

# Mayors Water Council – What's on Tap for Water Infrastructure?

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# What funds will be available?

Nationwide, over the next 5 years, including:

- \$50 Billion Drinking and Wastewater Infrastructure
- \$5.4 Billion for Superfund Clean-Up and Brownfield Revitalization
- \$5 Billion for Electric and Reduced Carbon Buses
- \$100 Million for Pollution Prevention Grant Program



## Status of FY22 BIL grant awards in Region 9

- BIL has allotted 5 new grant categories per state nationwide.
- In Region 9 EPA has already awarded 65% of FY22 BIL grants
  - 5 in California - \$609 M
  - 5 in Arizona - \$109 M
  - 2 in Hawaii - \$68 M
  - 1 in Nevada - \$72 M
- 33% of nationwide BIL grants have been awarded. States have another year to apply before these funds expire.
- Many states may apply later for other grants, e.g. Emerging Contaminants and Lead Service Line Replacement grants

# **BIL FY 2022 State Revolving Fund (SRF) Estimated BIL Allotments to California**

<b>1. Drinking Water SRF (DWSRF) BIL Supplemental</b>	<b>\$158 M</b>
<b>2. Clean Water SRF (CWSRF) BIL Supplemental</b>	<b>\$128 M</b>
<b>3. DWSRF – Lead Service Line Replacement</b>	<b>\$249 M</b>
<b>4. DWSRF – Emerging Contaminants</b>	<b>\$67 M</b>
<b>5. CWSRF – Emerging Contaminants</b>	<b>\$7 M</b>
<b>FY 2022 CA BIL SRF Total</b>	<b>\$609 M</b>



# Timing for California Water Board to receive \$609 million BIL funds

- Water Board accepts applications at any time and continually adds projects
- 8/24/22– Draft CWSRF & DWSRF Intended Use Plan (IUPs) released for public comment. This explains criteria for eligibility for loans, affordability, priority scoring, definition of disadvantaged communities, projects list, etc.
- 10/3/22 – Water Board voted to approve IUP's
- EPA will release funds within weeks



# What are examples of water projects likely to benefit?

- Construction of publicly-owned treatment facilities.
- Implementation of nonpoint source pollution control management program.
- Development and implementation of an estuary conservation and management plan
- Community water systems, both private and publicly owned.



# SRF Eligible Project Categories

## DW SRF

- Treatment
- Transmission & Distribution
- Storage
- Source
- Consolidation
- Creation of New Systems
- Planning & Design

## CW SRF

- Centralized Wastewater Treatment – POTWs
- Climate Resiliency and Hazard Mitigation
- Energy Conservation and Water Conservation
- Water Reuse
- Decentralized Wastewater Treatment
- Stormwater Management
- Planning/Assessments
- Agricultural Best Management Practices
- Habitat and Ecosystem Restoration and Source Water Protection
- Surface Water Quality
- Groundwater Quality
- Resource Extraction Water Quality
- Landfill Water Quality
- Contaminated Site Remediation



## Justice 40

- The White House goal – 40 percent of the overall benefits of certain Federal investments flow to disadvantaged communities that are marginalized, underserved, and overburdened by pollution.
- EPA is encouraging states to
  - Evaluate and revise, as needed, disadvantaged community definitions, affordability criteria, and priority point systems for ranking projects for funding
  - Provide Technical Assistance to communities with EJ concerns





# Environmental Justice Focus

- BIL expands uses of Additional Subsidy with a Focus on EJ Communities
  - Grants, negative interest, other loan forgiveness, buying, refinancing or restructuring debt
- BIL supplemental requires 49% of funds to be used as principal forgiveness
- BIL allows up to 2% of CWSRF to be used for Technical Assistance for rural, small and tribal publicly owned treatment works



# Apply for these funds through the State of California Water Resources Control Board



**CWSRF** – Financial Assistance Programs – Grants and Loans

[https://www.waterboards.ca.gov/water\\_issues/programs/grants\\_loans/srf/srf\\_forms.html](https://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/srf_forms.html)

