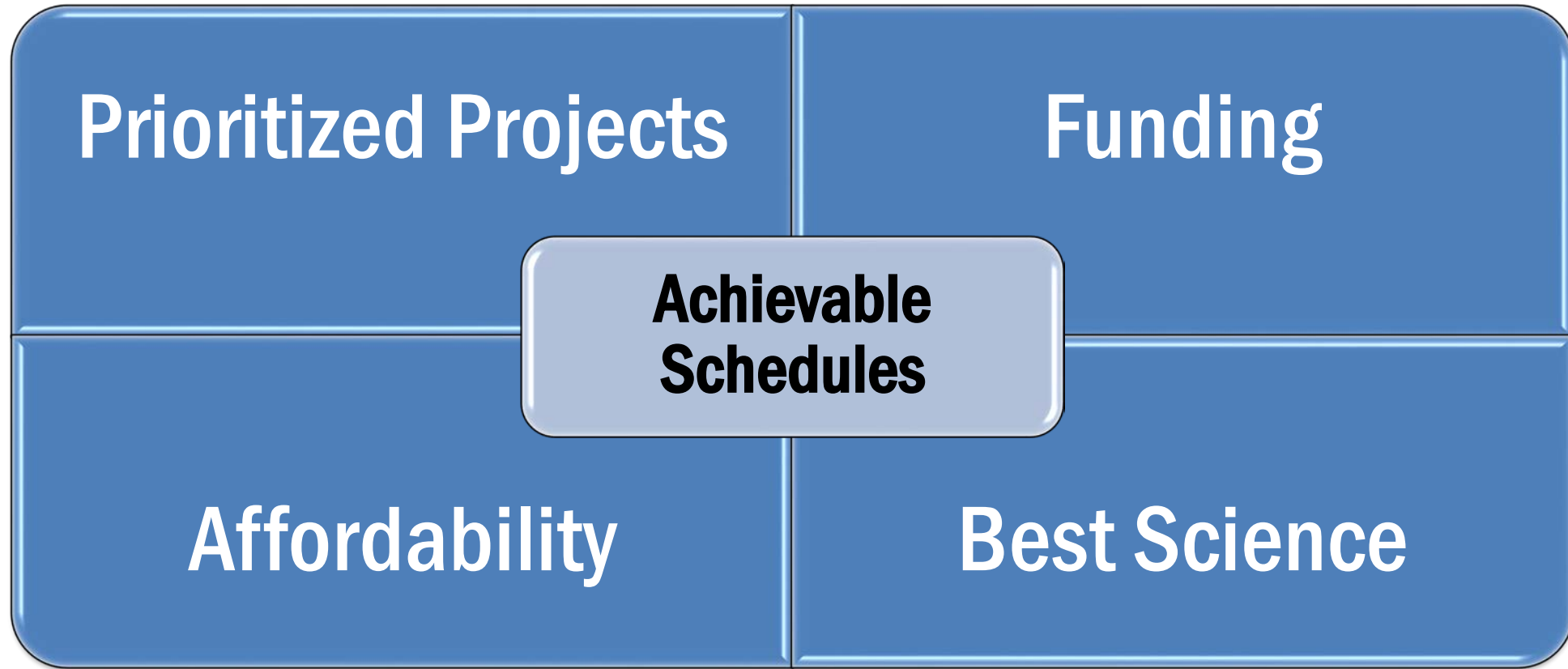
# Best Available Science

Regulation: Bacteria  
and Metals TMDLs

Opportunity: Existing  
USEPA guidance

Science: Epidemiology  
and water effect ratio  
studies

# Align Compliance Schedules





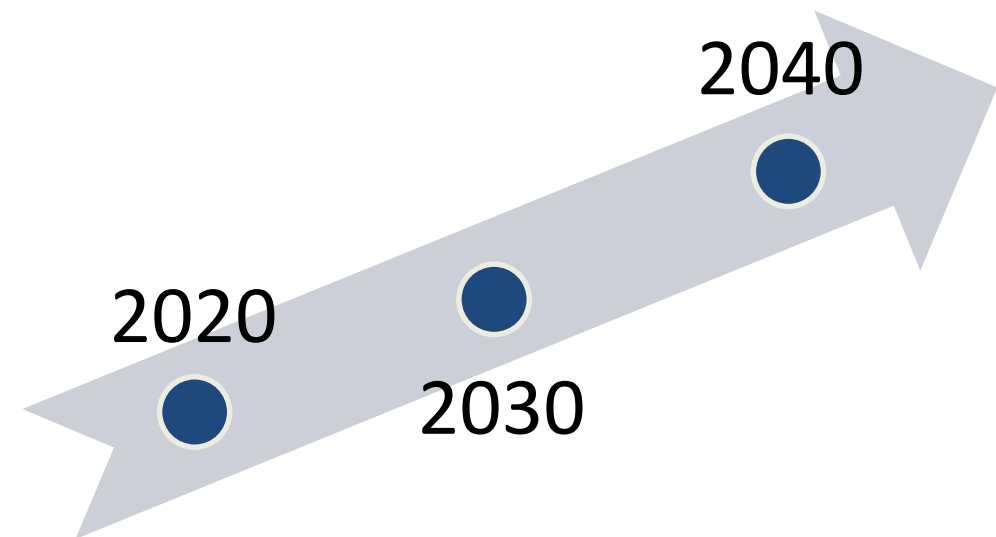
# Align Compliance Schedules: EPA's Integrated Planning Framework

## It Does...

- Follow EPA developed process
- Consider all Clean Water Act obligations
- Consider ratepayer's financial capability
- Require asset management approach
- Allow scheduling flexibility

## It Does Not...

- Reduce regulatory obligations
- Provide a funding mechanism



# Integrated Plan Checklist

## Should include...

1. Storm term implementation commitments to show progress
2. Analytical tool that demonstrates goals will be achieved
3. Asset management
4. Financial planning framework

## City's efforts include...

1.  Implementing strategies in Water Quality Improvement Plans (WQIPs)
2.  WQIPs employ watershed modeling
3.  Watershed Asset Management Plan
4.  City pursuing potential funding sources

# Next Steps

- Dialogue with Regional Board, EPA and stakeholders
- Explore opportunities to integrate City Clean Water Act programs
  - e.g., storm water harvesting
- Complete affordability analysis
- Consider permit changes to allow WQIPs to serve as Integrated Plan
  - Include TMDL schedule extensions
- Update WQIPs

