



**FY23**

# **ANNUAL IMPACT REPORT**



**UNC**

SCHOOL OF GOVERNMENT

Environmental Finance Center



# A WORD FROM THE DIRECTOR

**Erin Riggs**

**Executive Director**

Greetings! It has been a wild whirlwind of a year at the UNC EFC. We have experienced unbelievable opportunities for new, exciting, and impactful work and have continued building both our internal staff and external partnerships to increase our reach. One of the things from the past year I'm most excited about is that our EFC has led a pilot project on the eastern side of the US, through which we have been able to do community-engaged technical assistance with underserved communities. Specifically, we have been helping to ready the communities for applying for and hopefully receiving water sector infrastructure funding coming out of the Bipartisan Infrastructure Law. In this work, we are partnering with the US Water Alliance and Mississippi State University to develop new processes for technical assistance. For more than a decade, our UNC EFC has provided technical assistance rooted in our financial tools and resources, but in this new work, we are starting with assessing the community

more holistically and creating a customized plan that can help to mitigate immediate harms, while we work on long-term sustainable and resilient infrastructure solutions. This work is humbling, inspiring, and energizing all in one. We are excited to carry what we've learned and created through our pilot work into some of our new EPA-funded work in the coming years.

As I write this, our team currently has 16 full-time staff, who each contribute to this work through their diverse and interdisciplinary backgrounds. We also have ten or so students working hard to support our research! We continue to work hard on many other projects and are working to build out both our website and our other communications materials to share more of what we are doing with a broader audience! Stay tuned and follow us on social media to learn more about our work and impact.

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# ABOUT THE EFC

The Environmental Finance Center is dedicated to enhancing the ability of governments and other organizations to provide environmental programs and services in fair, effective, and financially sustainable ways.

Founded in 1998, the Environmental Finance Center (EFC) at the University of North Carolina at Chapel Hill reaches local communities and state and federal programs by delivering applied training programs and technical assistance, resource and interactive

tool development, and in-depth applied research on best and emerging practices. One of the primary roles of the EFC is increasing the capacity of other organizations to address the financial aspects of environmental protection and service delivery. For this reason and to support the leveraging of resources, the EFC collaboratively does most of its work—partnering with established organizations that have environmental but not necessarily financial expertise.



**6****Dashboards Launched****22****Students Employed****44****Educational Events  
(Presentations, Workshops,  
Webinars, Trainings)****62****Direct Technical  
Assistance Requests  
Completed****126****Hours of Educational  
Content Created****278****Hours of Technical  
Assistance Support****1832****Educational Program  
Participants****24K****New Website Users****51K****Dashboard Sessions**

