State Revolving Fund (SRF) and Bipartisan Infrastructure Law (BIL)

Listening Session 2: Implementation

Jason B. Cooper, CGFM
Administrative Services Officer
Nevada Division of Environmental Protection

j.cooper@ndep.nv.gov
775-687-9531

As of March 17, 2022
Please remain muted

**Video users:**
Please raise your hand

**Phone users:**
Please send questions to:

ndep-ofa@ndep.nv.gov
Agenda

• NDEP Requirements to receive funding
• Base programs
• DWSRF Emerging Contaminants
• CWSRF Emerging Contaminants
• DWSRF Lead Service Lines
• Next steps
• Questions?
Nevada Requirements to receive Funding

• **Must** have enough overall projects to demonstrate need
  • The grants are **not** automatically given to Nevada.
  • Demonstrated through the Priority List
    • Not all projects on the priority list are ready to proceed for **NEW** money
    • Cost estimates from an engineer—based on a practical assessment

• **Must** have enough projects that meet special requirements
  • Disadvantaged / meets affordability
  • Green Project Reserve
  • Small Systems

• Application timelines
  • Must apply within two years or funds will be swept
  • Must commit loans within one year of receiving funds
  • Must attempt to spend funds within two years of commitment
Drinking Water Capitalization Grant
($10,000,000)

Small Systems <10,000 population
(15%) or $1,500,000

Loans to Water Systems
(74% or $7,400,000)

Additional Subsidy
(26% or $2,600,000)

Clean Water Capitalization Grant
($10,000,000)

Green Project Reserve
(10% or 1,000,000)

Loans to Water Systems
(60% to 80%) $6,000,000 to $8,000,000

Additional Subsidy
(20% to 40%) $2,000,000 to $4,000,000
Congress and EPA Goals

• Expand disadvantaged community assistance
• Address emerging contaminants
• Get lead out of the drinking water systems
• Increase resiliency to all threats (natural or manmade)
• Ensure projects are following Civil Rights requirements
• Increase a pipeline of projects within states
• Improve the flow of funds to projects
OFA Goals

• All the Congressional and EPA goals

• Ensure Nevada receives its fair share of federal funding
  • Keep the grants flowing to Nevada

• Expand the definitions of disadvantaged community and system affordability

• Improve outreach, training, and resources for project performance, initiation, and closeout

• Streamline the application process for funding

• Ensure technical, managerial and financial capacity for water and wastewater systems

• Ensure as many systems receive funding as possible
National Program Requirements

• National Environmental Policy Act (NEPA)
• Historic Preservation Act (SHPO)
• Davis-Bacon Wage Act
• American Iron and Steel **AND** Build America, Buy America (BABA)
• Disadvantaged Business Enterprise
• Procurement Requirements
• Cost-benefit analysis and value engineering
• Signage
• Civil Rights
• Other federal crosscutters (other federal rules)
Disadvantaged / Affordability

EPA expects states to review, refine, and improve their definition.

• EPA accepts including a large community as disadvantaged as long as the project being funded is addressing a sub-set of the service area that meets affordability criteria.

• Affordability—not size of community
  • Income statistics, unemployment data, population trends, operational cost exceeding 2% of household income, central systems failing
Questions?

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ndeponfa@ndepon.gov
## State Revolving Loan Fund

<table>
<thead>
<tr>
<th>Drinking Water (DWSRF)</th>
<th>Clean Water (CWSRF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Public Water Systems</td>
<td>• Public Municipalities</td>
</tr>
<tr>
<td>• Publicly owned</td>
<td>• jurisdiction over disposal of sewage, industrial wastes or other wastes</td>
</tr>
<tr>
<td>• Privately owned</td>
<td>• Interstate agencies</td>
</tr>
<tr>
<td>• Non-profit</td>
<td>• Native American Tribes</td>
</tr>
<tr>
<td>• (tax exempt) noncommunity water systems</td>
<td></td>
</tr>
<tr>
<td>• Native American Tribes</td>
<td></td>
</tr>
</tbody>
</table>

If your entity is not on this list, you may still be able to receive help.
State Revolving Loan Fund

**Drinking Water (DWSRF)**
- Drinking Water Treatment
- Transmission
- Distribution
  - Purple pipe distribution included
  - Lead service line replacement
- Storage
- Source
  - Closing abandoned wells
  - Alternative supply
  - Riverbank filtration
- Security
- Meters
- Backup power / redundancy
- Consolidation
- Refinancing expensive debt
- Planning and design

