

State and Foundation Water Finance Webinar

Recording

OK. We are at the top of the hour. So I see lots of folks are joining onto the Zoom now. So we are going to go ahead and get ourselves started. Welcome. My name is Darcy Peth. I work with Ross Strategic. We're contractors to EPA. Welcome to today's webinar on Working Collaboratively to Fund Water Infrastructure Needs-- State and Foundation Water Finance Partnerships. We'll read our disclaimer here.

This webinar is sponsored by EPA's Office of Wastewater Management. The opinions expressed in this webinar are those of the guest speakers and do not reflect EPA policy, endorsement, or action. And EPA does not verify the accuracy or science of the contents of the presentation. And I just want to let everybody know that today's webinar is being recorded and will be posted on the EPA website along with a PDF of the slides within a couple of weeks. Thanks for joining.

You can see we've got a great agenda today. We're going to be hearing from Tara Johnson first at EPA's Water Finance Center. We'll then hear from Jalonne White-Newsome at the Kresge Foundation. And then we'll hear from Bret Weingart, the assistant director of Utilities Department of City of Oklahoma City along with Joe Freeman, chief of Financial Assistance Division, Oklahoma Water Resources Board. And then at the end, we will have our Q&A period.

The Zoom menu bar appears at the bottom of the Zoom window once your webinar has begun. And you can adjust your audio by clicking on the small arrow next to the audio settings. And you can participate in today's webinar in a couple of ways. Click on the Q&A window in the Zoom toolbar. And this will allow you to ask questions of the host and the panelists.

We will read your question aloud, time permitting, during the Q&A portion at the end of the webinar. Or if you have technical issues or questions about connecting to the webinar, you can use the chat option for that. And that will send a chat message to the webinar host. And that's how you can participate. And as we mentioned, we will hold all the questions. You can take them at any time. But we will read them out loud at the end, during that Q&A session at the end.

I'm going to go ahead and introduce our first speaker. Tara Johnson works at EPA's Water Finance Center. Tara leads communications and outreach for the center and manages EPA's Water Finance Clearinghouse. During her more than 20 year career at EPA, Tara has worked on a variety of water sector issues including water infrastructure security, strategic planning, and support for small and rural wastewater systems. Go ahead, Tara.

Thank you, Darcy. And thank you everyone for joining us today. I appreciate you sitting in on this webinar. This is great. OK. We can go to the next slide.

Water sector infrastructure needs are increasing across the country. These needs covered the entire sector including drinking water, wastewater, stormwater, decentralized wastewater, and even septic systems. While EPA tries to address this need through several funding programs, we

understand the need is still unmet. Communities across the country range in their abilities to successfully navigate financial options for water infrastructure.

Especially for resource constrained and small communities, the process of accessing funding and financing can be a barrier to investing in the water infrastructure needed to protect public health in the community. State-level funders and philanthropic foundations-- the two topics that we are covering on today's webinar-- have the unique opportunity to revitalize water infrastructure in communities that need it most. All right, next slide.

As part of the agency's effort to assist utilities in meeting their needs, EPA's Water Finance Center provides financing information to help localities make informed decision for their water infrastructure. The Center helps identify funding and financing opportunities from all levels-- federal, state, local, and private or philanthropic.

The center seeks to assist the water sector through four goals-- research, identifying financial solutions to help communities meet infrastructure needs; advise, providing financial advice, support, and technical assistance to stakeholders; innovate, providing expertise and adding value to the national water conversation; and network, building relationships with government partners and stakeholders. All right.

To assist communities, the Center launched the Water Finance Clearinghouse, an online database of funding and financing sources and informational resources. Communities typically have to search multiple websites to find funding and may miss out on some opportunities. The Clearinghouse serves as a one stop online source to quickly provide this information.

Many communities know to look at national and state level sources when seeking financial support for infrastructure projects. Often, these come in the form of federal funds distributed to states and administered at the state level, such as the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund.

These federal and state partnerships provide low cost financing to help communities address water infrastructure needs. Other federal funding sources, such as the Water Infrastructure, Finance, and Innovation Act, or WIFIA program, are also used to support infrastructure projects. However, there are many other options out there. So how do utilities and local decision makers best to utilize their options to meet the community's needs? Next slide.

Through coordination. A coordination activity is an action taken by a statewide funding body to streamline the process of a borrower obtaining funds for an infrastructure project, also referred to as interagency coordinated funding. A subset of coordinated funding is cofunding, where multiple funders provide monetary support for different portions of a single infrastructure project.

Coordination activities can include identifying eligibilities, aligning project sequencing and application timelines, communicating all available funding sources to local decision makers and borrowers, removing redundancies in the application process, and enabling cofunding where there are multiple sources that can support the same project. Coordination activities can range

from ad hoc connections to highly structured, formalized partnerships between state level funders. Coordination activities are implemented by state level funders based on the specific operating processes of the state agencies and the needs of their constituents.

Many state level funders work together to coordinate funding sources. These state funding coordination activities are used to help reduce the burden on communities applying for funding. Next.

