

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

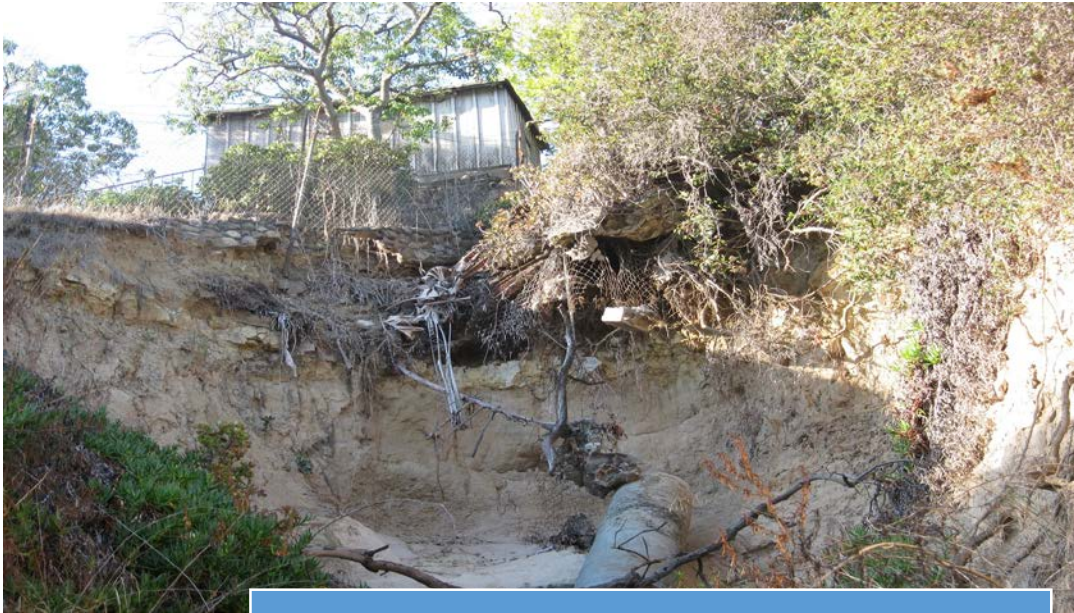
Funding Needs

- 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

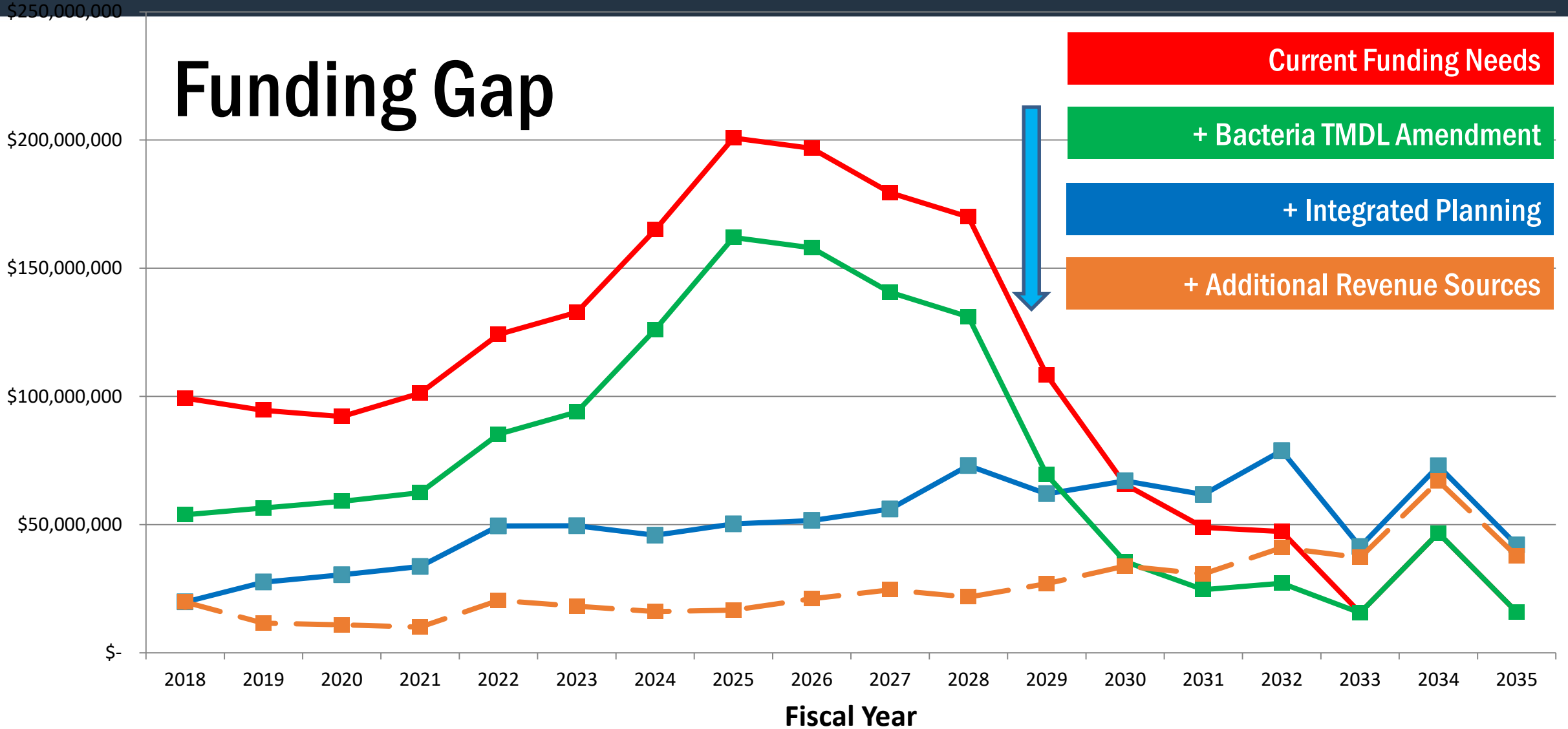


Water Quality

\$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**

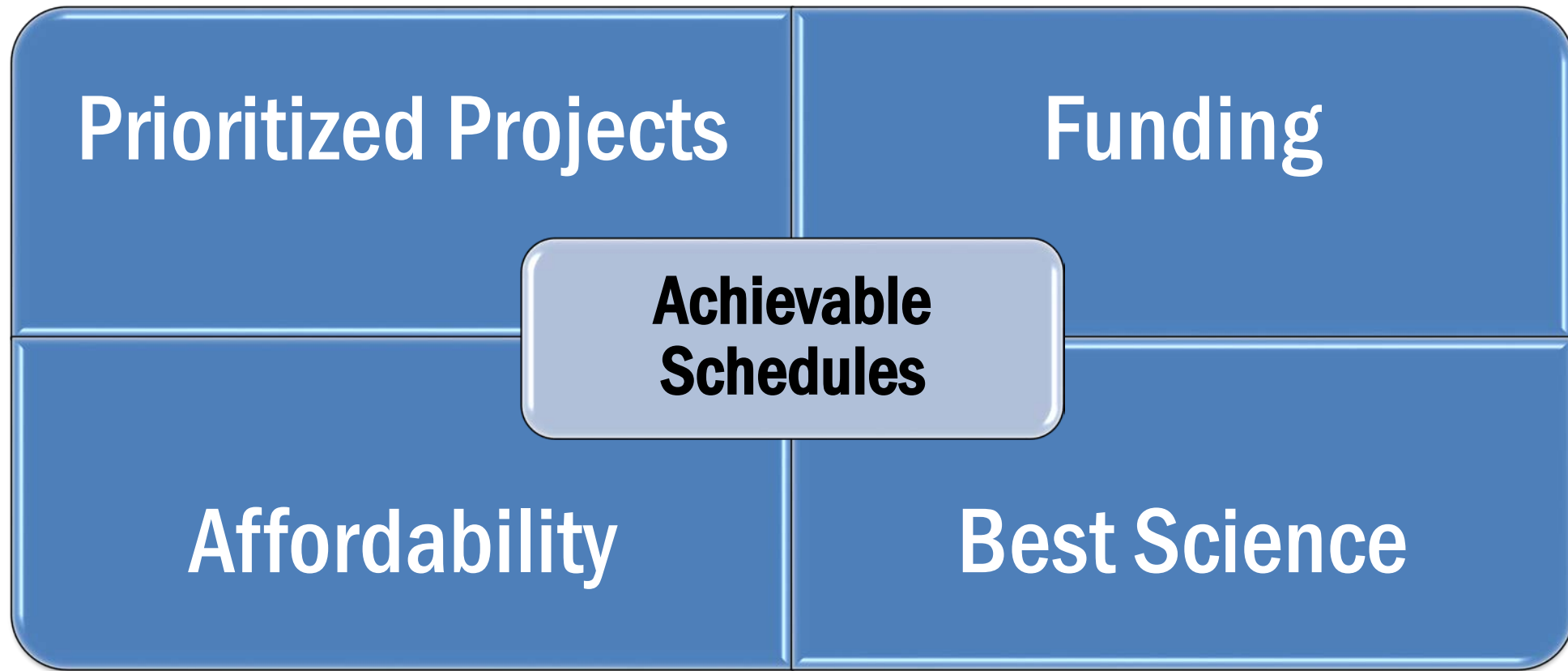
