

Environmental Finance Center Network

1996 Annual Report

1996 ANNUAL REPORT

Prepared by

*Environmental Finance Program
Office of the Comptroller*

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The individual reports for the EFCs are uploaded on their Environmental Finance Center Network Web pages:

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FOREWORD

It is our great pleasure to present the 1996 Annual Report of EPA's Environmental Finance Center Network. This new report updates all principal activities of the six University-based Environmental Finance Centers (EFCs) through 1996 and should be added to the 1995 Annual Report notebooks. Copies of the earlier report remain available from EPA's's Environmental Finance Program.

The Environmental Protection Agency provided seed funding in 1992 for the first EFC at the New Mexico Engineering Research Institute of the University of New Mexico. Soon thereafter, Centers were established at the University of Maryland and Syracuse University. A third Center was added in 1994 at California State University at Hayward. Two more EFCs were added in 1995; one at Cleveland State University early in the year, and the other established later in the year at Boise State University in an alliance with the University of Idaho and Idaho State University. Now, with six EFCs strategically located at major universities throughout the country, the Network is becoming a significant force to assist local governments and small businesses in meeting environmental standards. Essentially, the EFCs provide finance training, educational, and analytical

services designed around the "how to pay" issues of environmental compliance.

A central goal of the EFCs is to help create sustainable environmental systems in the public and private sectors. Sustainable systems have the financial, technical, and institutional resources and capability to operate indefinitely in compliance with environmental requirements and in conformance with generally accepted environmental practices. Creating and maintaining sustainable systems is a formidable challenge facing smaller local governments and businesses. Costs of needed public and private purpose systems and improvements often outstrip available resources. Yet paying for environmental protection has been and will continue to be primarily a responsibility of local governments and the private sector.

For their part, the financial outreach services of the EFCs seek to help meet environmental needs by focusing on identifying ways of increasing efficiencies by avoiding costs, lowering costs, and shifting costs, as well as increasing private sector investment in environmental systems. The reader will find in the following pages many innovative and traditional activities the EFCs have undertaken in accomplishing these objectives. Their work, however, is an ongoing process, and the sum total of its benefits will make a important contribution to environmental progress in this country.

Information on the Environmental Finance Center Network can also be found on our website on [EPA's Environmental Finance Program homepage](http://www.epa.gov/efinpage/index.html) at <http://www.epa.gov/efinpage/index.html>.

We welcome your comments and suggestions. Thank you.

Staff of the Environmental Finance Program, Office of the Comptroller, USEPA.

ACKNOWLEDGMENTS

A great many dedicated people have helped the EFCs along the way. We are deeply indebted to Kathryn Schmoll, Comptroller of the U.S. Environmental Protection Agency and John Wise, Deputy Regional Administrator, EPA Region 9, whose exceptional foresight and support of the EFCs have guided the formation of the Network. We particularly want to acknowledge the role of all the Regional and EFC management and staff whose efforts have made the Network possible. Finally, we want to recognize the staff of the Environmental Finance Program, whose efforts and dedication prove that resources can be leveraged into far-reaching results.

EFCs in the order of their establishment

Region 6 - University of New Mexico EFC

EFC - Heather Himmelberger, P.E., EFC Director

- Susan Butler, EFC Program Manager

EPA - Jane N. Saginaw, Regional Administrator, EPA Region 6

- William Hathaway, Director, Water Quality Protection Division, EPA Region 6
- Richard Hoppers, P.E., Water Quality Protection Division, EPA Region 6
- Joan Brown, Chief, Grants Section, Water Quality Protection Division, EPA Region 6
- Freda Wash, Grants Section, Water Quality Protection Division, EPA Region 6
- David Reazin, Mobilization Coordinator, Water Quality Protection Div., EPA Region 6
- Blake Atkins, Environmental Engineer, Water Supply Branch, EPA Region 6
- Myron Knudson, Director, Superfund Division, EPA Region 6
- Betty Williamson, Chief, Program Management, Superfund Division, EPA Region 6
- Stan Hitt, Brownfields Coordinator, Superfund Division, EPA Region 6

- Monica Chapa Smith, Brownfields Project Manager, Superfund Division, EPA Region 6

Region 3 - University of Maryland EFC

EFC - Dr. Jack Greer, EFC Director

- Elizabeth Hickey, EFC Coordinator
- Jeremy Haas, EFC staff

State - David O'Neill, Local Government Advisory Committee

EPA - W. Michael McCabe, Regional Administrator, EPA Region 3

- Catherine Mastropieri, Comptroller, EPA Region 3
- Jon Capacasa, Deputy Director, Chesapeake Bay Program, EPA Region 3
- Theresa Martella, Grants Project Officer, EPA Region 3
- Joseph Kunz, Office of Air Quality and Planning Standards, EPA Region 3
- Leo Stander, Office of Air Quality and Planning Standards, EPA Region 3

Region 2 - Syracuse University EFC

EFC - Dr. Bernard Jump, EFC Director

- William Sullivan, Director of Executive Education, Syracuse University
- Ginger Lynch Landy, EFC Program Manager
- William Moore, EFC
- Victoria Kennedy, Consultant to the Syracuse EFC

EPA - Jeanne M. Fox, Regional Administrator, EPA Region 2

- Herbert Barrack, Assistant Regional Administrator, EPA Region 2
- Robert Gill, Chief, Construction Grants, SRF Section, EPA Region 2

Region 9 - California State University, Hayward EFC

EFC - Samuel Doctors, EFC Director

- Taylor McNamee, EFC

EPA - Felicia Marcus, Regional Administrator, EPA Region 9

- John Wise, Deputy Regional Administrator, EPA Region 9
- Viola Cooper, Project Officer, EPA Region 9

Region 5 - Cleveland State University EFC

EFC - Don Iannone, EFC Director

- Ziona Austrian, EFC Assistant Director
- Dr. Robert A. Simons, EFC

State - Steve Grossman, Executive Director, Ohio Water Development Authority

Private

Sector - Randy Muller, Vice President, Environmental Services, Bank of America

- Lewis Norry, President, Norry Company, Rochester, New York

EPA - Valdas V. Adamkas, Regional Administrator, EPA Region 5

- Mary Beth Tuohy, Brownfields Team Leader, EPA Region 5
- William Haubold, Brownfields Team, EPA Region 5
- Ed Weiler, Office of Pollution Prevention, U.S. EPA, Washington, DC

Region 10 - Idaho Policies Group at Boise State University, EFC

EFC - Dr. James B. Weatherby, EFC Director

- Dr. W. David Patton, EFC
- Bill Jarocki, Project Manager, EFC

EPA - Charles C. Clarke, Regional Administrator, EPA Region 10

- Clark Gaulding, Academic Relations Manager, EPA Region 10
- Susan Morales, Environmental Justice Coordinator, EPA Region 10
- James H. Werntz, Co-Director, Sustainable Communities Program, EPA Region 10

[Activities of the Environmental Finance Center Network](#)

1996 was a terrific year of growth for the EFCs. One of the strengths of the Network is their ability to work as a unified group to accomplish national objectives. In addition to their effective work in promoting and sharing creative environmental financing techniques and building partnerships between the public and private sectors, as well as with their respective Regional Offices, the EFC Network collaborated on several innovative accomplishments:

Capacity Development:

- Working closely with EPA's Region 10 office, the EFC at Boise State University submitted a unified proposal on behalf of the Network to EPA offering the assistance of the EFC Network in implementing the 1996 amendments to the Safe Drinking Water Act (SDWA). The proposal describes the role that the EFC Network is prepared to play in strengthening the viability of the nation's public drinking water systems by delivering capacity assessment and development tools, training, and information to professionals on the front-line of SDWA compliance challenges.