So what are some types of coordination activities? We've illustrated different types of activities on the bar graph from informal to formal. I'll start at the less formal side. Joint marketing and outreach allows funders to provide contact information, technical and planning tools, application guides, and other resources for all funding organizations coordinating within the state. This coordinated effort can reduce the cost of outreach for each funder, while minimizing the complexity of the funding landscape for applicants. Continuing on the graph, local decision makers may need support in applying for funding. States can provide materials and direct assistance in completing the necessary administrative tasks required to access funding or receive project or technical assistance.

Next, funding schedules-- local decision makers may encounter administrative and financial burdens when aligning various funding schedules. This can lead to costly delays while a project waits for approval from multiple sources operating on different timelines. States may simplify this process by aligning financial schedules, allowing infrastructure projects to start immediately after receiving all funds.

In the middle of the graph there, regular meetings between state-level funders can help agencies coordinate and increase the effectiveness of project funding or of the projects themselves. At these meetings, state funding agencies come together to review applications and discuss which sources can cover the eligible project, or if multiple funding sources can cofund the project.

Local decision makers may encounter challenges in navigating different environmental review and preliminary engineering report requirements. Additional reviews and reports can add costs, depending on the size of the project. Standardized reviews and reports can satisfy the needed criteria for multiple agencies, reducing project administration and redevelopment costs.

Next on the graph, local decision makers may find filling out multiple applications duplicative and burdensome. Uniform applications can reduce the time and cost burdens to communities associated with completing multiple applications. Finally, a coordinating council may be formed. This is, of course, a more formal type of coordination activity.

Local decision makers may need assistance to identify the agency's source of funds. Formal restructuring of the public funding agencies within a state can consolidate funding sources within a single decision making body. This could help streamline the application process and allow the authorizing body to put together the most effective funding packages for each applicant using multiple funding streams. Next slide. Thank you.

In addition to interagency coordinated funding, state-level funders can also collaborate with other funding organizations, such as private philanthropic foundations. Foundations are non-governmental non-profit organizations typically established to support charitable activities aligning with their overall mission. State funders and foundations have the opportunity to create water finance partnerships to achieve both public and philanthropic goals. Working together to raise awareness about the value of water infrastructure investments can encourage innovation and strengthen community health.

Foundations are typically established to support charitable activities aligning with their overall mission. Foundations have served as valuable partners for a range of water sector initiatives and as catalysts for community infrastructure investments. When state-level funders build relationships with foundation partners, unique opportunities can develop to enhance funding for water infrastructure projects. Foundation funds have a great deal of flexibility when a project falls within the scope of the foundation's mission or program-focused areas.

Foundation funding comes in two forms that can be applied to community infrastructure investments-- grants are monetary awards to organizations or individuals and are not required to be repaid. Mission investments, also known as impact investing, are loans intended to generate impacts aligning with the foundation's missions and also generate financial returns for the foundation. Our next speakers are going to talk more in depth both on state coordination and also on private philanthropic foundations. So I'll turn things back over to Darcy to introduce our first speaker.

Great. Thanks so much, Tara. Our next speaker is going to be Jalonne White-Newsome. Jalonne is a senior program officer at the Kresge Foundation, a private national foundation headquartered in Troy, Michigan. As a part of the National Environment Program, she leads Kresge's Climate Resilient and Equitable Water Systems, or CREWS, Initiative which aims to advance climate resilient and equitable water systems in American cities. She's also a member of Kresge's Operationalizing Race Equity Team and a member of their Climate Change, Health, and Equity Initiative at the foundation. So go ahead, Jalonne.

All right. Thank you so much, Darcy. Can you hear me OK? Well, I hope so.

Yes, we can. Sorry, I was on mute. But yes, we can hear you great.

So again, many thanks to the EPA, the Water Finance Center, and Ross Strategic for this conversation, and the other panelists. Before jumping into my comments, I definitely want to start by recognizing that the multiple crises that we are facing as a nation with COVID, with the legacy of racism in this country-- and literally, we are still trying to navigate our own spaces particularly in the water sector and really use our power and privilege for good.

So again, I want to appreciate all of you on this phone that are continuing to do the work and provide water, provide policy and guidance to communities, but also to frontline workers, those that are speaking up, speaking out, seeking allyship, those that are protesting in your own way again because many of the things that are happening beyond this webinar very much are needed to meet the needs of a water sector and system that can definitely begin to serve the communities

across this country even better. So I just wanted to start with that. And you can move to the next slide.

So as in the introduction, I have the opportunity to work for the Kresge Foundation. If you haven't heard of us, we are based in southeastern Michigan, in Troy. We got started almost 100 years ago, headquartered in Detroit, Michigan. And we invest over \$160 million annually. And it's probable that number has gone up a little bit. But really, our goal is to advance opportunities for low income communities in America's cities.

And so as you'll see on the next slide, we have seven different areas of programming that range from arts and culture to a Detroit program-- you can go to the next slide-- education. And particularly, I want to speak to the environment program where I sit, which is a national program, and our social investment practice, which I think is very much relative to our conversation today.

And so in the environment program, our mission is to help cities implement comprehensive climate resilient approaches. And comprehensive means a couple of things-- addressing opportunities for mitigation, reducing the source, adaptation, adapting to this new normal, and then also the importance of social cohesion, and making sure that we're doing that really principled in equity.