Best Available Science

Regulation: Bacteria
and Metals TMDLs

Opportunity: Existing
USEPA guidance

Science: Epidemiology
and water effect ratio
studies

Align Compliance Schedules



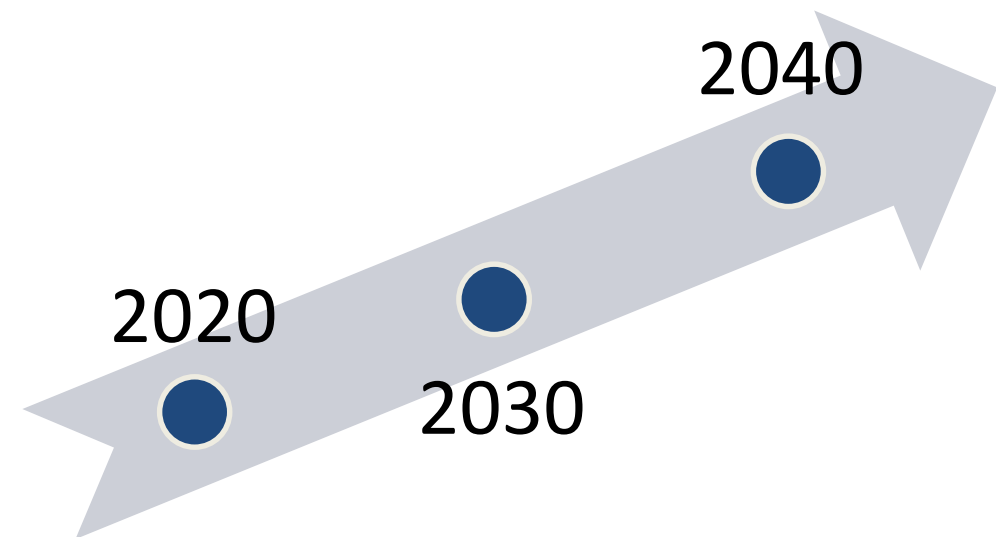
Align Compliance Schedules: EPA's Integrated Planning Framework

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