Financial Tools of the Network:

The EFCs and the Agency's Environmental Finance Program (EFP) have produced an array of finance training and educational publications and courses available through the EFC Network. These tools are designed to provide hands-on useful assistance to the regulated community. Most recently, the EFCs and the Environmental Financial Advisory Board (EFAB) collaborated on a Guidebook of Financial Tools that builds upon a highly successful report the EFP prepared for the Agency's State Capacity Task Force. In addition, the EFC Network is working together on providing technical assistance and training in the use of a newly developed water and wastewater rate model. Also the Maryland EFC in Region 3 produced for use by the Network two training courses in environmental finance. One was a course using the charrette case studies as a basis to develop a graduate level curriculum, and the other was a course on innovative financing techniques intended for local government officials, utility administrators, and those interested in innovative ways in which to finance environmental projects.

- **[Guidebook of Financial Tools](#)**

Working as a team, the EFCs and the EFAB developed the Guidebook of Financial Tools, which had as its origin the 1992 report of the State Capacity Task Force on Alternative Financing Mechanisms. This report was extremely well-received, with the expectation of further expansion. The Guidebook of Financial Tools incorporates that first successful report and is a reference work intended to provide an overview of a wide range of ways and means that are useful in paying for sustainable environmental systems. It is divided into 10 sections, presenting outline information on over 220 financial tools. Each tool is described along with its actual and potential uses, advantages and limitations, and references for further information. The Guidebook is the product of a collaborative effort among members of the Environmental Protection Agency's Environmental Financial Advisory Board, the Directors and staff of the Environmental Finance Centers, the staff of EPA's Environmental Finance Program, and many other contributors. It will be updated annually and contains forms to provide comments and suggestions. The Guidebook will be available on the Environmental Finance website under [Environmental Financial Tools](#) at <http://www.epa.gov/efinpage/index.html>.

- **Rate Model for Water and Wastewater**

A water and wastewater rate model was developed under a cooperative agreement with EPA's Environmental Finance Program and the Government Finance Officers Association. The purpose was to design a useful financial tool for small to moderately sized communities as an affordable way to evaluate their existing rate structures and evaluate the fees charged for water and wastewater systems. This is to encourage the adoption of rate structures and strategies that promote full cost pricing, using the EFC Network as the primary means of delivering to public officials the requisite training and technical support for its proper use. Working through their Regional Offices to identify communities in their respective Regions, testing was done by the EFCs at Syracuse University and the University of New Mexico. As a next step for the Network, the EFC at Boise State and Syracuse University will be conducting training workshops for utility managers and will be hosting train-the-trainer sessions for other technical assistance providers. The EFC at the University of New Mexico will be conducting rate model workshops throughout Region 6. For more information on the rate model, please visit the Environmental Finance Web Site under [Environmental Financial Tools](#) at <http://www.epa.gov/efinpage/index.html>.

- **Innovative Financing Course for Public Officials**

The University of Maryland EFC in Region 3 developed a course to be used throughout the Network on innovative financing techniques for environmental projects. The course is designed to highlight some of the latest techniques in environmental finance. The course includes case studies and exercises that can be completed by a student on his/her own time, although classroom lectures, field trips and group discussions would enhance the learning experience and are strongly recommended. The course is intended for local government officials, utility administrators, and those interested in innovative ways in which to finance environmental projects.

- **Curriculum Development and Training**

Also for EFC Network use, the University of Maryland EFC developed a series of case studies on seven charrette participants, identifying the problems, recommendations, and solutions that were utilized to achieve success. These case studies have broad application nationwide and are the basis for classes offered to government officials at the federal, state, and local level, as well as to graduate students in public policy programs.

Pollution Prevention:

- **Two-City Pollution Prevention Demonstration Project.**

The Region 5 Great Lakes EFC, located Cleveland State University, is collaborating with EFC9 at California State, Hayward on a demonstration project in San Francisco to develop innovative regional strategies to increase the demand for pollution prevention activities by smaller companies. The San Francisco project -- under the supervision of the EFC at California State, Hayward-- will start in early 1997.

EFC/EFAB Network Coordination:

The Executive Directors of the EFCs that make up the Network serve as expert witnesses to EPA's Environmental Advisory Board (EFAB). In that capacity they participate in discussions during EFAB full board meetings. It is this type of coordination and positive interaction that leverages the expertise of both organizations toward a common goal, that of achieving sustainable environmental compliance. Several projects are set forth below as examples of this collaborative effort:

- **Brownfields**

One of the major environmental policy areas addressed by the Great Lakes Environmental Finance Center is brownfields cleanup and redevelopment. The EFC carries out its activities under the guidance of EPA's Regional Office Brownfields Team. The EFC also works closely with the EFAB and its Brownfields workgroup. In serving as an expert witness to the EFAB, the Executive Director of the Great Lakes EFC has actively participated in the activities of EFAB's Brownfields workgroup. This involves providing expert advice to the workgroup's monthly conference calls and providing that advice to reviews of all drafts and products produced by the workgroup. This has included development of EFAB's Brownfields Report #5 entitled "Barriers and Incentives to Financing Brownfields Cleanup and Reuse," as well as additional brownfield financing papers under development.

- **Community Based Environmental Protection**

While environmental problems are often defined by natural systems -- such as watersheds or estuaries -- political boundaries are not. The result is that the capacity to raise and distribute funds, e.g., through taxes, fees, bonds or loans, may not match the needs of communities within a given region. Finance expert Michael Curley is heading up a committee of the EPA's Environmental Finance Advisory Board (EFAB) to consider regional funding mechanisms that could overcome this mismatch between needs and funds. Working with Dr. Jack Greer of the Maryland EFC, Curley is exploring other regional funding mechanisms around the country, and analyzing vehicles appropriate for tapping the buying power of an entire watershed to empower local communities with the greatest need to implement environmental projects. This exciting concept will be presented in Stockholm, Sweden in August 1997 at the conference, "With Rivers to the Sea," a meeting to discuss land-based pollution and coastal ecosystems.

- **Charrettes**

EFAB and the EFC Network will continue to assist each other in a collaborative way. For example, on January 16, 1997, the University of Maryland Environmental Finance Center (EFC) hosted a charrette at EPA at the request of EPA's Common Sense Initiative that addressed the issue of access to capital by the metal finishing industry.