And then our social investment practice, which, again, we have developed great partnerships with, their goal in their team is to really try and leverage the foundation's assets in a way that they can provide capital to particularly stressed communities and really, again, be in line with the goals of our programs that are listed above. So those are the two that I'm going to really, I guess, focus on today. You can go to the next slide.

So I guess, keeping in mind that we have this opportunity at our foundation to use both grant and social investments or program-related investments, we were very intentional when we created the CREWS Initiative in early 2016. I had the opportunity to manage this initiative. And you'll probably hear more than you want to a focus on green stormwater infrastructure and other ways that really provide multiple benefits to communities because, again, the vision for CREWS is to address these systems, particularly urban flooding, climate driven flooding, and help them become more resilient to climate, but also do it in a way where everybody benefits.

And so you'll see there are three main strategies that we do our work within. But I would say a couple of things that are really important is, again, accelerating the use of climate science, addressing existing institutional and structural racism that put low income communities and communities of color at a disadvantage, particularly as it relates to climate driven flooding, and then, again, doing that in a way that we're investing not only in systems, but investing in people and organizations that we feel are exemplars or exemplify the values and mission of the foundation. So next slide.

And I thought it would be helpful to see just a brief snapshot of the array of organizations that we support by strategy. And you'll see from utilities to non-governmental organizations-- NGOS-- environmental justice organizations, policy organizations. It's a lot of folks there that are doing

a great job, a great job across the country. And I would say the crux of this is really the importance of partnerships that have developed.

And of course, most of you know that with partnerships, any partnership, it takes time, and trust, and really figuring out what that shared vision is. And so as a foundation, that has really been, I think, our mission to help develop that partnership and develop these partnerships, and particularly folks that had never heard of or worked with each other before, and really understanding how foundations can be a good partner to these folks to advance the mission that we all care about, which is making sure that we're living with water in a way that is productive and beneficial to society. So the next slide.

So I never really want to assume the starting point for any audience that I'm talking to. And I will tell you, before I got into philanthropy, I really didn't know what philanthropy was. Even as a grant seeker on the other side, I still wasn't sure how philanthropy works. So I just want to spend a moment, just really picking at these couple of questions that I hope will be helpful to you in our conversation. So next slide.

So what is philanthropy? And sorry for the thype being a little bit little for the first one. But basically, philanthropy is, again, volunteering and giving to promote the common good. And as our previous speaker shared, there's different ways that you can go about philanthropy. For the Kresge Foundation, we do that in the form of grants, which is money given to nonprofits that doesn't have to be repaid, that can support a variety of activities that you saw from the previous side. We have a variety of program areas and practices that I encourage you to check out our website to learn more about.

And so when you talk about the foundations and the types of foundations that are out there, they might have different names. But basically, you have private, community, and corporate foundations. And the similar thing is that, again, they're nonprofit. They're tax exempt. Where they might differ is in their governance structure. So some foundations might be run by boards. Some foundations might be run by families. And some foundations might be, again, corporate sponsored.

But there's also a difference in the geographic scope of a foundation. So for Kresge, we're national. And we do have some international work in Africa through our education team. For a community foundation, it might be limited to a state or smaller area. And for a corporate foundation, it could vary. But again, across the types of foundations, every foundation, which is really important as you begin to investigate who might be good partners, they all have different missions and different strategies. So really, understanding that basic infrastructure is super critical. Next slide.

So I tried to pull together a list of really what I thought the role of foundations are and the perceived value that foundations can bring. And so really, again, the role of a foundation, again, is to always stay on mission. Typically, they have a theory of change or strategy. We have requirements that we have to meet with the IRS. And again, we usually have some system in place that is able to allow us to receive, review, and deploy grant and PRI investments in some organized fashion, and, again, to deploy those different forms of capital, whatever they might be.

But I think what's even more important, even beyond the money, is really the value that I hope we try and bring. And that's the ability to have this larger view of things that are happening across the country, and be able to share that view and look at really the arc of the solution. So the fact that I have grantees working across the country that are working on a similar thing, but might be approaching it in a different way is super valuable to share that out.

We have different tools at our disposal, whether it's grants, whether it's PRIs, whether it's also the ability to bring people together just to convene people is, I think, a huge value from what I've heard from a lot of our partners. Expanding the conversation, elevating the voices and needs of folks that usually don't have a microphone or don't have the space is super important. And then, of course, I think being a good partner and, in some cases, most recently trying to deploy support in many different forms in times of crisis.

So that's a little bit. I mean, the list is not exhaustive. But I hope that gives you a little bit of the value of what foundations can bring. Next slide.

So how do you begin to work with a foundation? This is not a set list. But what I will advise-- and usually, when I begin partnerships or relationships with folks-- is that make sure that you really understand what your needs are. Whether you have a concept, a problem, or a project of interest, that is very important to be as concrete as you can. And then are you needing just money for a project, for predevelopment costs? Or are you needing something that can help spur the advancement of infrastructure in your community or for your utility?