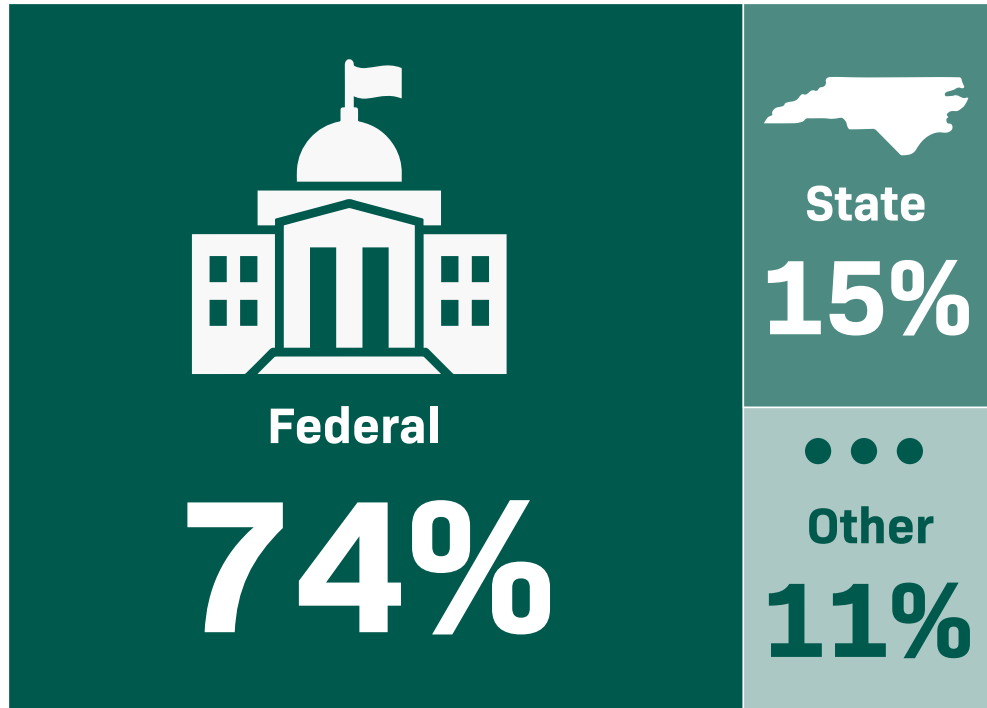


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# FY23 FINANCING

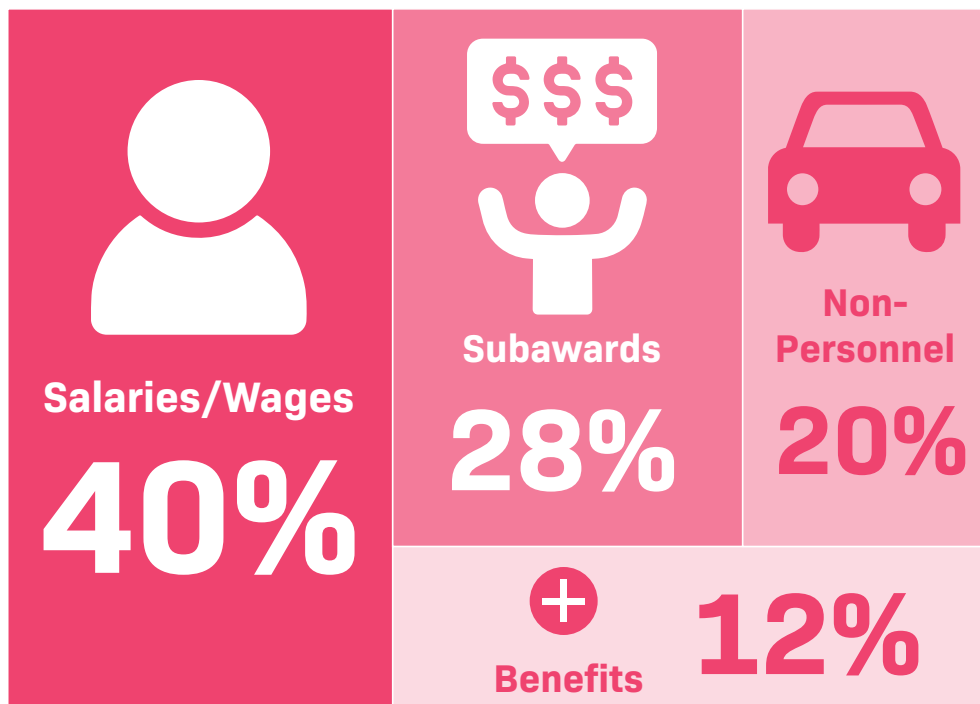
## Revenues

Total: \$2.5M



## Expenses

Total: \$2.47M



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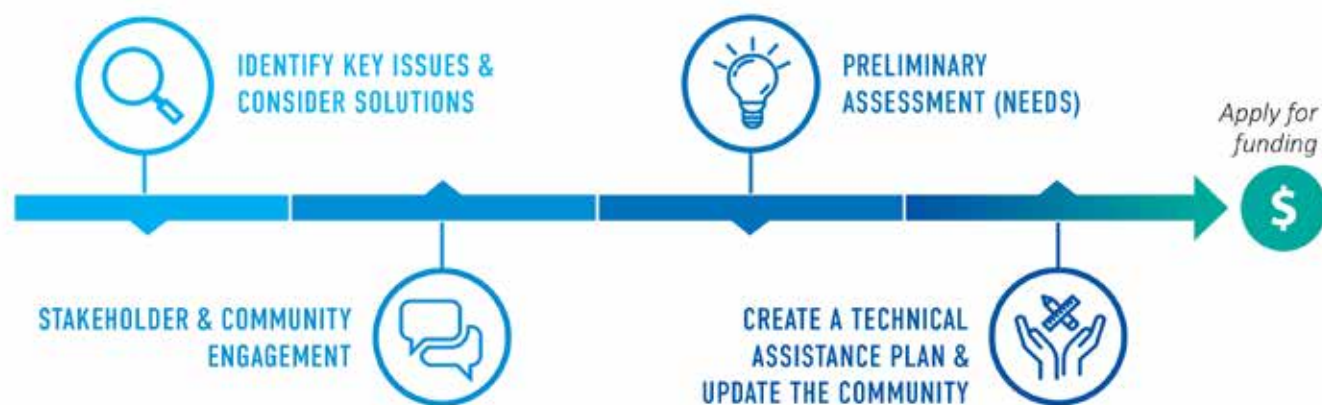
## PROJECT SPOTLIGHT: THE CST PROGRAM

In the summer of 2022, the US EPA funded the UNC EFC to begin work on the Community Solutions Team Pilot Program (CST), covering EPA Regions 1-5. The US EPA created this pilot in response to the historic investment in the country's water infrastructure provided by the Bipartisan Infrastructure Law. These funds primarily flow through the state revolving fund programs (SRF) for drinking and wastewater. The pilot's goal was to provide technical assistance proactively to underserved communities across the country that would move them toward implementing a local infrastructure project using SRF dollars.