**Clean Water (CWSRF)**
- Wastewater Treatment
- Storm water management
- Habitat Restoration & Protection
- Re-forestation
- Landfills
- Agriculture Management
- Groundwater protection
- Surface Water protection
- Storm Water Management
- Conservation (energy / water)
- Consolidation
- Refinancing expensive debt
- Planning and design
# State Revolving Loan Fund

## Base Programs

### Drinking Water (DWSRF)
- **$1,126,088,000**—Same as FFY21
  - Less $397,766,044—Earmarks
  - **35% reduction** from FFY21
- **Additional Subsidy of 26%**
  - 12% to systems defined as disadvantaged
  - 14% to eligible systems as identified by the state
- **Nevada’s Estimated total grant**
  - $8,288,800 to $12,752,000

### Clean Water (CWSRF)
- **$1,638,826,000**—Same as FFY21
  - Less $443,639,051 —Earmarks
  - **27% reduction** from FFY21
- **Additional Subsidy of 20%**
  - 10% to systems that meet the state affordability criteria
  - 10% to eligible systems as identified by the state
- **Nevada’s Estimated total grant**
  - $5,678,670 to $7,779,000

*Values are estimates subject to change*
State Revolving Loan Fund
BIL Supplemental Funding

For Base Program Activities

**Drinking Water (DWSRF)**
- Nevada FFY 2022
  - $20,857,000
- Additional Subsidy of 49%—must be distributed to a disadvantaged community
  - $10,219,930
- Loans: $10,637,070
- Small Systems: $3,128,550

**Clean Water (CWSRF)**
- Nevada FFY 2022
  - $8,738,000
- Additional Subsidy of 49%—must be distributed to an entity meeting affordability criteria
  - $4,281,620
- Loans: $4,456,380
- Green Projects: $873,800
State Revolving Loan Fund
Normal Program Funding in Year 1
For Base Program Activities

Drinking Water (DWSRF)

Nevada
- $29,145,800 in grants
- $87,507,912 in funds
- $116,653,712 Total funds
- Interest rates below municipal AA market rates (1.53% as of March 4, 2022)
- Up to 20-year terms

Additional Subsidy
- Disadvantaged Communities
  - Up to $11,214,586
  - MHI < 80% of state MHI
- Eligible Recipients
  - $1,160,432
  - PER’s and loan incentives

Technical Assistance
- Up to $4,954,786
- Operator training, manuals, system mapping, rate setting, project preparation

As of March 11, 2022 (estimates only)
## State Revolving Loan Fund
### Normal Program Funding in Year 1

<table>
<thead>
<tr>
<th>Clean Water (CWSRF)</th>
<th>Additional Subsidy</th>
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<tbody>
<tr>
<td><strong>Nevada</strong></td>
<td></td>
</tr>
<tr>
<td>$14,416,670 in grants</td>
<td><strong>Affordability Criteria</strong></td>
</tr>
<tr>
<td>$79,078,285 in funds</td>
<td>• Up to $4,849,487</td>
</tr>
<tr>
<td>$93,494,955 Total funds</td>
<td>• In the Intended Use Plan</td>
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<td><strong>Eligible Recipients</strong></td>
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<td></td>
<td>• $567,867</td>
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<tr>
<td></td>
<td>• PER’s and loan incentives</td>
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<td></td>
<td><strong>Technical Assistance</strong></td>
</tr>
<tr>
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<td>• Up to $288,333</td>
</tr>
<tr>
<td></td>
<td>• Operator training, manuals, system mapping, rate setting, project preparation</td>
</tr>
</tbody>
</table>

- Already in discussion for $80 million loan
- Interest rates below municipal AA market rates (1.53% as of March 4, 2022)
- Up to 20-year terms but some funds available at 30-year terms

As of March 11, 2022 (estimates only)
Questions?

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ndep-ofa@ndep.nv.gov
10-minute break
DWSRF Emerging Contaminants

- **Projects eligible for Funding**
  - Must be an eligible DWSRF Project
  - Primary Purpose to address an emerging contaminant in drinking water
  - Primary focus on PFAS contaminants
    - Polyfluoroalkyl
    - Perfluoroalkyl
  - Projects that address any contaminant listed on any of EPA’s Contaminant Candidate Lists (CCL) 1-5.
    - Pesticides
    - Disinfection byproducts
    - Pharmaceuticals
    - Biological toxins
    - Waterborne pathogens
    - Other microbial
    - Other Chemical

- **Technical Assistance Projects**
  - Assistance in applying for funding, diagnose problems, training, pilot testing, monitoring

### Federal Year | Nevada amount
| 2022   | $8,758,000 |
| 2023   | $8,758,000 |
| 2024   | $8,758,000 |
| 2025   | $8,758,000 |
| 2026   | $8,758,000 |