Environmental Financial Information Network:

- The Environmental Finance Center Network has a website on the [Environmental Finance Program homepage](http://www.epa.gov/efinpage/index.html) at <http://www.epa.gov/efinpage/index.html>. The homepage, located on EPA's main website (www.epa.gov), provides information about the Environmental Finance Program (EFP), its components, and its services and publications. Included at the website is information about the **Environmental Finance Center Network** (EFC), the **Environmental Financial Advisory Board** (EFAB), and the

Environmental Financing Information Network (EFIN). There are also available numerous advisories and reports, which can be found under **Environmental Publications**, as well as the new guidebook on financial tools, which is located under **Environmental Financial Tools**. We are continuously expanding the website. A major source of information are the ongoing updates on the EFC Network's activities, as the Centers use the World Wide Web to improve the effectiveness and efficiency of sharing information among the Network. (See the [Environmental Finance Center Network Introduction Page](#) at <http://www.epa.gov/efinpage/efc.htm>)

Environmental Finance Center Network

[1996 ANNUAL REPORT EXECUTIVE SUMMARY](#)

This second Annual Report covers the major accomplishments of 1996 for the six university based Environmental Finance Centers (EFCs) that make up the EFC Network. The first EFC Network Annual Report was issued March 1996 and covers the performance of the EFCs through 1995. As reference, see the [Executive Summary of the 1995 First Annual Report](#) at the Web page: <http://www.epa.gov/efinpage/efcann.htm>

The first Center was established in 1992 by the U.S. Environmental Protection Agency's Environmental Finance Program, which has since helped establish five other Centers in Federal EPA Regions throughout the United States, forming a national Network of EFCs. The EFC network, in the order of their establishment, includes the University of New Mexico (Region 6), University of Maryland (Region 3), Syracuse University (Region 2), California State University at Hayward (Region 9), Cleveland State University (Region 5), and Boise State University (Region 10). EPA's Environmental Finance Program works with this Network to set priorities and coordinate and plan activities. The EFC Network's financial outreach services focus on identifying ways of avoiding costs (pollution prevention), lowering costs, and shifting costs as well as increasing private sector investment in environmental systems. Set forth below is a summary of the EFC Network's Annual Report for 1996.

[EFC at University of New Mexico \(Region 6\)](#)

Established in 1992, the University of New Mexico EFC has an extensive history of local government assistance. The UNM-EFC initially began with an emphasis on the application of public-private partnerships to owning and operating public water and wastewater utility systems. With the anticipation of NAFTA, the UNM-EFC provided technical assistance to border communities on ways to reduce costs for basic sanitary services. Additionally, the UNM-EFC researched financing alternatives for environmental infrastructure along the U.S.-Mexico border which later served as a guide to feasible choices for public policy decision making. The UNM-EFC field-tested a water and wastewater rate model with several New Mexico communities last year, and is currently working with the Texas Natural Resource Conservation Commission on actual use of the model, with anticipated implementation in Spring 1997. Training in the use of the model is intended as a mainstay of the EFC's financial outreach program, and will occur throughout the Region 6 states. Technical assistance to federal, state, and local governments and public and private small water systems is the current focus of the UNM-EFC to assist states in complying with the Safe Drinking Water Act Amendments of 1996. Identifying financing options and promoting low-cost, alternative, and appropriate technologies for system capacity development projects, at affordable and sustainable levels, is a particular commitment of the UNM-EFC.

Accomplishments

Water Viability:

- **Increasing Water Viability in New Mexico.** The UNM-EFC has been involved in several projects in the last several years relating to assessing and increasing the capacity of small drinking water systems.

Through an Assistance Agreement with EPA's Region 6 Office of Water, the EFC is working on a project to increase water viability in New Mexico. The goals of this project are to develop an assessment tool and methodology to review the viability of small, rural drinking water systems in New Mexico, and to provide assistance to State agencies in developing and implementing a state-wide water viability program and enhance resources available for technical assistance.

- **Management and Financing Options for Small Community Water Systems in the U.S-Mexico Border Region.** The purpose of this project, funded through an Assistance Agreement from USEPA Region 6, was to provide technical assistance to Dona Ana County, New Mexico by assessing the existing small community drinking water systems and recommending alternative organizational structures which would improve overall water system viability in the County. A presentation of these findings was made to the Dona Ana County Wastewater Technical Advisory Committee in Las Cruces, New Mexico on February 15, 1996. The report was finalized in July 1996 and presented to the Dona Ana County Commission on September 10, 1996.
- **Meeting with Small Town Environmental Planning Program.** The EFC met with the Small Town Environmental Planning Program located at the Rensselaerville Institute. The STEP program addresses small, rural community problems which are not funded by outside sources. State representatives identify a community or set of communities which might work with a STEP program. A community needs to have the capacity and willingness to address their water and wastewater problems with self-help techniques for solutions. Currently, STEP is involved in several projects along the U.S.-Mexico border.

U.S./Mexico Border Work:

- **Ecological Baseline Model for the U.S.-Mexico Border.** The UNM EFC, in collaboration with the University of New Mexico Community and Regional Planning Program, received a "Border 2000" Planning Grant to develop a natural resources inventory in the bioregion along the U.S.-Mexico border. Working in cooperation with Chihuahua State planning officials, local ranchers, farmers, and village residents, a twelve member field research team constructed a Geographic Information System (GIS) to examine the location of soil types, vegetation complexes, water source points, and wildlife groups. The goals of the project were to inform local residents about their surroundings, enable university and government officials on both sides of the border to model the impact of proposed developments, and provide local governments with more information with which to make planning decisions.

Brownfields Initiatives:

- **Network with the Region 5 EFC.** The UNM EFC is participating in brownfields economic redevelopment through various activities. They have been involved in conducting research on brownfields, and have participated in conferences dealing with innovative brownfields redevelopment financing. Through their strong ties to the EFC Network, they are able to access the expertise of the Region 5 EFC, whose major focus is on brownfield site redevelopment. This involves the financial issues affecting the availability of credit and financial tools and incentives to spur investment in abandoned commercial and industrial sites.
- **EPA Region 6 Brownfields Redevelopment Initiative.** The UNM EFC developed a 2,500+ name database of regional brownfields stakeholders. The EFC also assisted with preliminary conference planning and preparation.
- **Charrettes On Brownfields Redevelopment - City of Albuquerque.** The concept of a charrette is to bring together various community groups, agencies, and technical advisors for an intensive workshop where information is exchanged and the participants work together to develop solutions to specific issues the community is facing. The EFC conducts these charrettes by first gathering background information and familiarizing the technical advisors with community concerns prior to the charrette, so that the

charrette itself may focus on solution-oriented goals. The charrettes are beneficial in cities which have not begun the process of actual brownfield redevelopment because of obstacles inhibiting redevelopment at the brownfield sites. The EFC will be using the charrette process in a project with the City of Albuquerque under an assistance agreement with New Mexico Environment Department.

Technical Presentations, Training, and Materials:

- Paper presented to the 1996 Council of Infrastructure Financing Authorities Conference.
- Paper presented to the New Mexico Infrastructure Financing Conference.
- Papers presented to the New Mexico Conference on the Environment.
- Training for Water Professionals from El Salvador with the University of New Mexico Office of International Technical Cooperation.
- Computer Rate Model Demonstration.
- 1996 State/EPA Region 6 Conference.

New Initiatives for 1997:

- **Demonstration of Computer Rate Model:** Development of Proposal in Cooperation with EPA Region 6 for Demonstration of Computer Rate Model. The model is a rate-setting and financial planning tool which can perform a cost-of-service analysis, develop demand-based user rates, and prepare a six-year budget, rate and financial forecast on a desktop personal computer. The New Mexico EFC, in conjunction with the Texas Natural Resource and Conservation Commission and the Texas Water Development Board, proposes to demonstrate the utility of the rate model through a two day training session in Texas. The model will then be shown to other Region 6 states to determine interest in a rate model workshop.
- **Capacity Development Strategy for Texas:** Proposed Scope of Work for Facilitation of Capacity Development Strategy for the Texas Natural Resources Conservation Commission. The EFC proposes to use the stakeholder consensus process to obtain a comprehensive capacity development program for Texas and a strategy for its implementation. The stakeholder process will result in three major outputs: a report of findings, a communications strategy and an action plan. It is intended that implementation of these outputs will create a capacity development strategy that will equal or exceed EPA's requirements under the 1996 SDWA Amendments.
- **Brownfields Redevelopment Initiative - New Mexico Environment Department Technical Assistance:** The New Mexico Environment Department submitted a pilot project grant application in January 1997. If a project is awarded, the UNM-EFC may work with NMED on this project. Potential work could include: community outreach regarding brownfields redevelopment, which may involve workshops or a statewide conference; and developing an inventory of prospective sites using a GIS based computer system, taking into consideration baseline socio-economic indicators. This effort will be in support of the establishment of a model redevelopment process which will allow communities to identify sites, assess sites, and affect clean-up and redevelopment in an expedited manner.