And then another piece that's important is, do you have the mechanisms to receive funds from a nonprofit? That might require you partnering with another entity. Also, when you start a conversation with that foundation, which, again, it takes a little bit to figure out, a little research to figure out who you need to talk to, there's a couple ways that it can go. It can lead to more conversation. It could lead to the foundation asking for a letter of intent, which fleshes out your concept or request for proposal, offering of advice, or actually introductions to other funders that might be able to fund your particular project or interest in a way that they can't. So that is how you can begin to work with a foundation. Next slide.

So how do you begin? Even as you complete this webinar, if you haven't had any experience with foundations, I encourage you just to, again, do some general Google searching. But this one resource, the Foundation Center, is one that I used a lot and still do. There's a lot of information here about foundations-- what they do, how they operate, maps. Just definitely check it out. Also, talking with colleagues that might have more experience or connections with foundations-- the one thing is that when you're-- I mean, the philanthropic world can be a little bit of a black box. And oftentimes, it's getting that initial connection that is super hard.

But if you have a colleague that has worked with a foundation and can do that connection, that's even better. And then also looking at other nonprofits that might be more heavily connected or in the know with local foundations or state foundations, that could connect you that way. So that's just a starter. Next slide, please.

I also encourage you to check out a couple of funder publications. This is a way that you can find out a little bit more about what some of the foundations specifically are working on, the challenges that they're facing. Again, another way to do your homework in figuring out how to align what you want to do in your organization or agency with the work of a foundation. There's also a set of what we call funder affinity groups.

So these are groups of folks that are like-minded in mission and action. And these are groups of funders that come together on a very frequent basis. Most have annual meetings where we bring in external speakers, which is another opportunity for you to share your thoughts and learn. But we also have some funder affinity groups that are very much focused on water stuff.

So I highlighted those at the bottom. The Water Research Foundation, which you might be aware of, and then the Funders Network for Growth and Livable Communities, better known as TFN, which actually has an Urban Funders Water Funders Group that focuses on water. So next slide, please.

And so I wanted to also, in the time I have left, just uplift a couple of the partnerships that Kresge has supported. And what I will say is that there are many other partnerships that many other funders across this country are supporting that are excellent, and great, and cover the myriad of potential partnership models that are out there. So this is just a little bit. So I encourage you to, once you do your research, really dig into some of the foundations that might vibe more with what you're trying to do and see what they're up to. So next slide.

So the first example I want to highlight is from the Urban Water Funders Network. And it's an actual matching grant program. And the focus of this particular part of the grant program is to advance green stormwater infrastructure at the local level. And you can have, again, a range of partners that are a part of the application from utilities, to local foundations, to sustainability directors, a little bit of anybody and everybody. So they do this pretty much annually. And so I encourage you to check out the website because that could be, again, one opportunity to get yourself connected with this group of funders foundations, and maybe advance a project that you're working on. Next slide, please.

Another organization that I want to highlight that we support is the Green Infrastructure Leadership Exchange. What's cool about them is they are non-municipal leaders working to advance green stormwater infrastructure and really just water management across the country. So what's great about this is that we are able to support a learning network. And I don't know about you. But when I was on the practitioner side, it always helped to understand what my colleagues were going through, what they were doing, how they were solving. And this is the platform for that.

So in addition to filling some of the gaps that some of these municipal leaders are unable to support in their localities, like advancing racial equity through training, learning exchanges internationally, that is what foundation funding-- one possibility that we are able to do, is provide these collaborative grant programs, provide training in certain areas, provide opportunities for folks to come together to network and solution share. So that is just one example with GIX.

And if we can go to the next slide, another example is really around that third strategy of supporting exemplars in cities and really around innovative financing opportunities. And so I'm sure some of you have heard about environmental impact bonds, particularly if you're in the Washington DC area. And so one of the questions that some of our utilities said, well, not everybody is in Washington DC. So is this innovative financing mechanism of an EIB, or environmental impact bond, something that can work for small to medium-sized communities?

And so we supported the Chesapeake Bay Foundation, another local foundation, to really explore, reach out to these municipalities in the Chesapeake Bay region and explain this pay for success concept and see what could be possible. And so what their work has discovered, which, again, is another value foundations, we can take a question. We can put resources to explore.

And the hope is that what you learn from this exploration can be useful in practice to several folks. And we're very excited about the potential possibilities of Baltimore and Hampton really exploring an EIB is something that they are going to be able to use to advance green stormwater infrastructure. So again, this was a partnership between Chesapeake Bay Foundation and Quantified Ventures, which is another organization on the financial side. And we will see what comes of it. So next slide, please.

I think it's also an opportunity, again, to highlight models that support, again, our values at Kresge Equitable Design and Development, particularly in the water sector. And so Greenprint Partners is a for profit organization, which is a little bit different. But they were very much interested in supporting, again, small to medium size water sewage districts and utilities that wanted to, again, advance green stormwater infrastructure, but didn't have a lot of the internal, I would say, experience in engaging communities in a way where they would know how to even approach a sewage district to set up a project, a line, whatever.

And so Greenprint Partners has been working not only in St. Lewis, but across the country on an equitable design process that, again, helps in particular St. Lewis and other sewage districts use their funds that are just sitting there to advance, again, green stormwater infrastructures particularly in communities of color and low income communities that continue to suffer from flooding. And so again, this Greenprint Partners is a for profit entity. They're a project developer. But they are project developer that is mission-driven.