**DWSRF** – Forms and Instructions

[https://www.waterboards.ca.gov/drinking\\_water/services/funding/SRFForms.html](https://www.waterboards.ca.gov/drinking_water/services/funding/SRFForms.html)



**Drinking Water State Revolving Fund**

Email: [DrinkingWaterSRF@waterboards.ca.gov](mailto:DrinkingWaterSRF@waterboards.ca.gov)

**Clean Water State Revolving Fund**

E-mail: [CleanWaterSRF@waterboards.ca.gov](mailto:CleanWaterSRF@waterboards.ca.gov)

# Sewer Overflow and Stormwater Reuse Municipal Grants Program

- This new grant program will provide \$7 million to California for critical stormwater infrastructure projects in communities including combined sewer overflows (CSO) and sanitary sewer overflows (SSO).
- Grants will be awarded to states, which will then provide sub-awards to eligible entities for projects that address infrastructure needs for CSOs, SSOs, and stormwater management.



# EPA Resources

- **Bipartisan Infrastructure Law**

<https://www.epa.gov/infrastructure>

- **Buy American, Build America Act**

<https://crsreports.congress.gov/product/pdf/IF/IF11989>

- **Clean School Bus Program**

<https://www.epa.gov/system/files/documents/2021-12/420f21075.pdf>

- **Brownfields Program**

<https://www.epa.gov/brownfields/solicitations-brownfield-grants>

- **Solid Waste Infrastructure, Recycling and Pollution Prevention Program**

<https://www.epa.gov/recyclingstrategy/forms/stay-connected>

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In case of questions

<b>BIL: EPA 2022 SRF Grants to States, Tribes, and Territories by Grant</b>							
	DWSRF General	DWSRF Lead Service Line Replacement	DWSRF Emerging Contaminants	CWSRF General	CWSRF Emerging Contaminants	BIL Total	Emerging Contaminants total
Arizona	\$32,359,000	\$50,986,000	\$13,587,000	\$12,021,000	\$632,000	\$109,585,000	\$14,219,000
California	\$158,733,000	\$250,107,000	\$66,649,000	\$127,290,000	\$6,687,000	\$609,466,000	\$73,336,000
Hawaii	\$17,992,000	\$28,350,000	\$7,555,000	\$13,785,000	\$724,000	\$68,406,000	\$8,279,000
Nevada	\$20,857,000	\$32,864,000	\$8,758,000	\$8,738,000	\$459,000	\$71,676,000	\$9,217,000
American Samoa	\$6,778,000	\$10,680,000	\$2,846,000	\$9,997,000	\$526,000	\$30,827,000	\$3,372,000
Guam	\$6,301,000	\$9,928,000	\$2,646,000	\$7,234,000	\$380,000	\$26,489,000	\$3,026,000
Northern Marianas	\$5,305,000	\$8,359,000	\$2,228,000	\$4,646,000	\$245,000	\$20,783,000	\$2,473,000
Region 9	\$248,325,000	\$391,274,000	\$104,269,000	\$183,711,000	\$9,653,000	\$937,232,000	\$113,922,000



## BIL SRF Funding Details

SRF Funding Program	Total Funding	State Match	Additional Subsidy	Eligible for Additional Subsidy
Clean Water SRF Supplemental	\$11,713,000,000	10% in 2022 & 2023	49%	Assistance recipients that meet the state's affordability criteria or project types as described in section 603(i) of the CWA.
		20% in 2024 - 2026		
Drinking Water SRF Supplemental	\$11,713,000,000	10% in 2022 & 2023	49%	Disadvantaged Communities
		20% in 2024 - 2026		
Clean Water Emerging Contaminants	\$1,000,000,000	0%	100%	No restriction
Drinking Water Emerging Contaminants	\$4,000,000,000	0%	100%	25% for Disadvantaged Communities or Public Water Systems Serving Fewer Than 25,000 Persons
Drinking Water Lead	\$15,000,000,000	0%	49%	Disadvantaged Communities