[EFC at the University of Maryland \(Region 3\)](#)

The Region 3 EFC, located in the University of Maryland's Coastal and Environmental Policy Program and hosted by the Maryland Sea Grant College, has been an innovator in designing methods for communicating information to a wide-ranging audience. The EFC's efforts to date have focused on both point-source pollution

issues, such as alternative methods for financing waste treatment facilities and solid waste management facilities, as well as nonpoint-source pollution issues, such as stormwater management and agricultural best management practices.

Accomplishments

Charrettes:

- **Charrette for the town of Indian Head, Maryland.** Part of the EFC's goal is to provide assistance and to act in an advisory capacity to state and local governments on issues related to environmental finance. One way to achieve that goal is to advise local officials in a "charrette" format. The charrette process, pioneered by the University of Maryland EFC, employs an advisory panel of federal and state officials and financial experts who provide local officials with solutions to their problems with financing environmental services and facilities. The EFC arranged and conducted a charrette for the town of Indian Head, Maryland. Indian Head is seeking funding sources for a comprehensive stormwater management plan. Because Indian Head is growing the town forms the terminus of Indian Head Highway (Maryland 210), a major link with Washington, DC, located 22 miles to the north town officials and some of its citizens have identified stormwater management as a top priority. Charrette panelists developed a list of recommendations to help identify funds for such an effort.

Watershed Management:

- **Maryland Tributary Strategies.** Funding for nutrient reduction has been identified as a primary concern of the Tributary Teams. These Teams were created to help implement the State of Maryland's commitment to reduce controllable nutrients that damage the Chesapeake Bay by 40% by the year 2000. In 1994, the Maryland EFC advised the Governor's Blue Ribbon Panel for Funding the Chesapeake Bay Tributary Strategies. In this capacity, the Maryland EFC was able to bring to the table insights and ideas it had gleaned from its work in environmental finance and helped the Blue Ribbon Panel produce its highly useful final study *Financing Alternatives for Maryland's Tributary Strategies*. During 1996, the EFC was asked by the Maryland Cooperative Extension Service's Institute for Governmental Service to help design and produce an education program for the 350 members of the Tributary Teams. The program, entitled "Funding for Nutrient Reduction," aims to teach the Tributary Team members about the political economy of financing nutrient reduction efforts in the individual watersheds. Increased knowledge among Tributary Team members will enable them to become more effectively involved in shaping fiscal policies for nutrient reduction. The Maryland EFC is currently designing and developing a series of workshops which will achieve these objectives while involving as broad an audience as possible, including local government officials, farmers, business and industry, and academia.

State Revolving Fund:

- **Extending the Maryland State Revolving Loan Program (SRF) to the Agricultural Community.** The Maryland EFC has coordinated with the Future Harvest Project to develop a stand-alone revolving fund available to farmers for sustainable agricultural practices. By demonstrating, through a small pilot project, that a revolving loan program based on public/private partnership can achieve the goals of low-cost financing for best management practices, the Project suggests that an extension of the SRF to farmers would enable the purchase of equipment and the building of structures to help manage nutrient flows from the farm.

Clean Air Act Fee Guidance:

- **Title V (Clean Air Act) Fee Guidance Report.** The Maryland EFC, through an Assistance Agreement with EPA, developed a document that helps states, air quality management districts and others interested in how best to manage revenues generated by the Title V (Clean Air Act) program.

Economic Incentives for Growth Management:

- **Anne Arundel County, Maryland, Planning Guidance.** The EFC was asked to act in an advisory capacity for Anne Arundel County, Maryland's Office of Planning to develop language on economic incentives for growth management for the County's revised Comprehensive Plan. Throughout the document, the Plan recommends various financing mechanisms suggested by the Maryland EFC to help realize goals stated in the Plan, such as transferable development rights (TDRs), conservation easements and various tax incentives.
- **Riparian Forest Buffer Committee.** The EFC was asked by the Riparian Forest Buffer Committee of the Chesapeake Bay Program to develop and report on financing alternatives to support the establishment of riparian forest buffers along streams, rivers and the Bay. The presentation included a range of financing options, from the "least binding, least cost" methods to the outright purchase of land for riparian buffer establishment.
- **Local Government Conference with the Chesapeake Bay Program.** The Maryland EFC was invited to assist the Chesapeake Bay Program's Local Government Advisory Committee (LGAC) in designing and conducting LGAC's 1996 conference Making the Connection: Locals helping locals to protect and restore streams, rivers, and the Chesapeake Bay, October 10-11. In serving on the Local Government Conference Workgroup, the Maryland EFC was able to incorporate the elements of finance into every session offered during the conference. The EFC was instrumental in designing sessions and tracks which focused on real-world financing solutions. In fact, at the EFC's suggestion, it was decided that each session highlight a local or regional case study, complete with contact and financing information.

New Initiatives for 1997:

- **Workshops on Expansion of the State Revolving Fund (SRF) for Watershed Use.** The Maryland EFC, in cooperation with USEPA, will conduct a series of geographically dispersed workshops in 1997 to encourage state SRF programs to move to an integrated watershed planning and priority setting process when considering loan applications to their program. The workshops will provide a forum for discussion and training on areas including the environmental needs of the multi-state region, existing activity in the nonpoint-source and estuary programs, the watershed approach, and the SRF funding framework policy and options.
- **NOAA/Gulf of Mexico.** The Maryland EFC has been invited to act in an advisory capacity to the Gulf of Mexico Program, created in 1988 in response to increasing signs of environmental degradation in the region. The Program is comprised of 18 Federal agencies and five Gulf of Mexico states. Recognizing the importance of shellfish area closures as an indicator of coastal water quality, the Program initiated the Shellfish Challenge Project. Maryland's role in this project is to share its experience and insights on watershed financing mechanisms developed from their work with the Governor's Blue Ribbon Panel, which produced Financing Alternatives for Maryland's Tributary Strategies. In addition, the Maryland EFC's watershed management experience in developing an agricultural revolving loan program, its promotion of stormwater management through conferences and forums, and its community charrette experience were all instrumental in the Center's being invited to participate. First series of workshops was held on February 24-25, 1997, with a follow-up workshop scheduled for May.
- **Capital Access Charrette.** In 1996, the Maryland EFC was asked to host a charrette for the Access to Capital Project of the USEPA Office of Policy, Planning and Evaluation. The Access to Capital Project aims to characterize and identify methods of overcoming the barriers faced by metal platers in obtaining the necessary capital for investments in pollution prevention equipment and/or site remediation. By increasing access to funds needed for pollution prevention equipment or remediation, USEPA hopes to reduce emissions from platers and reduce the risk to human health and the environment posed by contaminated plating sites. (The charrette was subsequently held at the USEPA Headquarters in

Washington, D.C. on January 16, 1997, with the participation of finance experts and others interested in identifying ways to help metal platers access funds for improvements to help abate pollution.)

