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EPA Approves Expedited Loan Funding for Harvey-Related Water Projects.

AUSTIN – The Environmental Protection Agency this week approved a request from Texas officials to expedite funding to help local governments restore water and wastewater systems damaged by Hurricane Harvey.

The Texas Water Development Board, which administers an EPA low-interest loan program for the state, asked the federal agency in a Sept. 1 letter for the flexibility to quicken loan distribution procedures. In the letter, the board said loan money could serve as a bridge to meet immediate recovery needs for damaged water systems while local governments wait for other federal aid.

“We’re trying to be another party getting funds to communities when they need them,” said Jessica Zuba, the deputy executive administrator of water supply and infrastructure at the TWDB. “In the past, there’s been a feeling that federal funding can take quite a bit of time lag. We wanted to … use our capacity and funds and bridge some of that time.”

Zuba said the board is reaching out to several cities where Harvey’s flooding impacted water infrastructure — such as Pearland, south of Houston, and Rose City, outside Beaumont — to talk about recovery funding needs.

Harvey’s flooding had a sweeping impact on water systems across Texas. At least five public drinking systems throughout the state were destroyed by flooding, and 14 systems remain inoperable, according to the Texas Commission on Environmental Quality. At least 31 waste water facilities are inoperable.

The Texas Water Development Board has about half a billion dollars in loan capacity through the Clean Water State Revolving Fund. This fund has historically provided low-interest loans to cities, districts and other water authorities to finance wastewater infrastructure. But its scope was expanded last year to include more stormwater projects, potentially meaning a large portion of it could be distributed for post-Harvey infrastructure proposals.

“There’s a need right now for the interim financing to get communities back online and back serving their customers, and there’s also: ‘How do we prepare for the next disaster?’” Zuba said.

The fund’s large loan capacity could be used for long-term stormwater resiliency projects, Zuba said. This could appeal to cities looking to finance the initial phases of large-scale infrastructure projects and then later rely on federal funding from agencies such as FEMA to continue construction.

Since last August, the TWDB has approved three non-Harvey-related stormwater projects, totaling about $35.5 million. The city of Houston has a $47 million loan application pending to finance stormwater control infrastructure including extensions for flood reduction along Brays Bayou. The city filed this application before Hurricane Harvey hit, and the board expects to review it in October. The TWDB anticipates more applications from Harris County, which includes Houston, as the country’s storm recovery plans solidify.

The TWDB has sought assurance from the EPA that its loan financing would not make water projects ineligible for future federal grants as rebuilding from Harvey continues.

Gov. Greg Abbott also got behind the board's request to get infrastructure funding to communities as quickly as possible. He sent his own letter to EPA chief Scott Pruitt, asking for streamlined loan options.

Zuba said it is hard to speculate how many loans applications the TWDB might receive but that volume is expected to increase and cooperation with the federal government is making the process easier.

"The flexibility that the EPA is willing to work with us is a great achievement," she said.

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by Katie Riordan

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