The pilot program aimed to provide technical assistance responsive to multiple community needs and, as such, includes technical expertise in engineering and finance and community engagement specialists.

The UNC EFC brought together a collaborative team with Mississippi State University and the US Water Alliance to provide a holistic approach that could address financial, technical, and community water and wastewater infrastructure needs. To begin this work, the project team conducted background research and outreach to communities

### THE CST PROCESS, AT A GLANCE



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across regions 1-5. Once the community agreed to work with the CST program, the team would conduct an initial scoping visit to learn on the ground about the local infrastructure and community needs. Back in the office, the team would work on responding to needs, for example, supporting a community in returning to audit compliance. The UNC EFC utilized its suite of tools to examine local utility finances and assess the capacity to take on the additional debt for an SRF loan and any necessary rate adjustments required to cover that debt service. Once those assessments were complete, the CST project team returned to the communities to directly engage with customers. The goals of these community listening sessions were often two-fold – to communicate to individuals about their local infrastructure's condition and the implications of applying for funding and to hear their concerns about their water services and any proposed changes.

Through this process, the CST team learned that the path to SRF is long for many underserved communities. Whether audit compliance,

identification of projects, affordability of a loan, or alignment of local priorities, these preliminary issues must be addressed by communities before they can apply for funding. Communities need support in the pre-application process as well as in application preparation. The CST team created detailed work plans identifying areas where technical assistance providers could catalyze movement toward SRF applications. In some cases, the CST team will continue to be the primary support in moving communities along that path; however, as regional EFCs pursuing similar work were awarded nationwide in November 2022, the support network is more robust than in the pilot phase. With the CST pilot officially ending in September of 2023, UNC EFC is excited to use the lessons learned to continue supporting communities in accessing funds to improve their infrastructure.

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## Zooming in on the CST Program: Lynchburg, SC

Lynchburg is a community facing a declining population and high poverty levels. Many residents resort to purchasing bottled water for their basic needs due to the brown coloration of the tap water, which discourages them from drinking, cooking, or washing with it. The town faces high water loss, frequent main water line breaks, sewer backups, odor issues, localized flooding, and is operating with insufficient meters. The town has received numerous notices of violations in the past few years, which are becoming increasingly difficult to pay for from their small budget.

Since the UNC EFC began working in Lynchburg, we have conducted two community meetings to identify residents' most significant concerns and

needs. From these conversations and violations, the UNC EFC has supported the town's utility operations to prioritize upgrades to address those needs. Projects completed to date include a system flushing schedule to reduce brown coloration and lagoon upgrades to address violations. We have identified additional immediate needs for the water and wastewater systems and have started strategizing on the most appropriate funding sources. The UNC EFC is also working with the town to understand its financial position and evaluate its rate structure. We have identified potential customers already existing within their geographic extent and will evaluate the possibility of connecting them and consider partnership options to become more financially sustainable.