## Region 9 SRF FY22 Estimated Allotments

BIL State SRF Total	\$859 M
BIL Pacific Island US Territories Total	\$78 M
BIL SRF Tribes Total	\$50 M
BIL SRF Total of Above	\$993 M
FY22 R9 SRF Baseline (estimate)	\$323 M
FY22 R9 SRF Total (BIL + Baseline)	\$1.316 B

# State Revolving Funds

## State and EPA Roles

### □ **EPA Role:**

- Award and manage grants
- Oversee finances and programs
- Review these annually
- Participate in events

### □ **State Role:**

- Manage day-to-day operations
- Develop project priority system based on state priorities (state defines "disadvantaged")
- Set interest rates and long-term plans
- Provide annual performance reports and financial audits



# Drinking Water SRF Set-Asides



Optional for States; managed by States



Trade-off with Loan Funds

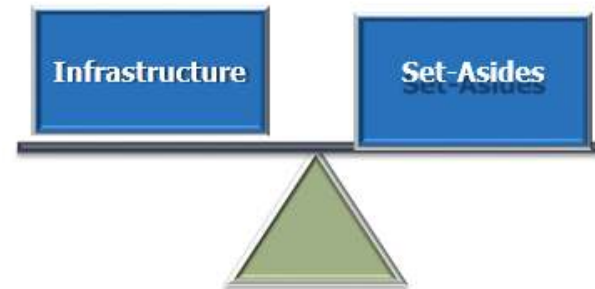


Different Eligibilities than Loans



Unique to Drinking Water SRF

4%	Administration
10%	State Program Management
2%	Small Systems Technical Assistance
15%	Local Assistance & other programs
31%	<b>Total Set-asides Available</b>





# Build America Buy America (BABA)

- New federal requirement expanding domestic sourcing requirements
- Includes construction materials and manufactured goods in addition to the existing American Iron and Steel (AIS) requirements
- EPA Adjustment Period Waiver issued September 2, 2022
  - Project initiated design planning prior to May 14, 2022
  - e.g. Issued RFP, submitted preliminary engineering report, executed SRF agreement that includes design, submitted (incomplete) plans and specs to state authority.
  - If project cannot provide documentation, request opinion from EPA

# Wastewater Construction Grant/PF Eligibility Criteria

Affordability Criteria			Grant/PF Amount	
Type of Community	Wastewater Rates as a % of MHI	Percentage of Total Eligible Project Cost	Maximum Grant/PF Amount Per Project	Maximum Grant/PF Per Residential Connection*
Small Community with MHI $\leq$ 150% Statewide MHI but $>$ 80% Statewide MHI	$\geq 4\%$	50%	N/A	\$45,000** or
Small DAC	N/A	100%		\$125,000**
For septic-to-sewer set-aside projects only: Large DAC or Small Non-DAC	$\geq 1.5\%$	50%	\$25 million	\$75,000
<p>* The Deputy Director of DFA may approve financing for construction projects with a total eligible project cost up to \$6 M regardless of the amount per connection.</p> <p>** Deputy Director of DFA can approve up to \$60,000 or \$175,000, respectively, for good cause</p>				



# FFY 2022 Capitalization Grants

\$ million	Loan	PF	Set-Asides	Total Cap Grant
Base Program	\$44.7	\$33.1	\$5.0	\$82.7
General Supplemental (appropriated by BIL)	\$57.3	\$62.3	\$7.6	\$127.3
<b>“Any Eligible Project” subtotal</b> (FFY 2021 for comparison)	<b>\$102.0</b> (\$67.8)	<b>\$95.4</b> (\$45.2)	<b>\$12.6</b> (\$0)	<b>\$210.0</b> (\$113.0)
Emerging Contaminants (appropriated by BIL)	\$0	\$6.4	\$0.3	\$6.7
<b>Total FFY 2022</b>	<b>\$102.0</b>	<b>\$101.8</b>	<b>\$12.9</b>	<b>\$216.7</b>

