

State/EPA SRF Work Group Meeting
November 20 - 21, 2002
Crowne Plaza Hotel
Phoenix, AZ

* = Agenda topic requested by a state

Wednesday, November 20

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| 8:00 - 8:15 | Welcome
Ground Rules | George Ames and Chuck Job
Ian Kline, Facilitator |
| 8:15 - 9:15 | Report by Workgroup Enhancements Subgroup * <ul style="list-style-type: none">• Process for workgroup selection *• Revised operating procedures• State Co-chair and Vice-chair Selection | |
| 9:15 - 10:30 | Updates <ul style="list-style-type: none">• Legislative activities on Hill• Gap Report *• Infrastructure Forum• EPA Watershed Initiative• National Drinking Water Advisory Council Activities related to the DWSRF• Investigations of SRFs (e.g, GAO, IG)• Status of CW/DW needs surveys• EPA's audit strategy• Status of Disadvantaged Business Enterprise (DBE) rule• EPA water quality funding database• EFAB paper on coordination with RUS• Handbook on coordinated funding• Toolkit on land acquisition through the CWSRF/DWSRF• Status and/or release of recent publications and policies | |
| 10:30 - 10:45 | Break | |
| 10:45-11:45 | Environmental Review and Other Cross-Cutter Issues <ul style="list-style-type: none">• EPA guidance• State weaknesses identified through EPA annual reviews• State efforts related to developing uniform procedures *• State experiences with the Endangered Species Act *• Application of cross-cutters to non-point source projects | |

Purpose: This session will discuss various topics related to environmental reviews. States will discuss specific experiences they have had in relation to Section 7 consultation procedures under the ESA.

Charge to WG members: Regional members should come with examples of weaknesses they have identified in conducting annual reviews related to cross-cutter compliance. State members should come with examples of problems they have had and ways that they have overcome challenges.

11:45 - 1:00

Lunch

1:00 - 3:00

Using the SRF programs as Incentives for Promoting:

- Water Conservation
- Affordability and Rate-Setting
- Consolidation
- Better Utility Management
- Watershed Management

Purpose: Some have asked why proposed legislation to reauthorize the SRFs includes many changes directed at expanding eligibility or requirements on recipients of assistance *. Stakeholders (besides states and EPA) believe that there should be conditions on federal assistance to ensure maximum environmental quality and health benefits and requested modifications to the program. It is possible that if states made better use of their SRFs to address these issues, Congress would not receive pressure from stakeholders to add requirements to the program. This session will identify steps states can take to address the larger challenges facing utilities and discuss how to best promote actions that are being taken in these areas. This session will also outline an EPA Infrastructure Forum being planned for early 2003 in an effort to help identify success stories related to innovations in addressing infrastructure.

Charge to WG members: Come prepared to discuss how your state or other states are addressing one or more of the topics above. Also bring any documents that show how programs are promoting these activities.

3:00 - 3:15

Break

3:15 - 5:00

Performance Measures for SRFs

- OMB Initiatives
- GPRA measures and other financial indicators
- Previous work
- Identifying Other Environmental/Benefit Indicators

Purpose: Determining the benefits of federal funding is a hot subject in Washington these days. OMB recently subjected the DWSRF to two of its initiatives in this area - the Performance Assessment Rating Tool (PART) and Common Measures for Rural Water. It is likely that the CWSRF will be

subjected to the PART tool next year. Apart from that, the CWSRF is interested in developing better measures to assess environmental and economic benefits and impact of the program on improving water quality. This session will discuss this issue and determine how to proceed with a subgroup effort. *Charge to WG members:* A list of indicators that have been developed to date will be provided prior to the meeting. Workgroup members should bring additional measures that they have developed for use in their own state or region and be prepared to discuss the process they used to identify them and how they have worked.

Thursday, November 21

8:30 - 10:15

State/EPA Relationship and Workgroup Management Issues

- CIFA's self-certification proposal *
- Relative roles of Associations, Workgroup, States, other stakeholders in addressing EPA policy questions *
- Communication protocols between associations, EPA and the workgroup *

Purpose: This session will discuss issues related to how EPA works with external parties in developing policies and overseeing the program. There appears to be some tension as to what group should be considered the primary representative of state SRF programs - the workgroup or associations that represent state water quality, drinking water or finance agencies? Because EPA must work with all interested parties, the session will address communication amongst the different parties.

10:15 - 10:30

Break

10:30 - 12:15

State Questions for Discussion (a.k.a. Bring Your Issues to the Table)

- What is aggressive leveraging? *
- What is the eligibility of off-stream pre-treatment reservoirs that are not located on the treatment site? *
- Why did EPA create a separate brownfield revolving loan program apart from the SRF and what have been state experiences in funding brownfields? *
- How is state coordination on STAG projects going? * (*Note: this question was also addressed at the May 2002 meeting.*)
- How can states fit land acquisition for water supply protection criteria within the framework of the CWSRF PPL evaluations? *

- What mechanisms (e.g., websites) would help states better exchange program information? *
- Are states moving to develop paperless processes and how will EPA handle paperless grant oversight? *

Purpose: This session will discuss several questions that were raised by states during development of the agenda for this meeting. Members of the workgroup are encouraged to add additional questions for discussion prior to or at the meeting.

12:15 - 12:30

Recap and Planning for Next Meeting

- Next meeting to be held in May 2003 in Washington, DC