And this is-- again, we've not only supported their work in cultivating the partnership with the Metropolitan Sewage District, but we've also invested and equity invested into their company, into their corporation, so they can expand their work. So that is another example. Next slide, please.

Also, as you talk about the importance of deeper local partnerships and ways that foundations can support that, again, we have the opportunity as a foundation to take risks. And the joint benefits authority process or concept is a mechanism that is being tried out in San Francisco with their public utility commission. And really, the whole goal is to figure out how multiple agencies in the city can come together, share funds that can advance a mission, again, with equity at the center.

And this particular JPA process is focused on green stormwater infrastructure. But again, it could be focused on many different things. But World Resources Institute has been leading up this exploration of what is the potentiality of a JBA in San Francisco, possibly Seattle, and other cities across this country, again, with the goal of just achieving multiple benefits and really supporting agencies working together. Next slide.

I also want to highlight, again, while financing and funding is super important, it's also, again, the importance of bringing people together and fostering ways to build strong relationships between water utilities, leaders, and impacted communities. And so we've been extremely just impressed with the work of US Water Alliance. They were actually one of my-- maybe one of my first grants.

And they're a national organization that supports, again, a range of water leaders. They've expanded their umbrella of the folks that they brought in. But some of the specific partnerships that I've wanted to highlight really focused on bringing teams of cities together-- so the water utility, the local foundation, community groups, NGOs-- to really work on a problem together.

And so there were task forces-- the Water Equity Task Force-- among nine cities that came together over a two year period to, again, work and learn from each other. There was a Climate Resilience Boot Camp, again with cities, city partnerships, and then really framing, again, what water equity means throughout this entire sector.

And so really, this opportunity to support cohort-style learning has, I think, advanced the work in these cities tremendously. And again, I've just been very impressed with what's come out of this work over the past four years. Next slide.

And this might be our last example. And so I definitely don't want to forget the importance of supporting a range of nongovernmental organizations, or NGOs because as we do work in the water sector, it's important to get perspectives from all types of organizations that are being impacted. And that, I believe, is a true goal-- it should be of any foundation, to make sure that everybody that needs to be there is at the table. So this is just a smattering of a couple of the folks that we support to make sure that they are engaged, and working in collaboration, and have the capacity to with municipal leaders, water leaders, et cetera. So next slide. So with that, I thank you so much. I hope this was helpful. And I look forward to the conversation.

Thank you so much, Jalonne, for that very informative presentation. Much appreciated. Just as a reminder to participants, we've had a few questions come in. You can feel free to keep typing those questions into the questions box. And we'll get to as many as we can during the Q&A portion after our next presentation.

Great. OK. I'm going to go ahead and introduce our final presentation. We'll be hearing from Bret Weingart and Joe Freeman. Bret is the Assistant Director for the City of Oklahoma City Utilities Department. He has responsibility for all financial affairs, negotiating wholesale service agreements, utilities, information technologies, procurement, water conservation, property management, safety, personnel and training programs. Brett has been with Oklahoma City since 1993 and has been in utilities management since 1984.

Joe Freeman has served as chief of the Oklahoma Water Resources Board's Financial Assistance Division since August, 1993. He joined the OWRB in 1990 to supervise financial analysts and technical and credit reviews in servicing water and wastewater facility loans. In his present position, he oversees Oklahoma's Water and Wastewater Revenue Bond Loan Program, Clean Water State Revolving Fund Loan Program, the financial portion of the Drinking Water State Revolving Fund Loan Program, Emergency Grant Program, and the Rural Economic Action Plan Grant Program. I'll hand it over to you two, Bret and Joe.

Hello, this Bret Weingart. I'm going to just introduce a short thing, and then I'll hand it over to Joe. So Oklahoma City is a macro service provider. Our service area ranges about 200 miles. We serve about 1.4 million people. We have a \$2.5 billion dollar 10 year CIP. About \$1.5 billion of that is going to be borrowing over the next 10 years. We are going to need about 50% to 60% rate adjustments over that time. We use the Oklahoma City, the Oklahoma Water Resources Board for drinking water, clean water, and other financing programs to meet our needs, along with our own commercial paper program.

Many times, we provide service to 19 other areas, others communities, rural water districts, and other developed areas. We also provide reused wastewater and also wastewater. Our service plans have to be customized to meet the needs of these other communities. And many of those other communities are also using the Oklahoma Water Resources Board for financial assistance. So we're coordinating with them and their loan provider. With that, I'll turn it over to Joe.

Thank you. I appreciate the Environmental Protection Agency for coordinating this today, along with Ross Strategic. And I thoroughly enjoyed the other presenters today. I'm going to visit with you today about funding sources available through the Oklahoma Water Resources Board, as well as the Oklahoma Funding Agency coordinating team, and about partnerships that we have helped put together to fund projects throughout the state of Oklahoma. Next slide, please.

The Oklahoma Water Resources Board has three loan programs and two traditional grant programs that we've been administering since the mid-1980s. Our oldest program is our Emergency Grant Program, which is for projects which are outside the control of a local community. That would be defined such as damage from tornadoes, flooding coming through and washing out a river crossing, things of that nature.