## BIL - Financial Outlook

- Appropriated approximately \$850 million over five years to CA's CWSRF For 2 Objectives.
  - General Supplemental Funding for "Any Eligible Project"
    - \$783 million Total – 49% Principal Forgiveness
  - Emerging Contaminants Funding
    - \$67 million Total – 100% PF
- Authorized approximately \$1.5 billion over 5 years for CA's CWSRF Program (i.e., any eligible project)
  - 2022 Capitalization Grant cut due to Congressionally directed spending (\$82 million vs \$113 million)
  - Therefore, anticipated grants may be \$468 million over 5 years (31% of authorized amount)
    - 40% to be awarded as PF

# FFY 2022 Capitalization Grants

\$ million	Loan	PF	Set-Asides	Total Cap Grant
Base Program	\$12.3	\$30.3	\$19.2	\$61.8
General Supplemental (appropriated by BIL)	\$39.7	\$77.8	\$41.3	\$158.7
<b>“Any Eligible Project” subtotal</b> (FFY 2021 for comparison)	<b>\$52.0</b> (\$24.3)	<b>\$108.1</b> (\$47.5)	<b>\$60.5</b> (\$25.2)	<b>\$220.5</b> (\$97.0)
Emerging Contaminants (appropriated by BIL)	\$0	\$49.3	\$17.3	\$66.6
Lead Service Line Replacement (appropriated by BIL)	\$62.5	\$122.6	\$65.0	\$250.1
ASADRA re-allotment	\$3.9	\$1.7	\$0	\$5.6
<b>Total FFY 2022</b>	<b>\$118.5</b>	<b>\$281.6</b>	<b>\$142.8</b>	<b>\$542.9</b>



<b>Project Recipient and Name</b>	<b>Amount</b>
City of Downey for Well Remediation Project	\$1,000,000.00
Earlimart Public Utility District for a sewer relief project.	\$1,284,696.00
Earlimart Public Utility District for a well treatment improvement project.	\$1,756,416.00
City of Lomita for Lomita Water System Improvements Project	\$940,000.00
City of Maywood for Sewer Improvement Project	\$1,000,000.00
City of Oxnard for a Water Transmission Line	\$500,000.00
Eastern Municipal Water District for Mead Valley Water Booster Station Replacement Project	\$1,000,000.00
Pico Rivera Water Authority for PFAS Groundwater Treatment Project	\$2,500,000.00
West Valley Water District for Bloomington Alleyway Pipeline Project	\$2,500,000.00
Eastern Municipal Water District for the Quail Valley septic to sewer conversion	\$2,500,000.00

Pico Rivera Water Authority for PFAS Groundwater Treatment Project	\$2,500,000.00
West Valley Water District for Bloomington Alleyway Pipeline Project	\$2,500,000.00
Eastern Municipal Water District for the Quail Valley septic to sewer conversion project.	\$2,500,000.00
Western Municipal Water District for Western Water Recycling Facility PFAS Treatment and Prevention Project	\$3,000,000.00
The San Bernardino County Department of Public Works for the Desert Knolls Wash Phase III construction channel project.	\$1,932,000.00
Santa Ynez Band of Chumash Indians for Waste Water Treatment Plant improvements	\$112,340.00
City of Thousand Oaks for a Water Reuse Project	\$1,500,000.00
City of Torrance for Torrance Airport Storm Water Basin Project	\$938,000.00
City of San Buenaventura (Ventura Water) for a State Water Interconnection Project	\$2,840,000.00
The City of Yucaipa for the Wilson III basin project	\$1,000,000.00

The City of Twentynine Palms for a wastewater treatment facility phase II project.	\$663,224.00
Coachella Valley Water District for Water Transmission Project	\$2,700,000.00
South Coast Water District for Doheny Desalination Slant Well Project	\$2,400,000.00
Elsinore Valley Municipal Water District for the Canyon Lake Water Treatment Plant improvement project.	\$780,000.00
City of Banning for Wastewater Treatment and Groundwater Protection Project	\$1,250,000.00
City of Poway for Clearwell Bypass System Project	\$1,000,000.00