EFC at Syracuse University (Region 2)

The United States Environmental Protection Agency's (EPA) Region 2 Environmental Finance Center (EFC) at Syracuse University's Maxwell School of Citizenship and Public Affairs was established in October 1993. Since its establishment, the Syracuse EFC has undertaken a wide range of environmental financing projects and activities, and built a considerable record of accomplishment. The EFC opened with a focus on environmental risk and finance issues at the local government level. Its first project was a survey of nine New York communities of varying size to determine how they actually factor risk assessment and financial considerations into their environmental decision-making.

Accomplishments

The EFC's primary area of focus has been on the important issue of the full-cost pricing of environmental services. In this regard, the EFC sponsored and hosted a conference examining the issue as it impacts the sustainable provision of local water and wastewater services. The Center has also hosted and assisted with the field testing of an EPA supported windows-based computer software program for setting financially responsible water and wastewater rates. This computerized rate model has been developed for use by local water and wastewater systems. The EFC will continue the rate model program by sponsoring demonstrations and training programs for New York and New Jersey State environmental officials and EPA Region 2 officials, in FY 1997.

Another area of focus, the Syracuse Center has completed a major Congressionally-requested study for EPA's Office of Water examining a wide range of alternative financing strategies and delivery mechanisms for funding water infrastructure. The EFC jointly sponsored with the Council of Infrastructure Financing Authorities four open meetings discussing the study's findings and the initial report drafts. The Report to Congress was finalized and delivered to EPA's Office of Water in September, 1996. In April, 1996 the EFC co-sponsored and hosted a major local government conference with the New York State Environmental Facilities Corporation, "Opportunities for Privatization of NYS Water and Wastewater Facilities". The response of the over 200 local officials was extremely favorable and a follow-up seminar is being planned for FY 1997.

The Center continues to provide environmental finance outreach services and information to local governments through presentations to professional associations and membership organizations. The 1996 presentations focused on the topics of capital planning and budgeting and water and wastewater rate setting. The EFC plays a central role in the New York State Rural Development Council's Infrastructure Working Group (IWG), which replaced the Rural Resources Roundtable in 1995. The IWG meets six to nine times a year to discuss rural infrastructure needs and the improvement of services and financing opportunities to meet those needs. Accessing New York State funding opportunities through collaborative efforts with the Syracuse University School of Engineering and other New York State universities will continue to be emphasized in 1997. Another major initiative of the EFC is completing an analysis of the economic and fiscal impact of the Onondaga Lake Remediation Plans for the Onondaga Lake Management Conference.

Projects and Meetings:

- **Alternative Funding Study: Water Quality Fees and Debt Financing Issues** September, 1996 completed final report, "[*Alternative Funding Study: Water Quality Fees and Debt Financing Issues*](#)," for EPA's Office of Water. The study was prepared under a grant from that Office, using earmarked funds in EPA's FY 1995 appropriations. The EFC and the Council of Infrastructure Financing Agencies sponsored four open meetings to discuss fee options and delivery institutions.
- **Opportunities for Privatization of New York State Water and Wastewater Facilities: A Conference**

for Local Government Officials. In April 1996, hosted and co-sponsored, "*Opportunities for Privatization of New York State Water And Wastewater Facilities: A Conference for Local Government Officials*," with the New York State Environmental Facilities Corporation. This very successful conference attracted over 200 local government officials from across New York State to consider the issue of privatization as it applies to these sectors. As a result of the strong interest demonstrated at the conference, the EFC plans to co-sponsor a follow-up seminar in 1997.

- **Presentation: "Planning for Capital Improvements"**. In February 1996, the EFC made a presentation at the New York State Association of Towns Annual Conference, "*Planning for Capital Improvements*". The presentation included the following topics: basic concepts and definitions, benefits of developing a capital improvement plan (CIP), approaches to developing a CIP, and the CIP process.
- **Presentation: "Cost Analysis for Public Water Services: A Guide for Decision- Making"**. In March 1996, the EFC presented, "*Cost Analysis for Public Water Services: A Guide for Decision-making*," to the Central New York Water Works Association. The discussion points were as follows: an introduction to cost analysis, uses of cost analysis, getting started in cost analysis, definition and cost concepts, and an application- rate setting for water service.
- **Presentation: "Concepts and Practices of Rate Setting For Municipal Water And Wastewater Services"**. In October 1996, presented to the Central New York Water Works Association. The discussion points were as follows: an introduction to cost analysis, uses of cost analysis, getting started in cost analysis, the definition of cost concepts, and an application in the area of rate setting for water service.
- **Article: "Rate Reviews for Public Water Services: A Critical Step to Insure the Financial Integrity of Public Water Systems"**. In November 1996, authored article for **Aquafacts** - The Official Publication of New York Rural Water Association, entitled, "*Rate Reviews for Public Water Services- A Critical Step to Insure the Financial Integrity of Public Water Systems*". The article addresses fundamental questions concerning rate reviews for public water systems including: why are rate reviews important? how do you conduct a rate review? how often should they be conducted and by whom? and where can you get assistance with rate reviews?

New Initiatives for 1997:

- Continued participation in the New York Rural Development Council's Infrastructure Working Group. The working group is composed of technical assistance providers, rural advocacy groups, and State and federal funding agencies. Group members are extremely valuable resources to the EFC and are particularly concerned with rural utility management, capital planning for environmental infrastructure, and the administrative capacity of small communities. A demonstration of the rate model will be conducted as a break-out session of the Rural Development Council's annual meeting April 17-18, 1997, in Utica, New York.
- Environmental Community Assistance Consortium. The Maxwell School EFC will continue the development of a consortium with the College of Engineering and Computer Sciences at Syracuse University, the Water Resources Institute at Cornell University, and the Darrein Fresh Water Institute at Rensselaer Polytechnic Institute. The motivation behind ECAC's formation are the new opportunities represented by the Clean Water/ Clean Air Bond Act of 1996, the New York City Watershed, and the Drinking Water State Revolving Loan Fund. Funds from these programs are substantial and represent an unprecedented opportunity for local communities and small businesses to unite their environmental and economic goals.
- Rate Model Demonstration and Training Programs. The EFC will conduct a series of rate model demonstration and training programs in New York and New Jersey. The first program is scheduled for

March 20 -21, 1997 in Albany, New York. The demonstration programs are targeted to attract the interest of state environmental policy leaders and membership organizations (e.g., New York State Conference of Mayors, New York State Government Finance Officers Association, New York Rural Water Association, etc..) in order to encourage its use by state environmental agencies and local communities. The hands-on training programs are designed for local water and wastewater system officials and offer training and a copy of the software for future use. Other marketing opportunities for the training programs included demonstrations for the New York State Rural Development Council, the New York State Government Finance Officers Association, and regional water authorities throughout EPA Region II.