The funding source that we use to fund these emergency grants is through interest earnings off of reserve funds that we have, which back up our financial assistance loan program. Our other grant program we have is our Rural Economic Action Plan Grant Program, which we've been administering since 1996. This is the only program we have where we receive any appropriated funding from our state legislature.

This program is geared towards communities with a population of less than 1,750 people or rural water districts that have 525 or fewer non-pasture taps. These two programs have gone to help out the communities that have the hardest time of obtaining loan funding. And so I always like that we have these programs to help out those size communities in those situations.

Our three loan programs-- our oldest is our financial assistance loan program, which was created in the late 1970s and early 1980s. It began funding water and wastewater projects in Oklahoma in 1985 and continues as a main source of funding for water and wastewater construction in the state, as well as refinancing other debts communities might have for water and wastewater projects, which will reduce their cash flow that they have to pay back their loans.

We have administered the Oklahoma Clean Water State Revolving Fund Program. We've been administering that since the late 1980s. The Clean Water State Revolving Fund Program was mentioned earlier in our first presenter today. We apply for capitalization grants through the Environmental Protection Agency for wastewater-type projects. We take this capitalization grant from the Environmental Protection Agency and provide 20% state-matching funds.

In the early years of the program, this matching source with state appropriated dollars. But in the mid-1990s, the state quit appropriating state-matching funds. And since then, we have provided the state-match source from debt issuances we have done. The Clean Water State Revolving Fund in Oklahoma was a direct loan program for many years. We then combined it with our financial assistance loan program in a leveraging attempt. Then approximately 20 years ago or so, we actually started leveraging completely the Clean Water State Revolving Fund Loan Program.

By leveraging, I mean we go out to the municipal bond market and borrow funds through the bond market, which we then reloan to communities. This loan program has been rated AAA by all three rating agencies at one time. And we are very proud that, along with Oklahoma City, we are the only entities that are rated AAA in the state of Oklahoma.

Our drinking water state revolving fund program-- the EPA started creating that program in the mid-1990s. The Water Board, along with the Oklahoma Department of Environmental Quality that we coadminister this program with, started making loans in 1996. It is much like the Clean Water State Revolving Fund Program in that the Department of Environmental Quality applies for the capitalization grants. We then, the Water Board, provide the state matching funds and then leverage that Drinking Water State Revolving Fund Program.

Our financial assistance loan program, as I mentioned, is for all types of funding. Since the beginning of our programs, we have funded over \$4.4 billion in water and wastewater construction throughout the state of Oklahoma. And we estimate that we have saved the rate payers approximately \$1.5 billion in interest savings. We provide funding in all 77 counties throughout the state of Oklahoma. And on an annual basis, we provide approximately 65% of all water and wastewater funding that is done in the state of Oklahoma.

If we can turn to the next slide, please, I want to visit with you about the Oklahoma Funding Agency coordinating team. This is a group that has existed for over 30 years. It is made up of the entities listed there on your screen-- the Water Board, the Department of Environmental Quality. You can read down on through the list. It is mainly the entities that-- both state and federal entities, as well as private entities, such as the Oklahoma Rural Water Association that actually coordinates the team.

The team meets quarterly. It will talk about projects that are going on throughout the state that all of the entities can help assist these communities get their funding sources. And it also hosts communities that need assistance, where the community will come in. All of the funding sources are sitting there with the community to find a solution for them. They will bring their engineer, if they have a consulting engineer on staff. And the goal is, by the end of that meeting, that plan will be in place to help that community get in compliance with any enforcement orders they might have or meet the needs of their community.

The Funding Agents Coordinating team has also, over the years, worked to come up with common engineering requirements where, if you went from one agency to another agency, whoever the entity might be, you would not have to meet different requirements that have tried to come up with common application type of processes. The loan applications themselves are different from entity to entity based on some are totally governmentally funded programs, some such as our, are based upon market funds through municipal debt issuance.

The other types of partnerships, as you can see on your screen, is such as with the Oklahoma City Water Utilities Trust. The pictures that are cited there are from the massive floodings we had in Oklahoma in 2015. This is the Atoka Dam Reservoir that we invested \$35 million in funding for Oklahoma City to correct damage that was done to the reservoir. It is a major source of water for Oklahoma City, as well as numerous rural water districts and municipalities throughout central Oklahoma, and then entities that are along the major pipeline from the Atoka Reservoir to the city of Oklahoma City.

Another major funding source in Oklahoma is tribal cofunding, working with tribal nations such as the Cherokee nation, the Choctaw nation, and the Chickasaw nation. We have funded numerous projects over the last 35 years with cofunding through tribal entities. An example is the South Delaware County Regional Water Authority, which is a regionalization system where partnerships included funding sources from an Indian Health Service, the Cherokee nation, the Water Resources Board, Rural Development Community Development Block Grant Funding. It took lots of different sources to get. So there has to be partnering included.

A recent project that we just approved is for the Inola, Oklahoma Public Works Authority where, once again, this is a \$3 million project where we partnered with the Cherokee nation, where \$2.6 million of the funding was from the Water Resources Board. And the Cherokee nation provided \$400,000 in funding for the project.

