

Funding Navigator

Too many communities have not benefited from federal funds for water infrastructure

The recent \$55 billion for water infrastructure in the bipartisan infrastructure law has the potential to deliver substantial environmental, economic, and public health benefits. We have a once-in-a-lifetime opportunity to enhance equity and resilience by ensuring these funds reach the utilities that serve overburdened communities¹ and finance climate resilient projects.

The challenge is that many utilities that serve overburdened communities have never accessed federal funds. For example, the State Revolving Funds (SRFs)—the largest federal programs that finance water infrastructure—have not been equitably distributed. Less than 25 percent of SRF funds have reached disadvantaged communities over the last decade.

National goal: Agencies and advocates should work to ensure new federal funds reach at least 5,000 overburdened communities over the next 5 years.

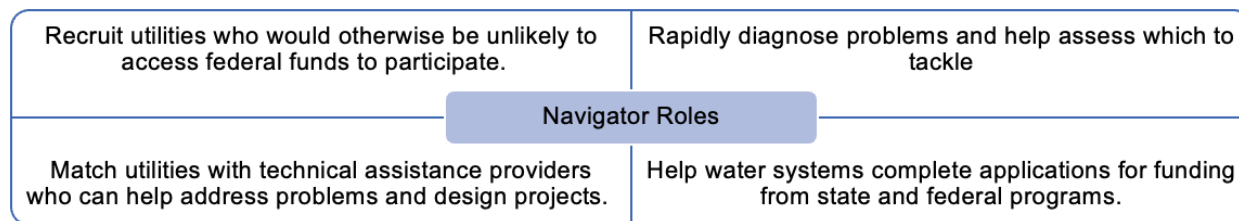
Utilities must overcome numerous barriers to access federal funds to finance water infrastructure. As shown in the figure below, utilities must assess needs, develop capital plans, find programs to finance projects, and apply for funds to finance projects. Applications to the SRFs (where federal funds are distributed by states) require engineering designs and environmental assessments that are complicated and costly to complete: estimates suggest the average cost just to apply is \$17,000. Utilities that serve overburdened communities often lack the technical and financial capacity to apply. Overwhelmed, thousands never take these critical first steps.



The Funding Navigator will help

EPIC and our partners are building a Funding Navigator—essentially a team of experts—to help utilities that serve overburdened communities seek and secure SRFs and other funds. The goal is to ensure more communities benefit from critical investments in safe and climate-resilient drinking water, wastewater treatment, and stormwater management. Working in close partnership with other nonprofit organizations and for-profit businesses, the Navigator team will use their expertise in community engagement, funding and finance, and technical assistance to recruit utilities, diagnose problems, match utilities with technical assistance providers, and help complete applications.

¹ The EPA defines an overburdened community “as minority, low-income, tribal, or indigenous populations or geographic locations in the United States that potentially experience disproportionate environmental harms and risks. The term describes situations where multiple factors, including both environmental and socio-economic stressors, may act cumulatively to affect health and the environment and contribute to persistent environmental health disparities.”



The Funding Navigator has three main objectives:

- Reach more overburdened communities: The Navigator aims to drastically increase the number of underserved communities that benefit from state and federal funds. If our capital campaign succeeds, we will use it to reach at least 1,000 such communities. The level of assistance we provide to these communities through the Navigator team will vary based on their needs and our operational constraints.
- Finance better projects: The Navigator aims to drive four outcomes for utilities that serve overburdened communities: 1) increase investment in financially sustainable projects that lower operations and maintenance costs; 2) accelerate toxic lead water pipe replacement; 3) expand deployment of nature-based solutions that generate co-benefits; 4) improve climate resilience.
- Encourage states to provide more technical assistance: Federal statute allows states to use six percent of their federal grant—\$2.7 billion over 5 years—for technical assistance. Most states do not fully use existing set-asides. We will work with state policymakers and SRF administrators to set aside more funds for technical assistance. In the long-term, state support should supplant the need for philanthropic support for our and others' efforts.