- Continued work on the Onondaga Lake remediation plan project. The purpose of this project is to analyze the economic and fiscal consequences on Onondaga County (Syracuse), New York of court-ordered remediation of Onondaga Lake. The EFC lake remediation project will (1) provide baseline projections of the county's economic and fiscal condition for the next two decades, and (2) assess the impact of various lake remediation proposals on the future growth of the local economy and on county finances.
- Participation in the New York State Comparative Risk Project. The EFC is participating as a member of the public participation work group of the Comparative Risk Project: Multimedia Pollution Prevention Project for the NYS Department of Environmental Conservation.
- Referrals of potential participant contacts and faculty resources for the 1997 Public Finance Institute's two-week program, "Financing Environmental Infrastructure: Innovations for the 21st Century", July 27-August 8, 1997.

[EFC at University of California at Hayward \(Region 9\)](#)

The Environmental Finance Center, Region 9 (EFC9), is a University-based Center providing expertise on environmental financing and economic issues. EFC9 is affiliated with California State University, Hayward (CSUH), and is supported under the auspices of the U.S. Environmental Protection Agency (EPA). The Mission of the EFC9 is to educate and assist business/financial managers, owners, and advisors, public and private, in the application and use of innovative financing techniques that can further the implementation of environmental programs and projects; and to support the establishment of new environmental businesses and environmental technology development enterprises.

EFC9 achieves its purpose through various undertakings, which include: conferences and seminars demonstrating methods of applying financial and economic mechanisms to environmental aspects of management; course curriculums developing environmental finance course content and case studies for use by education institutions throughout Region 9's environmental infrastructure; and financial research evaluating the effectiveness of existing financial mechanisms and the development of finance models that enhance the utilization of capital in the environmental marketplace. EFC9 is particularly interested in the use of public-private partnerships, supporting minority and small business owners in capitalizing on environmental business opportunities and achieving regulatory compliance, promoting the adoption of pollution prevention technology by existing businesses, and encouraging and facilitating the funding of environmental innovation.

Accomplishments

The Environmental Finance Center, Region IX's mission is focused on informing entrepreneurs, managers, and investors about opportunities available within the Environmental Industry, and to assist these parties in taking advantage of these opportunities. In support of this mission, the Environmental Finance Center, Region IX (EFC9) has accomplished the following during FY 96:

U.S.Environmental Industry Profiles

EFC9 developed Profiles of the U.S.Environmental Industry to assist environmental entrepreneurs in understanding the competitive dynamics at play within the Environmental Industry; and to assist them in choosing a market segment with the greatest potential for their competitive success.

Environmental Industry Labor Market Review, Model, and Database Development:

To further assist Environmental Industry entrepreneurs in developing Business Plans that have the highest potential for securing financing, EFC9 completed a comprehensive search and review of existing sources of information on the status of the Environmental Industry labor market.

Labor market information systems review

EFC9 found that **integrated** labor market information systems are almost non-existent, in general. There is even less data available on the labor needs of the Environmental Industry because this industry, as yet, has no functional Standard Industrial Classification code (SIC) assigned and tracked by the U.S. government. Therefore, EFC9 constructed its own model to establish a meaningful framework for assessing environmental industry labor needs.

Labor market model

EFC9 used the SIC codes that encompass the environmental business segments as defined by the environmental industry information provider, Environmental Business International (EBI).

Environmental Industry labor market database

EFC9 developed its own Environmental Labor Market Information database. The system is the implementation of the labor market model design, discussed above.

Environmental training and education programs

To complete the information on the Environmental Industry labor market for inclusion in the environmental entrepreneur's Business Plan, EFC9 developed an inventory of existing environmental education and training programs.

Business and financial plan review

EFC9 participated, at the request of the Bay Area Defense Conversion Action Team (BADCAT), in a group review and evaluation of the business and financial plans of approximately 60 small environmental businesses.

Funding directory for the Environmental Entrepreneur

EFC9 compiled a 100 page directory of sources of funding for the Environmental Entrepreneur.

Financial model development

EFC9 developed a financial model for assessing the viability, short and long-term financial characteristics and capital needs necessary for the establishment and operation of an Environmental Technology Incubator.

Environmental technology database blueprint

EFC9 worked with the three Bay Area national laboratories (Lawrence-Berkeley, Lawrence-Livermore, and Sandia) during FY 96 to complete a concept design and implementation blueprint for the development of an **integrated** environmental technologies-available-for-transfer database.

EFC9 worldwide web site

EFC9 established a worldwide web site on the Internet. The Center's mission, focus, address, and other particulars are available there for interested browsers and others.

State Revolving Fund for water systems

EFC9 collaborated with Ytell and Associates and Ellen Miller Associates for the development of a training seminar in how to improve and finance state water systems of small and rural counties and cities. The seminar will be given in at least three locations during FY 97, and is focused on public sector managers.

Environmental business opportunities conferences

- EFC9 hosted its third Environmental Business Opportunity Conference (EBOC) in San Bernadino, California, in February FY 96.
- EFC9 also presented two conferences on the business opportunities available to entrepreneurs in the Environmental Industry in the Hawaiian Islands marketplace. EBOC attracted more than 100 participants.
- EFC9 hosted the third annual Environmental Finance Center Network meeting. The meeting took place on August 13 and 14, 1996 at The Presidio of San Francisco.

Safe Drinking Water Act (SDWA) EFC9 Project Plan

EFC9 completed a detailed task plan of activities it would undertake in its Region in regards to an inventory and assessment of current and planned water system improvements, expansions, and additions. EFC9, in keeping with its primary mission, will make this assessment with particular emphasis placed on the role of private sector management and financial participation in the long-term viability of these systems.

Environmental Opportunity Funding Corporation Project Plan

EFC9 completed a detailed task plan of activities it would undertake to evaluate and make operational an innovative financial model designed to stimulate equity capital investment in the Environmental Industry. EFC9 is shopping the Plan for institutional investment in the investigation and establishment of the concept.

New EFC9 headquarters

EFC9 has negotiated, with the U.S. Park Service, the refurbishment of an historic building on The Presidio of San Francisco. This site will function as the new headquarters for the EFC9.

[EFC at Great Lakes Environmental Finance Center \(Region 5\) at Cleveland State University](#)

The United States Environmental Protection Agency (EPA) established the Region 5 Environmental Finance Center (EFC) in May 1995 at the Cleveland State University (CSU). This EFC -- the Great Lakes Environmental Finance Center -- is part of the Urban Center at CSU. The Great Lakes EFC serves a six-state area, which includes Ohio, Indiana, Illinois, Michigan, Wisconsin, and Minnesota.

The primary mission of the Great Lakes EFC is to assist state and local government and private sector organizations in devising effective financing strategies for environmental improvement projects. It accomplishes this mission by providing high-quality technical assistance and training services to a variety of clients. While the public sector is targeted as the chief client for the EFC, it has steadily increased services to banks, insurance

companies, environmental consultants, law firms, and other private sector businesses serving the environmental industry.

The Region 5 EFC's major focus initially has been on brownfield site redevelopment. This involves the financial issues affecting the availability of credit and financial tools and incentives to spur investment in abandoned commercial and industrial sites. These sites are a major constraint to the redevelopment of central city neighborhoods, which desperately need new jobs and investment. The issue is a top priority in all of the Great Lakes region's major cities, including many small and medium-sized cities. Other areas of importance for the EFC are environmental facility privatization and market-based pollution prevention, which are both emerging strategies many cities are examining to achieve more cost effective environmental cleanup-up goals.

Accomplishments:

The Center's activities were concentrated in two environmental policy areas during the past year: brownfield cleanup and redevelopment and industrial pollution prevention.