Another source of cofunding opportunities and partnering is projects such as we did at Lake Eufaula, one of Oklahoma's major reservoirs, where we constructed a wetland working with the Oklahoma Conservation Commission. We partnered with the city of Eufaula and another type of partnering source that you should always remember, that has been mentioned earlier, were nonprofits. There's another group in the Eufaula area called Team Up to Clean Up. It is an affiliate through Keep Oklahoma Beautiful, which is part of the Keep America Beautiful. And Team Up to Clean Up provided a lot of local manual assistance in that project.

If we move to the next slide, please. If we move to the next-- OK. Other type of partnering opportunities that we have worked with is through an entity known as the Grand River Dam

Authority. It is a major source of electrical power in Northeastern Oklahoma. It looked at educational type of programs where designed rain gardens and showing how non-point source projects can work along with that, we did a bio-retention cell non-point source project with Grand River Dam Authority and worked with the Oklahoma Conservation Commission.

Another project where we had partnerships with local entities was Lake McMurry, which is in Payne County, Oklahoma, in the installation of a pervious paver parking area at the lake, which cut down on sedimentation flowing into the reservoir. We partnered with the Friends of Lake McMurry, which is also a into the associated with Keep Oklahoma Beautiful, which was a chapter of Keep America Beautiful. Next slide, please.

Another source of partnering that I would encourage you to keep in mind is a partnership that the Open Water Resources Board has with the Oklahoma Rural Water Association, which we contract with the Oklahoma Rural Water Association on an annual basis for helping borrowers through the water board receive board member training, so they can be stronger board of directors over small communities through the state and rural water districts, as helping having operator license training, along with water and wastewater laboratory certification workshop training.

There's also other funding that goes into this from the Oklahoma Department of Environmental Quality. An emphasis that we have been taking on the last couple years has been working with these entities and developing long-term planning assistance. This type of assistance, I think, is shown to be very valuable in the environment we are in right now with the ban NIMBY. Entities that had continuing operation plans have been able to operate better because of the assistance that's been provided through these programs. Next slide, please.

Looking forward, in the Oklahoma Comprehensive Water Plan-- the last one that was done-- identified that there was over \$82 billion in water and wastewater construction needs in the state of Oklahoma. And so we obviously recognize it cannot be done alone by the Water Resources Board or any one entity. And it takes cooperation and collaboration with other entities.

As part of that, in August of 2019, we created the Oklahoma Strategic Alliance Agreement between the Oklahoma Rural Water Association, the Oklahoma Department of Environmental Quality, and the Oklahoma Water Resources Board in order to try to successfully meet and exceed our state's water needs into the next century. With that, I appreciate your all's time. And we look forward to answering any questions you might have.

Great. Thank you so much to Brett and Joe. With that, we do have a few minutes with which we can turn to the questions that you all have been typing into the Q&A box. Thank you for continuing to type those in. The first one is a question for Tara. Is the Water Finance Clearinghouse supported by users only? Or does EPA populate and update the system on an ongoing basis?

Good. That's a great question. So it's actually both is the answer. So the agency goes through. And we have regularly scheduled twice a year to get there and review the existing information

and provide updates as needed, as well as some other identified sources of funding or resources that will come in to us throughout the year. So we did take care of that.

On the other side, we do encourage users who have resources or leads on sources of funding to create what are called contributor accounts. And that's when they can enter the information themselves. It gets sent to EPA for review. We review it, follow-up if needed, or otherwise approve it to add it to the clearinghouse. And contributors then have control of that particular data entry so that they can update it or, say, take it down if that funding is no longer available, things like that.

We are in development of some in-depth trainings for the clearinghouse, including a contributor training. My email is actually on the last slide there. So if you would like to get in touch to talk more about the clearinghouse, I'm happy to do that after the webinar today.

Great. Thanks, Tara. I'll do a question for Brett and Joe. This question is, will Oklahoma's bonds include funding for localized/decentralized options such as green infrastructure or rebates for increased water use efficiency or conservation?

In addressing decentralized systems, we are working on that right now with the Oklahoma Conservation Commission. We can provide you more information on that. If I can get your contact information, I would appreciate that. We do try to promote green infrastructure in the state. We do not right now have any rebates for increased water use efficiency right now. But if you can get me your information, I would be happy to provide you additional information.

Great, thanks. For that person, you can feel free to either send that over to the chat or over email afterwards.

Thank you.

How does Oklahoma integrate community input into funding decisions across these resources?

Well, the community is going to be the ultimate decider. We don't force any community to go one way or the other. We try to show them the financing options, and which be the best in their best interest, and show them that's the bottom line. It might be a little. Sometimes, it might be best to go through rural development, if they can get a large grant source and a longer term loan than we can make. Rural development funding can go for 40 years. Right now, we limit our funding to a maximum of 30 years. So the ultimate decision is the local community's decision. But we try to show, really to look at the bottom line, what is in the best interest of their local citizenry.

Great, thanks. There's been a few great questions coming in for Jalonne, which Jalonne has been very helpfully typing answers to, which thank you very much. I thought we might read one or two of these aloud, so everyone can hear. How about-- are foundations looking at supporting projects at the nexus of urban demand/rural supplies nexus?

