Ohio EPA - Division of Environmental and Financial Assistance (DEFA)

SRF Program Streamlining Concepts

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Three Areas for Potential Program Streamlining

• Planning/environmental reviews
• Environmental documents
• Project scoring
First, a little about us......
Ohio EPA’s Division of Environmental and Financial Assistance

• DEFA’s Office of Financial Assistance, comprised of approximately three dozen engineers, environmental scientists, and loan coordinators, manages the two largest public water and wastewater funding (SRF) programs in the state of Ohio.

• Our CW SRF program made its first loan in 1989.

• Our DW SRF program made its first loan in 1999.
In the beginning........
Creating a new program

• When transitioning from a federal grant program to a state loan program, how could we improve efficiency and attract customers? Financial reviews? Detailed plans/permits?

• Among the potential improvements, we focused on facilities planning and environmental review work.
Traditionally, engineering consultants did the planning and environmental work.

**Activities**

- Facilities Plan
- Env. Info. Document
- Inter-agency coord.
- Public involvement
- Comments/responses
- Detailed plans
However……

• The information tended to be very boilerplate, as opposed to project specific;
• The time, effort – and cost – to produce these planning and environmental documents seemed excessive;
• Lots of additional time – and money – was spent on back-and-forth comments/responses and third-party agency reviews;
• Concerns identified during planning didn't always get translated to detailed design; and
• The results of all this investment, by the applicant, were often still unsatisfactory for our program needs.
So, we decided to do as much of the review work as possible in-house

- Alternatives analysis/cost-effectiveness
- Environmental information gathering
- Impact assessment
- Inter-agency coordination
- Public participation
- Environmental compliance reviews of detailed plans
How does that work?

• We used existing staff expertise, hired new staff, and trained everyone over time;
• We focused on project specific – and site specific – reviews;
• We accessed as many sources of information as possible (databases, GIS layers, etc.);
• We coordinated directly with other state and federal review agencies (e.g., SHPO training and databases); and
• We became skilled in non-engineering reviews of detailed plans, including avoidance/minimization of impacts.
And the response from the applicants/consultants......?

• Less voluminous, cookie-cutter planning documents submitted and more focus on basic project information (community info, engineering, costs, etc.);  
• More direct communication/coordination with our review staff, with much less need for formal comments/responses;  
• Greater emphasis on providing detailed plans that incorporate project appropriate mitigative measures; and  
• Much less wasted time, effort, and money....for them and for us.
And then came ARRA........
2009 was a particularly busy year

With the on-set of the American Recovery and Reinvestment Act, Ohio's SRF programs took on more project work than ever before .... by a lot.

In Ohio, we decided to spread the ARRA funds over as many projects as possible (over 240 in total).

Completing traditional environmental review documents for this many projects seemed next to impossible, so we looked for alternatives and settled on the Limited Environmental Review.
Limited Environmental Reviews

• Similar to federal Categorical Exclusions, Ohio's LERs are intended to identify those projects that, by their nature, are much less likely to pose the potential for significant impacts than do traditional infrastructure projects.
• This doesn't mean that any potentially impacted types of resources are ignored in our environmental review. Instead, it reduces the amount of time necessary for our overall review work by focusing more time and attention on projects with a greater likelihood of having issues of concern.
• Since our LERs don't require a 30-day comment period, this also saves review time and helps avoid delays in the loan award process.
Greater use of LERs, thanks to ARRA

• LERs had been in use prior to ARRA, primarily for a very limited number of projects.

• During ARRA, we took a much closer look at the types of projects that seemed to generally fit the LER model and decided that a greater use of this review mechanism was warranted, especially when it came to replacement work for existing facilities, where prior disturbance had occurred.

• Not only did this approach allow us to complete an unprecedented amount of review work and loan awards, it also enabled us to focus more time on evaluating projects that could significantly impact important resources and thereby properly protect them through our review efforts.

• We now use LERs much more commonly, and effectively.
In recent years......
Increased demand

• Our SRF programs have grown significantly, especially in the last decade. Besides increases in traditional infrastructure work, new priorities have appeared as well.
  – Combined sewer overflows (CSOs)
  – Increased nutrients/harmful algal blooms (HABs)
  – Lead in drinking water
  – Storm water issues

While our project numbers have skyrocketed, our program management resources have not. So, again, we looked for streamlining possibilities.
Ohio's Clean Water Integrated Priority (scoring) System (IPS) is very data intensive and time consuming.

- Water quality-based
- 1) Economic Need
- 2) Human Health (HH)
- 3) Aquatic Life Use (ALU)
- Scoring not cumulative (HH vs. ALU)
- Each project evaluated fully and independently
Re-evaluating our project scoring procedures

• Because we are able to fund every project that meets our SRF program requirements, Integrated Priority System scoring is no longer critical to program success. So, we reconsidered the concept of fully evaluating the potential score for every one of hundreds of projects each year.

• Instead, we developed a truncated scoring process. Basically, other than competitive projects (i.e., principal forgiveness), all projects receive only a minimum IPS score:
  – 1) Human Health or
  – 2) partial Aquatic Life Use, plus
  – 3) Economic Need (if applicable)
Project scoring, then and now

• Clean Water project scoring used to take almost an entire month. Now, despite far more nominations, the work can be completed in just a couple weeks.
• Competitive projects receive the benefit of full IPS scoring, while all the other nominations receive a minimum score, as required.
• The result - less time scoring; more time for project review work.
In summary....

• Over the past 30 years, Ohio EPA has used a variety of methods to streamline its SRF programs and improve their efficiency.
• We continue to seek additional ways to make our loan programs more effective.
• We are always interested in learning from other SRF programs about their successes, and are glad to share our experience, too.
Questions?

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