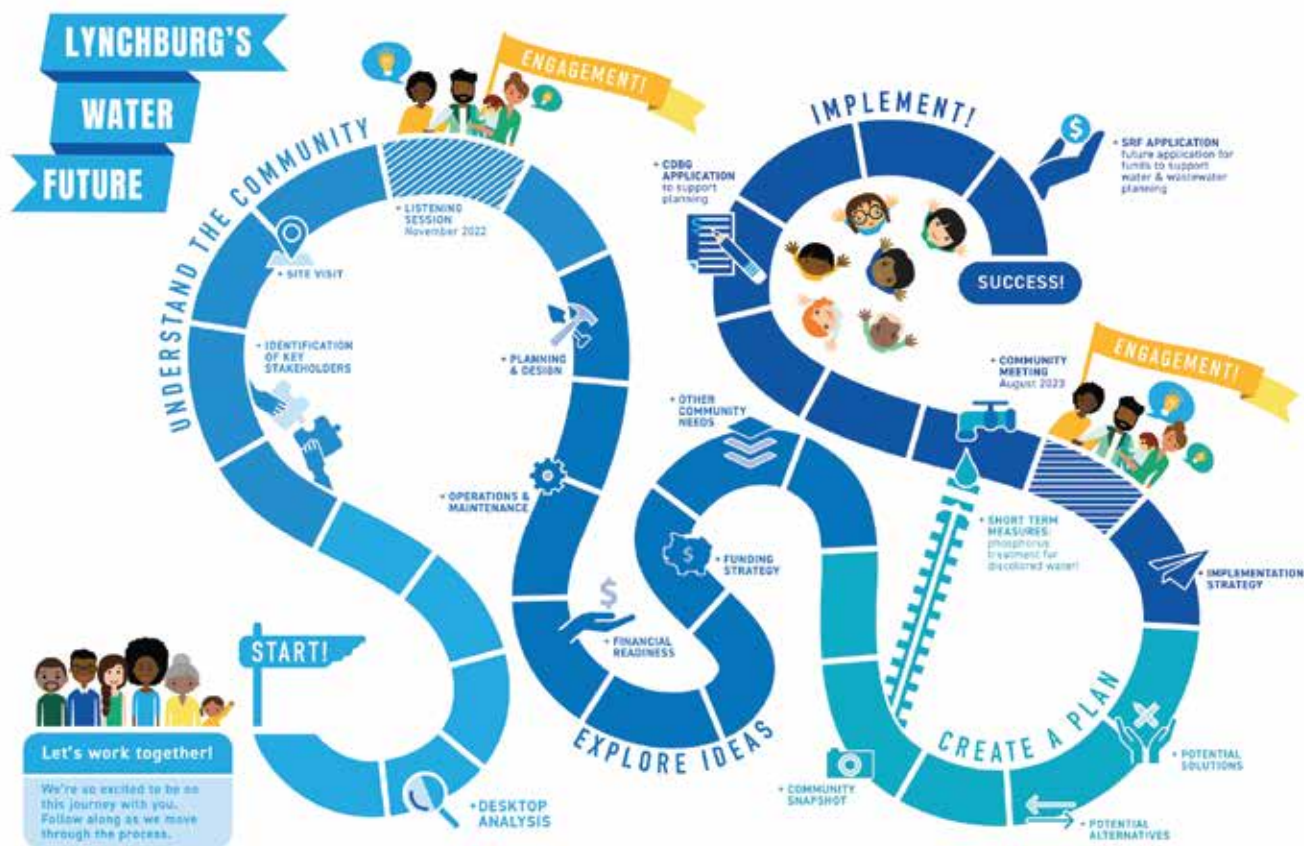


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## Examples of CST resources developed for Lynchburg, SC

### ENGAGEMENT GOALS

- 1 Create a culturally sensitive and inclusive process.
- 2 Involve a wide range of ages, races, ethnicities, and hard-to-reach residents in the process.
- 3 Emphasize multiple benefits that come from investment in infrastructure.
- 4 Establish trust with community and key stakeholders.
- 5 Leverage existing active community organizations and/or members to inspire a new generation of water stewards.
- 6 Educate stakeholders and the community about the value of water and key issues



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# NC: A BETTER STATE

## A Sampling of the UNC EFC's Current NC Projects

### Falls Lake Project

The UNC EFC completed its four-year-long study for the North Carolina Collaboratory researching nutrient management financing in Falls Lake. The UNC EFC's work contributes to a larger study funded by the General Assembly which aims to research nutrient management strategies in Jordan Lake and Falls Lake to inform future relevant legislation. The main goals of the Falls Lake project were to identify current and future funding and management strategies, determine the most financially feasible funding strategy for constituents at Falls Lake, and determine if recommended funding or

management strategies were transferable between watersheds.

### Innovative Highly Treated Wastewater Pilot Program

The NC Policy Collaboratory's Highly Treated Wastewater Pilot Program focuses on supporting local governments in upgrading their wastewater treatment systems to improve the sustainability of these utilities and local environmental quality. The UNC EFC is supporting this work by providing technical and administrative support to the communities involved in the pilot. In the first full fiscal year of the project, the UNC EFC worked on program start-up,