Definitely. The urban-rural divide-- or, I like to say, urban rural opportunity is real. And as I mentioned, foundations-- sometimes, the silos that we put ourselves in make it difficult to do the work. But there are many foundations that do support rural waterwork, where Kresge is just focused on climate. So definitely, if you have-- share your contact information. And if there's folks that I can connect you with that are working at that divide or opportunity, I would love to.

Great. Let's see. How does Oklahoma integrate community input into funding decisions across-- oh, we already answered that one, sorry. The next one is, how has the Oklahoma team explored alternative sources of capital, e.g. private or impact, for their plans?

I'm not sure if I totally follow that question. On private funding, communities can go out and do their own financing. It comes to mind a project that we just approved at our last board meeting last week, where we had funding through our Clean Water State Revolving Fund Program. We had funding through one of our grant programs. And then funding was also provided through a local financial institution, a local bank. So there is a private funding through local banks. Also, they can do their own private bond issuances, if they desire. I'm not quite sure if I understand what impact funding is. So I'm sorry.

OK. Another question for Jalonne, does Kresge Foundation do work on drinking water systems with a similar equity focus?

Sure. So I'll tell you. If we had all the money in the world, I would do drinking, storm, everything. But I would say, unfortunately, we have had to focus-- because our national program is focused on climate change, the climate impact that we focused on is urban flooding because, in many ways, that was the one that impacted urban areas and cities and more so strongly aligned with our mission.

But what I will say is, in some of our place-based work, particularly in Detroit, in Memphis, in New Orleans, we have supported some work around drinking water systems, particularly because we are so close to Flint, when that crisis erupted we did provide support in many ways to some of our Flint-- the local foundations in Flint and some of those communities. So I would say, from a national level, no, but very much open to connecting you with folks that support drinking water efforts and initiatives more than we do.

Great, thanks. Let's see. There's a question for all presenters. How are you assisting communities with raising rates needed to pay back for financing? This is an issue for small communities.

I guess I can jump to-- this is Joe Freeman. And I can jump in on that. We have assistance that is provided. There's entities, such as what's known as Communities Unlimited, which is part of what's called the RCAP system, that can go out and help communities develop appropriate water and wastewater rate structures. Also through the Oklahoma Rural Water Association, they have individuals who go out and help communities develop appropriate rate structures to meet their needs. So if that's what you mean, it's through sources like that.

Great. Someone asked if there's any resources possible to get linked up with available around Puerto Rico. So maybe that's another one that-- if Jalonne, you're not aware of off the top of your head, maybe that's one that could be to connect offline afterwards.

Yeah, I'd be happy to connect offline because we do support a couple of organizations that work specifically with organizations in Puerto Rico on flooding, particularly around FEMA disaster recovery. So I'm happy to connect you with Fair Share Housing Center, again, another vehicle through which we've given funding that the net funding has been use with leaders and organizations in Puerto Rico.

And then there are a bunch-- I don't want to say a bunch, but a couple of foundations that I work with in the Chicago, Illinois area that do support-- we support several grantees-- Healthy Schools Coalition that's based in Chicago, and a couple others. And the Joyce Foundation does a lot of great work in Chicago and the Midwest that I would suggest you take a look at their website.

Great. And Tara, go ahead.

Yes, I was just going to add, in addition to the great resources that Jalonne just mentioned, the Water Finance Clearinghouse has the capability where you can actually search by a geographic region, be it a state, a larger multi-state region, territories, things like that. So you can do tailored searches in the clearinghouse as well.

Great. Thanks. I think we have time for just one more question. This one is one that I think is probably on the back of everyone's mind. What is everyone's projection for water priorities in coming years, given the pandemic?

Well, I can answer. In Oklahoma, we conducted a survey that went out to all of our borrowers in which we received a 56% response rate. And if my memory serves me correctly-- I don't have the survey right in front of me. But I think we had very few communities that were not planning on continuing to go ahead with projects. I know that some communities are delaying some projects. But ultimately, they're going to have to do them. I would say right now more neutral. I don't see it going dramatically up or dramatically down.

Yeah, And this is Jalonne. I would just say-- maybe this is-- I'll say it's positive in the way that-- I'm just thinking about my hometown of Detroit and the importance of water, or the lack of water availability and access makes the current COVID crisis and other crises even more pronounced. So that will remain a priority for the rest of this year and beyond.

And then the fact that we're still going to continue to see co-occurring crises of flooding. And so we cannot afford not to make that a priority. And many of the organizations that we support are continuing to advocate very hard for things that need to happen whether it's green infrastructure projects and maintaining that prioritization within their organization. So I'm going to think positive and hopefully not too Pollyanna-ish. But it is a priority.

Got it. Well, thanks so much. That, unfortunately, is the end of our time. I want to say a huge thank you to our presenters for taking the time to provide us with the really helpful information.

And thanks to all of you for watching, and participating, and typing in your questions. If you do have follow-up questions, the email for the EPA's Water Finance Center is up on your screen, waterfinancecenter@epa.gov.

I'd be happy to help you to connect you to the speakers as appropriate, or to get those questions answered. And as a reminder, the recording of this webinar will be posted to EPA's website within a couple of weeks along with a PDF of the slides. So you will have access to those. Thanks again so much, everyone. And enjoy the rest of your day.