

# Ask Me Anything! What is Environmental Reporting?

5.7.2025

## Quick recap

The meeting focused on environmental review processes for infrastructure projects, particularly in relation to State Revolving Loan Funds and EPA grants. Ashley discussed the importance of readiness to proceed, environmental reporting requirements, and the consideration of crosscutters in project reviews. The session also covered public notice requirements, challenges in evaluating community capacity, and the significance of cultural and historical resources in project planning, concluding with upcoming training opportunities and resources for participants.

## Summary

### EPA Grant to Environmental Finance Center Network to Support Training

Ashley discussed the Environmental Protection Agency's grant to the Environmental Finance Network Center Network, which supports technical assistance providers. She highlighted her specialization in State Revolving Loan Funds and the importance of environmental reporting when using these funds. Ashley explained the State Revolving Loan Fund's structure, including the revolving nature of the loan program, the need for state matching funds, and the potential for leveraging to support more projects. She emphasized that there are no dumb questions in the SRF world and encouraged participants to ask questions.

### Environmental Reporting for Community Funding

Ashley emphasized the importance of readiness to proceed for community funding, regardless of project type or status. She noted that environmental reporting or determination is a critical component of readiness to proceed. Ashley clarified that while Federal laws allow some projects to skip environmental reviews, State laws may still require them. She also highlighted that different programs have varying requirements for when environmental reports should be conducted. On the DWSRF side, all projects need an environmental report, while on the CWSRF side, technically only treatment works projects require environmental reviews. Ashley also introduced the concept of crosscutters, which are rules that occur in different parts of law and need to be considered when reviewing a project that will be funded with federal dollars.

## State Environmental Review Process Overview

Ashley discusses the environmental review process for infrastructure projects, focusing on state-level implementation of federal requirements. She explains that states can interpret and expand on federal guidelines, creating their own State Environmental Review Procedures (SERPs). The process typically involves either obtaining a Categorical Exclusion (CatEx) for projects with minimal environmental impact or going through a more intensive review for projects with potential significant impacts. Ashley emphasizes the importance of public notice and consultation with federally recognized Indian tribes. She also notes that environmental reviews need to consider both direct and indirect impacts of projects, such as potential development spurred by increased infrastructure capacity. Ashley provides examples of state environmental review documents and tools, highlighting the need for clear guidance and checklists for applicants.

## Environmental Review Process Overview

Ashley discussed the environmental review process, emphasizing that it's not just about the project's footprint but also about potential future unknowns. Ashley also highlighted the importance of public notice in the environmental review process, noting that each state has different methods and requirements. She mentioned that some states require public notices to be posted on websites, while others may require them to be published in newspapers or plan for public hearings.

Ashley provides links to various resources, including the Crosscutter Handbook and information on environmental reviews. She then opens the floor for questions from participants. One question addresses how auditors verify appropriate environmental reports for projects, to which Ashley explains that EPA conducts annual performance reviews, examining project paperwork and state procedures. Another question concerns the expiration of environmental exclusions, and Ashley advises checking state procedures for specific guidelines. She also shares her experience with environmental reviews, highlighting that historic preservation and archaeological resources often cause delays in making determinations due to the need for expert assessments.

## Evaluating Community Capacity for Water Loans

Ashley discussed the challenges of evaluating a community's technical, managerial, and financial capacity for water loan programs. She noted that each state has its own approach, with some requiring a self-evaluation checklist and others conducting a more in-depth review. Ashley emphasized the importance of adequate staffing and fair compensation for community workers. She also highlighted the need for communities to charge appropriate rates to ensure staff are paid adequately.

## Local Historical Group Project Delay

In the meeting, there was a discussion of a project that was thought to be complete but encountered a local historical group that needed to be contacted as part of the environmental review. The group was not aware of the project until it started in a specific part of the city. This slowed down the project as discussions were held with the engineers and the utility company. The State Historic Preservation officer was contacted, and they were informed about the project area and their process. The project was eventually completed, and the State's SOP was updated to ensure that the local group is contacted when a project happens in that town.

## From the Chat:

Q: Can investigation, planning and design projects proceed with Catex?

*A: It depends. If the planning and design project does not include ground disturbances, it may not require an environmental determination yet. However, each state will outline in its SERP (state environmental review procedures) or similar document when and how an environmental review must be conducted. A CatEx is provided to a project that, based on the state's procedures, is categorically exempt from environmental review.*

Q: Can you have a more detailed scope of work for environmental than for what you actually have planned for construction? Just to cover any future unknowns.

*A: Yes. However depending on the timing of construction for the increased scope of work, the environmental determination may not be valid. For example, an SRF program may put a three or five year 'expiration date' on the determination. If the determination was made for a larger area, but the work in that area was delayed, then a new determination may need to be made.*

C: As for waiting until construction or final design: I wish we could. A lot of times... federal grants want to know the determination before they fund the project.

Links to resources mentioned during the session:

- EPA Cross Cutter Handbook: <https://www.epa.gov/sites/default/files/2015-08/documents/crosscutterhandbook.pdf>
- Floodplain Funding Press Release: <https://www.fema.gov/press-release/20250325/fema-eases-floodplain-requirements-federally-funded-projects-reducing-burden>
- Oklahoma's Environmental Information Document : <https://oklahoma.gov/content/dam/ok/en/owrb/documents/financing/forms-and-guidance/funding-agency-coordinating-team/fact-guidelines-for-environmental-information-document.pdf>
- Iowa's Environmental Information Document : <https://www.iowadnr.gov/media/5361/download?inline>
- Vermont's Environmental Information webpage : <https://dec.vermont.gov/water-investment/water-financing/srf/environmental-review>

Q: How do auditors audit that a particular project had the appropriate ER?

*A: I suspect that it will be EPA during their audit of the program who will determine whether an appropriate environmental review was conducted. And even then, EPA will only be reviewing a few projects and will be reviewing to make sure SRF staff followed their own procedures.*

Q: You mentioned something regarding the expiration of exclusions...if my project NEPA CatEx letter does not have "expiration" am I safe to assume there isn't one?

*A: Not necessarily. The SERP is the most likely place where the expiration of a determination is located.*

Q: In funding applications, how much effort goes into reviewing and/or verifying a utility's level of Financial, Managerial, and Technical Capacity (e.g., labor force, communication skills, etc.)? And, what is SRF thinking about when approving funding for communities that have NOT invested in their staffing?

*A: Every state is different, and it depends, truthfully. Some states have rigorous reviews, especially of a borrower's financial capacity. And others simply ask a borrower to complete a short self-evaluation. What happens with that self-evaluation is anybody's guess.*

C: [In response to a discussion about experience with environmental reporting] We had a project that we thought was complete, with regard to overview/review/checkbox... HOWEVER there was a LOCAL historical group that also needed to be contacted and review the project area, and have their process included into the specifications, in the event that something was uncovered/discovered during the excavation process. We have done several projects with this Utility, the Engineering firm was large and local, the Contractor was large and worked in that City for YEARS. All parties involved were blindsided by this group. We were not aware of them until we started a project in "that" part of the City.

C: [In response to a discussion about asset management] Software. We printed a report from software that tracks maintenance, work orders, etc for our SRF. We're a population of ~7,300 and understand the understaffing staffing issue.

C: Replying to "In funding applications, how much effort goes into...": Thank you! This is an important topic for broad discussion with community leaders.

C: As always, GOOD topic and discussion. THANKS!!