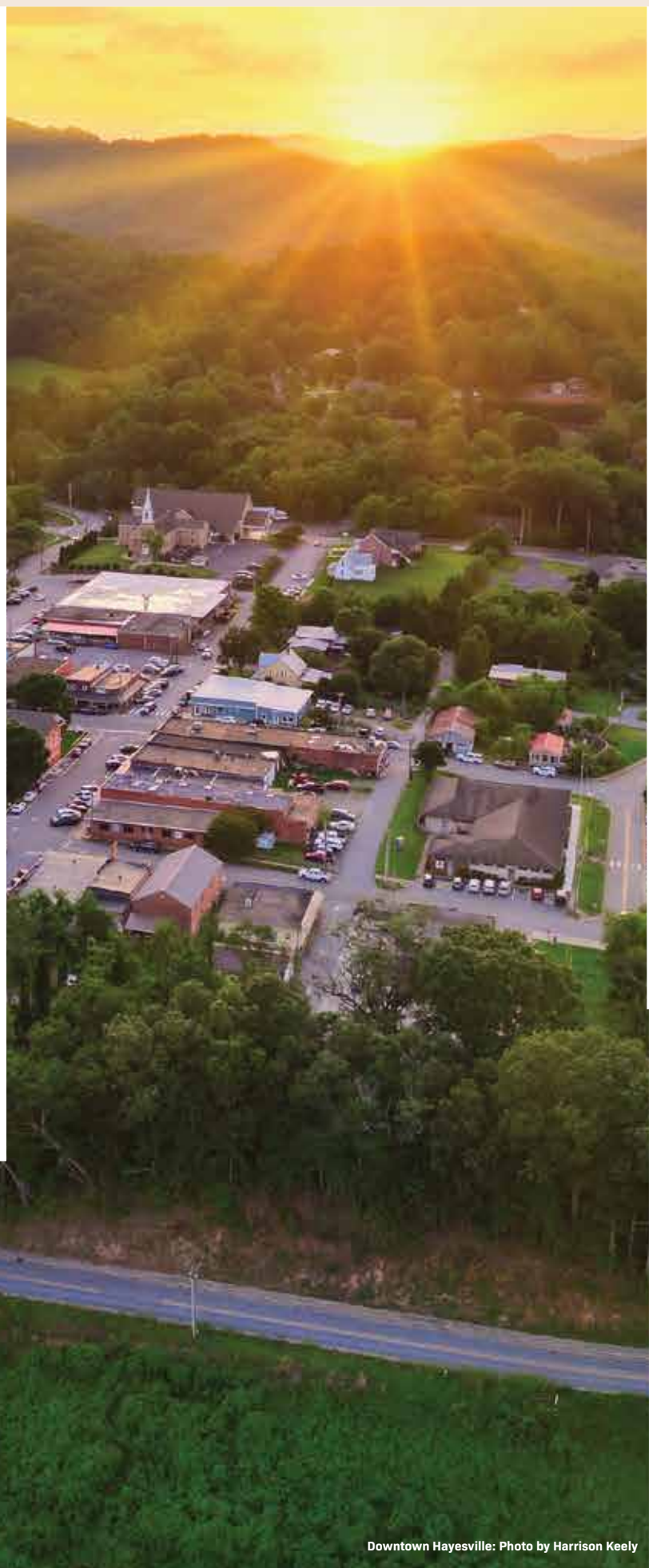


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including the identification of relevant stakeholders, analysis of potential participants, and generation of research questions to drive program success.

### **Decentralized Users Research**

Supported by the NC Policy Collaboratory, the UNC EFC conducted research on decentralized users (people on wells and septic systems) in North Carolina, the challenges they face in receiving safe and affordable water/wastewater services, and ways to support these users. The analysis included evaluating pathways to improved services, both in connecting to a centralized system and sustainably staying decentralized and identification of potential funding avenues for these solutions. This work was done in collaboration with UNC's Center for Public Engagement with Science and the UNC's Environmental Justice Action Research Clinic.





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# UP NEXT: BIL COMMUNITY WORK



Photo by Nathan Anderson on Unsplash

As the CST pilot project sunsets, the UNC EFC's work with communities like Lynchburg will roll into a new project funded by USEPA. Funded under the Bipartisan Infrastructure Law (also known as BIL, the Infrastructure Investment and Jobs Act, or IIJA), this work will build upon the processes established during the CST pilot, aiming to connect communities with BIL funding for clean water and drinking water projects over the next five years. The broader goal is still the same: to build capacity in communities to be technically, managerially, and financially ready to invest in infrastructure improvements that can improve public health, quality of life, and economic outcomes.

Through this project, the UNC EFC will be focusing efforts on communities in EPA Region 4, which includes North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Tennessee, and Kentucky. By building trust and meeting communities where they are, the UNC EFC intends to use this landmark funding to get communities the infrastructure funding they need and improve the long-term sustainability of communities across the southeast, including Lynchburg, SC, as well as a number of new communities.

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