Brownfield cleanup and redevelopment

- **Community Brownfield Financing Service.** The GLEFC devised a new service to help local and state government agencies and private sector organizations to fund site cleanup and redevelopment. The Community Brownfield Financing Service (CBFS) uses advisory teams, composed of experts in brownfield redevelopment, real estate, finance, economic development, engineering, planning, and other fields, to help communities develop and implement site-specific financing and marketing strategies. After an evaluation of several candidate communities, seven Great Lakes communities were selected for assistance during 1996-1997.
- **Elkhart, Indiana Project.** The GLEFC has worked with Elkhart officials since October to identify two specific sites to serve as the project focus. Existing site and area data were collected and analyzed. A briefing book has been prepared summarizing relevant project information. An expert advisory team was organized. The team visited Elkhart on January 13-14, 1997. (see *New Initiatives for 1997 below*).
- **Urban Brownfield Market Demand Study.** Completed a market study on the demand and supply of brownfields in the cities of Cleveland, Indianapolis, Detroit, Milwaukee, Minneapolis, and Chicago. This is the first-known attempt to quantify the market trends related to these sites. The study results have been used by groups in Cleveland, Chicago, and Detroit to assess trends and opportunities for reusing brownfield sites. The results were presented at five major conferences and forums nationally.
- **Brownfield Financing Guidebook.** Developed a guidebook to help local officials and developers in devising financial and marketing strategies for brownfield sites, or areas containing a major concentration of these sites. The book will be published in April 1997, and it is expected to be distributed to several hundred people nationally.
- **Neighborhood Progress Inc.** The GLEFC provided advisory services to Neighborhood Progress Inc. (NPI) in Cleveland, Ohio in launching a new private sector brownfield redevelopment initiative serving the City of Cleveland.
- **Cleveland Empowerment Zone.** The GLEFC assisted the Zone in identifying financial sources and strategies for brownfields located in the zone area.
- **Greater Cleveland Growth Association.** The GLEFC assisted the Association's Urban Land Assembly Task Force in identifying financing strategies for inner city sites evaluated by the Task Force. The Task Force is working to increase utilization of both contaminated and non-contaminated properties in the city.

- **Private Sector Firms.** Provided data services and advice to firms dealing with real estate, investment banking services and legal issues on environmental finance strategies for future investment of inner city contaminated sites.
- **Urban Land Institute.** Provided brownfield site advise and assistance to ULI's advisory team helping the City of Cleveland devise a redevelopment strategy for the Collinwood Community on the City's eastside.
- **Cleveland City Council.** Continued to assist and advise the City on innovative strategies to revitalize Cleveland neighborhoods and cleanup contaminated sites.
- **Brownfield Issues Public Awareness.** The GLEFC undertook several activities to promote greater awareness of the need to cleanup and redevelop brownfields. Various national, state, and local public and private sector groups served as the audience for these efforts.
- **Brownfield Information Activities:**
 - Wrote and published an article, "Increasing Investment in Brownfield Sites," for the *Infrastructure Journal* in the Summer 1996 issue of the journal.
 - Wrote a chapter on brownfield finance for an American Bar Association book on brownfields, entitled a *Legal Guide to Brownfields Cleanup*. The book will be published in March 1997.
 - Quoted in two Cleveland Plain Dealer articles on brownfield site redevelopment in inner cities.
 - WCPN Radio Interview. Interviewed for 30-minute talk show on brownfields. The program was aired three times across Ohio.
 - *Business Facilities Magazine*. Interviewed for national publication on brownfields redevelopment. The magazine is read by over 25,000 corporate site selectors nationally.
 - Urban Land Institute *Urban Land Magazine*. Wrote and published an article on financing and marketing brownfield sites in the June 1996 issue of *Urban Land*. The publication is read by over 25,000 people nationally and internationally. GLEFC distributed over 200 reprint copies of the article to people across the country.
 - *Brownfield Report* Article. A lead article appeared in the November 1996 issue of the *Brownfield Report* on GLEFC's brownfield market demand study, which was released earlier in the year. The *Brownfield Report* is read by several thousand people nationally.

Brownfield Technical Assistance and Training Services:

- **Lincoln Institute on Land Policy.** Provided two-hour brownfield finance training program to an audience of 75 professionals and policy-makers from around the country.
- **National Council for Urban Economic Development Annual Conference.** Organized and conducted a 2-hour training session on brownfield redevelopment to an audience of 140 people on September.
- **Louisville, Kentucky Urban Leadership Committee.** Provided a 2-hour briefing to 50 public and private sector leaders from Louisville visiting Cleveland on October 1-2 to understand how to replicate Cleveland's redevelopment successes.
- **USEPA/US HUD Brownfield Redevelopment Workshop.** Provided presentation to a joint workshop in Racine, Wisconsin on June 12 for an audience of 75 local and state government officials.

- **University of Louisville Brownfields Conference.** Presented a paper on brownfield market demand generation to an audience of 85 people at a national conference in Louisville, Kentucky on innovative strategies for brownfield redevelopment.
- **Pittsburgh EPA Brownfields Conference.** Presented a paper on brownfield market demand generation to an audience of 60 people at this national conference in Pittsburgh, Pennsylvania.
- **Loraine County, Ohio Board of Realtors Annual Meeting.** Provided the keynote speech to 125 people on the regional real estate market and the impact of contaminated sites on market development.
- **Economic Development Administration/US Department of Commerce.** Provided assistance to EDA's Chicago office on trends in urban brownfields redevelopment.
- **General Information and Technical Assistance.** The GLEFC responded to numerous calls and inquiries about brownfields. Most of these calls were either stimulated by GLEFC project activities, or people were referred to the Center by USEPA and other sources.

Industrial Pollution Prevention Activities

- **Assessment of the financing environment for pollution prevention for small firms.** Two studies were conducted by the GLEFC which focused on financial issues related to small business pollution prevention:
 - *Small Business Lending: Barriers and Trends* - which assessed the difficulties smaller companies in general experience in attracting financing for growth and improvement.
 - *An Inventory and Assessment of Selected Pollution Control and Prevention Financing Programs* - which identified and described the major public sector funding programs available to support pollution prevention investments by companies.
- **Improve access to venture capital for business growth to help startups in the pollution prevention field.** The GLEFC has worked with the Environmental Capital Network, based in Ann Arbor, Michigan, to prepare two funding proposals to strengthen pollution prevention by Midwestern companies.
- **Two-City Pollution Prevention Demonstration Project.** The GLEFC is undertaking a demonstration project in Cleveland and San Francisco that will develop innovative regional strategies to increase the demand for pollution prevention activities by smaller companies. The Cleveland project started in November, and the San Francisco project will start in early 1997 (see *New Initiatives for 1997* below).

New Initiatives for 1997:

- **Developing a website for the GLEFC.** A website is under construction to communicate about the Center's activities. The design for the site was completed in 1996 and the website will be activated in March 1997. The site will contain information about GLEFC reports, services, conferences and workshops, and links to other environmental and development sites. All major GLEFC publications and those produced by other EFCs and groups will be available through the site.
- **Two-City Pollution Prevention Demonstration Project.** The GLEFC, in collaboration with EFC9, is undertaking a demonstration project in San Francisco that will develop innovative regional strategies to increase the demand for pollution prevention activities by smaller companies. The San Francisco project -- under the supervision of the Cal State - Hayward EFC-- will start in early 1997.
- **Access to Capital.** Serving as an expert to the US EPA Common Sense Initiative to solve access to capital problems for the metal finishers industry as well as the printers industry and the printed wiring

(circuit) board industry. Participating in a charrette facilitated by the Maryland EFC with industry representatives, bankers, insurance companies, and other financial experts will lead to recommendations to the US EPA Common Sense Initiative and the Environmental Financial Advisory Board (EFAB).