100% of these funds are available as principal forgiveness

25% must go to a disadvantaged community or a system that serves less than 25,000 residents
CWSRF Emerging Contaminants

• **Projects eligible for Funding**
  • Must be an eligible CWSRF Project
  • Primary Purpose to address an emerging contaminants
  • Primary focus on PFAS contaminants
    • Polyfluoroalkyl
    • Perfluoroalkyl
  • Other Projects addressing:
    • Persistent organic pollutants (POPs)
    • Pesticides
    • Disinfection byproducts
    • Pharmaceuticals
    • Biological toxins
    • Endocrine-disrupting chemicals
    • Other microbial
    • Other Chemical

• **Technical Assistance Projects**
  • Assistance in applying for funding, diagnose problems, training, pilot testing, monitoring

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<thead>
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<th>Federal Year</th>
<th>Nevada amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>$459,000</td>
</tr>
<tr>
<td>2023</td>
<td>$1,032,750</td>
</tr>
<tr>
<td>2024</td>
<td>$1,032,750</td>
</tr>
<tr>
<td>2025</td>
<td>$1,032,750</td>
</tr>
<tr>
<td>2026</td>
<td>$1,032,750</td>
</tr>
</tbody>
</table>

100% of these funds are available as principal forgiveness.
Identify these projects on the pre-application

In the Nevada Infrastructure Financial System (NIFS) Pre-application, Page 1:

- Documentation will be required to be attached to the Pre-application that demonstrates this need and project.

- A portion of a project can be for emerging contaminants and other needs. This must be spelled out in the pre-application for fund tracking purposes.
Questions?

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DWSRF Lead Service Lines

• **Projects eligible for Funding**
  • Must be an eligible DWSRF Project
  • Primary Purpose to address lead in the service line
  • Complete removal of the entire line (public and privately owned portion)
  • Removal of lead or galvanized goosenecks, pigtails, and connectors.
  • Replacement of curb stops, curb stop boxes, and other service line appurtenances
  • Site restoration: landscaping, sidewalks, driveways, if the removal was necessary to replace the lead service line.
  • Temporary pitcher filters or P.O.U. devices

• **Technical Assistance Projects**
  • Assistance in applying for funding, diagnose problems, training, inventories, mapping

<table>
<thead>
<tr>
<th>Federal Year</th>
<th>Nevada amount</th>
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<tr>
<td>2022</td>
<td>$32,864,000</td>
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<tr>
<td>2023</td>
<td>$28,350,000</td>
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<tr>
<td>2024</td>
<td>$28,350,000</td>
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<tr>
<td>2025</td>
<td>$28,350,000</td>
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<tr>
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49% of these funds are available as principal forgiveness to disadvantaged communities.

Special loan terms are being evaluated for this funding opportunity, including 0% interest.
Identify these projects on the pre-application

In the Nevada Infrastructure Financial System (NIFS) Pre-application, Page 1:

- Documentation will be required to be attached to the Pre-application that demonstrates this need and project.

- A portion of a project can be for lead service line replacement and other needs. This must be spelled out in the pre-application for fund tracking purposes.
Questions?

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## Milestones completed

<table>
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<tr>
<th>For NDEP</th>
<th>For Utilities and consultants</th>
</tr>
</thead>
</table>
| • Listening Sessions  
  • BIL Session 1  
  • BIL Session 2  
  • Drinking Water Regulation Changes  
  • Project checklists posted  
  • Website updates  
  • page 1 complete  
  • Introduction to the Nevada Infrastructure Financial System (NIFS) and pre-applications | • Participate in Listening Sessions  
• Evaluate projects readiness-to-proceed  
• Submit pre-applications by **May 11, 2022**! |
# Next Steps

## For NDEP
- More Listening Sessions and outreach
  - Additional Guidance
  - BABA
- Website Changes
  - Resources page
  - Technical Assistance updates
- Finalization of the Priority Lists
- Apply for Grants
- NIFS
  - Letter of Intents
  - Loan Applications
  - Project support

## For Utilities
- Talk to your citizens and governing boards about needs
- Evaluate projects readiness-to-proceed
  - Work with engineering firms to prepare cost estimates and timelines
  - Review the project checklists
- Complete a pre-application in NIFS for as many projects as you can
Questions?

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Please send questions to:

ndep-ofa@ndep.nv.gov
DWSRF and CWSRF website:
https://ndep.nv.gov/water/financing-infrastructure/state-revolving-fund-loans

Join our mailing list:
https://ndep.nv.gov/water/financing-infrastructure

Questions:
ndep-ofa@ndep.nv.gov

Jason B. Cooper, CGFM
Administrative Services Officer
Nevada Division of Environmental Protection

j.cooper@ndep.nv.gov
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