- **Elkhart, Indiana Project.** The Community Brownfield Financing Service (CBFS) uses advisory teams, composed of experts in brownfield redevelopment, real estate, finance, economic development, engineering, planning, and other fields, to help communities develop and implement site-specific financing and marketing strategies. As part of a new service to help local and state government agencies and private sector organizations to fund site cleanup and redevelopment, the GLEFC has worked with Elkhart officials since October 1996 to identify two specific sites to serve as the project focus. Existing site and area data were collected and analyzed. A briefing book has been prepared summarizing relevant project information. An expert advisory team was organized. The team will visit Elkhart on January 13-14, 1997. A final project report is expected by the end of February. GLEFC will provide some implementation assistance to the City after delivery of the project report.
- **Other Cities.** The GLEFC is working with Benton harbor, Michigan and plans to conduct technical assistance workshops in five other Midwestern cities in 1997.

[EFC at Boise State University \(Region 10\)](#)

The Region 10 EFC located at Boise State University began operations in FY 1995 and has as its major focus the financial and institutional capacity of small water and wastewater systems. The Region 10 EFC at Boise State University is allied with the University of Idaho and Idaho State University. The EFC is contained within the Public Affairs Program of the BSU College of Social Sciences and Public Affairs and serves the Pacific Northwest and Intermountain States of Oregon, Washington, Idaho and Alaska.

Prior to the establishment of the Region 10 EFC, the Public Affairs Program had been an important partner to state and local government and EPA in addressing the infrastructure financing issues related to unfunded and "underfunded" mandates in small communities. The primary mission of the Region 10 EFC is to take the lead nationally in designing and testing SDWA drinking water system capacity assessment methodologies. The EFC will also assist the states in improving institutional capacity and in formulating and implementing drinking water program capacity development strategies, as required by SDWA. The EFC will also be involved in addressing the needs of public water systems and wastewater treatment systems to improve financial and managerial capacity.

Accomplishments:

The Region 10 EFC became fully operational in November, 1996 when it received its initial seed funding from EPA. This funding allowed BSU to bring on an EFC Project Manager. The 1996 EFC 10 Annual Report provides information on operations at the end of 1996 and the expected activities of the EFC in 1997 and future years.

Safe Drinking Water Act

- **Safe Drinking Water Act Capacity Development** On August 6, 1996, the Safe Drinking Water Act amendments were signed into law. In part, the Act seeks to improve the capacity of regulated public water systems (municipal, not-for-profit, and privately-owned) in meeting compliance standards and the general standards of operational efficiency and effectiveness. In 1996, following the passage of SDWA, the EFC at BSU began working with Region 10 EPA and state drinking water program managers to determine how the Center could best assist the states in meeting the capacity assessment and development requirements of SDWA. Strategy discussions with EPA and state officials will continue in early 1997 with an EFC capacity development workplan expected in the Spring of 1997. (see *New Initiatives for*

1997 below).

- **Financial Capacity Building: Approaches to Alternate Financing Methods.** EFC 10 is engaged in a project to build financial capacity to assist in creating sustainable public water and wastewater systems. Initial planning for this training and technical assistance was done in 1996. The project training workshops will be completed in 1997. (see *New Initiatives for 1997* below).
- **1996 Water and Wastewater Resource Directory for Idaho City Leaders.** The Environmental Finance Center at Boise State University assisted the Idaho Department of Commerce in producing the 1996 Water and Wastewater Resource Directory for Idaho City Leaders. The Resource Directory will be distributed to all Idaho municipalities, water and sewer districts and associations, and to other stakeholders and service providers involved in the operation and management of water and sewer systems in the state.

EFC 10 Presentations:

- The EFC Project Manager presented the EFC network's proposal for assisting the states in designing and implementing capacity development strategies per the 1996 SDWA Amendments before the Association of State Drinking Water Administrators (ASDWA), Small Systems Committee, at the 1996 ASDWA Annual Conference, San Diego, on October 16, 1996.
- The Project Manager introduced the Health District Environmental Directors to the EFC at BSU and to the EFC network generally at the Idaho Environmental Health Directors Annual Meeting, in Boise on December 4, 1996. An overview of the SDWA amendments and the new requirements for capacity development was also presented.
- On December 6, 1996, the EFC made a presentation to the Idaho Rural Development Council at their Annual Meeting in Boise. The EFC introduced the BSU Environmental Finance Center to members of the Idaho Rural Development Council during a workshop entitled; "Resources: Lost and Found."
- On December 11, 1996, at the Idaho Department of Commerce, Infrastructure Financing Advisory Committee in Boise, the EFC Project Manager presented an introduction of the BSU Environmental Finance Center to members of the Infrastructure Financing Advisory Committee of the Idaho Department of Commerce. This group meets quarterly and is comprised of representatives of federal and state agencies involved in providing financial and technical assistance on infrastructure finance.

New Initiatives for 1997:

- **Safe Drinking Water SRF and DWSRF Loan Application Technical Assistance.** The Region 10 EFC at Boise State University will be assisting the Idaho State Drinking Water Program in developing a capability screening mechanism for State Revolving Fund loan applications as well as providing technical review of loan applications based on that screening mechanism.
 - Phase 1. The Environmental Finance Center will create and deliver to the Division of Environmental Quality a Capability Assessment Methodology. The EFC will provide education and or training assistance services for the DEQ regarding the capability assessment methodology during the DWSRF Intended Use Plan (IUP) public review process.
 - Phase 2. The EFC will provide technical assistance to regulated water systems interested in receiving DWSRF loans from the State and will analyze and rate the worthiness of SRF loan applications applying the Capability Assessment Methodology described in "Phase 1."
- **Financial Capacity Building: Approaches to Alternate Financing Methods.** Project training

workshops to help system managers ensure that financial resources are sufficient to sustain operations that will comply with state and federal requirements.

- *Utility Rate Model*. An important tool, the *Utility Rate Model*, will be used to assist system managers and directors in financing their operations with user fees and other operational revenues. The EFC will maximize the transfer of the Utility Rate Model in the region by conducting direct training to utility employees and managers and "train-the-trainer" workshops for other technical assistance providers.
- *"A Guidebook of Financial Tools" Manual*. This manual will help leverage the services of the EFC in training state and local officials and system operators, in the use of alternative financing mechanisms for capital improvements. The EFC will provide training and technical assistance in the selection and use of alternative financing mechanisms, using the Financial Tools Manual.
- **Idaho Community Mandates Assistance Project: Negotiated Rulemaking**. The Region 10 EFC at Boise State University has been involved in the Idaho Community Mandates Assistance Pilot Project, which was designed to examine the cumulative effect of mandates on small communities and to offer alternatives to current regulatory compliance schedules for state and federal mandates based upon community prioritization. The EFC Project Manager is a member of the Negotiated Rulemaking Committee and also serves on its Technical Review Subcommittee. The proposed rule is expected to be completed in early 1997.

- In addition, committee members have indicated an interest in having the Region 10 EFC provide future technical assistance services to communities seeking relief through the community mandates assistance approach.

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